

The logo for Invalida, featuring the word "Invalida" in a white, italicized, sans-serif font, set against a solid black rectangular background.

Invalida

Consolidated Annual Report of Invalida AB for the year 2009

Prepared according to The Rules for the Drawing-up and the Submission of the
Periodic and Additional Information, approved by
Resolution No. 1K-3 of 23.02.2007 of the Lithuanian Securities Commission

Approved by the Board decision No. 2010-11 passed on 08 April, 2010

Translation note:

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

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Translation note

Our report has been prepared in Lithuanian language and in English language. In all matters of interpretation of information, views or opinions, the Lithuanian language version of our report takes precedence over the English language version.

Independent auditor's report

To the Shareholders of AB Invalda

We have audited the stand alone and consolidated financial statements (the 'Financial Statements') of AB Invalda (the 'Company') and its subsidiaries (together the 'Group') which comprise the stand alone and consolidated statement of financial position as at 31 December 2009 and the stand alone and consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes and which are published separately from the Consolidated Annual Report. In our report dated 8 April 2010 we expressed an unqualified opinion on the Financial Statements.

In addition to our audit, we have read the accompanying Consolidated Annual Report for the year ended 31 December 2009 set out on pages 5 – 70 and have not noted any material inconsistencies between the financial information included in it and the audited Financial Statements for the year ended 31 December 2009.

For a better understanding of the financial position of the Group and the Company and the results of their operations for the period the Consolidated Annual Report for the year ended 31 December 2009 should be read in conjunction with the Financial Statements which are published separately.

On behalf of PricewaterhouseCoopers UAB



Christopher C. Butler
Partner



Rasa Radzevičienė
Auditor's Certificate No.000377

Vilnius, Republic of Lithuania
8 April 2010

I. GENERAL INFORMATION

1. Reporting period for which the report is prepared

The report is prepared for 2009.

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

2.1. Information about the Issuer

Name of the Issuer	Public company Invalda, hereinafter Invalda AB
Enterprise code	121304349
Address	Seimyniskiu str. 1A, LT-09312 Vilnius, Lithuania
Telephone	+370 5 279 0601
Fax	+370 5 279 0530
E-mail	info@invalda.lt
Website	www.invalda.lt
Legal form	public limited liability company
Date and place of registration	20.03.1992, Register of Enterprise of Vilnius
Register, in which data about the company are accumulated and stored	Register of Legal Entities

Investment company Invalda AB was established in 1992. Currently the largest part of its assets is managed in Poland and Lithuania. The company strives to ensure long-term financial return for its shareholders maintaining a low grade of risk, and implements its plans observing ethical standards and traditional values. Invalda AB endeavors to be a reliable and stable company valued by its customers, shareholders, and employees.

2.2. Information about other companies comprising the Issuer's group

Priority segments of Invalda AB are the following: pharmacy, road and bridge construction, furniture manufacturing, real estate and IT.

Group's companies and their contacts are presented in Appendix 1 of this report.

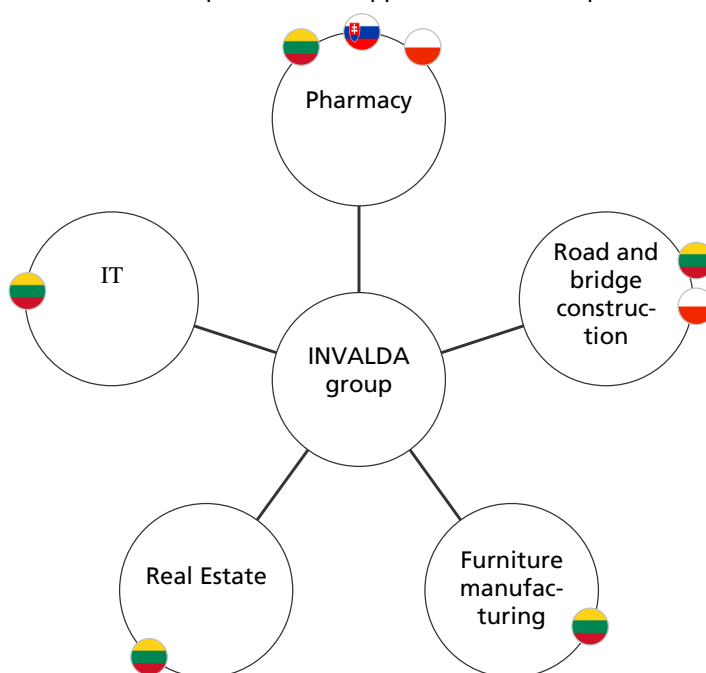


Fig. 2.2.1. Main sectors of Invalda AB group as of 31.12.2009

3. Agreements with intermediaries on public trading in securities

Invalda AB has signed agreements with these intermediaries:

- Finasta AB FMI (Maironio str. 11, Vilnius, Lithuania, tel. +370 5 278 6833) – the agreement on investment services, the agreement on management of securities accounting, the agreement on payment of dividends;
- Bank Finasta AB (Maironio str. 11, Vilnius, tel. +370 5203 22 33) – the agreement on management of securities account;
- Siauliu Bankas AB (Tilzes str. 149, Siauliai, Lithuania, tel. +370 41 595 607) – the agreement on management of securities account and intermediation;
- Bankas Snoras AB (A. Vivulskio str. 7, Vilnius, Lithuania, tel. +370 5 232 7224) – the agreement on costumer services (for professional investor);
- DnB NORD Bankas AB (J. Basanaviciaus str. 26, Vilnius, Lithuania, tel. +370 5 239 3503) – the agreement on financial instruments account management, implementation of orders and offering recommendations;
- SEB Bankas AB (Gedimino ave. 12, Vilnius, Lithuania, tel. +370 5 268 2370) – the agreement on securities accounting;
- MP Investment Bank hf. acting via MP Investment Bank hf. Baltic branch (A. Tumėno str. 4, Vilnius, tel. +370 5219 55 00) – the agreement on investment services’
- Medicinos Bankas UAB (Pamenkalnio str. 40, Vilnius, Lithuania, tel. +370 5 264 4845) - the agreement on management of securities account.

4. Information on Issuer's branches and representative offices

Invalda AB has no branches or representative offices.

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

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

During the reporting period company's Articles of Association were changed one time and also one time they were changed after the reporting period:

- On December 15, 2009, the Register of Legal Entities of the Republic of Lithuania registered a new wording of Invalda AB Articles of Association, approved by the General Shareholders Meeting held on November 30, 2009. The Articles of Association were changed according to the new Company Law of the Republic of Lithuania and also the Company's address was changed.
- February 3, 2010 new Articles of Association of Invalda AB were registered. The share capital of Invalda AB was increased from 42 568 849 LTL till 51 659 758 LTL.

Actual wording is dated 03-02-2010. Articles of Association are available on the company's website.

II. INFORMATION ABOUT SECURITIES

6. Information about Issuer's authorised capital

6.1. Structure of the authorised capital

Table 6.1.1. Structure of Invalda AB authorised capital as of 31-12-2009

Type of shares	Number of shares, units	Nominal value, LTL	Total nominal value, LTL	Portion of the authorised capital, %
Ordinary registered shares	42,568,849	1	42,568,849	100,00

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

On January 30, 2010, Invalda AB received an application to convert 500 000 owned bonds (the nominal value of one bond is 100 LTL, ISIN code LT0000401820) to 9 090 909 ordinary registered Invalda AB shares (the nominal value of one share is 1 LTL). Following the decisions of Invalda AB General Shareholder Meetings held on 14 November, 2008, and 30 January, 2010, Invalda AB converted to shares all bonds owned by the investor. The share capital increase of 9 090 909 LTL was registered on 3 February, 2010.

Table 6.1.2. Structure of Invalda AB authorised capital as of 03-02-2010

Type of shares	Number of shares, units	Nominal value, LTL	Total nominal value, LTL	Portion of the authorised capital, %
Ordinary registered shares	51,659,758	1	51,659,758	100,00

6.2. Adjustments of the authorised capital

Information concerning adjustments of Invalda AB authorised capital during past 10 years is presented.

- On 01.01.1997 the authorised capital of Invalda AB amounted to LTL 38,000,000, it was divided into 38,000,000 ordinary registered shares of nominal value of LTL 1.
- On 01.10.2004 the increased authorised capital of LTL 40,417,339 was registered, it was divided into 40,417,339 ordinary registered shares of nominal value of LTL 1. The emission of 2,417,339 shares was issued during the process of reorganisation changing Kremi AB shares into Invalda AB ones.
- Invalda AB General Meeting held on 21.11.2005 passed the resolution to increase the authorised capital of the Company by LTL 1,317,323 from LTL 40,417,339 up to LTL 41,734,662, by issuing 1,317,323 shares of nominal value LTL 1. The amended Articles of Association were registered in Register of Legal Entities on 21.11.2005. The increased authorised capital amounted to LTL 41,734,662 and was divided into 41,734,662 ordinary registered shares of LTL 1 nominal value at par.
- On 30.06.2006 Invalda AB and Pozityvios Investicijos AB reorganization was completed – Pozityvios Investicijos AB was merged to Invalda AB. During reorganisation shares of Pozityvios Investicijos AB were changed into Invalda AB shares – the emission of 3,273,714 Invalda AB shares was issued. After the reorganisation the authorised capital of Invalda AB amounted to LTL 45,008,376 and was divided into 45,006,376 shares of nominal value of LTL 1.
- On 28.09.2007 the reorganisation of Invalda AB and one of the major shareholders Nenuorama AB was finished – Nenuorama AB was merged to Invalda AB. Changing Nenuorama AB shares into Invalda AB ones, the emission of 19,866,060 shares was issued. Following the terms of the reorganisation 22,305,587 Invalda AB shares held by Nenuorama AB were annulled. After reorganisation the authorised capital of Invalda AB amounts to LTL 42,568,849 and is divided into 42,568,849 shares of nominal value of LTL 1.
- On 03.02.2010 the share capital of Invalda AB was increased by 9 090 909 LTL, from 42 568 849 LTL till 51 659 758 LTL issuing 9 090 909 ordinary registered 1 LTL nominal value shares. New shares were issued after conversion of 50 mln. LTL bonds issue.

6.3. Rights and obligations carried by the shares

6.3.1. Rights of the shareholders

The Company's shareholders have the following property and non-property rights:

- 1) to receive a part of the Company's profit (dividend);
- 2) to receive part of the Company's funds, when the Company's authorised capital is decreased, in order to pay the shareholders from the Company's funds;
- 3) to receive shares without payment if the authorised capital is increased out of the Company funds, except in cases provided for by the laws of the Republic of Lithuania;
- 4) to have the pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Meeting in the manner prescribed in the Law on Companies of the Republic of Lithuania decides to withdraw the pre-emption right in acquiring the Company's newly issued shares or convertible debentures for all the shareholders;
- 5) to lend to the Company in the manner prescribed by laws;
- 6) to sell or otherwise transfer owned shares;
- 7) to receive a part of assets of the Company in liquidation;
- 8) other property rights established by law;
- 9) to attend the General Meetings;
- 10) to vote at General Meetings according to voting rights carried by their shares;
- 11) to receive information on the Company specified in the Law on Companies of the Republic of Lithuania;
- 12) to file a claim with the court for reparation of damage resulting from nonfeasance or malfeasance by the Company's manager and Board members of their obligations prescribed by the Law on Companies and other laws of the Republic of Lithuania and the Company's Articles of Association as well as in other cases laid down by laws;
- 13) to submit the questions related to the agenda of General Meeting to the Company in advance;
- 14) to authorize natural or legal person to represent his interests in relations with the Company and other persons
- 15) other non-property rights established by law and the Company's Articles of Association.

6.3.2. Obligations of the shareholders

The shareholders have no property obligations to the Company, except for the obligation to pay up, in the established manner, all the shares subscribed for at their issue price.

If the General Meeting takes a decision to cover the losses of the Company from additional contributions made by the shareholders, the shareholders who voted "for" shall be obligated to pay the contributions. The shareholders who did not attend the General Meeting or voted against such a resolution shall have the right to refrain from paying additional contributions.

A shareholder shall repay the Company any dividend paid out in violation of the mandatory norms of the Law on Companies, if the Company proves that the shareholder knew or should have known thereof.

The shareholder shall be responsible for the notification of changes in the following data: personal number, address, phone number, and bank account number. If the shareholder fails to communicate the aforementioned details, provision of information by the known address or payment of money to the account indicated by the shareholder on the part of Invalda AB will be considered as proper execution by Invalda AB of its relevant obligation towards the shareholder.

7. Shareholders

There are no shareholders entitled to special rights of control.

Invalda AB has no knowledge of any restriction on voting rights or mutual agreements between the shareholders that might result in the restriction of transfer of the shares and (or) voting rights. There are no agreements to which the Issuer is a party and which would come into effect, be amended or terminated in case of change in the Issuer's control.

As of 31.12.2009 the total number of shareholders was 6,676 (as of 31.12.2008 it was 6,588) .

Table 7.1. Shareholders who held title to more than 5% of Invalda AB authorised capital and / or votes for the 31.12.2009

Name of the shareholder or company	Number of shares held by the right of ownership, units	Share of the authorised capital held, %	Share of the votes, %		
			Share of votes given by the shares held by the right of ownership	Indirectly held votes	Total (together with the persons acting in concert)
Mr. Vytautas Bucas	9,585,803	22.52	22.52	-	32.59
Mr. Darius Sulnis	3,330,061	7.82	7.82	1.74	
Mr. Dalius Kaziunas	213,294	0.50	0.50	-	
Ms. Dovile Kaziuniene	380	0.001	0.001	-	
Lucrum Investicija UAB, ent. code 300806471, Seimyniskiu str. 3, Vilnius, Lithuania	653,067	1.53	1.53	11.07	12.60
Mr. Algirdas Bucas	5,520,916	12.97	8.04	-	8.04
Mr. Dailius Juozapas Miseikis ¹	5,299,354	12.45	9.62	-	9.62
Ms. Daiva Baniene	1,836,234	4.31	4.31	-	10.06
Mr. Alvydas Banys	3,180,769	7.47	4.77	-	
LJB Investments UAB , ent. code 300822575, P. Smugleviciaus str. 20, Vilnius	418,144	0.98	0.98	-	

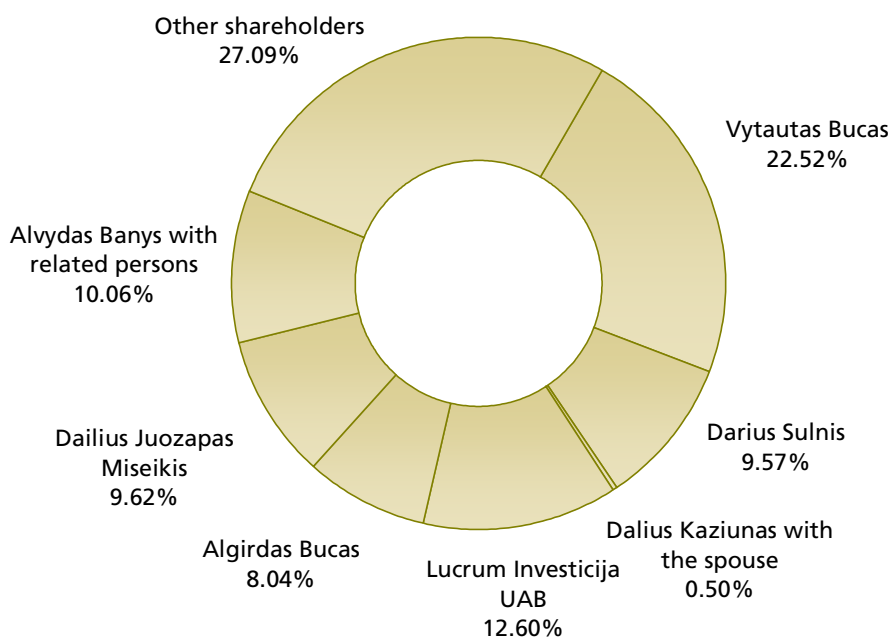


Fig. 7.1. Votes as of 31.12.2009

On February 3, 2010 the share capital of Invalda AB was increased by 9 090 909 LTL, from 42 568 849 LTL to 51 659 758 LTL by issuing 9 090 909 ordinary registered 1 LTL nominal value shares. New shares were issued after conversion of 50 mln. LTL bonds issue.

Taking into consideration the previous, structure of largest shareholders of Invalda AB (as of 03.02.2010) is provided below.

