

## 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 Company's and consolidated financial statements for the 1st quarter of the year 2008 are 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:

Company's and consolidated financial statements for the 1st quarter of 2008.

President



Darius Šulnis

Chief financier



Raimondas Rajeckas

# AB INVALIDA

CONSOLIDATED AND PARENT COMPANY'S CONDENSED NOT-AUDITED FINANCIAL  
STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2008 PREPARED ACCORDING TO  
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN  
UNION

**AB INVALIDA**

**CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(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 Šulinis

### **Management**

Mr. Darius Šulinis (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  
Akcinė bendrovė 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 30 May 2008.



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Mr. Darius Šulinis  
President



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Mr. Raimondas Rajeckas  
Chief financial officer

**AB INVALIDA****CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(all amounts are in LTL thousand unless otherwise stated)

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

		Group		Company	
		I Quarter 2008	I Quarter 2007	I Quarter 2008	I Quarter 2007
Revenue					
Furniture production revenue		34,502	38,697	-	-
Rent and other real estate income		8,060	8,944	-	-
Financial mediation revenue		2,797	8,820	-	-
Other production and services revenue		4,314	3,032	-	-
<b>Total revenue</b>		<b>49,673</b>	<b>59,493</b>	<b>-</b>	<b>-</b>
Other income	9.1	49,869	8,577	67,065	147
Valuation gains		128	6,996	-	-
Valuation losses		-	-	-	-
Changes in inventories of finished goods and work in progress		593	495	-	-
Raw materials and consumables used		(25,263)	(25,178)	(14)	-
Salaries and related expenses		(15,658)	(14,726)	(478)	(407)
Depreciation and amortisation		(2,713)	(2,923)	(38)	(39)
Subcontractor expenses		(84)	(1,996)	-	-
Premises rent and utilities		(4,827)	(2,317)	(92)	(92)
Fees for securities		(1,161)	(648)	(35)	(18)
Vehicles maintenance costs		(934)	(670)	(46)	(13)
Other taxes		(895)	(916)	(43)	(30)
Advertising and other promotion expenses		(812)	(912)	(3)	(3)
Repair and maintenance of premises		(1,043)	(1,400)	-	(1)
Loss on sales of shares		-	(1,655)	-	-
Other operating expenses		(4,140)	(3,373)	(90)	(120)
Finance income	9.3	2,388	2,286	10,047	15,975
Finance expenses	9.2	(11,146)	(7,347)	(6,928)	(1,358)
Share of profit from associates and joint ventures		(2,355)	3,481	-	-
<b>Profit before tax</b>		<b>31,620</b>	<b>17,267</b>	<b>69,345</b>	<b>14,041</b>
Income tax expense	7	(1,403)	(4,205)	(658)	-
<b>Profit for year from continuing operations</b>		<b>30,217</b>	<b>13,062</b>	<b>68,687</b>	<b>14,041</b>
<b>Discontinued operation</b>					
<b>Profit/(Loss) after tax for the year from a discontinued operation</b>		(494)	(159)	-	-
<b>PROFIT FOR THE YEAR</b>		<b>29,723</b>	<b>12,903</b>	<b>68,687</b>	<b>14,041</b>
Attributable to:					
Equity holders of the parent		30,494	9,992	-	-
Minority interest		(771)	2,911	-	-
Basic and diluted earnings per share (in LTL)		0.72	0.22	-	-

## Consolidated and parent Company's balance sheets

	Group		Company	
	As of 31 March 2008	As of 31 December 2007	As of 31 March 2008	As of 31 December 2007
	unaudited	audited	Unaudited	audited
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment				
Hotels	-	-	-	-
Other property, plant and equipment	80,518	80,424	401	535
Total property, plant and equipment	80,518	80,424	401	535
Investment properties	405,152	402,933	-	-
Intangible assets	22,897	23,546	9	10
Non-current financial assets				
Investments into subsidiaries	8	-	167,763	163,991
Investments into associates and joint ventures	8	305,930	216,352	216,350
Other non-current investments		6,037	1,821	1,821
Granted loans		21,149	26,284	21,961
Total non-current financial assets		333,116	412,220	404,123
Other non-current assets		2,848	-	-
Deferred tax asset		1,212	744	708
<b>Total non-current assets</b>		<b>845,743</b>	<b>413,374</b>	<b>405,376</b>
<b>Current assets</b>				
Inventories		67,324	119,950	-
Trade and other receivables		47,172	27,365	14,827
Short term loans granted		77,873	77,977	106,467
Prepaid income tax		2,022	3,678	206
Prepayments and other current assets		21,610	22,040	4,140
Financial assets held for trade		21,946	24,206	-
Cash and cash equivalents	5	17,941	4,248	27
<b>Total current assets</b>		<b>255,888</b>	<b>279,464</b>	<b>125,667</b>
<b>Non-current assets and assets of disposal group classified as held for sale</b>		<b>-</b>	<b>87,669</b>	<b>0</b>
<b>Total assets</b>		<b>1,101,631</b>	<b>1,204,527</b>	<b>539,041</b>
				<b>525,520</b>

