

AB INVALIDA

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

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008 PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN
UNION

AB INVALDA

CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008
(all amounts are in LTL thousand unless otherwise stated)

GENERAL INFORMATION

Board of Directors

Mr. Vytautas Bučas (chairman of the Board)
Mr. Darius Šulnis
Mr. Dalius Kaziūnas

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
Akcinė bendrovė Šiaulių bankas
AB SEB Vilniaus bankas
AB bankas „Hansabankas“
AB Danske Bankas

The financial statements were approved and signed by the Management and the Board of Directors on 28 November 2008.



Mr. Darius Šulnis
President



Mr. Raimondas Rajeckas
Chief financial officer

Consolidated and parent Company's income statements

	Group		Company	
	Nine months of 2008	Nine months of 2007	Nine months of 2008	Nine months of 2007
Revenue				
Furniture production revenue	114,085	128,672	-	-
Sales of apartments	88,999		-	-
Rent and other real estate income	26,241	26,155	-	-
Financial mediation revenue	9,794	29,566	-	-
Other production and services revenue	18,182	8,439		
Hotel revenue	-	-	-	-
Total revenue	257,301	192,832	-	-
Other income	9.1	40,244	21,987	87,310
Valuation gains		7,842	9,715	-
Valuation losses		-	-	-
Changes in inventories of finished goods and work in progress		(279)	(655)	-
Raw materials and consumables used		(88,079)	(81,434)	(37)
Salaries and related expenses		(48,378)	(48,676)	(1,652)
Depreciation and amortization		(8,352)	(8,849)	(114)
Subcontractor expenses		(3,850)	(4,556)	-
Premises rent and utilities		(12,779)	(10,329)	(295)
Fees for securities		(4,527)	(2,213)	(100)
Vehicles maintenance costs		(3,211)	(2,294)	(171)
Other taxes		(3,031)	(2,508)	(160)
Advertising and other promotion expenses		(2,496)	(3,978)	(38)
Repair and maintenance of premises		(3,789)	(1,374)	(1)
Cost of sales of apartments		(71,268)	-	-
Other operating expenses		(10,749)	(9,924)	(1,415)
Finance income	9.3	12,655	8,976	30,754
Finance expenses	9.2	(36,968)	(22,303)	(20,294)
Share of profit from associates and joint ventures		23,357	18,558	-
Profit before tax		43,643	52,975	93,787
Income tax expense	7	(1,625)	(7,805)	(2,635)
Profit for year from continuing operations		42,018	45,170	91,152
Discontinued operation				
Profit/(Loss) after tax for the year from a discontinued operation		(494)	2,086	-
PROFIT FOR THE PERIOD		41,524	47,256	91,152
Attributable to:				
Equity holders of the parent		43,390	40,316	-
Minority interest		(1,866)	6,940	-
Basic and diluted earnings per share (in LTL)		1.02	0.90	

AB INVALIDA**CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008**

(all amounts are in LTL thousand unless otherwise stated)