¹ Due to the death of Dailius Juozapas Miseikis the shares will be inherited

Table 7.2. Shareholders who held title to more than 5% of Invalda AB authorised capital and / or votes for the 03.02.2010

Name of the shareholder or company	Number of shares held by the right of ownership, units	Share of the authorised capital held, %	Share of the votes, %		
			Share of votes given by the shares held by the right of ownership	Indirectly held votes	Total (together with the persons acting in concert)
Mr. Vytautas Bucas	9,585,803	18.56	18.56	-	26.85
Mr. Darius Sulnis	3,330,061	6.45	6.45	1.44	
Mr. Dalius Kaziunas	213,294	0.41	0.41	-	
Ms. Dovile Kaziuniene	380	0.001	0.001	-	
Lucrum Investicija UAB, ent. code 300806471, Seimyniskiu str. 3, Vilnius, Lithuania	653,067	1.26	1.26	9.12	10.38
Mr. Algirdas Bucas	5,520,916	10.69	6.63	-	6.63
Mr. Dailius Juozapas Miseikis ²	14,390,263	27.86	25.52	-	25.52
Ms. Daiva Baniene	1,836,234	3.55	3.55	-	8.29
Mr. Alvydas Banys	3,180,769	6.16	3.93	-	
LJB Investments UAB , ent. code 300822575, P. Smugleviciaus str. 20, Vilnius	418,144	0.81	0.81	-	

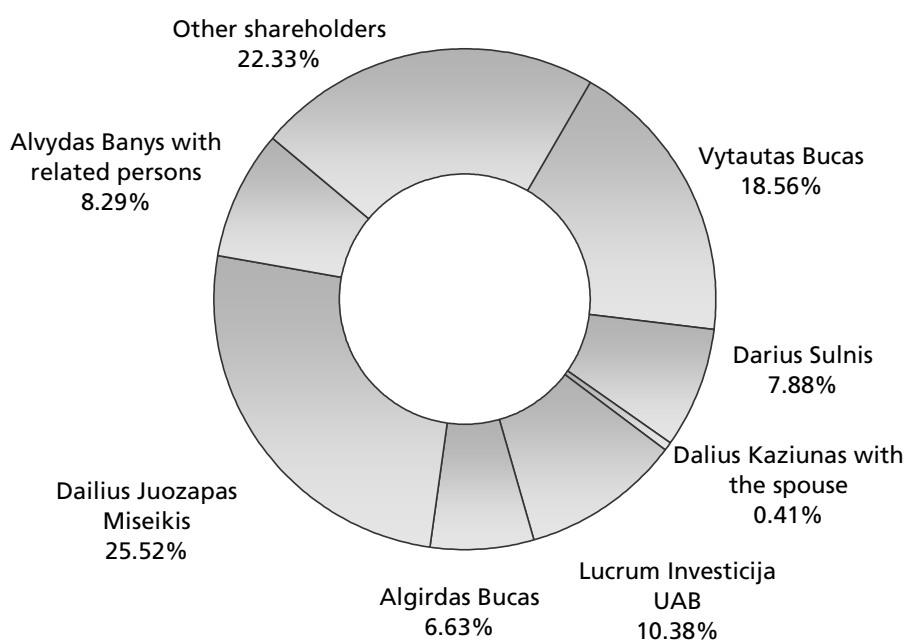


Fig. 7.2. Votes as of 03.02.2010

8. Information about the Issuer's own shares

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

² Due to the death of Dailius Juozapas Miseikis the shares will be inherited

9. Data on trading in securities of the Issuer and its group companies in the regulated markets

9.1. Trading in securities of the Issuer

Table 9.1.1. Main characteristics of Invalda AB shares admitted to trading

ISIN code	LT0000102279
Name	IVL1L
Exchange	NASDAQ OMX Vilnius
List	Baltic Main List (from 01.01.2008)
Listing date	19.12.1995
Share issue as of 31.12.2009, units	42,568,849
Share issue as of 03.02.2010, units	51,659,758
Nominal value, LTL	1
Total nominal value as of 31.12.2009, LTL	42,568,849
Total nominal value as of 03.02.2010, LTL	51,659,758

Company uses no services of liquidity providers.

Table 9.1.2. Trading in Invalda AB shares

	2009	2008	2007
Share price, LTL			
- open	1,67	17.15	12.40
- high	3,71	17.34	20.29
- low	1,10	1.03	12.00
- average	1,95	9,47	15,80
- last	1,84	1.67	17.15
Turnover, units	7,273,279	4,973,647	5,085,097
Turnover, LTL	14,185,322	47,080,502	80,362,022
Traded volume, units	8,443	9,162	11,508

Table 9.1.3. Trading in the Company's shares, 2007–2009 (quarterly)

Reporting period	Price, LTL			Turnover, LTL			Last trading date	Total turnover	
	high	low	last	high	low	last		units	LTL
2007, 1 st Q	14.05	12.00	12.75	1,849,966	22,014	325,859	30.03.2007	1,551,078	20,587,158
2007, 2 nd Q	16.85	12.65	16.40	1,924,814	6,006	180,404	29.06.2007	1,384,470	20,085,926
2007, 3 rd Q	20.29	16.00	19.67	2,192,376	19,810	142,384	28.09.2007	1,380,783	25,916,362
2007, 4 th Q	19.70	16.03	17.15	788,329	5,321	143,020	28.12.2007	768,766	13,772,576
2008, 1 st Q	17.34	14.00	14.45	632,089	22,141	157,226	31.03.2008	616,706	9,284,477
2008, 2 nd Q	16.45	11.70	16.44	4,282,119	2,767	353,288	30.06.2008	1,035,248	13,988,062
2008, 3 rd Q	17.10	7.40	7.60	2,608,388	16,932	970,695	30.09.2008	1,342,266	17,101,194
2008, 4 th Q	8.70	1.03	1.67	1,044,988	6,285	25,880	30.12.2008	1,979,427	6,706,769
2009, 1 st Q	1.97	1.10	1.55	155,353	626	10,495	31.03.2009	825,996	1,383,886
2009, 2 nd Q	2.10	1.22	1.31	557,910	1,515	162,005	30.06.2009	1,907,207	2,887,135
2009, 3 rd Q	3.71	1.31	3.22	643,005	2,798	97,113	30.09.2009	2,948,823	6,506,123
2009, 4 th Q	3.22	1.73	1.84	313,461	2,522	55,876	30.12.2009	1,591,253	3,408,178

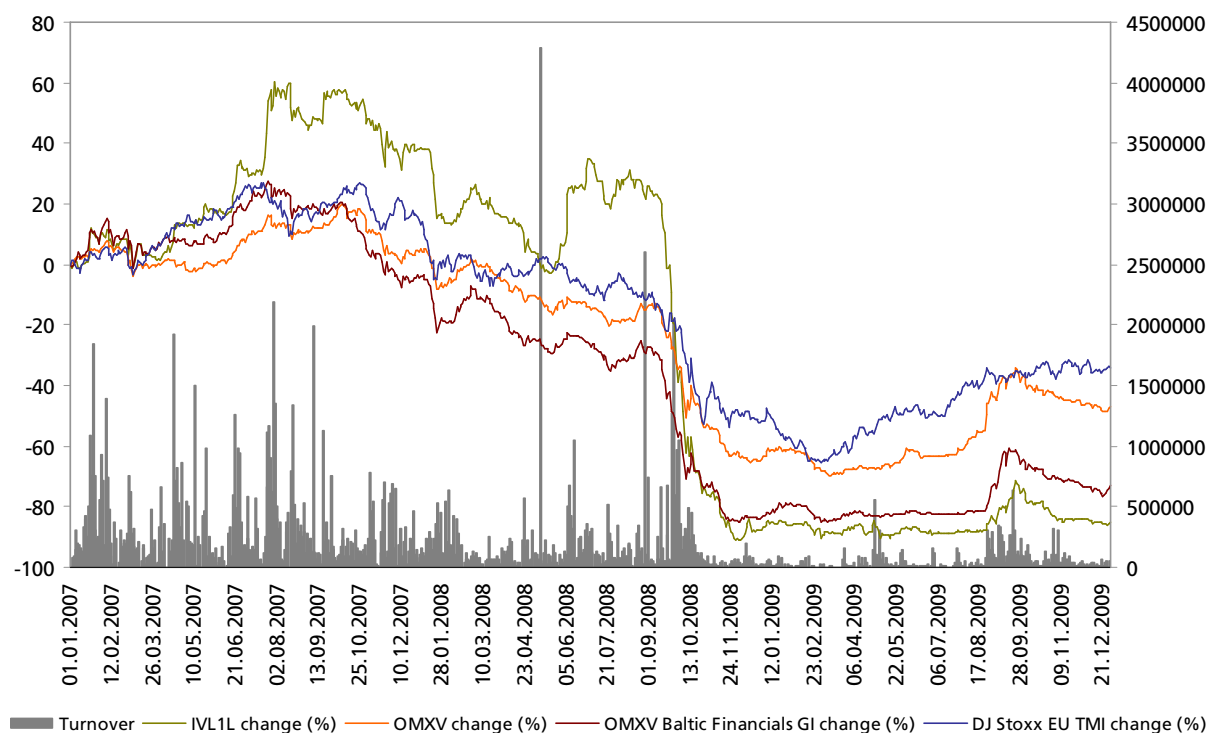


Fig. 9.1.1. Turnover of Invalda AB shares, change of share price and indexes, 2007-2009

Table 9.1.4. Capitalisation

Last trading date	Number of issued shares, units	Last price, LTL	Capitalisation, LTL
30.03.2007	45,008,376	12.75	573,856,794
29.06.2007	45,008,376	16.40	738,137,366
28.09.2007 ³	42,568,849	19.67	837,329,260
28.12.2007	42,568,849	17.15	730,055,760
31.03.2008	42,568,849	14.45	615,119,868
30.06.2008	42,568,849	16.44	699,831,878
30.09.2008	42,568,849	7.60	323,523,252
30.12.2008	42,568,849	1.67	71,089,978
31.03.2009	42,568,849	1.55	65,981,716
30.06.2009	42,568,849	1.31	55,765,192
30.09.2009	42,568,849	3.22	137,071,694
30.12.2009	42,568,849	1.84	78,326,682

³Regarding the reorganisation of Invalda AB on 28.09.2007 the number of issued shares was decreased from 45,008,376 to 42,568,849 shares.

9.2. Trading in securities of the Issuer's group companies

Shares of Invalda AB group companies Sanitas AB and Vilniaus Baldai AB are admitted to trading in NASDAQ OMX Vilnius Main List.

9.2.1. Trading in shares of Sanitas AB

Table 9.2.1.1. Main characteristics of Sanitas AB shares admitted to trading

ISIN code	LT0000106171
Name	SAN1L
Exchange	NASDAQ OMX
List	Baltic Main List
Listing date	13.09.1994
Share issue, units	31,105,920
Nominal value, LTL	1
Total nominal value, LTL	31,105,920

Table 9.2.1.2. Trading in Sanitas AB shares

	2009	2008	2007
Share price, LTL			
- open	8.69	29.90	13.60
- high	11.50	34.95	36.40
- low	6.10	7.00	13.00
- last	9.53	8.69	29.90
Turnover, units	1,477,584	1,267,264	3,204,531
Turnover, mLTL	12.34	27.69	63.75
Capitalisation, mLTL	29.44	270.31	930.07

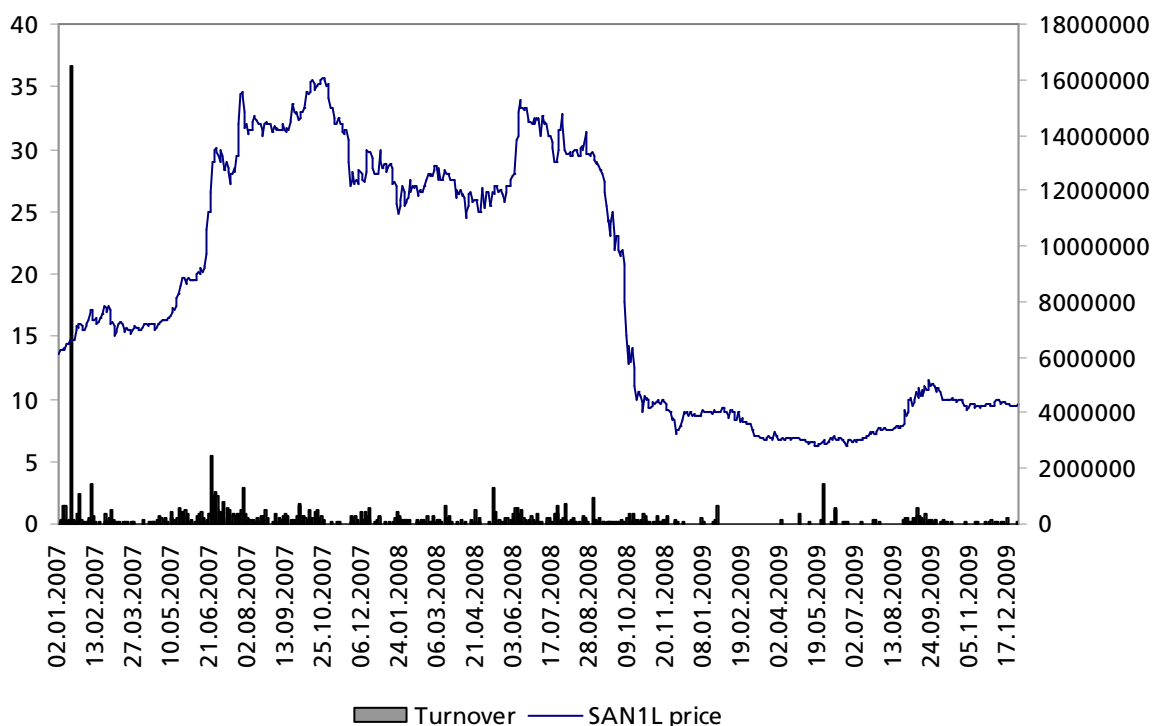


Fig. 9.2.1. Turnover and share price of Sanitas AB, 2007-2009

9.2.2. Trading in shares of Vilniaus Baldai AB

Table 9.2.2.1. Main characteristics of Vilniaus Baldai AB shares admitted to trading

ISIN code	LT0000104267
Name	VBL1L
Exchange	NASDAQ OMX Vilnius
List	Baltic Main List
Listing date	05.06.2000
Share issue, units	3,886,267
Nominal value, LTL	4
Total nominal value, LTL	15,545,068

Table 9.2.2.2. Trading in Vilniaus Baldai AB shares

	2009	2008	2007
Share price, LTL			
- open	12.00	22.00	18.02
- high	11.00	23.00	25.00
- low	6.01	11.60	17.03
- last	9.00	12.00	22.00
Turnover, units	136,738	160,117	297,985
Turnover, mLTL	1.09	2.87	5,86
Capitalisation, mLTL	34.98	46.64	85,50

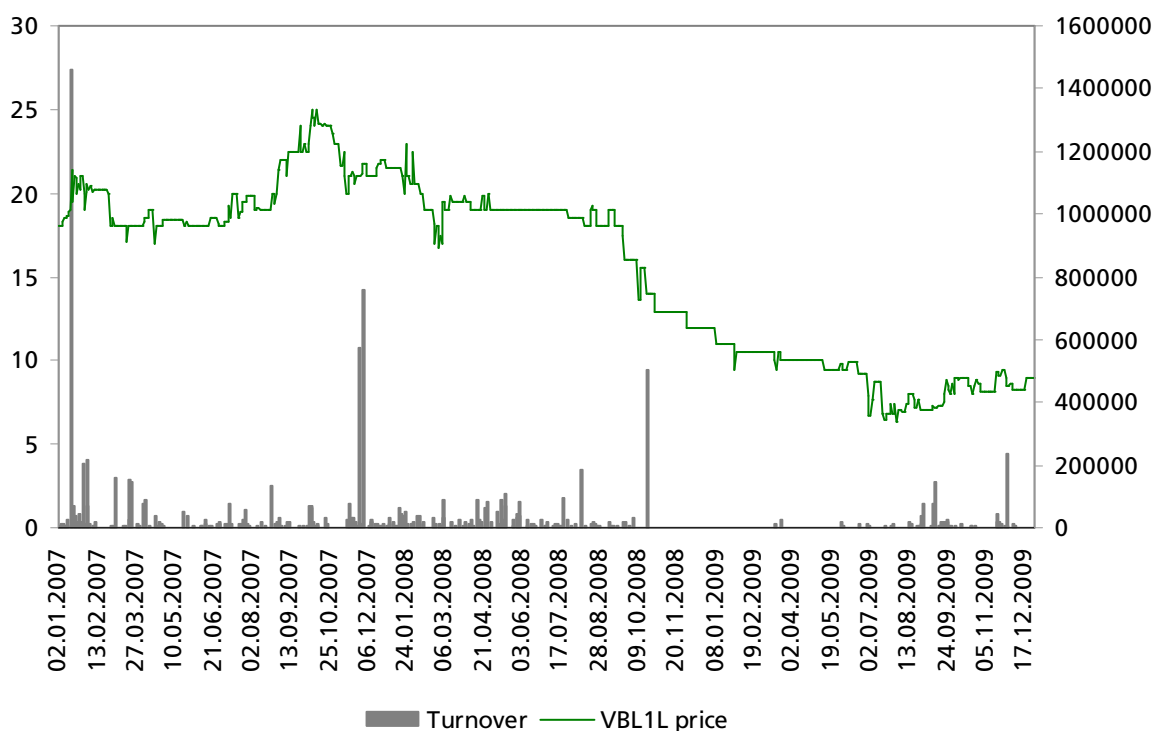


Fig. 9.2.2.1. Turnover and share price of Vilniaus Baldai AB, 2007-2009

10. Dividends

The General Meeting of shareholders decides upon dividend payment and sets the amount of dividends. The Company pays out the dividends within 1 month after the day of adoption of the resolution on profit appropriation.