(cont'd on the next page)

**AB INVALIDA****CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(all amounts are in LTL thousand unless otherwise stated)

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

	Group		Company	
	As of 31 March 2008	As of 31 December 2007	As of 31 March 2008	As of 31 December 2007
	unaudited	audited	unaudited	Audited
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital	42,569	42,569	42,569	42,569
Share premium	50,588	50,588	50,588	50,588
Reserves	41,548	41,852	39,001	39,001
Retained earnings	199,055	136,131	115,840	47,153
Translation reserve	(182)	(73)	-	-
Reserves of disposal group classified as held-for-sale	-	28,077	-	-
	<b>333,578</b>	<b>299,144</b>	<b>247,998</b>	<b>179,311</b>
<b>Minority interest</b>	<b>6,027</b>	<b>6,056</b>	-	-
<b>Total equity</b>	<b>339,605</b>	<b>305,200</b>	<b>247,998</b>	<b>179,311</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Non-current borrowings	10 265,391	270,395	60,193	78,589
Financial lease liabilities	302	230	-	-
Government grants	28	31	-	-
Provisions	136	136	-	-
Deferred tax liability	33,341	35,356	-	-
Other non-current liabilities	1,280	1,280	-	-
<b>Total non-current liabilities</b>	<b>300,478</b>	<b>307,428</b>	<b>60,193</b>	<b>78,589</b>
<b>Current liabilities</b>				
Current portion of non-current borrowings	10 71,217	134,830	-	1,350
Current portion of financial lease liabilities	5,742	6,102	-	-
Current borrowings	10 253,441	186,821	150,961	144,244
Trade payables	25,023	26,159	678	890
Income tax payable	6,169	4,729	-	-
Advances received	6,031	47,400	1,233	1,233
Other current liabilities	93,925	130,690	77,978	119,903
<b>Total current liabilities</b>	<b>461,548</b>	<b>536,731</b>	<b>230,850</b>	<b>267,620</b>
Non-current liabilities and liabilities of disposal group directly associated with the assets classified as held-for-sale	-	55,168	-	-
<b>Total liabilities</b>	<b>762,026</b>	<b>899,327</b>	<b>291,043</b>	<b>346,209</b>
<b>Total equity and liabilities</b>	<b>1,101,631</b>	<b>1,204,527</b>	<b>539,041</b>	<b>525,520</b>

*(the end)*

**AB INVALIDA****CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(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							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	-	-	-	(3,432)	-	-	-	(3,432)	-	(3,432)
Income (expenses) recognised directly in equity	-	-	-	-	-	-	(886)	(886)	-	(886)
<b>Total income and expenses for the year recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,432)</b>	<b>-</b>	<b>-</b>	<b>(886)</b>	<b>(4,318)</b>	<b>-</b>	<b>(4,318)</b>
Profit for the I Quarter of 2007	-	-	-	-	-	-	9,992	9,992	2,911	12,903
<b>Total income and expenses for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,432)</b>	<b>-</b>	<b>-</b>	<b>9,106</b>	<b>5,674</b>	<b>2,911</b>	<b>8,585</b>
Minority of subsidiaries acquired	-	-	-	-	-	-	(100)	(100)	2,509	2,409
Revaluation reserve release	-	-	(134)	-	-	-	145	11	-	11
Change in reserves	-	-	-	-	36	(22)	(36)	(22)	-	(22)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(30)	(30)
<b>Balance as of 31 March 2007</b>	<b>45,008</b>	<b>50,588</b>	<b>18,257</b>	<b>-</b>	<b>6,896</b>	<b>(70)</b>	<b>212,975</b>	<b>333,654</b>	<b>45,797</b>	<b>379,451</b>