Consolidated and parent Company's income statements

	Group		Company	
	III Quarter 2008	III Quarter 2007	III Quarter 2008	III Quarter 2007
Revenue				
Furniture production revenue	41,726	43,961	-	-
Sales of apartments	2,626	-	-	-
Rent and other real estate income	9,414	8,083	-	-
Financial mediation revenue	3,931	8,872	-	-
Other production and services revenue	7,696	3,449	-	-
Hotel revenue			-	-
Total revenue	65,393	64,365	-	-
Other income	(9,320)	13,173	(4,902)	6
Valuation gains	7,623	2,529	-	-
Valuation losses	-	-	-	-
Changes in inventories of finished goods and work in progress	1,478	778	-	-
Raw materials and consumables used	(36,604)	(27,584)	(3)	(10)
Salaries and related expenses	(15,747)	(16,907)	(677)	(383)
Depreciation and amortization	(2,861)	(2,829)	(39)	(40)
Subcontractor expenses	(1,999)	(1,070)	-	-
Premises rent and utilities	(4,396)	(3,721)	(98)	(92)
Fees for securities	(1,102)	(793)	(31)	(15)
Vehicles maintenance costs	(1,153)	(675)	(53)	(39)
Other taxes	(1,077)	(709)	(43)	(34)
Advertising and other promotion expenses	(792)	(2,236)	(6)	(20)
Repair and maintenance of premises	(1,721)	(674)	(1)	(2)
Cost of sales of apartments	(2,091)	-	-	-
Other operating expenses	(2,202)	(1,264)	(86)	1,999
Finance income	2,347	3,973	3,910	2,301
Finance expenses	(13,444)	(8,341)	(6,551)	(1,656)
Share of profit from associates and joint ventures	13,153	7,319	-	-
Profit before tax	(4,515)	25,334	(8,580)	2,015
Income tax expense	1,270	(1,217)	1,280	-
Profit for year from continuing operations	(3,245)	24,117	(7,300)	2,015
Discontinued operation				
Profit/(Loss) after tax for the year from a discontinued operation	-	1,129	-	-
PROFIT FOR THE PERIOD	(3,245)	25,246	(7,300)	2,015
Attributable to:				
Equity holders of the parent	(2,854)	21,071	-	-
Minority interest	(391)	4,175	-	-
Basic and diluted earnings per share (in LTL)	(0.07)	0.47		

Consolidated and parent Company's balance sheets

	Group		Company	
	As of 30 September 2008	As of 31 December 2007	As of 30 September 2008	As of 31 December 2007
	Unaudited	audited	Unaudited	audited
ASSETS				
Non-current assets				
Property, plant and equipment				
Hotels	-	-	-	-
Other property, plant and equipment	83,080	80,424	381	535
Total property, plant and equipment	83,080	80,424	381	535
Investment properties	414,129	402,933	-	-
Intangible assets	24,123	23,546	6	10
Non-current financial assets				
Investments into subsidiaries	8	-	182,959	163,991
Investments into associates and joint ventures	8	327,513	221,496	216,350
Other non-current investments		7,930	1,821	1,821
Granted loans		24,070	29,431	21,961
Total non-current financial assets		359,513	435,707	404,123
Other non-current assets		3,007	-	-
Deferred tax asset		2,558	-	708
Total non-current assets		886,410	436,094	405,376
Current assets				
Inventories		55,879	-	-
Trade and other receivables		42,676	9,180	239
Short term loans granted		64,628	149,443	108,754
Prepaid income tax		3,002	900	900
Prepayments and other current assets		6,097	105	142
Financial assets at fair value through profit or loss		45,910	20,420	-
Cash and cash equivalents	5	24,126	631	30
Total current assets		242,318	180,679	110,065
Non-current assets and assets of disposal group classified as held for sale		-	-	10,079
Total assets		1,128,728	616,773	525,520

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

	Group		Company	
	As of 30 September 2008	As of 31 December 2007	As of 30 September 2008	As of 31 December 2007
	Unaudited	audited	Unaudited	Audited
EQUITY AND LIABILITIES				
Equity				
Equity attributable to equity holders of the parent				
Share capital	42,569	42,569	42,569	42,569
Share premium	50,588	50,588	50,588	50,588
Reserves	75,153	41,852	73,383	39,001
Retained earnings	171,732	136,131	91,152	47,153
Translation reserve	(28)	(73)	-	-
Reserves of disposal group classified as held-for-sale	-	28,077	-	-
	340,014	299,144	257,692	179,311
Minority interest	4,196	6,056	-	-
Total equity	344,210	305,200	257,692	179,311
Liabilities				
Non-current liabilities				
Non-current borrowings	270,998	270,395	60,193	78,589
Financial lease liabilities	341	230	-	-
Government grants	22	31	-	-
Provisions	129	136	-	-
Deferred tax liability	35,037	35,356	1,926	-
Other non-current liabilities	1,356	1,280	-	-
Total non-current liabilities	307,883	307,428	62,119	78,589
Current liabilities				
Current portion of non-current borrowings	77,650	134,830	49,275	1,350
Current portion of financial lease liabilities	118	6,102	-	-
Current borrowings	328,126	186,821	243,086	144,244
Trade payables	30,037	26,159	1,894	890
Income tax payable	4,315	4,729	-	-
Advances received	17,541	47,400	-	1,233
Other current liabilities	18,848	130,690	2,707	119,903
Total current liabilities	476,635	536,731	296,962	267,620
Non-current liabilities and liabilities of disposal group directly associated with the assets classified as held-for-sale	-	55,168	-	-
Total liabilities	784,518	899,327	359,081	346,209
Total equity and liabilities	1,128,728	1,204,527	616,773	525,520