Persons have the right to receive dividends if they were shareholders of the Company at the end of the tenth day of the General Meeting that declared dividends.

According to the Law on Personal Income Tax and the Law on Corporate Income Tax, 20% tax (until 2009 it was 15%) is applied to the dividends. From 2009 permanent residents of the Republic of Lithuania from the received dividends pay 6% health insurance tax. The taxes are calculated, withdrawn and transferred (to the State) by the Company⁴.

The information about the dividends paid during the last 5 years is presented.

Dividends for 2008 were not allocated.

Table 10.1. Dividends

	Financial year				
	2008	2007	2006	2005	2004
Ordinary shareholder's meeting date	30.04.2009	30.04.2008	11.05.2007	28.04.2006	28.04.2005
Ex-dividend date ⁵	28.04.2009	28.04.2008	09.05.2007	26.04.2006	26.04.2005
Total sum of dividends, LTL	-	12,770,655	11,252,094	8,346,932	6,062,601
Dividends per share, LTL	-	0.30	0.25	0.20	0.15
Net dividends per share (15% of Personal Income tax or Corporate Income tax is withdrawn), LTL	-	0.255	0.2125	0.17	0.1275
Share of nominal value, %	-	30	25	20	15
Dividend yield (dividend per share / share price for the last day of the period), %	-	1.7	2.0	1.4	2.0
Dividend payment rate (total sum of the dividends / net profit)	-	0.15	0.39	0.87	0.31

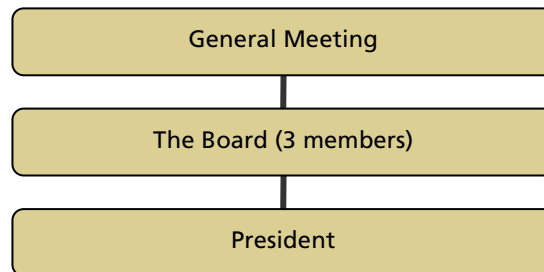
⁴This information should not be treated as tax consultation.

⁵The ownership right to the shares acquired through Automatically Matched trades is transferred on the 3rd day after conclusion of the transaction.

III. ISSUER'S MANAGING BODIES

11. Structure, authorities, the procedure for appointment and replacement

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



11.1. General Meeting

Persons who were shareholders of the Company at the close of the accounting day of the meeting (the 5th working day before the General Meeting) shall have the right to attend and vote at the General Meeting in person, unless otherwise provided for by laws, or may authorise other persons to vote for them as proxies or may conclude an agreement on the disposal of the voting right with third parties. The shareholder's right to attend the General Meeting of Shareholders shall also cover the right to speak and to enquire.

A General Meeting may take decisions and shall be held valid if attended by the shareholders who hold the shares carrying not less than ½ of all votes. After the presence of a quorum has been established, the quorum shall be deemed to be present throughout the Meeting. If a quorum is not present, the General Meeting shall be considered invalid and a repeat General Meeting must be convened, which shall be authorised to take decisions only on the issues on the agenda of the meeting that has not been held and to which the quorum requirement shall not apply.

An Annual General Meeting must be held every year at least within 4 months from the close of the financial year.

The General Meeting shall have the exclusive right to:

- amend the Articles of Association of the Company, unless otherwise provided for by the Law on Companies of the Republic of Lithuania;
- to change the company's office;
- elect the members of the Board;
- remove the Board or its members;
- select and remove the firm of auditors, set the conditions for auditor remuneration;
- determine the class, number, nominal value and the minimum issue price of the shares issued by the Company;
- take a decision regarding conversion of shares of one class into shares of another class, approve share conversion procedure;
- approve the set of annual financial statements;
- take a decision on profit/loss appropriation;
- take a decision on the formation, use, reduction and liquidation of reserves;
- take a decision on the issue convertible debentures;
- take a decision on withdrawal for all the shareholders the right of pre-emption in acquiring the company's shares or convertible debentures of a specific issue;
- take a decision on increase of the authorised capital;
- take a decision on reduction of the authorised capital, except where otherwise provided for by the Law on Companies of the Republic of Lithuania;
- take a decision for the company to purchase own shares;
- take a decision on the reorganisation or split-off of the company and approve the terms of reorganisation or split-off;
- take a decision on transformation of the Company;
- take a decision on restructuring of the Company;

- take a decision on liquidation of the company, cancellation of the liquidation of the company, except where otherwise provided by the Law on Companies of the Republic of Lithuania;
- elect and remove from office the liquidator of the company, except where otherwise provided by the Law on Companies of the Republic of Lithuania.

The General Meeting of Shareholders may also decide on other matters assigned within the scope of its powers by the Articles of Association of the company, unless these have been assigned under the Law on Companies of the Republic of Lithuania within the scope of powers of other organs of the company and provided that, in their essence, these are not the functions of the management organs

11.2. The Board

The Board shall continue in office for the 4 year period or until a new Board is elected and commences its activities, but not longer than until the Annual General Meeting to be held during the final year of its term of office. If individual members of the Board are elected, they shall serve only until the expiry of the term of office of the current Board.

The Board or its members shall commence their activities after the close of the General Meeting which elected the Board or its members. Where the Articles of Association of the company are amended due to the increase in the number of its members, newly elected members of the Board may commence their activities solely from the date of registration of the amended Articles of Association. The Board shall elect the chairman of the Board from among its members.

The General Meeting may remove from office the entire Board or its individual members before the expiry of their term of office. A member of the Board may resign from office prior to the expiry of his term of office upon giving a written notice thereof to the company at least 14 days in advance.

The Board shall have all authorities provided for in the Articles of Association of the company as well as those assigned to the Board by the laws. The activities of the Board shall be based on collegial consideration of issues and decision-making as well as shared responsibility to the General Meeting for the consequences of the decisions made. Striving for as big benefit for the company and shareholders as possible and in order to ensure the integrity and transparency of the control system, the Board closely cooperates with the Manager of the company. The working procedure of the Board shall be laid down in the rules of procedure of the Board adopted by it.

The Board shall consider and approve:

- the operating strategy of the company;
- the annual report of the company;
- the management structure of the company and the positions of the employees;
- the positions to which employees are recruited through competition;
- regulations of branches and representative offices of the company.

The Board shall elect and remove from office the Manager of the company, fix his salary and set other terms of the employment contract, approve his job description, provide incentives for and impose penalties against him. The Board shall be responsible for the effective supervision of the activities of the Manger of the company.

The Board shall determine which information shall be considered to be the company's commercial secret and confidential information. Any information which must be publicly available under the laws may not be considered to be the commercial secret and confidential information.

The Board shall take the following decisions:

- for the company to become an incorporator or a member of other legal entities;
- to open branches and representative offices of the company;
- to invest, dispose of or lease the fixed assets the book value whereof exceeds 1/20 of the authorised capital of the company (calculated individually for every type of transaction);
- to pledge or mortgage the fixed assets the book value whereof exceeds 1/20 of the authorised capital of the company (calculated for the total amount of transactions);
- to offer surety or guarantee for the discharge of obligations of third parties the amount whereof exceeds 1/20 of the authorised capital of the Company;
- to acquire the fixed assets the price whereof exceeds 1/20 of the authorised capital of the company;
- to restructure the company in the cases laid down by the Law on Restructuring of Enterprises;
- other decisions assigned to the scope of powers of the Board by the Law on Companies of the Republic of Lithuania, Articles of Association or the decisions of the General Meeting.

Before adopting the decision on investment of funds or other assets in another legal entity, the Board must notify thereof the creditors wherewith the company failed to settle within the prescribed time limit, if the

aggregate amount of arrears to these creditors to these creditors exceeds 1/20 of the authorised capital of the company.

The Board shall analyse and evaluate the information submitted by the Manager of the company on:

- the implementation of the operating strategy of the company;
- the organisation of the activities of the company;
- the financial status of the company;
- the results of business activities, income and expenditure estimates, the stocktaking data and other accounting data of changes in the assets.

The Board shall analyse and assess a set of company's and consolidated annual financial statements and draft of profit/loss appropriation and shall submit them to the General Meeting together with the annual report of the company.

It shall be the duty of the Board to convene and organise the General Meetings in due time.

Members of the Board must keep commercial secrets of the company and confidential information which they obtained while holding the office of members of the Board.

11.3. The President

The manager of the company (the President) shall be elected and removed from office by the Board which shall also fix his salary, approve his job description, provide incentives and impose penalties. An employment contract shall be concluded with the President. The President shall assume office after the election, unless otherwise provided for in the contract concluded with him. If the Board adopts a decision on his removal from office, the employment contract therewith shall be terminated.

In his activities, the President shall be guided by laws and other legal acts, the Articles of Association of the company, decisions of the General Meeting and the Board, his job description. The President is accountable to the Board.

The President shall organise daily activities of the company, hire and dismiss employees, conclude and terminate employment contracts therewith, provide incentives and impose penalties.

The President shall act on behalf of the Company and shall be entitled to enter into transactions at his own discretion. The President may conclude the transactions to invest, dispose of or lease the fixed assets the book value whereof exceeds 1/20 of the authorised capital of the Company (calculated individually for every type of transaction), to pledge or mortgage the fixed assets the book value whereof exceeds 1/20 of the authorised capital of the Company (calculated for the total amount of transactions), to offer surety or guarantee for the discharge of obligations of third parties the amount whereof exceeds 1/20 of the authorised capital of the Company, to acquire the fixed assets the price whereof exceeds 1/20 of the authorised capital of the Company, provided there is a decision of the Board to enter into these transactions.

The President shall be responsible for:

- organisation of activities and the implementation of purposes of the company;
- drawing up of the set of annual financial statements and drafting of the annual report of the company;
- conclusion of a contract with a firm of auditors;
- submission of information and documents to the General Meeting and the Board;
- submission of documents and particulars of the company to the manager of the Register of Legal Entities;
- submission of the documents to the Securities Commission and the Central Securities Depository of Lithuania;
- publication of the information referred to in the legal acts;
- submission of information to shareholders;
- performance of other duties laid down in the laws and legal acts as well as in the Articles of Association and the job regulations of the President.

The President must keep commercial secrets and confidential information of the company which he learned while holding this office.

12. Information about members of the Board, CFO and the Audit Committee of the Company

12.1. Information about the Board Members and CFO

The Board of Invalda AB was elected by the General meeting of shareholders on 12.01.2006. The Board started its activity on 01.02.2006 as amended Articles of Associations were registered in the Register of Legal Entities. The Board is elected for the term of office of 4 years.

During the Ordinary General Meeting of 2010 the Board should be elected for the new 4 years term of office.

Information about the management of the Company:



Chairman of the Board
Vytautas Bucas (1968)

Educational background and qualifications

1993, Vilnius University, Faculty of Economics
Since 2002 member of Association of Chartered Certified Accountants, UK
Since 1996 member of Lithuanian Chamber of Audit

Job experience

Since May 2007 chairman of the Board, Invalda AB
Since 2006 advisor, member of the Board, Invalda AB
2000–2006 member of the Board, executive vice president, CFO, Head of IT department, SEB Vilniaus Bankas AB
1992–2000 senior manager, manager, senior auditor, Arthur Andersen

Owned amount of Invalda AB shares

9,585,803 units of shares and votes

Participation in other companies

Name of the company or organization	Duties	Start date
Invalda AB	Board member/ Chairman of the Board	Since 02 2006 / 05 2007
Tiltra Group AB	Chairman of the Supervisory Board	Since 06 2008
Invaldos Nekilnojamo Turto Fondas UAB	Chairman of the Board	Since 06 2007
Vilniaus Baldai AB	Chairman of the Board	Since 04 2007
Invalda Service UAB	Board member	Since 03 2010



Member of the Board,
president
Darius Sulnis (1971)

Educational background and qualifications

1993, Vilnius University, Faculty of Economics
Financial broker's license (general) No. A109

Job experience

Since 2006 president, member of the Board, Invalda AB
2002–2006 director, Invalda Real Estate UAB
1994–2002 director, FBC Finasta AB

Owned amount of Invalda AB shares

3,330,061 units of shares, 4,071,762 units of votes (741,701 votes are left to Darius Sulnis after the shares were transferred)

Participation in other companies

Name of the company or organization	Duties	Start date
Invalda AB	Board member	Since 02 2006
Tiltra Group AB	Supervisory board member	Since 06 2008
Invaldos Nekilnojamo Turto Fondas AB	Board member	Since 06 2007
Umega AB	Board member	Since 04 2007
Vilniaus Baldai AB	Board member	Since 04 2007
Sanitas AB	Board member	Since 05 2006
Burusala SIA	Chairman of the supervisory board	Since 05 2006
DOMMO SIA	Chairman of the supervisory board	Since 12 2005

Owned shares and votes of other companies:

Company	Portion of share capital	Portion of votes
Golfas UAB	31 %	31 %
Lucrum Investicija UAB	100 %	-



Since 10.07.2008 Board member Dalius Kaziūnas (1976)

Educational background and qualifications

2000, Vilnius university, Faculty of Economics
Financial broker's license (trader) No. P022

Job experience

Since February 2008 Invalda advisor, July 2008 – Board member
2008 - 2009 Bank Finasta AB general manager
1996-2008 FBC Finasta AB director (since 2002), financial broker, assistant to the financial broker

Owned amount of Invalda AB shares

213,294 units of shares and votes

Participation in other companies

Name of the company or organization	Duties	Start date
Invalda AB	Board member	Since 07 2008
Ineturas UAB	Board member	Since 10 2009
Invalda Service UAB	Board member	Since 03 2010



CFO
Raimondas Rajeckas (1977)

Educational background

2001, Vilnius University, Faculty of Economics

Job experience

Since 2006 CFO, Invalda AB
2001-2006 CFO, Valmeda AB
2000–2001 CFO, Galincius AB
2000–2001 CFO, Invaldos Marketingas UAB (current name Invaldos Nekilnojamojo Turto Valdymas UAB)
2000–2002 accountant, Gildeta AB
1998–2000 accountant, Invalda AB

Owned amount of Invalda AB shares

Participation in other companies

Invaldos Nekilnojamojo Turto Fondas, member of the Board
Vilniaus Baldai AB, member of the Board
Aktyvo UAB, director
Investiciju Tinklas UAB, director
VOLO UAB, director
FORTINA UAB, director
Aktyvus valdymas UAB, director
Finansų Rizikos Valdymas UAB, director
ENTE UAB, director
Iniciatyvos Fondas, director

12.2. Information about the Audit Committee of the Company

The Audit Committee consist of 2 members, one of which is independent. The members of the Audit Committee are elected by the General Shareholders' Meeting. The main functions of the Audit Committee should be the following:

- provide recommendations to the Board of the Company with selection, appointment, reappointment and removal of an external audit company as well as the terms and conditions of engagement with the audit company;
- monitor the process of external audit;
- monitor how the external auditor and audit company follow the principles of independence and objectivity;
- observe the process of preparation of financial reports of the Company;
- monitor the efficiency of the internal control and risk management systems of the Company. Once a year review the need of the internal audit function.



The Audit Committee members were appointed at the extraordinary General Meeting of Invalda that took place on November 14, 2008. Regulations of the Formation and Activity of the Audit Committee of Invalda AB were approved at the above-mentioned shareholders meeting and were changed by shareholders on 30 November, 2009.

Information about members of the Audit Committee:

Tomas Bubinas
(independent member of the Audit Committee)

Educational background and qualifications
2007, IAA (the Institute of Internal Auditors), United States, Certified Internal Auditor (CIA);
2004-2005, BMI (Baltic Management Institute); international EMBA (Executive Master of Business Administration) program;
1997–2000, Association of Chartered Certified Accountants (UK), Chartered Certified Accountant, currently fellow member (FCCA);
1997, Lithuanian Chamber of Auditors, Professional auditor qualification ;
1993, Vilnius University, Faculty of Economics.

Job experience
Since 2002, SICOR Biotech UAB / TEVA Baltic, CFO
1999 – 2002 PricewaterhouseCoopers, Senior Manager
1997 – 1999 Coopers&Lybrand (UK), Supervisor/Manager
1994 – 1997 Coopers&Lybrand, Senior auditor
1993 – 1994 Pando aps. (Denmark) Assistant-consultant

Owned amount of Invalda AB shares

Danute Kadanaite

Educational background
2004 – 2006, Mykolas Romeris university, faculty of Law;
2000 – 2004, Law university, faculty of Public administration;
1997, International school of management;

Job experience
Since 2009 Legisperitus UAB, lawyer
2002 - 2009 FBC Finasta, lawyer;
1999 – 2002 office of lawyer Arturas Sukevicius, administrator;
1994 – 1999 FBC Apyvarta, law consultant

Owned amount of Invalda AB shares

13. Information on the amounts calculated by the Issuer, other assets transferred and guarantees granted to the Board members and CFO

The remunerations of the Management members who are directly elected by the General Meeting of shareholders and who have concluded employment contracts with the Company are only fixed. The Company doesn't have a policy concerning payment of a variable portion of the remuneration to the Management members.