**AB INVALIDA****CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(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	Discontinued operations	Fair value reserves	Legal and other reserves	Translation reserve	Retained earnings			
<b>Balance as of 31 December 2007</b>	<b>42,569</b>	<b>50,588</b>	<b>28,077</b>	<b>552</b>	<b>41,300</b>	<b>(73)</b>	<b>136,131</b>	<b>299,144</b>	<b>6,056</b>	<b>305,200</b>
Net gain (loss) on available-for-sale investments	-	-	-	(304)	-	-	-	(304)	-	(304)
Income (expenses) recognised directly in equity	-	-	-	-	-	-	4,473	4,473	-	4,473
<b>Total income and expenses for the year recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(304)</b>	<b>-</b>	<b>-</b>	<b>4,473</b>	<b>4,169</b>	<b>-</b>	<b>4,169</b>
Profit for the I Quarter of 2008	-	-	-	-	-	-	30,494	30,494	(771)	29,723
<b>Total income and expenses for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(304)</b>	<b>-</b>	<b>-</b>	<b>34,967</b>	<b>34,663</b>	<b>(771)</b>	<b>33,892</b>
Investments into subsidiaries	-	-	-	-	-	-	-	-	850	850
Minority of subsidiaries acquired	-	-	-	-	-	-	(120)	(120)	(63)	(183)
Sales of subsidiaries	-	-	(28,077)	-	-	-	28,077	-	(45)	(45)
Foreign currency translation	-	-	-	-	-	(109)	-	(109)	-	(109)
<b>Balance as of 31 March 2008</b>	<b>42,569</b>	<b>50,588</b>	<b>-</b>	<b>248</b>	<b>41,300</b>	<b>(182)</b>	<b>199,055</b>	<b>333,578</b>	<b>6,027</b>	<b>339,605</b>



**AB INVALIDA****CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(all amounts are in LTL thousand unless otherwise stated)

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

<b>Company</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Legal reserve</b>	<b>Reserve of purchase of own shares</b>	<b>Retained earnings</b>	<b>Total</b>
<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 I Quarter of 2007	-	-	-	-	14,041	14,041
<b>Total income and expenses for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,041</b>	<b>14,041</b>
<b>Balance as of 31 March 2007</b>	<b>45,008</b>	<b>50,588</b>	<b>3,068</b>	<b>-</b>	<b>61,716</b>	<b>160,380</b>

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<b>Company</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Legal reserve</b>	<b>Reserve of purchase of own shares</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance as of 31 December 2007</b>	<b>42,569</b>	<b>50,588</b>	<b>4,501</b>	<b>34,500</b>	<b>47,153</b>	<b>179,311</b>
Net profit for the I Quarter of 2008	-	-	-	-	68,687	68,687
<b>Total income and expenses for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,687</b>	<b>68,687</b>
<b>Balance as of 31 March 2008</b>	<b>42,569</b>	<b>50,588</b>	<b>4,501</b>	<b>34,500</b>	<b>115,840</b>	<b>247,998</b>

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**AB INVALIDA****CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(all amounts are in LTL thousand unless otherwise stated)

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

	<b>Group</b>		<b>Company</b>	
	<b>I Quarter 2008</b>	<b>I Quarter 2007</b>	<b>I Quarter 2008</b>	<b>I Quarter 2007</b>
<b>Cash flows from (to) operating activities</b>				
Net profit	29,723	12,903	68,687	14,041
<b>Adjustments for non-cash items:</b>				
Valuation gain, net	(128)	(6,996)	-	-
Depreciation and amortization	2,713	3,377	38	39
(Gain) on disposal of property, plant and equipment	-	(273)	(21)	-
(Gain) on disposal of investments	(35,483)	(6,145)	(67,043)	(145)
Share of net profits of associates and joint ventures	2,355	(3,481)	-	-
Interest (income)	(2,574)	(1,408)	(3,010)	(903)
Interest expenses	10,979	5,226	6,923	1,353
Deferred taxes	(2,403)	2,021	(36)	-
Current income tax expenses	3,806	2,256	694	-
Allowance for receivables	-	-	-	-
Allowance for inventories	-	-	-	-
Change in provisions	-	-	-	-
Dividend (income)	-	-	(7,000)	(15,065)
Loss (gain) from other financial activities	-	1,560	(32)	(2)
	<b>8,988</b>	<b>9,040</b>	<b>(800)</b>	<b>(683)</b>
<b>Changes in working capital:</b>				
(Increase) decrease in inventories	52,626	113	-	-
Decrease (increase) in trade and other receivables	(23,994)	(4,595)	6	-
Decrease in other current assets	430	(17,768)	2	(6)
(Decrease) increase in trade payables	(1,136)	3,150	127	(269)
Income tax paid	(710)	(362)	-	-
(Decrease) increase in other current liabilities	(41,407)	3,015	(44,886)	27
<b>Net cash flows (to) from operating activities</b>	<b>(5,203)</b>	<b>(7,407)</b>	<b>(44,751)</b>	<b>(930)</b>