(the end)

AB INVALIDA**CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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			
Balance as of 31 December 2006	45,008	50,588	18,391	3,432	6,860	(48)	203,860	328,091	40,407	368,498
Net gain (loss) on available-for-sale investments	-	-	-	(3,018)	-	-	-	(3,018)	-	(3,018)
Income (expenses) recognised directly in equity	-	-	-	-	-	-	(38,744)	(38,744)	-	(38,744)
Total income and expenses for the year recognised directly in equity	-	-	-	(3,018)	-	-	(38,744)	(41,762)	-	(41,762)
Profit for the nine months ended 30 september of the year 2007	-	-	-	-	-	-	40,316	40,316	6,940	47,256
Total income and expenses for the year	-	-	-	(3,018)	-	-	1,572	(1,446)	6,940	5,494
Minority of subsidiaries acquired	-	-	-	-	-	-	(69,131)	(69,131)	(12,679)	(81,810)
Changes in share capital after the merger	(2,439)	-	-	-	-	-	-	(2,439)	-	(2,439)
Revaluation reserve release	-	-	(369)	-	-	-	434	65	-	65
Change in reserves	-	-	-	-	34,684	(122)	(34,684)	(122)	-	(122)
Equity dividends	-	-	-	-	-	-	(11,252)	(11,252)	-	(11,252)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(30,954)	(30,954)
Balance as of 30 September 2007	42,569	50,588	18,022	414	41,544	(170)	90,799	243,766	3,714	247,480

AB INVALIDA

CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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									Minority interest	Total equity
	Share capital	Share premium	Discontinued operations	Fair value reserves	Legal and other reserves	Translation reserve	Retained earnings	Total			
Balance as of 31 December 2007	42,569	50,588	28,077	552	41,300	(73)	136,131	299,144	6,056	305,200	
Net gain (loss) on available-for-sale investments	-	-	-	(1,296)	-	-	-	(1,296)	-	(1,296)	
Income (expenses) recognised directly in equity	-	-	-	-	-	-	12,737	12,737	-	12,737	
Total income and expenses for the year recognised directly in equity	-	-	-	(1,296)	-	-	12,737	11,441	-	11,441	
Profit for the Nine months 2008	-	-	-	-	-	-	43,390	43,390	(1,866)	41,524	
Total income and expenses for the year	-	-	-	(1,296)	-	-	56,127	54,831	(1,866)	52,965	
Dividends paid	-	-	-	-	-	-	(12,771)	(12,771)	-	(12,771)	
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(229)	(229)	
Investments into subsidiaries	-	-	-	-	-	-	-	-	850	850	
Changes in reserves	-	-	-	-	34,597	-	34,597	-	-	-	
Minority of subsidiaries acquired	-	-	-	-	-	-	(1,275)	(1,275)	(570)	(1,845)	
Discontinued operation	-	-	(28,077)	-	-	(40)	28,117	-	(45)	(45)	
Foreign currency translation	-	-	-	-	-	85	-	85	-	85	
Balance as of 30 September 2008	42,569	50,588	-	(744)	75,897	(28)	171,732	340,014	4,196	344,210	

AB INVALIDA

CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

(all amounts are in LTL thousand unless otherwise stated)