A fixed portion of the remuneration is determined in employment contracts. All members of the Board are Company's employees, and remuneration to them is paid as for the Companies employees.

During 2009 the Board members didn't receive dividends from the Company; there were no assets transferred, no guarantees granted, no bonuses paid, and no special payouts made for the Company's managers.

Table 13.1. Information about calculated remuneration to Invalda AB managers for 2009

	Calculated remuneration, tLTL	
	2009	2008
For members of the Board	741	711
For each member of the Board (average per month)	22	24
For members of administration (President and CFO)	323	359
For each member of administration (average per month)	14	15

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

14. An objective review of the Issuer's and its group companies position, their performance and business development

14.1. Goals, philosophy and management principles

Invalda AB is a company which actively manages its investments and the largest part of assets allocates in Poland and Lithuania. Shares of Invalda are listed on Baltic Main list of NASDAQ OMX Vilnius. Presently the main investments are: Sanitas in the pharmacy sector, Kauno Tiltai and Tiltra Group in the road and bridge construction sector, Vilniaus Baldai in the furniture manufacturing sector, Baltic Amadeus Infrastrukturos Paslaugos in the IT sector, Invalda Nekilnojamojo Turto Fondas in the real estate sector.

The company strives to ensure long-term financial return for its shareholders maintaining a low grade of risk, and implements its plans observing ethical standards and traditional values. Invalda AB endeavors to be a reliable and stable company valued by its customers, shareholders, and employees.

Invalda's activity is to invest into prospective businesses or assets in the Baltic countries and Poland. However, there are also undertaken possibilities of investing in other countries if this helps to achieve the strategic goals.

Investment philosophy

We are value investors. We invest in competitive businesses that have the potential to successfully expand organically, consolidate fragmented markets or present other opportunities for value realization, when provided additional capital and/or managerial resources.

Active management

Usually Invalda tries to obtain control or gain significant influence in businesses it invests. Invalda sets priorities to its businesses, contributes to creation and monitors implementation of their strategies. Nevertheless, we are investors, not managers. Daily operations are run by experienced professionals. We ourselves actively participate in dealing with strategic issues – with those that have direct influence on the value of the companies.

Long term view

We try to realize as much of the investment potential of investees as possible. We usually have a long-term view on the businesses we invest in, and therefore we typically do not have an exit horizon. We seek to maximize the long term value of our investments. Before a decision to exit an investment, it is first made sure that the business is attractive to potential investors, and that it is prepared for the sale.

Invalda AB follows these principles:

- **Competitiveness** - every single business of the Group should be competitive and should have the best self-driven managers. The managers should be able to develop a clear vision of the business they head and they should be capable to build a strong team. They should be keen on implementing ambitious goals.
- **Independency** – the Group's companies are not dependent on each other or and can operate independently.
- **Risk diversification** – Invalda AB usually does not act as a risk guarantor nor takes responsibility for separate businesses. The Group's companies do not act as risk guarantors nor do they take responsibility for other companies of the Group.
- **Transparency** – Invalda AB discloses all significant information to its shareholders, except for information that should be kept confidential due to responsibilities to third parties and/or when disclosure of such information could result in adverse effects on the activities of the Company and/or The Group's companies and/or might negatively affect their ability to compete.
- **Non - competition** - managers of companies of the Group are not engaged in activities that could be regarded as competition with the Group and/or The Company.

14.2. Operational environment

Economic slump of 2008 was followed by a record contraction in economic activity in 2009 in Lithuania. According to preliminary data, gross domestic product (GDP) of Lithuania in 2009 was 15% lower than the year before. Similar contractions were observed in neighboring Latvia and Estonia. Fortunately, despite the global slowdown in economic activity, the economy of Poland expanded. A significant part of activities of main businesses of Invalda take place in Poland.

Table 14.2.1. Forecasted GDP change (percent)

	Annual GDP change (proc.)			
	2008	2009	2010 forecast	2011 forecast
The World	3.0	-0.7	4.5	4.3
USA	0.4	-2.4	3.4	2.2
Euro zone	0.5	-3.9	1.7	2.0
Japan	-1.2	-5.0	1.5	1.8
United Kingdom	0.5	-4.8	1.8	2.6
China	9.6	8.7	10.5	9.0
Poland	4.9	1.7	3.5	4.5
Russia	5.9	-7.9	5.0	4.5
Ukraine	2.1	-15.0	2.5	4.5
Baltic countries	-1.0	-15.9	5.0	4.5
Lithuania	2.8	-15.0	1.0	4.0

Source: SEB Bank

Economic contraction had a negative effect on both the exporting companies and on those concentrated on domestic consumption. Companies were forced to reduce expenses, fire employees and search for other ways to maintain competitiveness.

Due to change in banks' risk perception of the Baltic markets, banks started taking a more conservative financing policy here by reducing loan portfolio and by being more selective when providing new loans in the three countries. This had an extremely negative effect on those companies that extensively used leverage during the economic upturn.

Due to a more conservative financing policy of banks, and due to the fact that performance of companies not only deteriorated, but also became extremely difficult to predict, there was stagnation in the market of mergers and acquisitions.

Then again, the stock markets, which are usually a leading indicator of recovery, were bullish in 2009. This leads to believe that there might be an economic recovery in 2010-2011. This is in line with predictions of most analysts.

14.3. Significant events and tasks accomplished in 2009

The Company

- **Finalisation of sale of block of shares of Sanitas for 103.58 mLTL.** In January, 2009, Invalda AB completed a transaction whereby it sold 6 314 502 shares, i.e. 20.3 % of the share capital, of AB Sanitas to Baltic Pharma Limited, an investment vehicle for funds managed by Citi Venture Capital International (CVCI). The transaction was implemented in two stages: (a) 1 555 296 Sanitas shares, 5% of share capital, were transferred for LTL 25.51 mln on October 28, 2008. (b) Upon fulfillment of all necessary conditions precedent on January 12, 2009, the balance of 4 759 206 shares (15.3%) were transferred for LTL 78.01 mln. As per the terms of the agreement with Baltic Pharma Limited, the price paid for the shares and the number of shares transferred, may be adjusted upon a future sale of the shares by Baltic Pharma Limited, depending on the price received by the latter from such sale.

- **Sale of Finasta group for 45.75 mLTL.** On March 31, 2009 the Management Board of Invalda AB approved entering into the contract with the Bank Snoras AB regarding the sale of 100% shares of Bank Finasta AB, FBC Finasta, asset management companies Invalda Turto Valdymas and Invalda Asset Management Latvia, as well as Finasta Imoniū Finansai AB. The deal was closed in September, 2009.

- **Businesses were reorganized to operate efficiently and generates profitable cash flows.** When the economic changed all main businesses of Invalda group strived to increase efficiency and decrease costs. After reorganisations businesses don't require shareholders' support, generate positive cash flows and are ready to operate independently/

- **Liabilities of AB Invalda were significantly reduced** (by 105 mLTL for The Company and by 188 mLTL for The Group). The reduction in liabilities took place after completion of sale of Sanitas block of shares and after selling Finasta Group.

The Group

Pharmacy sector

In the pharmacy sector Invalda invested into Sanitas AB which manufactures and sells various generic medicine (injectables, tablets, capsules and ointments). Sanitas controls pharmacy company Jelfa in Poland and HBM Pharma (former name Hoechst Biotika) in Slovakia. Sanitas group is engaged in contract manufacturing and sales of own production in Poland, Russia, Latvia, Germany, Slovakia and Lithuania.

Table 14.3.1. Sales of Sanitas Group

thousand LTL	Own product sales		Contract manufacturing sales		Total sales	
	2009	2008	2009	2008	2009	2008
Poland	150,554	212,361	2,864	2,304	153,418	214,665
Russia	47,162	44,082	-	-	47,162	44,802
Latvia	482	612	22,902	29,091	23,384	29,703
Slovakia	5,373	2,661	17,530	15,773	22,903	18,434
Germany	-	-	22,332	19,355	22,332	19,355
Lithuania	12,939	17,186	115	-	13,054	17,186
Ukraine	7,997	6,184	-	-	7,997	6,184
Check Republic	6,588	4,232	1,174	1,908	7,762	6,140
Hungary	3,513	4,528	2,179	3,002	5,692	7,530
Georgia	5,443	5,771	-	-	5,443	5,771
Bulgaria	3,184	3,201	-	-	3,184	3,201
Vietnam	2,974	1,962	-	-	2,974	1,962
Kazakhstan	2,682	3,193	-	-	2,682	3,193
Belorussia	1,618	2,377	-	-	1,618	2,377
Switzerland	-	-	1,425	572	1,425	572
Moldova	466	886	-	-	466	886
Uzbekistan	406	608	-	-	406	608
Kirgizia	237	188	-	-	237	188
Great Britain	-	-	221	204	221	204
USA	-	-	169	-	169	-
Other countries	73	194	147	77	220	271
Total	251,691	310,226	71,058	72,286	322,749	382,512

The decline of own products sales' in Poland was the main reason for the decrease of Sanitas group sales in 2009. During the first quarter of 2009 sales of own products in Poland decreased by 48% in comparison to the same period of 2008 because the group discontinued sales of non-harmonized products in this market. Moreover, the impact on sales made Polish zloty and Euro (Litas) currency change and distributors reducing stocks in the channel.

In Russia the group paid a lot of attention to manage account receivable. At the beginning of 2009 the group stopped all shipments to Russian customers that had overdue accounts payable to Sanitas group companies. During the first quarter Group collected most of its overdue accounts receivable from Russian customers. Shipments were renewed in March only to financially sound customers that fully settled their accounts payable with the Group, therefore sales to Russia were increased.

The concentration on the therapeutic areas of dermatology, ophthalmology, diabetology, urology and hospital injectables in 2009 continued. 4 dossiers were acquired in order to strengthen the product portfolio in these therapeutic areas. 15 own developments in the field of dermatology and hospital injectables were progressing. 3 out of those 15 were filed till the end of 2009 and 8 will be filed till the end of 2010. It is planned to invest into 10 new product dossiers in order to ensure constant flow of new product launches in the core countries of Sanitas Group in 2010.

Sanitas Group received 108 approvals for marketing authorizations in 2009 (38 approvals in 2008), it is planned to file more than 190 new applications in 2010.

Licensing – out activities were started for products coming out of own developments in 2009, it is planned to continue this new business activity in future. Moreover, Sanitas group significantly reduced financial liabilities.

In 2009 Sanitas group strived to decrease operational costs and to register new products in the market. 42 new products were registered.

Table 14.3.2. Results of Pharmacy Sector

million LTL	2009	2008	2007
Sales	322.7	382.5	335.4
EBITDA	74.3	90.5	105.4
Net result	17.8	-1.9	37.3
Part of net result attributable to the shareholders of Invalda	4.7	0	13.2

Road and bridge construction sector

Investments in road and bridge construction sectors include ownership stakes in AB Kauno Tiltai AB (43.36%) and Tiltra Group AB (44.78%).

Due to Government's policy of cost cutting, there was a significant decrease in financing of road and bridge construction and maintenance in Lithuania. For this reason the results of 2009 of Kauno Tiltai group companies were worse than a year ago. In respect to difficult market situation, road and bridge construction companies were actively cutting costs.

Table 14.3.3. Results of road and bridge construction sector*

million LTL	2009	2008	2007
Sales	474.5	638.3	253.7
Net profit	30.5	46.6	13.1
Part of net result attributable to the shareholders of Invalda	13.3	18.7	5.7

* Results of Kauno Tiltai and Tiltra Group are provided. Poldim, which was acquired in December 2009 will be consolidated from 2010

The scope of road and bridge construction market in Lithuania was around 1 billion litas in 2009. Possibilities to expand in this market are limited, therefore a decision was made to start expansion in other segments in Lithuania – construction of railways and harbor infrastructure development.

Expansion in Polish road and bridge construction market, size of which was around 20 billion zloty last year, was the number one priority last year. Kauno Tiltai group controlled companies in the Bialystok district in Poland.

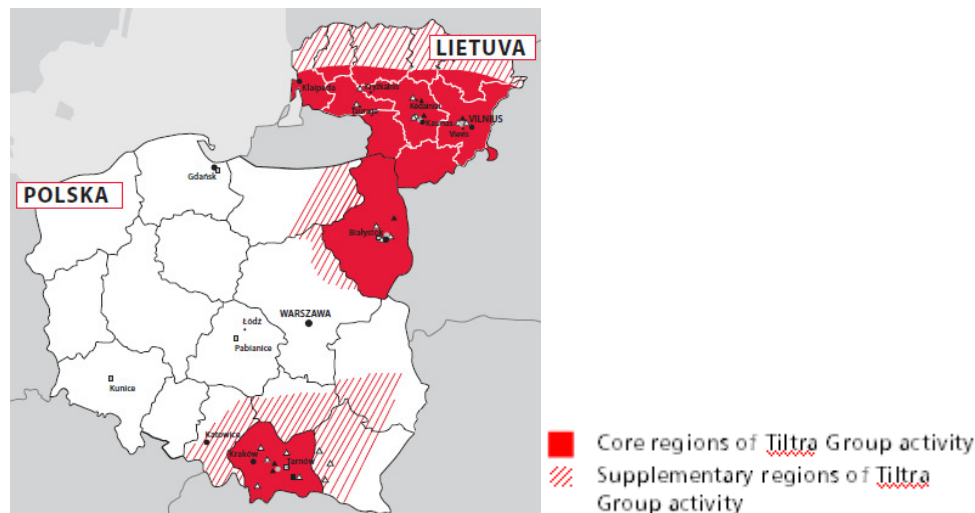
The expansion in Poland last year includes acquisition of 71% stake in road and bridge construction company Poldim through an SPV of Tiltra Group. This allowed expanding the geography of activities in Poland. The consolidation of Poldim financials will take place starting from financial year 2010. Due to negative goodwill (9.5 million litas) from the acquisition, Tiltra Group consolidated result for the year 2009 was positive.

Table 14.3.4. Poldim group results*** consolidated according to local accounting standards

million PLN	2007/2008	2008/2009
Sales	428.9	598.9
Net profit	15.2	11.7

*** Poldim financial year starts on 1st of April

Picture 14.3.1. Road and bridge construction companies' activity regions



Main goals for 2010 will remain the same: expansion in Poland, integration of acquired entities into the group, and increasing operational effectiveness of group companies.

Real estate sector

Due to completion of projects that were started prior to economic slump, supply of commercial real estate increased by some 15% this year in Lithuania. Demand, on the other hand, decreased further: vacancy rates of A and B class buildings almost doubled in contrast to the year before. Due to increasing imbalance in supply and demand, commercial real estate market saw a further drop in rental prices and value of commercial real estate. In addition, values of commercial real estate were decreasing further. Yet, due to the fact that potential buyers were mostly searching for high-yield objects, while prospective sellers were redundant to sell objects, rental cash flow of which was enough to service bank loans, there were no major commercial real estate deals in 2009 in Lithuania.

Values of residential real estate were decreasing further. The decrease was 30%-40%. The highest drop was seen by the most expensive apartments (located in city center) and those with the highest supply (old apartments located in residential area).

Rental income of Invalda AB real estate sector was not significantly negatively affected. This was mostly due to the fact that presence of long term contracts and active communication with the tenants made it possible to maintain vacancy rates which were lower than that in the market. This effect softened the drop in rental prices.

Invalda group companies did not enter in any major sales of commercial real estate objects in 2009.

There were a number of sales of flats in residential objects located in Vilnius and Kaunas, development of which is already completed. Income from residential real estate segment was lower than a year before due to both a drop in the number of deals and a decrease in prices.

Due to a difficult condition of the real estate market, a decision was made to withdraw from projects further participation in which became economically unreasonable. Therefore, major part of investments in projects was development was seized, where written-down to zero. Therefore, no further losses from them are expected, since Invalda usually doesn't provide any guarantees for any of the liabilities of real estate sector companies.

Operational companies of the sector – Invalda Nekilnojamojo Turto Valdymas, Inreal and Invalda Service – were cutting costs in 2009 and were trying to adjust to the market conditions. In 2009 facilities management company Invalda Service laid the foundations for the attraction of external clients.

Table 14.3.5. Results of real estate sector

million LTL	2009	2008	2007 m.
Value of owned real estate*	253.1	325.1	451.7
Loans from credit institutions*	145.2	159.6	248.5
Rent income	20.5	24.9	21.7
Allowance	(38.4)	(29.0)	(1.1)
Valuation gain (loss)	(72.3)	(42.6)	62.9
Net result	(116.7)	(98.1)	52.8

* Excluding investments that were sold on 31 March 2010 and impaired until nil in financial statements as at 31 December 2009.