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**AB INVALIDA****CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(all amounts are in LTL thousand unless otherwise stated)

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

	Group		Company	
	I Quarter 2008	I Quarter 2007	I Quarter 2008	I Quarter 2007
<b>Cash flows from (to) investing activities</b>				
(Acquisition) of tangible non-current assets (except investment properties)	(2,158)	(11,896)	(20)	(17)
Proceeds from sale of tangible non-current assets (except investment properties)	-	204	138	-
(Acquisition) of investment properties	(2,091)	(23,786)	-	-
Proceeds of sale of investment properties	-	1,137	-	-
(Acquisition) of subsidiaries, net of cash acquired	-	-	-	-
Proceeds from sales of subsidiaries	40,697	-	42,553	-
(Acquisition) of associates	(2)	-	(2)	(16,443)
Proceeds from sales of associates	-	230	-	230
Loans (granted)	(31,303)	(3,334)	(27,002)	(10,512)
Repayment of granted loans	32,352	-	24,046	1,133
Dividends received	-	-	-	13,940
Interest received	1,629	1,408	330	45
(Acquisition) of minority interest	(183)	(160)	(4,484)	(1,632)
Other cash flow from investing activities	578	-	-	(49)
<b>Net cash flows (to) investing activities</b>	<b>39,519</b>	<b>(36,197)</b>	<b>35,559</b>	<b>(13,305)</b>
<b>Cash flows from (to) financing activities</b>				
Cash flows related to company shareholders				
Issue of shares	-	-	-	-
Dividends (paid)	-	-	(40)	-
Dividends to minority	-	(30)	-	-
	-	(30)	(40)	-
Cash flows related to other sources of financing				
Proceeds from loans	196,366	60,321	86,364	27,038
Issue of bonds	-	-	-	-
(Repayment) of loans	(208,415)	(32,154)	(73,805)	(11,795)
Interest (paid)	(10,979)	(5,226)	(2,525)	(768)
Financial lease (payments)	(288)	(267)	-	-
Other cash flows from financing activities	835	21,987	(5)	2
	(22,481)	44,661	10,029	14,477
<b>Net cash flows from financial activities</b>	<b>(22,481)</b>	<b>44,631</b>	<b>9,989</b>	<b>14,477</b>
<b>Impact of currency exchange on cash and cash equivalents</b>				
	-	-	-	-
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>11,835</b>	<b>1,027</b>	<b>(3)</b>	<b>242</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6,106</b>	<b>9,161</b>	<b>30</b>	<b>82</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>17,941</b>	<b>10,188</b>	<b>27</b>	<b>324</b>

(the end)

## AB INVALIDA

### CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008

(all amounts are in LTL thousand unless otherwise stated)

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## 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.

Company's activity strategy is concentrated to asset management and private and investment banking area. The goal of the group – successful activity developing, orienting to steady long term growth and assuring high long term financial return to the shareholders. Asset management activity currently concentrates into finance, real estate, pharmacy, furniture manufacturing and roads and bridges construction sectors.

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

### 2 Basis of preparation and accounting policies

#### Basis of preparation

The interim condensed financial statements for the three months ended 31 March 2008 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 2007.

#### 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 2007.

### 3 Seasonality of operations

Road and bridge building business give lower revenue and operational profit in the 1<sup>st</sup> quarter in contrast to the 2<sup>nd</sup> and the 3<sup>rd</sup> quarters. 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.

### 4 Segment information

The operating business are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

For management purposes, the Group is organised into following segments:

#### *Real estate*

The real estate segment is involved in investment in real estate, real estate management and administration, facility management, contraction management, intermediation in buying, selling and rating real estate.