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

Company	Share capital	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings	Total
Balance as of 31 December 2006	45,008	50,588	3,068	-	47,675	146,339
Net profit for the nine months of the year 2007	-	-	-	-	83,781	83,781
Total income and expenses for the year	-	-	-	-	83,781	83,781
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)	-
Changes in share capital after the merger	(2,439)	-	-	-	-	(2,439)
Loss from annulled own shares acquired during the merger	-	-	-	-	(40,141)	(40,141)
Balance as of 30 September 2007	42,569	50,588	39,001	-	44,130	176,288

Company	Share capital	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings	Total
Balance as of 31 December 2007	42,569	50,588	4,501	34,500	47,153	179,311
Net profit for the 9 months of the year 2008	-	-	-	-	91,152	91,152
Total income and expenses for the year	-	-	-	-	91,152	91,152
Changes in reserves	-	-	(244)	34,626	(34,382)	-
Dividends paid	-	-	-	-	(12,771)	(12,771)
Balance as of 30 September 2008	42,569	50,588	4,257	69,126	91,152	257,692

AB INVALIDA**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008**

(all amounts are in LTL thousand unless otherwise stated)

Consolidated and parent Company's cash flow statements

	Group		Company	
	Nine months of 2008	Nine months of 2007	Nine months of 2008	Nine months of 2007
Cash flows from (to) operating activities				
Net profit	41,524	47,256	91,152	83,781
Adjustments for non-cash items:				
Valuation gain, net	(7,842)	(9,715)	-	-
Depreciation and amortization	8,352	10,144	113	118
(Gain) on disposal of property, plant and equipment	(453)	(14,004)	(21)	-
(Gain) on disposal of investments	(37,766)	(6,834)	(67,217)	6,292
Share of net profits of associates and joint ventures	(23,357)	(18,558)	-	-
Interest (income)	(7,333)	(5,908)	(10,234)	(5,087)
Interest expenses	35,227	19,766	20,238	4,382
Deferred taxes	(2,034)	1,786	2,634	-
Current income tax expenses	3,659	6,272	-	-
Allowance for receivables	-	-	-	1,200
Allowance for inventories	-	-	-	-
Change in provisions	(6)	(3)	-	-
Dividend (income)	-	(143)	(20,478)	(92,877)
Loss (gain) from other financial activities	-	723	(20,063)	(6)
	9,971	30,782	(3,876)	(2,197)
Changes in working capital:				
(Increase) decrease in inventories	64,071	1,691	-	-
Decrease (increase) in trade and other receivables	(14,427)	(28,560)	37	(3)
Decrease in other current assets	15,943	(21,514)	(49)	(2)
(Decrease) increase in trade payables	3,878	8,258	(401)	(292)
Income tax paid	(3,397)	(1,761)	-	(267)
(Decrease) increase in other current liabilities	(104,882)	12,038	(123,172)	2,389
Net cash flows (to) from operating activities	(28,843)	934	(127,461)	(372)

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AB INVALIDA

CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

(all amounts are in LTL thousand unless otherwise stated)