Furniture manufacturing sector

In the furniture manufacturing sector Invalda controls Vilniaus Baldai AB. This company produce flat-pack furniture and sells almost all production to the Swedish concern IKEA. Vilniaus Baldai for the mass production manufactures furniture from particle board. Due to used BOF (board on frame) technology the furniture is lightweight.

The main results of Inter IKEA Systems B.V., the owner and franchisor of IKEA, are presented in the table.

Table 14.3.6. Main results of IKEA

	2009 m.	2008 m.	2007 m.
Turnover of all IKEA stories, billion LTL	78.4	77.7	71.4
All IKEA stories	301	285	260

Source: Inter IKEA Systems B.V. <http://franchisor.ikea.com>

In 2009 Vilniaus Baldai continued previous reorganisations in order to decrease costs, increase production efficiency and to increase orders. Due to reorganisation of processes in 2009 efficiency increased by 35% and production per one employee was approximately 385 thousand LTL. In 2009 the company corrected organizational structure striving to organise management levels and clearly determine functions and responsibilities of departments. Activity results were also influenced by the cheapened raw materials.

Besides the abovementioned results were influenced by the sale of 25% of Giriu Bizonas shares. During period 2008 January - December in the net profit of Vilniaus Baldai was recognized 16.375 million LTL profit from financial - investment activities' sale and loss of 6.07 million LTL using equity method for the shares Giriu Bizonas UAB. July 2, 2009 Vilniaus Baldai signed the agreement of Giriu Bizonas' share price correction as it was provided in the share purchase – sale agreement. Therefore loss of 1.1 million LTL is recognized in the result of 2009.

In 2009 Vilniaus Baldai showed the best in the company's history net profit result. Dependence on one client continues to be the main risk in the company. In 2009 Vilniaus Baldai sold to IKEA 99% of total sales (99% in 2008, 95% in 2007, 81.5% in 2006).

Table 14.3.7. Results of furniture manufacturing sector

million LTL	2009	2008	2007
Sales	149	137.5	151.4
EBITDA	27	8.5	17.3
Net result	15.6	7.6*	2.1

* Considering the share of loss from Giriu Bizonas of 6 mLTL (which was accounted using equity method) and 16.4 mLTL profit from sale of these shares.

IT sector

Lithuanian information technology (IT) sector also suffered from the economic downturn. Contraction in IT spending took place both in public and private sectors. Decline in demand in the retail sector made some of the major retailers go bankrupt. Besides the lower demand, IT sector companies also faced working capital problems. This was due to reduction and/or elimination of trade credit insurance that made wholesalers to assess the risks more thoroughly.

IT sector companies of Invalda managed to undergo the economic slump with more ease than the rest of the market. This was mainly because the largest Invalda IT sector company Baltic Amadeus Infrastruktūros Paslaugos (BAIP) concentrated on major clients of public and private sector. Business volumes of BAIP increased: gross profit was 4% higher than in 2008 and reached 6.97 million litas. EBITDA increased to 1.8 mLt (+40% compared to the year before). BAIP operates in the professional service sector. This sector requires specific know-how and especially high competence.

In the second half-year of 2008 BAIP expanded its service portfolio by providing new specialized services suited for "lower-IT-budget" clients' needs. Special attention was paid to critical infrastructure maintenance services. BAIP in association with world-renowned independent infrastructure consulting and service company Glasshouse, created a methodology of providing services of implementation of critical infrastructure.

In 2009 BAIP was nominated as the most progressive service sector company by Lithuanian Knowledge Economy Forum.

In 2009 BAIP became Dell authorized service provider in Lithuania, VMware Enterprise Partner, NetApp golden partner. In addition, the company acquired environment management certificate ISO 14001.

The growing demand of cost optimization needs lead BAIP to expand the copying and printing optimization service CopyPrin". By centralizing and outsourcing maintenance of hardware, companies can save up to 20-30% of their current IT costs, associated with these functions. This service is provided to the biggest retail chain Maxima and to the biggest mobile service provider Omnitel.

Invalda IT sector financials are provided in the table below. Turnover and gross profit decrease was caused by the overall IT market reduction and especially by the drop in demand for personal computers.

Table 14.3.8. IT sector

million LTL	2009	2008
Sales	25.5	29.1
Gross profit (loss)	8.3	8.8
EBITDA before probable stock options payments	1.3	1.1
Net profit (loss)	(1.6)	(1.1)
Loans from credit institutions	3.5	0

More information about services and activity is provided on the web page www.baip.lt.

Other companies

Other larger companies in which Invalda has blocks of shares finished 2009 with losses. Road signs and solid oak furniture producer Kelio Zenklai (Invalda owns 100%) and metal items producer Umega (Invalda owns 19.4%) suffered losses. The main reason for this was sales' decrease.

15. Analysis of financial and non-financial performance and information relating to environmental and employee matters

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

Table 15.1. Income, 2007–2009, tLTL

	Company's			Group's		
	2009	2008	2007	2009	2008	2007
Sales income	-	-	-	217 322	309 434	268 176
- real estate	-	-	-	37 041	131 012	37 348
- furniture manufacturing	-	-	-	148 966	137 523	151 404
- information technology	-	-	-	25 536	29 116	-
- other companies	-	-	-	6 651	15 641	33 461
- financial activities	-	-	-	-	-	33 998
- hotel management	-	-	-	-	-	14 581
- elimination	-	-	-	-872	-3 858	-2 616
Gain (loss) from investments	-11 659	77 270	1 213	2 456	18 457	14 705
Other income	21 476	34 340	100 018	4 012	14 505	12 309
- interest income	12 469	13 836	7 126	2 149	5 877	8 391
- dividend income	9 000	20 478	92 877	-	4 959	-
- other income	7	26	15	1 863	3 669	3 918
Valuation gain (loss) from investment property	-	-	-	-72 358	-43 707	62 367

Road and bridge construction companies in Invalda group are the biggest in terms of revenue (in 2009 their revenue was 474.5 million LTL and 322.7 million. LTL accordingly) but in 15.1. table they are not provided, whereas investments in these companies are accounted under the equity method and revenue isn't consolidated. These sectors' revenue for the past three years is provided in 2009 activity overview.

Table 15.2. Main items of financial statements, tLTL

	Company's			Group's		
	31.12.2009	31.12.2008	31.12.2007	31.12.2009	31.12.2008	31.12.2007
Non current assets	225 027	406 027	405 376	495 412	667 312	829 704
Current assets	81 789	127 222	110 065	114 691	215 134	279 456
Non current assets classified as held for sale	-	0	10 079	-	0	87 669
Equity	46 336	168 134	179 311	91 710	177 690	298 886
Equity attributable to equity holders of the parent company	46 336	168 134	179 311	78 669	167 985	294 749
Minority interest	-	-	-	13 041	9 705	4 137
Non-current liabilities	4 061	81 995	78 589	44 332	131 319	306 044
Current liabilities	256 419	283 120	267 620	474 061	573 437	536 731
Liabilities directly associated with non-current assets classified as held for sale	-	-	-	-	0	55 168
Result before taxes	-125 050	1 410	86 096	-107 560	-94 723	97 813
Net result	-121 798	1 594	86 804	-85 653	-91 553	87 560
Net result attributable to holders of the parent company	-	-	-	-88 596	-90 140	78 964

Table 15.3. Company's assets

million LTL	31-12-2009	31-12-2008	Description of assets as of 31-12-2009
Investments in Sanitas	119.6	185.9	26.5% stake (40.3% at the end of 2008) in Sanitas AB and loans to the company
Investments in road construction	25	25	43.3 per cent stake in Kauno Tiltai AB and 44.8 per cent stake in Tiltra Group
Investments in real estate	120	204.9	Commercial real estate, flats, land for development, agricultural land and loans to the sector companies
Investments in Vilniaus Baldai	13.7	13.7	72 per cent stake in Vilniaus Baldai AB
Investments in IT sector	6.0	6.9	80 per cent stake in Positor group and loans to the sector companies
Investments in Finasta group	0	59.8	Financial sector companies' shares and loans provided to the sector companies
Other assets	22.5	37	Stakes in Kelio Zenklai, Omega, differed tax asset, stake in Agrowill Group and other assets
Total assets:	306.8	533.2	

Fair value of assets might differ from provided book values

Table 15.4. Equity and liabilities

AB Invalda, mLTL	2008	2009	Modeled*	Change**, million LTL
Equity	168.1	46.3	96.3	-71.8
Liabilities to financial institutions	183.3	147.4	147.4	-35.9
From this long term	0	0	119.2	119.2
Liabilities to group companies	70.8	19.8	20.3	-50.5
Bonds	75.6	83.1	35.1	-40.5
Other liabilities	35.4	10.2	9.7	-25.7
Total Liabilities	365.1	260.5	212.5	-152.6
Total Equity and Liabilities	533.2	306.8	310.4	-222.8

Liabilities and bonds include accrued interest.

*Pro-forma situation in line with results of 2009 after considering the conversion of 50 mLTL total nominal value of convertible bonds, issue of 7.44 mLTL nominal value bonds and after reaching other agreements regarding long term loans from credit institutions.

** Difference between pro-forma data after conversion of bonds and 2008 data.

Table 15.5. Financial ratios

	Company's			Group's		
	2009	2008	2007	2009	2008	2007
Return on Equity (ROE), %	-113.58	0.92	53.31	-71.84	-38.96	25.36
Debt ratio	0.85	0.68	0.66	0.85	0.80	0.75
Debt – Equity ratio	5.62	2.17	1.93	5.65	3.97	3.00
Liquidity ratio	0.32	0.45	0.45	0.24	0.38	0.62
Earning per share (EPS), LTL	-2.86	0.04	1.96	-2.08	-2.12	1.78
Price Earning ratio (P/E)	Negative	44.60	8.75	Negative	Negative	9.63

15.2. Employees

Invalda AB strives to be a company, where the rights, needs, and contribution to the company's activities of each employee are appreciated. Employees are one of the Company's values; therefore a lot of attention is paid to the people working in the Company, their qualification and motivation. The Company implemented and uses various programs for the expertise training and methods to ensure safety and consistency. Rights and responsibilities of the Company's employees are clearly described in the main internal documents.

The employees avoid situations, which could raise doubts concerning their ability to act for the benefit of the company. The employees obligate not to disclose any confidential information.

Invalda expects that the new employees, who came from other companies, will not disclose the confidential information of previous workplaces. Also employees obligate not to use inside information when purchasing/selling any securities in their own name, in the name of their family members or the other related persons.

The collective agreement is not signed in the Company. There are no special employees' rights and duties described in the employment agreements.

There are no agreements of the Company and the members of the Board, or the employees' agreements providing for compensation in case of the resignation or in case they are dismissed without a due reason or their employment is terminated in view of the change of the control of the Company.

Average number of employees in 2009 was 12 (2008 - 14). The education of all Company's employees is university education.

Table 15.4. Number of employees and average monthly salary

	Measuring units	2009	2008	2007
Total amount of employees as of the end of the period	person	14	11	13
- managers	person	4	4	4
- specialists	person	10	7	9
Average monthly salary (calculated for)	LTL	10 217	10 898	8 936
- managers	LTL	18 202	17 336	12 228
- specialists	LTL	5 977	8 398	6 895

The number of employees of Invalda AB and its subsidiaries on 31.12.2009 amounted to 701 (on 31.12.2008 equaled to 1 095). The number of group employees decreased mainly due to the sale of financial sector companies.

15.3. Environment matters

Invalda AB group strives to pay attention towards environmental matters. Great attempts are made to make the production processes eco-friendly in manufacturing companies, to monitor the effect of the raw materials on the environment.

The Group company Sanitas in 2009 decreased the accumulated waste from 700 tons till 147 tons, 0.5 tons of them were hazardous (5 tons in 2008). 16 tons of waste were assorted and given for secondary use during the reporting year. Moreover, a lot of efforts Sanitas made to lessen the amount of used water. The use of underwater (17,000 m³) in 2009 decreased significantly in comparison to 2008 (50,000 m³).

Other group company Vilniaus Baldai in 2009 used 13,615 thousand kWh of electricity, that is 29% less comparing with 2008 (19,073 thousand kWh).

Companies of Tiltra Group pollution of air from a stationary pollution sources in 2009 decreased by 35 tons, use of water decreased by 6000 m³.

16. Risk management

16.1. A description of the principal risks and uncertainties

Business risks

Activities of Invalda are influenced by overall economic situation of countries of activity.

Invalda is also dependent on its main managers – their loss could have a negative effect on activities of the company and some of business opportunities could be lost

Our returns may be substantially lower than the average returns historically realized by the private equity industry as a whole because historical results do not show the future performance.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

We may not realize gains from our equity investments. The equity interests we invest in may not appreciate in value and, in fact, may decline in value.

Our ability to use our capital loss carry forwards may be subject to limitations.

Changes in the law or regulations that govern us could have a material impact on our business. Change in taxes and change in regulation of sectors, which are dependent on governmental funding or are regulated by the government, could have negative consequences on our business.

Company's and Group's results may fluctuate and may not be indicative of future performance.

The trading price of our common stock may fluctuate substantially. The price of the common stock may be higher or lower than the price you pay for your shares, depending on many factors, some of which are beyond our control.

We are subject to market discount risk. Shares of Invalda can be traded below NAV.

We have not approved dividend payment policy and established a minimum dividend payment level; therefore we cannot assure you of our ability to make distributions to our shareholders in the future.

Changes in interest rates may affect our cost of capital and net operating income and our ability to obtain additional financing.

Investment risk

Our investments in portfolio companies may be illiquid, i.e. there is a risk that we may not exit out investment when it is planned. We may exit our investments when the portfolio company has a liquidity event, such as a sale, recapitalization or listing in the stock exchange.

Our investments in small and middle-market privately-held companies are extremely risky and in the worst case the company could lose its entire investment.

When we are a minority equity investor in a portfolio company, we may not be in a position to control the entity, and management of the company may make decisions that could decrease the value of our portfolio holdings.

16.2. Information about the extent of risk and its management in the company

Information on the extent of risks and management of them is disclosed in the explanatory notes of consolidated and Company's financial statements.

16.3. The main indications about internal control and risk management systems related to the preparation of consolidated financial statements

The Audit Committee supervises preparation of the consolidated financial statements, systems of internal control and financial risk management and how the company follows legal acts that regulate preparation of consolidated financial statements.

Chief financial officer of the company is responsible for the preparation supervision and the final revision of the consolidated financial statements. Moreover, he constantly reviews International Financial Reporting Standards (IFRS) in order to implement in time IFRS changes, analyses company's and group's significant deals, ensures collecting information from the group's companies and timely and fair preparation of this information for the financial statements. CFO of the company periodically informs the Board about the preparation process of financial statements.

17. Information about activities of the Issuer and companies comprising the Issuer's group in the field of Research and Development

Companies of Invalda group perform various researches, prepare improvements of products or services, and implement innovations. For example Sanitas AB and its subsidiaries concentrate on Research and Development of dermatology, ophthalmology, diabetology, urology, and hospital injectables. Baltic Amadeus Infrastrukturos Paslaugos was nominated as the most progressive service sector company by Lithuanian Knowledge Economy Forum. The company was acknowledged for creation of the new innovative services and their implementation.

18. Significant events since the end of the last financial year

- **New share issue registered after conversion of 50 mln. LTL nominal value bonds.** February 3, 2010 new By-laws of Invalda AB were registered by the Register of Legal Entities. The share capital of Invalda AB was increased to 51 659 758 LTL by issuing 9 090 909 ordinary registered 1 LTL nominal value shares. New shares were issued after conversion of 50 mln. LTL bonds issue, the owner of which is Dailius Juozapas Miseikis. On February 9, 2010, Central Securities Depository of Lithuania registered this new share issue which was added to the existing issue. From the moment of addition newly issued shares of Invalda AB were included in the NASDAQ OMX Vilnius Baltic Main list.
- **New bonds issued, prolonged redemption term for previously issued bonds.** On February 4, 2010, Central Securities Depository of Lithuania registered non-public 7.44 mln. LTL nominal value convertible bonds, ISIN code LT0000410193. The maturity date of these bonds – July 1, 2012, They were issued according to the decision of the General Meeting which was held on January 30, 2010;. The same shareholders' meeting changed conditions of 25 mln. LTL nominal value convertible bonds (ISIN code LT0000401812), that were issued according to the decision of the shareholders' meeting held on November 14, 2008. The redemption term was prolonged till July 1, 2012.
- **The agreement with banks to prolong credit term was reached:** the credit provided by DnB NORD Bank was prolonged till June 30, 2010, by Siauliu Bankas – till April 15, 2011.
- **Withdrawal from unfeasible real estate projects.** Invalda group sold shares of Lithuanian real estate project operators Broner, Nerijos Bustas, Saules Investicija and Latvian Dommo Grupa. The companies were sold for a symbolic 1 litas each. Management of these companies initiates bankruptcy process for them. Investments into these companies were written-down to zero already in 2009. Therefore, Invalda will not suffer any losses from these projects in financial year 2010.

19. Information on the related parties' transactions

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

20. Activity plans and forecasts

The Board of the company didn't consider forecasts for 2010 because all the assumptions constantly change.