**AB INVALIDA**

**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(all amounts are in LTL thousand unless otherwise stated)

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*Financial mediation*

The financial mediation segment is involved in financial brokerage, corporate finance services, investment and pension fund management.

*Pharmacy*

The pharmacy segment produces injections preparations, tablets, ointments.

*Furniture production*

The furniture segment includes furniture design, production and sale.

*Hotels management*

The hotels management segment renders room revenue, restaurant revenue, conference facilities revenue. The segment was sold in 2008 and in these financial statements it is presented as discontinued operations.

*Roads and bridge construction*

The roads and bridge construction segment is involved in building bridges and high quality highway construction.

*Other production and service segments*

The other production and service segment is involved in designing water management objects, agricultural investment, hardware articles production, information technology solution services and other.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in consolidation.

**AB INVALIDA****CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(all amounts are in LTL thousand unless otherwise stated)

The following table present revenues and profit information regarding the Group's business segments for the 3 months ended 31 March 2008:

Year ended 31 March 2008	Continuing operations							Total	Discontinued operation	Total operations
	Real estate	Financial mediation	Phar- macy	Furniture production	Roads and bridge construction	Other production and service	Elimina- tion and other		Hotels mana- gement	
<b>Revenue</b>										
Sales to external customers	8,060	2,797	-	34,502	-	4,314	-	49,673	1,533	51,206
Inter-segment sales	655	35	-	171	-	454	(1,315)	-	-	-
<b>Total revenue</b>	<b>8,715</b>	<b>2,832</b>	<b>-</b>	<b>34,673</b>	<b>-</b>	<b>4,768</b>	<b>(1,315)</b>	<b>49,673</b>	<b>1,533</b>	<b>51,206</b>
<b>Results</b>										
Other income	13,946	2,493	-	567	-	5,746	29,633	52,385	17	52,402
Segment expenses	14,049	10,077	-	36,176	-	4,804	-	65,106	2,044	67,150
Unallocated expenses	-	-	-	-	-	-	2,977	2,977	-	2,977
Operating profit (loss)	8,612	(4,752)	-	(936)	-	5,710	25,341	33,975	(494)	33,481
Share of profit (loss) of the associates and joint ventures	1,073	-	4,411	(1,186)	(6,016)	(637)	-	(2,355)	-	(2,355)
Profit (loss) before income tax	9,685	(4,752)	4,411	(2,122)	(6,016)	5,073	25,341	31,620	(494)	31,126
Income tax expenses	1,502	(651)	-	14	-	25	513	1,403	-	1,403
<b>Net profit for the year</b>	<b>8,183</b>	<b>(4,101)</b>	<b>4,411</b>	<b>(2,136)</b>	<b>(6,016)</b>	<b>5,048</b>	<b>24,828</b>	<b>30,217</b>	<b>(494)</b>	<b>29,723</b>
Attributable to:										
Equity holders of the parent	(172)	(9)	-	(582)	-	(8)	-	(771)	-	-
Minority interest	8,355	(4,092)	4,411	(1,554)	(6,016)	5,056	24,828	30,988	(494)	30,494

Gain of sale of AB Hidroprojektas shares is shown in "Other income" of other production and service segment. Gain of sale of AB Valmeda shares is shown in "Other income" in Elimination and other column.

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(all amounts are in LTL thousand unless otherwise stated)

The following table present revenues and profit information regarding the Group's business segments for the 3 months ended 31 March 2007:

Year ended 31 March 2007	Continuing operations							Discontinued operation		Total operations
	Real estate	Financial mediation	Pharmacy	Furniture production	Roads and bridge construction	Other production and service	Elimination and other	Total	Hotels management	
<b>Revenue</b>										
Sales to external customers	8,944	8,820	-	38,697	-	3,032	-	59,493	2,579	62,072
Inter-segment sales	465	16	-	-	-	1	(482)	-	-	-
<b>Total revenue</b>	<b>9,409</b>	<b>8,836</b>	<b>-</b>	<b>38,697</b>	<b>-</b>	<b>3,033</b>	<b>(482)</b>	<b>59,493</b>	<b>2,579</b>	<b>62,072</b>
<b>Results</b>										
Other income	7,620	10,466	-	504	-	6	(737)	17,859	38	17,897
Segment expenses	11,900	7,676	-	39,830	-	2,066	-	61,472	2,704	64,176
Unallocated expenses	-	-	-	-	-	-	2,094	2,094	-	2,094
Operating profit (loss)	5,129	11,626	-	(629)	-	973	(3,313)	13,786	(87)	13,699
Share of profit (loss) of the associates and joint ventures	(435)	-	2,194	46	(3,699)	5,375	-	3,481	-	3,481
Profit (loss) before income tax	4,694	11,626	2,194	(583)	(3,699)	6,348	(3,313)	17,267	(87)	17,180
Income tax expenses	1,555	1,917	-	38	-	936	(241)	4,205	72	4,277
<b>Net profit for the year</b>	<b>3,139</b>	<b>9,709</b>	<b>2,194</b>	<b>(621)</b>	<b>(3,699)</b>	<b>5,412</b>	<b>(3,072)</b>	<b>13,062</b>	<b>(159)</b>	<b>12,903</b>
Attributable to:										
Equity holders of the parent	2,916	-	-	(29)	-	24	-	2,911	-	2,911
Minority interest	223	9,709	2,194	(592)	(3,699)	5,388	(3,072)	10,151	(159)	9,992

**5 Cash and cash equivalents**

	Group		Company	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Cash at bank	421	4,170	27	30
Cash in hand	17,520	78	-	-
	<b>17,941</b>	<b>4,248</b>	<b>27</b>	<b>30</b>

**6 Dividends**

The General Meeting of shareholders of 30 March 2008 allocated LTL 12,771 thousand for dividends, i.e. LTL 0.30 per one share (these dividends are not included as liabilities in the balance of 31 March 2008). In 2007, LTL 11,252 thousand were allocated, i.e. LTL 0.25 per one share.

**AB INVALIDA****CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(all amounts are in LTL thousand unless otherwise stated)

**7 Income tax**

	Group		Company	
	I Quarter 2008	I Quarter 2007	I Quarter 2008	I Quarter 2007
<b>Components of income tax expense</b>				
Current income tax charge	(3,806)	(2,256)	(694)	-
Deferred income tax income (expense)	2,403	(2,021)	36	-
Income tax (expenses) income charged to the income statement	(1,403)	(4,205)	(658)	-

**8 Investment into subsidiaries and associates****Acquisitions of 2008**

During the I quarter 2008 The Group invested LTL 3,600 thousand additionally to increased share capital of UAB Positor.

The Group acquired 0.25 % of shares of *Vilniaus Baldai* AB for LTL 183 thousand additionally. The value of the additional interest acquired was LTL 63 thousand. The negative difference equal to LTL 120 thousand between the consideration and the value of the interest acquired has been recognised directly to the shareholders equity.

**Sales in 2008**

On 4 January 2008 the Company has signed a contract regarding sale of 100% of AB Valmeda shares with Triangle Group (UK). AB Valmeda manages hotels Holiday Inn Vilnius and Ecotel Vilnius. The deal was closed and ownership of AB Valmeda was transferred to the buyer on 13 March 2008. The Group and the Company have earned profit of LTL 31,025 thousand and LTL 60,693 thousand, respectively, for this transaction.

On 10 January 2008, the Company completed the sale of UAB Hidroprojektas shares. 97.99% of UAB Hidroprojektas shares were sold to SWECO BKG LSPI for LTL 8,600 thousand. The Group and the Company have earned profit of LTL 5,695 thousand and LTL 6,326 thousand, respectively, for this transaction.

**9 Other revenues and expenses****9.1. Other revenues**

	Group		Company	
	I Quarter 2008	I Quarter 2007	I Quarter 2008	I Quarter 2007
Gain on sale of securities	35,483	7,800	67,043	145
Gain on sale of investment properties	(3)	269	-	-
Gain on sale of apartments	11,670	-	-	-
Other	2,716	508	22	2
	<u>49,166</u>	<u>8,577</u>	<u>67,065</u>	<u>147</u>



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(all amounts are in LTL thousand unless otherwise stated)

**9.2. Finance expenses**

	<b>Group</b>		<b>Company</b>	
	<b>I Quarter 2008</b>	<b>I Quarter 2007</b>	<b>I Quarter 2008</b>	<b>I Quarter 2007</b>
Interest expenses	(10,979)	(4,908)	(6,923)	(1,353)
Foreign currency exchange loss	-	(499)	-	-
Other finance expenses	(167)	(1,940)	(5)	(5)
	<u>(11,146)</u>	<u>(7,347)</u>	<u>(6,928)</u>	<u>(1,358)</u>