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

	Group		Company	
	Nine months of 2007	Nine months of 2007	Nine months of 2007	Nine months of 2007
Cash flows from (to) investing activities				
(Acquisition) of tangible non-current assets (except investment properties)	(12,170)	(29,744)	(73)	(36)
Proceeds from sale of tangible non-current assets (except investment properties)	1,038	2,311	139	-
(Acquisition) of investment properties	(3,848)	(32,081)	-	-
Proceeds of sale of investment properties	1,516	83,021	-	-
(Acquisition) of subsidiaries, net of cash acquired	-	(830)	(1,636)	(193)
Proceeds from sales of subsidiaries	42,553	-	49,123	-
(Acquisition) of associates	(5,466)	(2,364)	(4,823)	(22,513)
Proceeds from sales of associates	-	671	24	671
Loans (granted)	(52,273)	(8,593)	(116,489)	(156,109)
Repayment of granted loans	65,622	-	76,425	83,177
Dividends received	-	143	7,000	92,741
Interest received	7,333	5,908	2,933	1,376
(Acquisition) of minority interest	(1,845)	(491)	(12,879)	(22,557)
Other cash flow from investing activities	(15,156)	(19,173)	-	(47)
Net cash flows (to) investing activities	27,304	(1,221)	(256)	(23,490)
Cash flows from (to) financing activities				
Cash flows related to company shareholders				
Issue of shares	-	-	-	-
Dividends (paid)	(12,771)	(11,252)	(12,239)	(11,252)
Dividends to minority	(229)	(30,954)	-	-
	(13,000)	(42,206)	(12,239)	(11,252)
Cash flows related to other sources of financing				
Proceeds from loans	350,991	206,358	462,790	86,602
Issue of bonds	-	-	-	-
(Repayment) of loans	(276,197)	(147,353)	(313,072)	(48,151)
Interest (paid)	(35,227)	(19,766)	(9,156)	(3,305)
Financial lease (payments)	(5,991)	(760)	-	-
Other cash flows from financing activities	841	-	(5)	6
	34,417	38,479	140,557	35,152
Net cash flows from financial activities	21,417	(3,727)	128,318	23,900
Impact of currency exchange on cash and cash equivalents	-	-	-	-
Net (decrease) increase in cash and cash equivalents	19,878	(4,015)	601	38
Cash and cash equivalents at the beginning of the year	4,248	9,161	30	82
Cash and cash equivalents at the end of the year	24,126	5,146	631	120

(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.

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 nine months ended 30 September 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 1st and 4th quarter in contrast to the 2nd and the 3rd 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. In 3rd quarter of 2008 was revaluated land owned by Group. This was done preparing to establish new real estate funds where the land would be transferred. By revaluation of the investment assets at the end of the year it is possible to locate the valuation losses.

4 Segment information

The operating business are organized 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 organized 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 NINE MONTHS ENDED 30 SEPTEMBER 2008

(all amounts are in LTL thousand unless otherwise stated)

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 NINE MONTHS ENDED 30 SEPTEMBER 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 9 months ended 30 September 2008:

Year ended 30 September 2008	Continuing operations							Total	Discontinued operation	
	Real estate	Financial mediation	Pharmacy	Furniture production	Roads and bridge construction	Other production and service	Elimination and other		Hotels management	Total operations
Revenue										
Sales to external customers	115,240	9,794	-	114,085	-	18,182	-	257,301	1,533	258,834
Inter-segment sales	1,729	219	-	119	-	313	(2,380)	-	-	-
Total revenue	116,969	10,013	-	114,204	-	18,495	(2,380)	257,301	1,533	258,834
Results										
Other income	9,353	8,280	-	1,800	-	16,541	24,767	60,741	17	60,758
Segment expenses	115,680	35,294	-	117,449	-	20,547	(17,100)	271,870	2,044	273,914
Unallocated expenses	-	-	-	-	-	-	25,886	25,886	-	25,886
Operating profit (loss)	10,642	(17,001)	-	(1,445)	-	14,489	13,601	20,286	(494)	19,792
Share of profit (loss) of the associates and joint ventures	2,370	-	6,590	(3,318)	18,310	(595)	-	23,357	-	23,357
Profit (loss) before income tax	13,012	(17,001)	6,590	(4,763)	18,310	13,894	13,601	43,643	(494)	43,149
Income tax expenses	2,790	(2,447)	-	35	-	(1,388)	2,635	1,625	-	1,625
Net profit for the year	10,222	(14,554)	6,590	(4,798)	18,310	15,282	10,966	42,018	(494)	41,524
Attributable to:										
Equity holders of the parent	10,710	(14,531)	6,590	(3,487)	18,310	15,326	10,966	43,884	(494)	43,390
Minority interest	(488)	(23)	-	(1,311)	-	(44)	-	(1,866)	-	(1,866)

Gain of sale of AB Hidroprojektas shares and gain of loss of significant influence in AB Agrowill group" 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.