Invalda AB will continue implementing the long term goal to increase shareholders' equity, transparency of the company, high long-term financial rate of return, maintaining a small risk level and abiding by the ethic standards and traditional values. In 2010 particular attention will be paid to ensuring that all main businesses of Invalda AB operate profitably, to strengthen the balance sheet of Invalda AB and ensure that the needed cash flows are being generated. Moreover the company will strive to fully use existing and emerging opportunities

V. OTHER INFORMATION**21. References to and additional explanations of the data presented in the annual financial statements and consolidated financial statements**

All data is presented in consolidated and Company's financial statements explanatory notes.

22. Information on audit

The audit of annual financial statements and consolidated financial statement of Invalda AB for 2009 was performed by PricewaterhouseCoopers UAB.

Information about the audit firm:

Address of the registered office	J.Jasinskio g. 16B7, LT-01112 Vilnius
Enterprise code	111473315
Telephone	(8~5) 239 2300
Fax	(8~5) 239 2301
E-mail	vilnius@lt.pwc.com
Website	www.pwc.com/lt

The audit firm does not provide any other than audit services to the Company. No internal audit is performed in the Company

23. Data on the publicly disclosed information

The information publicly disclosed of Invalda AB during 2009 is presented in Company's website www.invalda.lt.

Table 23.1. Summary of publicly disclosed information

Date of disclosure	Brief description of disclosed information
13.01.2009	Invalda AB completes sale of part of Sanitas AB shares
23.01.2009	Prospectus of Invalda AB convertible bonds approved
19.02.2009	Regarding incorrect information about employees of Invalda group's real estate sector
19.02.2009	The subscription of Invalda AB convertible bonds has ended
27.02.2009	Preliminary results of Invalda AB group for 12 months of 2008
04.03.2009	Regarding strategic alternatives evaluation of Invalda AB group's financial sector
27.03.2009	Convocation of Invalda AB Ordinary General Shareholders Meeting
01.04.2009	Invalda AB financial sector companies' shares sale approval
20.04.2009	Invalda AB annual information will announce latter
29.04.2009	Annual information of Invalda AB for 2008
29.04.2009	Draft decisions for the General Shareholders meeting of Invalda AB
30.04.2009	Resolutions of the General Shareholders meeting of Invalda AB
29.05.2009	Invalda AB company's and consolidated interim financial statements for 3 months of 2009
11.06.2009	Invalda AB sold shares of VIPC Klaipeda UAB
31.08.2009	Invalda AB interim information for 6 months of 2009
16.09.2009	Closing of Invalda AB group financial sector companies' sale deal
20.10.2009	Notifications on the disposal and acquisition of voting rights
29.10.2009	Change of the audit company of Invalda AB
29.10.2009	Draft resolutions of the General Shareholders Meeting of Invalda AB
29.10.2009	Convocation of Invalda AB Extraordinary General Shareholders Meeting
30.11.2009	Invalda AB interim information for 9 months of 2009
30.11.2009	Resolutions of General Shareholders Meeting of Invalda AB
15.12.2009	A new wording of Invalda AB By-laws was registered
18.12.2009	Tiltra Group acquired 71 per cent stake in Poland road construction company Poldim

Table 23.2. Summary of the notifications on transactions in Invalda AB shares concluded by Managers of the Company during 2009

Date	Person	Number of shares	Share price, LTL	Total value of transaction, LTL	Form of transaction	Type of transaction	Placement of transaction
13.01.2009	Dalius Kaziunas	9338	10,30	96 181,40	acquisition	return of loaned securities	XOFF
13.01.2009	Dalius Kaziunas	73 103	10,30	752 960,90	acquisition	return of loaned securities	XOFF
13.01.2009	Darius Sulnis	1 461 492	12,20	17 830 202,40	acquisition	return of loaned securities	XOFF
13.01.2009	Darius Sulnis	586 678	3,00	1 760 034,00	acquisition	return of loaned securities	XOFF
13.01.2009	Darius Sulnis	195 734	3,00	587 202,00	acquisition	return of loaned securities	XOFF
13.01.2009	Lucrum investicija UAB	135 684	8,00	1 085 472,00	transfer	return of loaned securities	XOFF
13.01.2009	Lucrum investicija UAB	408 697	8,00	3 269 576,00	transfer	return of loaned securities	XOFF
13.01.2009	Lucrum investicija UAB	208 973	8,00	1 671 784,00	transfer	return of loaned securities	XOFF
16.09.2009	Darius Sulnis	85 000	2,26	192 100,00	transfer	securities lending	XOFF
16.09.2009	Darius Sulnis	413 224	12,75	5 268 606,00	acquisition	return of loaned securities	XOFF
16.09.2009	Lucrum investicija UAB	315 000	2,26	711 900,00	transfer	securities lending	XOFF
21.09.2009	Darius Sulnis	184 566	8,00	1 476 528,00	acquisition	return of loaned securities	XOFF
21.09.2009	Darius Sulnis	29 801	3,00	89 403,00	acquisition	return of loaned securities	XOFF
21.09.2009	Darius Sulnis	25 303	3,00	75 909,00	acquisition	return of loaned securities	XOFF
21.09.2009	Dalius Kaziunas	29 010	8,00	232 080,00	acquisition	return of loaned securities	XOFF
21.09.2009	Dalius Kaziunas	29 062	8,00	232 496,00	acquisition	return of loaned securities	XOFF
21.09.2009	Dalius Kaziunas	13 044	8,00	104 352,00	acquisition	return of loaned securities	XOFF
21.09.2009	Dalius Kaziunas	5 076	8,00	40 608,00	acquisition	return of loaned securities	XOFF
21.09.2009	Lucrum investicija UAB	135 680	12,00	1 628 160,00	acquisition	return of loaned securities	XOFF
21.09.2009	Lucrum investicija UAB	20 775	8,00	166 200,00	acquisition	return of loaned securities	XOFF
21.09.2009	Lucrum investicija UAB	129 433	3,00	388 299,00	acquisition	return of loaned securities	XOFF
28.09.2009	Darius Sulnis	600 000	3,37	2 022 000,00	transfer	securities lending	XOFF
16.10.2009	Darius Sulnis	56 701	0,00	0,00	transfer	securities lending	XOFF
16.10.2009	Lucrum investicija UAB	239 304	8,00	1 914 432,00	acquisition	repurchase agreement	XOFF
16.10.2009	Lucrum investicija UAB	259 805	8,99	2 335 646,95	acquisition	repurchase agreement	XOFF
16.10.2009	Lucrum investicija UAB	598 855	0,00	0,00	acquisition	other (undertaking of repurchase agreement)	XOFF

16.10.2009	Lucrum investicija UAB	615 743	0,00	0,00	acquisition	other (undertaking of repurchase agreement)	XOFF
16.10.2009	Lucrum investicija UAB	1 000 000	3,00	3 000 000,00	transfer	sale - purchase	XOFF
16.10.2009	Lucrum investicija UAB	1 000 000	3,00	3 000 000,00	transfer	sale - purchase	XOFF

Explanations:

XOFF – OTC trade.

Managers of the Company and closely related persons:

- Vytautas Bucas – chairman of the Board;
- Dalius Kaziunas - member of the Board;
- Darius Sulnis – member of the Board, president;
- Lucrum investicija UAB – legal entity, related to Darius Sulnis (100% of shares, voting rights are transferred).

APPENDIX 1. INFORMATION ABOUT GROUP COMPANIES, THEIR CONTACT DETAILS

Company	Registration information	Type of activity	Contact details
REAL ESTATE SECTOR			
Invalda Nekilnojamojo Turto Valdymas UAB	Code 222894170 Address A.Juozapaviciaus str. 7, Vilnius, Lithuania Legal form – private limited liability company Registration date 22.12.1994	real estate management and administration, development of investment projects	Telephone +370 5 273 0944 Fax +370 5 273 3065 E-mail info@inred.lt www.inred.lt
Inreal UAB	Code 300576166 Address A.Juozapaviciaus str. 7, Vilnius, Lithuania Legal form – private limited liability company Registration date 14.06.2006	real estate brokerage and valuation services	Telephone +370 5 273 0000 Fax +370 5 273 0858 E-mail info@inreal.lt www.inreal.lt
Invalda Service UAB	Code 126180446 Address Seimyniskiu str. 3, Vilnius, Lithuania Legal form – private limited liability company Registration date 25.03.2003	facilities management	Telephone +370 5 273 6565 Fax +370 5 273 6667 E-mail info@inservice.lt www.inservice.lt
Invaldos Nekilnojamojo Turto Fondas AB	Code 152105644 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – public limited liability company Registration date 28.01.1997	investments into real estate	Telephone +370 5 279 0614 Fax +370 5 273 3065 E-mail intf@intf.lt
INTF Investicija UAB	Code 300643227 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 02.02.2007	real estate operations	Telephone +370 5 275 5093 Fax +370 5 273 3065
DOMMO Nerija UAB	Code 300516742 Registration address Smiltynes str. 25, Klaipeda, Lithuania Residence address S. Simkaus str. 8, Klaipeda, Lithuania Legal form – private limited liability company Registration date 21.12.2005	real estate operations	Telephone +370 46 276 691 Fax +370 46 314 316
Ineturas UAB	Code 126075527 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 20.10.2002	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065

Company	Registration information	Type of activity	Contact details
REAL ESTATE SECTOR			
Naujoji Svara UAB	Code 125235345 Registration address Seimyniskiu str. 3, Vilnius, Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 12.04.2000	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065
Traku Kelias UAB	Code 124928371 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 31.05.1999	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065
Rieses Investicija UAB	Code 300606428 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 11.10.2006	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065
IBC Logistika UAB	Code 300016395 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 07.04.2004	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065
Ekotra UAB	Code 300040019 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address K. Donelaicio str. 33-323, Kaunas, Lithuania Legal form – private limited liability company Registration date 21.07.2004	purchase, sale and rent of land	Telephone +370 37 202 120 Fax +370 37 321 132
Simtamargis UAB	Code 300593984 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address K. Donelaicio str. 33-323, Kaunas, Lithuania Legal form – private limited liability company Registration date 29.08.2006	purchase, sale and rent of land	Telephone +370 37 202 120 Fax +370 37 321 132

Company	Registration information	Type of activity	Contact details
REAL ESTATE SECTOR			
Laikinosios Sostines Projektai UAB	Code 300543732 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address A. Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 01.03.2006	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065
Dizaino Institutas UAB	Code 122288385 Registration address A. Juozapaviciaus str. 11, Vilnius Lithuania Residence address A. Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 29.12.1993	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065
Aikstentis UAB	Code 126412617 Registration address Seimyniskiu str. 1A, Vilnius Lithuania Residence address A. Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 23.12.2003	real estate operations	Telephone +370 5 279 0614 Fax +370 5 273 3065
Wembley – Neringa UAB	Code 110013029 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address A. Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 28.05.1991	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065
Traku Rekreacijos Centras UAB	Code 300667160 Registration address Zemaites str. 2, Trakai, Lithuania Residence address A. Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 04.04.2007	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065
Designing Firm Saistas UAB	Code 133689632 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address K. Donelaicio str. 33-323, Kaunas, Lithuania Legal form – private limited liability company Registration date 26.05.1993	real estate operations	Telephone +370 37 202 120 Fax +370 37 321 132
Zemvesta UAB	Code 300955547 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address A. Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 26.07.2007	purchase, sale and rent of land	Telephone +370 5 263 6138 Fax +370 5 273 3065

Company	Registration information	Type of activity	Contact details
REAL ESTATE SECTOR			
Sago UAB	Code 301206878 Registration address Seimyniskiu str. 3, Vilnius Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 31.10.2007	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065
Invalda Construction Management UAB	Code 186139653 Address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Legal form – private limited liability company Registration date 17.02.1994	carries out no activity	Telephone +370 5 272 5565 Fax +370 5 273 6667
BNN UAB	Code 126153374 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 17.02.2003	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065
SIA DOMMO	Code 40003787271 Address Mūkusalas iela 45/47, Riga, LV-1004 Latvia Legal form – private limited liability company Registration date 05.12.2005	real estate management and administration, development of investment projects	Telephone +371 762 7417 Fax + 371 762 7793 E-mail info@dommo.lv www.dommo.lv
SIA Burusala	Code 40003161313 Address Mūkusalas iela 45/47, Riga, LV-1004 Latvia Legal form – private limited liability company Registration date 08.11.1993	real estate operations	Telephone +371 762 7417 Fax +371 762 7793
SIA Sidateks	Code 40003732930 Address Mūkusalas iela 45/47, Riga, LV-1004 Latvia Legal form – private limited liability company Registration date 11.03.2005	real estate operations	Telephone +371 762 7417 Fax +371 762 7793
SIA DOMMO biznesa parks	Code 40003865398 Address Mūkusalas iela 45/47, Riga, LV-1004 Latvia Legal form – private limited liability company Registration date 13.06.2006	real estate operations	Telephone +371 762 7417 Fax +371 762 7793
SIA DB 120	Code 40003864462 Address Mūkusalas iela 45/47, Riga, LV-1004 Latvia Legal form – private limited liability company Registration date 11.10.2006	real estate operations	Telephone +371 762 7417 Fax +371 762 7793

Company	Registration information	Type of activity	Contact details
REAL ESTATE SECTOR COMPANIES THAT WERE SOLD 31 MARCH 2010			
SIA DOMMO GRUPA	Code 40003733866 Address Mūkusalas iela 45/47, Rīga, LV-1004 Latvia Legal form – private limited liability company Registration date 17.03.2005	real estate operations	Telephone +371 762 7417 Fax +371 762 7793
Nerijos Bustas UAB	Code 300512402 Registration address Kalvariju str. 11-20, Vilnius, Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 05.12.2005	real estate operations	Telephone +370 5 275 1598 Fax +370 5 273 3065
Saules Investicija UAB	Code 300545039 Registration address Fiziku str. 33, Vilnius, Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 06.03.2006	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065
Broner UAB	Code 110006173 Registration address A. Juozapaviciaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 25.04.1991	real estate operations	Telephone +370 5 273 0944 Fax +370 5 273 3065
Company	Registration information	Type of activity	Contact details
PHARMACY SECTOR			
Sanitas AB	Code 134136296 Address Veiveriu str. 134, Kaunas, Lithuania Legal form – public limited liability company Registration date 30.06.1994	manufacturing and trade of pharmaceuticals	Telephone + 370 37 226 725 Fax +370 37 223 696 E-mail sanitas@sanitas.lt www.sanitas.lt
HBM Pharma s. r. o.	Code 31560784 Address Sklabinska 30, 03680 Martin, Slovakia Legal form – limited liability company Registration date 02.03.1992	manufacturing and trade of pharmaceuticals	Telephone +421 43 420 2111 Fax +421 43 422 1004 E-mail hb@hoechst- biotika.sk www.hoechst-biotika.sk
Jelfa SA	Code 66687 Address 21 Wincentego Pola str., 58- 500 Jelenia Góra, Poland Legal form – limited liability company Registration date 02.12.1991	manufacturing and trade of pharmaceuticals	Telephone +48 75 64 33 240 Fax +48 75 75 24 455 E-mail jelfa@jelfa.com.pl www.jelfa.pl
Laboratorium Farmaceutyczne Homeofarm sp. z. o. o.	Code 00001442971 Address Jagielonska Str. 44, Gdansk, Poland Legal form – private limited liability company Registration date 02.12.1991	manufacturing and trade of pharmaceuticals	Telephone +48 585 533 303 Fax +48 585 538 947 E-mail homeofarm@homeofarm.pl www.homeofarm.pl

Company	Registration information	Type of activity	Contact details
FURNITURE MANUFACTURING SECTOR			
Vilniaus Baldai AB	Code 121922783 Address Savanoriu ave. 178, Vilnius, Lithuania Legal form – public limited liability company Registration date 09.02.1993	furniture design and manufacturing	Telephone +370 5 252 5700 Fax +370 5 231 1130 E-mail info@vilniausbaldai.lt www.vilniausbaldai.lt
Ari-Lux UAB	Code 120989619 Address Savanoriu ave. 178, Vilnius, Lithuania Legal form – private limited liability company Registration date 28.10.1991	fitting packing	Telephone / fax +370 5 252 5744
Company	Registration information	Type of activity	Contact details
ROAD AND BRIDGES CONSTRUCTION SECTOR			
Tiltra Group AB	Code 301741852 Address Lvovo str. 25, Vilnius Lithuania Legal form – public limited liability company Registration date 11.06.2008	holding company	Telephone +370 5 273 6545 Fax +370 5 277 8780 E-mail info@tiltra.lt www.tiltra.lt
Kauno Tiltai AB	Code 133729589 Address Ateities ave 46, Kaunas, Lithuania Legal form – public limited liability company Registration date 01.07.1993	road and bridge construction	Telephone +370 37 473 935 Fax +370 37 473 787 E-mail kaunotiltai@kaunotiltai.lt www.kaunotiltai.lt
Poldim SA	Code 0000071826 Address Kochanowskiego str. 37A, 33-100 Tarnow, Poland Legal form – limited liability company Registration date 12.12.2001	road and bridge construction	Telephone +48 14 63 17 200 Fax +48 14 63 17 202 E-mail secretariat@poldim.com.pl www.poldim.com.pl
POLDIM Mielec Sp.zo.o. (Lenkija)	Code 0000025455 Address ul. Korczaka 6a, 39-300 Mielec, Poland Legal form – private limited liability company	kelių tiesimas	Tel. +48 17 58 54 311 Faks. +48 78 88 834
POLDIM - Debica S.A. (Lenkija)	Code 0000171488 Address ul. Drogowców 1, 39- 200 Mielec, Poland Legal form – private limited liability company	kelių tiesimas	Tel. +48 14 68 09 400 Faks. +48 14 68 09 425
POLDIM - Mosty Sp. zo.o. (Lenkija)	Code 0000070755 Address ul. Miedziana 15, 40-321 Katowice, Poland Legal form – private limited liability company	tiltų statyba	Tel. +48 32 31 42 435 Faks. +48 32 31 42 296
NRR Grupa POLDIM Sp. z o.o. (Lenkija)	Code 0000240653 Address Mikołajowice 220, 33- 121 Bogumiłowice, Poland Legal form – private limited liability company	statybinių ir stiklo atliekų perdirbimas	Tel. +48 14 67 97 529 El. p. nrr@poczta.fm