**9.3. Finance income**

	<b>Group</b>		<b>Company</b>	
	<b>I Quarter 2008</b>	<b>I Quarter 2007</b>	<b>I Quarter 2008</b>	<b>I Quarter 2007</b>
Interest income	2,574	1,407	3,010	903
Foreign currency exchange gain	(217)	605	37	7
Dividend income	-	-	7,000	15,065
Other finance income	31	274	-	-
	<u>2,388</u>	<u>2,286</u>	<u>10,047</u>	<u>15,975</u>

**10 Borrowings**

Within the 1<sup>st</sup> quarter of 2008, the Group took LTL 97,547 thousand as loans from banks and refunded LTL 127,219 thousand to banks (during the 1<sup>st</sup> quarter of 2007 respectively – LTL 60,321 thousand, LTL 32,154 thousand). Borrowings from banks according repurchase agreements are included here.

**11 Related party transactions**

The Company's transactions with related parties in the 1<sup>st</sup> Quarter of 2008 and related quarter-end balances were as follows:

<b>I Quarter 2008 Company</b>	<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>
Loans and borrowings	2.801	1.093	46.580	124.347
Rent and utilities	-	80	105	-
Dividends	-	-	-	7.000
Prepayments for the share capital increase	-	-	-	4.086
Fees for securities	-	7	-	-
Payables for share capital in subsidiaries in Ukraine	-	-	524	-
Other	-	9	20	-
	<u>2.801</u>	<u>1.189</u>	<u>47.229</u>	<u>135.433</u>
Liabilities to shareholders	-	-	75,891	-

**AB INVALDA****CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(all amounts are in LTL thousand unless otherwise stated)

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

<b>I Quarter 2007 Company</b>	<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>
Loans and borrowings	884	624	41.656	56.460
Rent and utilities	-	75	59	-
Dividends	-	-	-	1.124
Fees for securities	-	4	-	-
Payables for share capital in subsidiaries in Ukraine	-	-	179	-
Shares transactions	-	-	-	378
Other	1	23	31	-
	<u>885</u>	<u>726</u>	<u>41.925</u>	<u>57.962</u>

The Group's transactions with related parties in the 1<sup>st</sup> Quarter of 2008 and related quarter-end balances were as follows:

<b>I Quarter 2008 Group</b>	<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>
Loans and borrowings	672	351	18.512	37.903
Rent and utilities	105	77	-	-
Other real estate income	141	-	-	-
Roads and bridges construction segment	60	-	-	69
Raw materials purchased by AB Vilniaus balgai from UAB „Girių bizonas“	256	5.371	2.098	-
Other	267	28	87	198
	<u>1.501</u>	<u>5.827</u>	<u>20.697</u>	<u>38.170</u>
Liabilities to shareholders	-	-	75,891	-

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

<b>I Quarter 2007 Group</b>	<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>
Loans and borrowings	456	10	690	30.902
Rent and utilities	117	172	-	32
Other real estate income	42	-	-	-
Apartments construction by UAB Laikinosios sostines projektai	36	-	-	1.033
Roads and bridges construction segment	46	104	-	144
Shares transactions	-	-	-	378
Raw materials purchased by AB Vilniaus balgai from UAB „Girių bizonas“	-	1.995	698	-
Other	67	21	19	111
	<u>764</u>	<u>2.303</u>	<u>1.407</u>	<u>32.600</u>

**AB INVALIDA****CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

(all amounts are in LTL thousand unless otherwise stated)

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**11 Subsequent events**The Company

On 30 April 2008, ordinary general shareholders meeting took place. Retained earnings for the year 2007 were distributed:

<b>Distributable profit</b>	<b>47,153</b>
Profit distribution:	
From legal reserves	(244)
To own shares reserves	34,626
Dividends	12,771
<b>Retained earnings (deficit) after distribution</b>	<b>-</b>

The Group

On 15th of May 2008, the Board of the Bank of Lithuania passed the decision to issue the bank license to AB Bankas Finasta.

100% shares of AB Bankas Finasta is owned by AB Invalda subsidiary AB Finasta Imonių Finansai.