AB INVALIDA

CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 9 months ended 30 September 2007:

Year ended 30 September 2007	Continuing operations							Discontinued operation		
	Real estate	Financial mediation	Pharmacy	Furniture production	Roads and bridge construction	Other production and service	Elimination and other	Total	Hotels management	Total operations
Revenue										
Sales to external customers	26,155	29,566	-	128,672	-	8,439	-	192,832	11,098	203,930
Inter-segment sales	1,567	184	-	30	-	3	(1,784)	-	-	-
Total revenue	27,722	29,750	-	128,702	-	8,442	(1,784)	192,832	11,098	203,930
Results										
Other income	22,725	16,520	-	2,496	-	15	(1,078)	40,678	99	40,777
Segment expenses	39,562	23,343	-	126,964	-	7,651	(12,844)	184,676	8,858	193,534
Unallocated expenses	-	-	-	-	-	-	14,417	14,417	-	14,417
Operating profit (loss)	10,885	22,927	-	4,234	-	806	(4,435)	34,417	2,339	36,756
Share of profit (loss) of the associates and joint ventures	(3,584)	-	10,522	(1,141)	7,232	5,529	-	18,558	-	18,558
Profit (loss) before income tax	7,301	22,927	10,522	3,093	7,232	6,335	(4,435)	52,975	2,339	55,314
Income tax expenses	1,607	4,373	-	1,169	-	178	478	7,805	253	8,058
Net profit for the year	5,694	18,554	10,522	1,924	7,232	6,157	(4,913)	45,170	2,086	47,256
Attributable to:										
Equity holders of the parent	(470)	18,542	10,522	1,143	7,232	6,174	(4,913)	38,230	2,086	40,316
Minority interest	6,164	12	-	781	-	(17)	-	6,940	-	6,940

5 Cash and cash equivalents

	Group		Company	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
Cash at bank	23,328	4,170	631	30
Cash in hand	798	78	-	-
	24,126	4,248	631	30

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 NINE MONTHS ENDED 30 SEPTEMBER 2008**

(all amounts are in LTL thousand unless otherwise stated)

7 Income tax

	Group		Company	
	Nine months of 2008	Nine months of 2007	Nine months of 2008	Nine months of 2007
Components of income tax expense				
Current income tax charge	(3,659)	(6,235)	-	-
Deferred income tax income (expense)	2,034	(1,570)	(2,635)	-
Income tax (expenses) income charged to the income statement	(1,625)	(7,805)	(2,635)	-

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

During the Nine months of 2008 The Group invested LTL 15,591 thousand additionally to increased share capital of companies: UAB *Positor*, AB FMJ *Finasta*, UAB *Invalida turto valdymas* (former UAB *Finasta investiciju valdymas*), SIA *Inreal* (Latvija), TOV *Finasta* (Ukraina)

The Group acquired information technology company UAB *Acena* for LTL 230 thousand. The value of the net assets acquired was LTL 78 thousand. The goodwill equal to LTL 153 thousand was recognized provisionally.

The Group acquired 2.31 % of shares of *Vilniaus Baldai* AB for LTL 1,704 thousand additionally. The value of the additional interest acquired was LTL 573 thousand. The negative difference equal to LTL 1,131 thousand between the consideration and the value of the interest acquired has been recognised directly to the shareholders equity.

In June of 2008 was established AB *Tiltra Group* (investment size LTL 67 thousand).

In July of 2008 the Group acquired 5 % of shares of *VIPC Klaipėda* AB for LTL 1,430 thousand additionally. The value of the additional interest acquired was LTL 1,875 thousand. The negative difference equal to LTL 445 thousand between the consideration and the value of the interest acquired has been recognised in the income statement.

In September of 2008 the Group acquired 1.58 % of shares of *Kauno Tiltai* AB for LTL 4,000 thousand additionally from related party. The value of the additional interest acquired was LTL 677 thousand. The positive difference equal to LTL 3,323 thousand between the consideration and the value of the interest acquired has been recognised in the value of the investment into associate.