Company	Registration information	Type of activity	Contact details
ROAD AND BRIDGES CONSTRUCTION SECTOR			
POLDIM Jakubowice Sp. z o.o. (Lenkija)	Code 0000043978 Address Jakubowice 75, 32-100 Proszowice, Poland Legal form – private limited liability company	kelių tiesimas	Tel. +48 12 38 62 025 El.p. poldimjak@poczta.proszowice.pl
Kelprojektas UAB	Code 234004210 Address I. Kanto str. 25, Kaunas Lithuania Legal form – private limited liability company Registration date 21.03.1994	designing of roads, bridges and other objects	Telephone +370 37 223 186 Fax +370 37 205 227 E-mail info@kelprojektas.lt www.kelprojektas.lt
PGP Investicija UAB	Code 300621145 Address Ateities road 46, Kaunas, Lithuania Legal form – private limited liability company Registration date 30.11.2006	investment company	Telephone +370 37 473 935 Fax +370 37 473 787 E-mail kaunotiltai@kaunotiltai.lt
Kelda UAB	Code 181259645 Address Kauno str. 14, Vievis Lithuania Legal form – private limited liability company Registration date 17.02.1993	road construction	Telephone +370 528 26 192 Fax +370 528 26 192 E-mail kelda@kelda.lt www.kelda.lt
Verksionių Karjeras UAB	Code 186000365 Address Bagotelių village, Vilnius district, Lithuania Legal form – private limited liability company Registration date 1990-11-29	gravel quarry	Telephone +370 686 98 492
Kauno Tiltai AB Consortium TILTRA TŪB	Code 135774782 Address Ateities road 46, Kaunas, Lithuania Legal form – general partnership Registration date 08.06.2001	investment company	Telephone +370 37 473 935 Fax +370 37 473 787 E-mail kaunotiltai@kaunotiltai.lt
Kelex UAB	Code 301536025 Address Lvovo str. 25, Vilnius Lithuania Legal form – private limited liability company Registration date 01.02.2008	commercial activities	Telephone +370 5 273 6545 Fax +370 5 277 8780
Tiltra PDM Białystok	Code 0000206982 Address ul. Ciołkowskiego 90, 15-516 Białystok, Poland Legal form – public limited liability company Registration date 25.05.2004	road and bridge construction	Telephone +48 85 74 33 549 Fax +48 85 74 33 549 E-mail pdmbialystok@tiltra.pl
P.E.U.I.M. Sp.z o.o	Code 0000046002 Address ul. Produkcyjna 102, 15-680 Białystok, Poland Legal form – private limited liability company Registration date 24.09.2001	road construction	Telephone +48 85 65 30 773 Fax +48 85 65 30 761 E-mail peuim@peuim.com.pl www.peuim.com.pl
Brux Sp.z o.o	Code 0000195201 Address ul. Produkcyjna 102, 15-680 Białystok, Poland Legal form – private limited liability company Registration date 24.02.2004	Production of paving blocks and road construction	Telephone +48 85 65 42 454 Fax +48 85 65 42 454 E-mail brux@brux.pl www.brux.pl

Company	Registration information	Type of activity	Contact details
ROAD AND BRIDGES CONSTRUCTION SECTOR			
Silentio Investments	Code 0000323771 Address Jerozolimskie 56 C, Poland Legal form – private limited liability company Registration date 23.02.2009	investment company	
Dalba Sp.z o.o	Code 0000175135 Address ul. Elewatorska 11/1, 15- 620 Białystok, Poland Legal form – private limited liability company Registration date 15.10.2003	engineering network construction	Telephone +48 85 66 11 750 Fax +48 85 66 11 250 E-mail dalba@sitech.pl
Kedainiu Automobiliu Keliai UAB	Code 161111895 Address Biochemiku str. 3, Kedainiai, Lithuania Legal form – private limited liability company Registration date 14.12.1990	road construction	Telephone +370 347 67 766 Fax +370 347 67 669 E-mail info@kedainiukeliai.lt
Taurakelis UAB	Code 179861712 Address Svyturio str. 7, Taurage, Lithuania Legal form – private limited liability company Registration date 15.03.2000	road construction	Telephone +370 446 61 256 Fax +370 446 61 256 E-mail taurakelis@taurakelis.lt www.taurakelis.lt
INFORMATION TECHNOLOGY (IT) SECTOR			
Positor UAB	Code 300893533 Registration address A.Juozapaviciaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address Saltoniškių str. 9, Vilnius, Lithuania Legal form – private limited liability company Registration date 27.06.2007	investments into IT companies	Telephone +370 698 23368 Fax +370 5 278 0409 E-mail info@baip.lt www.positor.lt
Informatikos Pasaulis UAB	Code 126396718 Registration address Galvydzio str. 5/96, Vilnius, Lithuania Residence address Saltoniskiu str. 9, Vilnius, Lithuania Legal form – private limited liability company Registration date 11.12.2003	IT infrastructure solutions	Telephone +370 5 277 9700 Fax +370 5 277 9725 E-mail info@infopasaulis.lt www.infopasaulis.lt
Vitma UAB	Code 121998756 Address Akademijos str. 4, Vilnius, Lithuania Legal form – private limited liability company Registration date 25.06.1993	carries no activity	Telephone +370 5 272 9421
Acena UAB	Code 300935644 Registration address Vysniu str. 6-4, Vilnius, Lithuania Residence address Saltoniskiu str. 9, Vilnius, Lithuania Legal form – private limited liability company Registration date 27.07.2007	IT infrastructure development and support	Telephone +370 5 275 9647 Fax +370 5 273 5106 E-mail info@acena.lt www.acena.lt

Company	Registration information	Type of activity	Contact details
INFORMATION TECHNOLOGY (IT) SECTOR			
Baltic Amadeus Infrastruktūros Paslaugos UAB	Code 301318539 Registration address Akademijos str. 4, Vilnius Lithuania Residence address Saltoniskiu str. 9, Vilnius, Lithuania Legal form – private limited liability company Registration date 03.12.2007	IT infrastructure solutions, IT security consultations, technological solutions, IT infrastructure support services	Telephone +370 5 219 0000 Fax +370 5 219 5900 E-mail info@baip.lt www.baip.lt
OTHER COMPANIES			
Kelio Zenklai UAB	Code 185274242 Address Gelezinkelio str. 28, Pilviskiai, Vilkaviskis district Legal form – private limited liability company Registration date 06.09.1994	metal and wood processing and wholesale trade	Telephone +370 342 67 756 Fax +370 342 67 644 E-mail info@keliozenklai.lt www.keliozenklai.lt
Umega AB	Code 126334727 Address Metalo str. 5, Utena Lithuania Legal form – public limited liability company Registration date 25.09.2003	production of electric devices, metal items	Telephone +370 389 53 542 Fax +370 389 69 646 E-mail info@umega.lt www.umega.lt
Iniciatyvos Fondas Vsl	Code 300657209 Registration address Seimyniskiu str. 3, Vilnius Lithuania Residence address Seimyniskiu str. 1A, Vilnius, Lithuania Legal form – public institution Registration date 08.03.2007	organising of social initiative programmes	Telephone +370 5 263 6129 Fax +370 5 279 0530 E-mail info@iniciatyvosfondas.lt www.iniciatyvosfondas.lt
Agrowill Group AB	Code 126264360 Address Smolensko str. 10, Vilnius, Lithuania Legal form – public limited liability company Registration date 25.06.2003	management of agricultural companies	Telephone +370 5 233 5340 Fax +370 5 233 5345 E-mail info@agrowill.lt www.agrowill.lt
MBGK UAB	Code 300083611 Registration address Konstitucijos ave. 23, Vilnius Lithuania Residence address A.Juozapaviciaus str. 7, Vilnius Lithuania Legal form – private limited liability company Registration date 27.01.2005	investment activity	Telephone +370 5 279 0601 Fax +370 5 279 0530
Verpsto NT AB	Code 300519788 Registration address A. Juozapavicaus str. 6 / Slucko str. 2, Vilnius, Lithuania Residence address Totoriu str. 3, Vilnius, Lithuania Legal form – public limited liability company Registration date 29.12.2005	real estate operations	Telephone +370 5 261 5639 Fax +370 5 261 4748
Invetex AB	Code 133190113 Registration address Konstitucijos ave. 23, Vilnius Lithuania Address Maironio str. 11, Vilnius, Lithuania Legal form – public limited liability company Registration date 31.01.1992	investment activity	Telephone +370 5 210 2478 Fax +370 5 210 2474

Company	Registration information	Type of activity	Contact details
OTHER COMPANIES			
Finansu Rizikos Valdymas UAB	Code 300045450 Address Seimyniskiu str. 1A, Vilnius, Lithuania Legal form – private limited liability company Registration date 04.08.2004	investment activity	Telephone +370 5 263 6129 Fax +370 5 279 0530
Investiciju Tinklas UAB	Code 301206885 Registration address Seimyniskiu str. 3, Vilnius Lithuania Residence address Seimyniskiu str. 1A, Vilnius, Lithuania Legal form – private limited liability company Registration date 31.10.2007	carries no activity	Telephone +370 5 263 6129 Fax +370 5 279 0530
Aktyvo UAB	Code 301206846 Registration address Seimyniskiu str. 3, Vilnius Lithuania Residence address Seimyniskiu str. 1A, Vilnius, Lithuania Legal form – private limited liability company Registration date 31.10.2007	carries no activity	Telephone +370 5 263 6129 Fax +370 5 279 0530
VOLO UAB	Code 301673796 Registration address Seimyniskiu str. 3, Vilnius Lithuania Residence address Seimyniskiu str. 1A, Vilnius, Lithuania Legal form – private limited liability company Registration date 07.04.2008	carries no activity	Telephone +370 5 263 6129 Fax +370 5 279 0530
Aktyvus Valdymas UAB	Code 301673764 Registration address Seimyniskiu str. 3, Vilnius Lithuania Residence address Seimyniskiu str. 1A, Vilnius, Lithuania Legal form – private limited liability company Registration date 07.04.2008	carries no activity	Telephone +370 5 263 6129 Fax +370 5 279 0530
FORTINA UAB	Code 301673789 Registration address Seimyniskiu str. 3, Vilnius Lithuania Residence address Seimyniskiu str. 1A, Vilnius, Lithuania Legal form – private limited liability company Registration date 07.04.2008	investment activity	Telephone +370 5 263 6129 Fax +370 5 279 0530
ENTE UAB	Code 301206860 Registration address Seimyniskiu str. 3, Vilnius Lithuania Residence address Seimyniskiu str. 1A, Vilnius, Lithuania Legal form – private limited liability company Registration date 31.10.2007	carries no activity	Telephone +370 5 263 6129 Fax +370 5 279 0530

APPENDIX 2. DISCLOSURE CONCERNING THE COMPLIANCE WITH THE GOVERNANCE CODE

Invalda AB, following Article 21 paragraph 3 of the Law on Securities of the Republic of Lithuania and item 24.5 of the Listing Rules NASDAQ OMX Vilnius, discloses its compliance with the Governance Code, approved by NASDAQ OMX Vilnius for the companies listed on the regulated market, and its specific provisions.

PRINCIPLES/ RECOMMENDATIONS	YES / NO / NOT APPLI-CABLE	COMMENTARY
Principle I: Basic Provisions The overriding objective of a company should be to operate in common interests of all the shareholders by optimizing over time shareholder value.		
1.1. A company should adopt and make public the company's development strategy and objectives by clearly declaring how the company intends to meet the interests of its shareholders and optimize shareholder value.	Yes	The Company constantly discloses information about group's activities and objectives in notifications on material event, annual information.
1.2. All management bodies of a company should act in furtherance of the declared strategic objectives in view of the need to optimize shareholder value.	Yes	The Board's and the President's activities are concentrated on the fulfillment of the company's strategic objectives taking count of the shareholders' equity increase.
1.3. A company's supervisory and management bodies should act in close co-operation in order to attain maximum benefit for the company and its shareholders.	Yes	The Supervisory Board is not formed. Nevertheless, the Board and the President acts in close cooperation seeking to obtain the maximum benefit for the Company and its shareholders. The Board periodically reviews and assesses Company's activity results. The President may conclude the transactions referred to in subparagraphs 3, 4, 5 and 6, paragraph 4, Article 34 of the Law on Companies, provided that there is a decision of the Board to enter into these transactions.
1.4. A company's supervisory and management bodies should ensure that the rights and interests of persons other than the company's shareholders (e.g. employees, creditors, suppliers, clients, local community), participating in or connected with the company's operation, are duly respected.	Yes	The Company respects all rights and interests of the persons other than the Company's shareholders participating in or connected with the Company's operation.
Principle II: The corporate governance framework The corporate governance framework should ensure the strategic guidance of the company, the effective oversight of the company's management bodies, an appropriate balance and distribution of functions between the company's bodies, protection of the shareholders' interests.		
2.1. Besides obligatory bodies provided for in the Law on Companies of the Republic of Lithuania – a general shareholders' meeting and the chief executive officer, it is recommended that a company should set up both a collegial supervisory body and a collegial management body. The setting up of collegial bodies for supervision and management facilitates clear separation of management and supervisory functions in the company, accountability and control on the part of the chief executive officer, which, in its turn, facilitate a more efficient and transparent management process.	No	Due to its size, it is not expedient to form the Supervisory Board. Considering that only collegial management body - the Board is formed in the Company. The President of the company is accountable to the Board.

2.2. A collegial management body is responsible for the strategic management of the company and performs other key functions of corporate governance. A collegial supervisory body is responsible for the effective supervision of the company's management bodies.	Yes	The functions set forth in this recommendation are performed by the collegial management body – the Board.
2.3. Where a company chooses to form only one collegial body, it is recommended that it should be a supervisory body, i.e. the supervisory board. In such a case, the supervisory board is responsible for the effective monitoring of the functions performed by the company's chief executive officer.	No	Only one collegial body is formed in the Company - the Board. It performs all essential management functions and ensures accountability and control of the President of the Company. The Supervisory Board is not formed in the Company.
2.4. The collegial supervisory body to be elected by the general shareholders' meeting should be set up and should act in the manner defined in Principles III and IV. Where a company should decide not to set up a collegial supervisory body but rather a collegial management body, i.e. the board, Principles III and IV should apply to the board as long as that does not contradict the essence and purpose of this body.	Yes	The relevant provisions set forth in III and IV principles are applied to the Board's formation and assessment of its activity as long as that does not contradict the essence and purpose of this body.
2.5. Company's management and supervisory bodies should comprise such number of board (executive directors) and supervisory (non-executive directors) board members that no individual or small group of individuals can dominate decision-making on the part of these bodies.	Yes	There are 3 independent Board members in the Company who do not have any other mutual interests but only activity within the Board and who act seeking benefit to the Company and its shareholders.
2.6. Non-executive directors or members of the supervisory board should be appointed for specified terms subject to individual re-election, at maximum intervals provided for in the Lithuanian legislation with a view to ensuring necessary development of professional experience and sufficiently frequent reconfirmation of their status. A possibility to remove them should also be stipulated however this procedure should not be easier than the removal procedure for an executive director or a member of the management board.	No	The Supervisory Board is not formed in the Company, and there are no non-executive directors either.
2.7. Chairman of the collegial body elected by the general shareholders' meeting may be a person whose current or past office constitutes no obstacle to conduct independent and impartial supervision. Where a company should decide not to set up a supervisory board but rather the board, it is recommended that the chairman of the board and chief executive officer of the company should be a different person. Former company's chief executive officer should not be immediately nominated as the chairman of the collegial body elected by the general shareholders' meeting. When a company chooses to departure from these recommendations, it should furnish information on the measures it has taken to ensure impartiality of the supervision.	Yes	The chairman of the Board is not and has not been the Manager of the company. His current or past office constitutes has no obstacles to conduct independent and impartial supervision.