In September of 2008 the Group acquired 100 % shares of *Baltikums Asset Management* for LTL 2,109 thousand (now its name is *Invalida Asset Management Latvia*). The value of the interest acquired was LTL 891 thousand. The positive difference equal to LTL 1,218 thousand between the consideration and the value of the interest acquired has been recognised in the value of the intangible assets provisionally as pension funds contract.

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.

In September of 2008 the Company completed sale of *Finasta Asset Management*. It were sold for LTL 544 thousand (the amount is equal to equity of *Finasta Asset Management*). The Company have earned profit of LTL 48 thousand for this transaction.

AB INVALIDA**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008**

(all amounts are in LTL thousand unless otherwise stated)

8 Investment into subsidiaries and associates (cont'd)

In July of 2008 the Group sold 100 % shares of Bazilika for LTL 1 thousand. In the consolidated statements is recognized LTL 1,521 thousand profit, because equity of Bazilika was negative. On the other hand, the Group's loan to Bazilika was fully impaired (the loan amount was LTL 1,439 thousand).

AB Agrowill Group

AB Agrowill Group completed its initial public offering. As a result the Company ceased to have significant influence (share of stock of AB Agrowill Group decreased from 20.63 % till 15.78 % and the Company is not represented in the governing bodies). From 1 April 2008 the Company accounts this investment as financial assets at fair value through profit or loss. The fair value on 30 September 2008 was LTL 20,420 thousand.

In the standalone income statement gain of LTL 20,069 thousand and deferred tax expenses of LTL 3,010 thousand were recognized (total positive influence – LTL 17,059 thousand).

In the consolidated income statement gain of LTL 10,374 thousand and deferred tax expenses of LTL 1,556 thousand were recognized (total positive influence – LTL 8,818 thousand).

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

	Group		Company	
	Nine months of 2008	Nine months of 2007	Nine months of 2008	Nine months of 2007
Gain on sale of subsidiaries and associates	36,802	205	67,217	205
Gain from financial assets at fair value through profit or loss	327	6,629	20,069	-
Gain on sale of investment properties	1,022	12,623	-	-
Other	2,093	2,530	24	10
	<u>40,244</u>	<u>21,987</u>	<u>87,310</u>	<u>215</u>

9.2. Finance expenses

	Group		Company	
	Nine months of 2008	Nine months of 2007	Nine months of 2008	Nine months of 2007
Interest expenses	(35,227)	(18,536)	(20,238)	(4,382)
Foreign currency exchange loss	-	(2,299)	-	(3)
Other finance expenses	(1,741)	(1,468)	(56)	(10)
	<u>(36,968)</u>	<u>(22,303)</u>	<u>(20,294)</u>	<u>(4,395)</u>

AB INVALIDA**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008**

(all amounts are in LTL thousand unless otherwise stated)

9.3. Finance income

	Group		Company	
	Nine months of 2008	Nine months of 2007	Nine months of 2008	Nine months of 2007
Interest income	7,333	5,901	10,234	5,087
Foreign currency exchange gain	(121)	1,913	42	19
Dividend income	5,165	-	20,478	92,877
Other finance income	278	1,162	-	-
	12,655	8,976	30,754	97,983

10 Related party transactions

The Company's transactions with related parties during three quarters of the year 2008 and related quarter-end balances were as follows:

9 months of the year 2008 Company	Sales to related parties	Purchases from related parties	Amounts owed to related parties	Amounts owed by related parties
Loans and borrowings	9,357	5,008	140,140	169,063
Real estate income	-	240	246	-
Dividends	20,478	-	-	7,978
Payables for share capital in subsidiaries in Ukraine and Latvia	-	-	816	-
Shares transactions	-	4,000	-	-
Other	-	49	67	-
	29,835	9,297	141,269	177,041

The Company's transactions with related parties during three quarters of the year 2007 and related quarter-end balances were as follows:

9 months of the year 2007 Company	Sales to related parties	Purchases from related parties	Amounts owed to related parties	Amounts owed by related parties
Loans and borrowings	4,710	1,738	107,178	114,795
Real estate income	-	233	140	-
Dividends	-	-	-	136
Increase of share capital	-	-	1,253	-
Shares transactions	378	17,968	-	-
Other	4	131	57	3
	5,092	20,070	108,628	114,934

Liabilities to shareholders 132,283

AB INVALIDA**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008**

(all amounts are in LTL thousand unless otherwise stated)

10 Related party transactions (cont'd)

The Group's transactions with related parties during three quarters of the year 2008 and related quarter-end balances were as follows:

9 months of the year 2008 Group	Sales to related parties	Purchases from related parties	Amounts owed to related parties	Amounts owed by related parties
Loans and borrowings	2,029	1,365	42,630	38,967
Real estate income	980	132	158	60
Financial segment	628	-	-	273
Roads and bridges construction segment	312	35	-	66
Raw materials purchased by AB Vilniaus baldai from UAB „Girių bizonas“	3	12,686	1,794	
Dividends receivables by AB "Invalda" from AB "Sanitas"	-	-	-	7,978
Shares transactions	-	4,000	-	-
Other	69	-	-	88
	4,021	18,218	44,582	47,432

The Group's transactions with related parties during three quarters of the year 2007 and related quarter-end balances were as follows:

9 months of the year 2007 Group	Sales to related parties	Purchases from related parties	Amounts owed to related parties	Amounts owed by related parties
Loans and borrowings	1,549	12	-	23,630
Real estate income	1,138	519	-	149
Dividends	-	-	-	110
Roads and bridges construction segment	236	1,057	505	55
Raw materials purchased by AB Vilniaus baldai from UAB „Girių bizonas“	-	9,996	2,148	-
Apartaments construction by UAB Laikinosios sostines projektai	1,544	-	-	70
Other	52	22	-	20
	4,519	11,606	2,653	24,034

Liabilities to shareholders 132,283

11 Subsequent eventsThe Company

On the 15th of October 2008 the Company issued convertible bonds with the total nominal value of LTL 75,000 thousand, which in December 2008 will be refinanced by issuing non – public convertible bonds with value of LTL 25,000 thousand and 50 thousand with the yearly interest rate of 9.9 %.

On October 24, 2008, Invalda AB has signed an agreement regarding transfer of 6 314 502 shares, i.e. 20.3 % of share capital, of Sanitas AB for the total price of EUR 30,000 thousand. The final closing of the deal should take place on the first quarter of 2009 when approval of competition authorities is obtained and other actions stated in the agreement are fulfilled. After closing of the deal Invalda AB intends to own no less than 25% of Sanitas AB shares.

AB INVALIDA

CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

(all amounts are in LTL thousand unless otherwise stated)

11 Subsequent events (cont'd)

On November 14, 2008 the Extraordinary General Meeting of Invalida AB shareholders adopted the resolution to issue public convertible bonds of nominal value of LTL 30,000 thousand. Every shareholder will have the right to subscribe such amount of convertible bonds that the total amount of acquired bonds would not exceed one convertible bond by 40 ordinary registered shares of Invalida AB. The convertible bonds will be redeemed on July 1, 2010, with the annual interest of 9.9%, or, by the decision of the owner, could be converted into shares. Accordingly, one bond with the nominal value of LTL 100 would be converted into 18.18 shares. The same redemption or conversion conditions apply to the issue of non-public convertible bonds of nominal value of LTL 25,000 thousand and of LTL 50,000 thousand, adopted by resolution at the same General Meeting of shareholders.

Group

On 4th of November 2008, Invalidos Nekilnojamojo Turto Fondas AB, signed a contract regarding the sale of the real property at 28 Savanorių avenue in Vilnius. INTF sold a 1.50 ha land plot; an administrative building of 12 thous. square metres, and a production building of 565 square metres. The sale revenue is LTL 30,000 thousand.