Principle III: The order of the formation of a collegial body to be elected by a general shareholders' meeting		
The order of the formation a collegial body to be elected by a general shareholders' meeting should ensure representation of minority shareholders, accountability of this body to the shareholders and objective monitoring of the company's operation and its management bodies		
3.1. The mechanism of the formation of a collegial body to be elected by a general shareholders' meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure objective and fair monitoring of the company's management bodies as well as representation of minority shareholders.	Yes	The Board operates impartially, objectively and represents the interests of all shareholders equally.
3.2. Names and surnames of the candidates to become members of a collegial body, information about their education, qualification, professional background, positions taken and potential conflicts of interest should be disclosed early enough before the general shareholders' meeting so that the shareholders would have sufficient time to make an informed voting decision. All factors affecting the candidate's independence, the sample list of which is set out in Recommendation 3.7, should be also disclosed. The collegial body should also be informed on any subsequent changes in the provided information. The collegial body should, on yearly basis, collect data provided in this item on its members and disclose this in the company's annual report.	Yes	<p>According to the Board's procedures and regulations approved by the Board's decision of 01.03.2007 at least 10 days before the General Meeting, where it is planned to elect Board members (member), the information about the candidates to the Board 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, other important information.</p> <p>The Board members obligate to inform the chairman of the Board in case of the changes of the data. The information of these changes shall be disclosed to the shareholders in the Company's periodical reports.</p> <p>Information about current members of the Board, their educational background, qualification, professional experience, participation in other companies is disclosed in Company's website.</p>
3.3. Should a person be nominated for members of a collegial body, such nomination should be followed by the disclosure of information on candidate's particular competences relevant to his/her service on the collegial body. In order shareholders and investors are able to ascertain whether member's competence is further relevant, the collegial body should, in its annual report, disclose the information on its composition and particular competences of individual members which are relevant to their service on the collegial body.	Yes	Information about the composition of the Board, members' education, work experience and participation in other companies is disclosed in Company's periodical reports and website.
3.4. In order to maintain a proper balance in terms of the current qualifications possessed by its members, the desired composition of the collegial body shall be determined with regard to the company's structure and activities, and have this periodically evaluated. The collegial body should ensure that it is composed of members who, as a whole, have the required diversity of knowledge, judgment and experience to complete their tasks properly. The members of the audit committee, collectively, should have a recent knowledge and relevant experience in the fields of finance, accounting and/or audit for the stock	Yes	The composition of the Board is regularly assessed with consideration to the nature of Company's activity and structure. The Audit Committee members have the required experience. The Remuneration Committee is formed.

exchange listed companies. At least one of the members of the remuneration committee should have knowledge of and experience in the field of remuneration policy.		
3.5. All new members of the collegial body should be offered a tailored program focused on introducing a member with his/her duties, corporate organization and activities. The collegial body should conduct an annual review to identify fields where its members need to update their skills and knowledge.	No	Presently, members of the Board do not perform the assessment of their skills and knowledge.
3.6. In order to ensure that all material conflicts of interest related with a member of the collegial body are resolved properly, the collegial body should comprise a sufficient number of independent members.	No	Independency of the elected Board members has not been assessed yet and the content of independent members' sufficiency has not been discussed either.
3.7. A member of the collegial body should be considered to be independent only if he is free of any business, family or other relationship with the company, its controlling shareholder or the management of either, that creates a conflict of interest such as to impair his judgment. Since all cases when member of the collegial body is likely to become dependant are impossible to list, moreover, relationships and circumstances associated with the determination of independence may vary amongst companies and the best practices of solving this problem are yet to evolve in the course of time, assessment of independence of a member of the collegial body should be based on the contents of the relationship and circumstances rather than their form. The key criteria for identifying whether a member of the collegial body can be considered to be independent are the following: 1) He/she is not an executive director or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) of the company or any associated company and has not been such during the last five years; 2) He/she is not an employee of the company or some any company and has not been such during the last three years, except for cases when a member of the collegial body does not belong to the senior management and was elected to the collegial body as a representative of the employees; 3) He/she is not receiving or has been not receiving significant additional remuneration from the company or associated company other than remuneration for the office in the collegial body. Such additional remuneration includes participation in share options or some other performance based pay systems; it does not include compensation payments for the previous office in the company (provided that such payment is no way related with later position) as per pension plans (inclusive of deferred compensations); 4) He/she is not a controlling shareholder or representative of such shareholder (control	No	Members of the Board are elected by the General Meeting. They are independent and in their actions seek the benefit to the Company and its shareholders, however fail to meet the recommendation on independency.

<p>as defined in the Council Directive 83/349/EEC Article 1 Part 1);</p> <p>5) He/she does not have and did not have any material business relations with the company or associated company within the past year directly or as a partner, shareholder, director or superior employee of the subject having such relationship. A subject is considered to have business relations when it is a major supplier or service provider (inclusive of financial, legal, counselling and consulting services), major client or organization receiving significant payments from the company or its group;</p> <p>6) He/she is not and has not been, during the last three years, partner or employee of the current or former external audit company of the company or associated company;</p> <p>7) He/she is not an executive director or member of the board in some other company where executive director of the company or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) is non-executive director or member of the supervisory board, he/she may not also have any other material relationships with executive directors of the company that arise from their participation in activities of other companies or bodies;</p> <p>8) He/she has not been in the position of a member of the collegial body for over than 12 years;</p> <p>9) He/she is not a close relative to an executive director or member of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) or to any person listed in above items 1 to 8. Close relative is considered to be a spouse (common-law spouse), children and parents.</p> <p>3.8. The determination of what constitutes independence is fundamentally an issue for the collegial body itself to determine. The collegial body may decide that, despite a particular member meets all the criteria of independence laid down in this Code, he cannot be considered independent due to special personal or company-related circumstances.</p>		
<p>3.9. Necessary information on conclusions the collegial body has come to in its determination of whether a particular member of the body should be considered to be independent should be disclosed. When a person is nominated to become a member of the collegial body, the company should disclose whether it considers the person to be independent. When a particular member of the collegial body does not meet one or more criteria of independence set out in this Code, the company should disclose its reasons for nevertheless considering the member to be independent. In addition, the company should annually disclose which members of the collegial body it considers to be independent.</p>	<p>No</p>	<p>No Board members' independency assessment and announcement practice has been applicable till now.</p>

3.10. When one or more criteria of independence set out in this Code has not been met throughout the year, the company should disclose its reasons for considering a particular member of the collegial body to be independent. To ensure accuracy of the information disclosed in relation with the independence of the members of the collegial body, the company should require independent members to have their independence periodically re-confirmed.	No	No Board members' independency assessment and announcement practice has been applicable till now.
3.11. In order to remunerate members of a collegial body for their work and participation in the meetings of the collegial body, they may be remunerated from the company's funds. The general shareholders' meeting should approve the amount of such remuneration.	Not applicable	The Board members are not remunerated for their work and participation in the meeting of the Board from the Company's funds.
<p>Principle IV: The duties and liabilities of a collegial body elected by the general shareholders' meeting The corporate governance framework should ensure proper and effective functioning of the collegial body elected by the general shareholders' meeting, and the powers granted to the collegial body should ensure effective monitoring of the company's management bodies and protection of interests of all the company's shareholders.</p>		
4.1. The collegial body elected by the general shareholders' meeting (hereinafter in this Principle referred to as the 'collegial body') should ensure integrity and transparency of the company's financial statements and the control system. The collegial body should issue recommendations to the company's management bodies and monitor and control the company's management performance.	Yes	The Board submits Company's annual financial statement and consolidated annual financial statement, profit distribution drafts to the General Meeting, delivers consolidated annual report, also performs all other functions set forth in the legal acts of the Republic of Lithuania.
4.2. Members of the collegial body should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders with due regard to the interests of employees and public welfare. Independent members of the collegial body should (a) under all circumstances maintain independence of their analysis, decision-making and actions (b) do not seek and accept any unjustified privileges that might compromise their independence, and (c) clearly express their objections should a member consider that decision of the collegial body is against the interests of the company. Should a collegial body have passed decisions independent member has serious doubts about, the member should make adequate conclusions. Should an independent member resign from his office, he should explain the reasons in a letter addressed to the collegial body or audit committee and, if necessary, respective company-not-pertaining body (institution).	Yes	According to the information held with the Company, all Board members act in good will with respect to the Company, are guided by the interests of the Company, not by the personal or third parties' interests, and seek to preserve their independency while adopting the decisions.
4.3. Each member should devote sufficient time and attention to perform his duties as a member of the collegial body. Each member of the collegial body should limit other professional obligations of his (in particular any directorships held in other companies) in such a manner they do not interfere with proper performance of duties of a member of the collegial body. In the event a member of the collegial body should be present in less than a half of the meetings of the collegial body throughout the financial year of the	Yes	The Board members perform their functions properly: they actively participate in the Board meetings and devote sufficient time for the performance of their duties as Board members.

<p>company, shareholders of the company should be notified.</p>		
<p>4.4. Where decisions of a collegial body may have a different effect on the company's shareholders, the collegial body should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed on the company's affairs, strategies, risk management and resolution of conflicts of interest. The company should have a clearly established role of members of the collegial body when communicating with and committing to shareholders.</p>	<p>Yes</p>	<p>The Board treats all shareholders honestly and impartially. Essential obligations of the Company to the shareholders are set forth in the Shareholders' Policy approved by the Board (which is published in Company's website).</p>
<p>4.5. It is recommended that transactions (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions), concluded between the company and its shareholders, members of the supervisory or managing bodies or other natural or legal persons that exert or may exert influence on the company's management should be subject to approval of the collegial body. The decision concerning approval of such transactions should be deemed adopted only provided the majority of the independent members of the collegial body voted for such a decision.</p>	<p>Yes</p>	<p>There were no significant transactions between the Company and its shareholders or management bodies. The Board's procedures and regulations establish that if such transactions are concluded, all Board members should be informed thereof.</p>
<p>4.6. The collegial body should be independent in passing decisions that are significant for the company's operations and strategy. Taken separately, the collegial body should be independent of the company's management bodies. Members of the collegial body should act and pass decisions without an outside influence from the persons who have elected it. Companies should ensure that the collegial body and its committees are provided with sufficient administrative and financial resources to discharge their duties, including the right to obtain, in particular from employees of the company, all the necessary information or to seek independent legal, accounting or any other advice on issues pertaining to the competence of the collegial body and its committees. When using the services of a consultant with a view to obtaining information on market standards for remuneration systems, the remuneration committee should ensure that the consultant concerned does not at the same time advise the human resources department, executive directors or collegial management organs of the company concerned.</p>	<p>Yes</p>	<p>The Board is independent while adopting decisions which are significant for the activity and strategy of the Company.</p>
<p>4.7. Activities of the collegial body should be organized in a manner that independent members of the collegial body could have major influence in relevant areas where chances of occurrence of conflicts of interest are very high. Such areas to be considered as highly relevant are issues of nomination of company's directors, determination of directors' remuneration and control and assessment of company's audit. Therefore when the mentioned issues are attributable to the competence of the collegial body, it is recommended that the collegial body should</p>	<p>No</p>	<p>Due to simplicity of the Company's management structure and small number of employees, it is not expedient to form the Nomination and Remuneration committees.</p>

<p>establish nomination, remuneration, and audit committees. Companies should ensure that the functions attributable to the nomination, remuneration, and audit committees are carried out. However they may decide to merge these functions and set up less than three committees. In such case a company should explain in detail reasons behind the selection of alternative approach and how the selected approach complies with the objectives set forth for the three different committees. Should the collegial body of the company comprise small number of members, the functions assigned to the three committees may be performed by the collegial body itself, provided that it meets composition requirements advocated for the committees and that adequate information is provided in this respect. In such case provisions of this Code relating to the committees of the collegial body (in particular with respect to their role, operation, and transparency) should apply, where relevant, to the collegial body as a whole.</p>		
<p>4.8. The key objective of the committees is to increase efficiency of the activities of the collegial body by ensuring that decisions are based on due consideration, and to help organize its work with a view to ensuring that the decisions it takes are free of material conflicts of interest. Committees should exercise independent judgment and integrity when exercising its functions as well as present the collegial body with recommendations concerning the decisions of the collegial body. Nevertheless the final decision shall be adopted by the collegial body. The recommendation on creation of committees is not intended, in principle, to constrict the competence of the collegial body or to remove the matters considered from the purview of the collegial body itself, which remains fully responsible for the decisions taken in its field of competence.</p>		
<p>4.9. Committees established by the collegial body should normally be composed of at least three members. In companies with small number of members of the collegial body, they could exceptionally be composed of two members. Majority of the members of each committee should be constituted from independent members of the collegial body. In cases when the company chooses not to set up a supervisory board, remuneration and audit committees should be entirely comprised of non-executive directors. Chairmanship and membership of the committees should be decided with due regard to the need to ensure that committee membership is refreshed and that undue reliance is not placed on particular individuals.</p>		

<p>4.10. Authority of each of the committees should be determined by the collegial body. Committees should perform their duties in line with authority delegated to them and inform the collegial body on their activities and performance on regular basis. Authority of every committee stipulating the role and rights and duties of the committee should be made public at least once a year (as part of the information disclosed by the company annually on its corporate governance structures and practices). Companies should also make public annually a statement by existing committees on their composition, number of meetings and attendance over the year, and their main activities. Audit committee should confirm that it is satisfied with the independence of the audit process and describe briefly the actions it has taken to reach this conclusion.</p>		
<p>4.11. In order to ensure independence and impartiality of the committees, members of the collegial body that are not members of the committee should commonly have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or demand participation in the meeting of particular officers or experts. Chairman of each of the committees should have a possibility to maintain direct communication with the shareholders. Events when such are to be performed should be specified in the regulations for committee activities.</p>		
<p>4.12. Nomination Committee. 4.12.1. Key functions of the nomination committee should be the following: 1) Identify and recommend, for the approval of the collegial body, candidates to fill board vacancies. The nomination committee should evaluate the balance of skills, knowledge and experience on the management body, prepare a description of the roles and capabilities required to assume a particular office, and assess the time commitment expected. Nomination committee can also consider candidates to members of the collegial body delegated by the shareholders of the company; 2) Assess on regular basis the structure, size, composition and performance of the supervisory and management bodies, and make recommendations to the collegial body regarding the means of achieving necessary changes; 3) Assess on regular basis the skills, knowledge and experience of individual directors and report on this to the collegial body; 4) Properly consider issues related to succession planning; 5) Review the policy of the management bodies for selection and appointment of senior management.</p>		

<p>4.12.2. Nomination committee should consider proposals by other parties, including management and shareholders. When dealing with issues related to executive directors or members of the board (if a collegial body elected by the general shareholders' meeting is the supervisory board) and senior management, chief executive officer of the company should be consulted by, and entitled to submit proposals to the nomination committee.</p>		
<p>4.13. Remuneration Committee.</p> <p>4.13.1. Key functions of the remuneration committee should be the following:</p> <ol style="list-style-type: none"> 1) Make proposals, for the approval of the collegial body, on the remuneration policy for members of management bodies and executive directors. Such policy should address all forms of compensation, including the fixed remuneration, performance-based remuneration schemes, pension arrangements, and termination payments. Proposals considering performance-based remuneration schemes should be accompanied with recommendations on the related objectives and evaluation criteria, with a view to properly aligning the pay of executive director and members of the management bodies with the long-term interests of the shareholders and the objectives set by the collegial body; 2) Make proposals to the collegial body on the individual remuneration for executive directors and member of management bodies in order their remunerations are consistent with company's remuneration policy and the evaluation of the performance of these persons concerned. In doing so, the committee should be properly informed on the total compensation obtained by executive directors and members of the management bodies from the affiliated companies; 3) Ensure that remuneration of individual executive directors or members of management body is proportionate to the remuneration of other executive directors or members of management body and other staff members of the company; 4) Periodically review the remuneration policy for executive directors or members of management body, including the policy regarding share-based remuneration, and its implementation; 5) Make proposals to the collegial body on suitable forms of contracts for executive directors and members of the management bodies; 6) Assist the collegial body in overseeing how the company complies with applicable provisions regarding the remuneration-related information disclosure (in particular the remuneration policy applied and individual remuneration of directors); 7) Make general recommendations to the executive directors and members of the management bodies on the level and structure 		

<p>of remuneration for senior management (as defined by the collegial body) with regard to the respective information provided by the executive directors and members of the management bodies.</p> <p>4.13.2. With respect to stock options and other share-based incentives which may be granted to directors or other employees, the committee should:</p> <ol style="list-style-type: none"> 1) Consider general policy regarding the granting of the above mentioned schemes, in particular stock options, and make any related proposals to the collegial body; 2) Examine the related information that is given in the company's annual report and documents intended for the use during the shareholders meeting; 3) Make proposals to the collegial body regarding the choice between granting options to subscribe shares or granting options to purchase shares, specifying the reasons for its choice as well as the consequences that this choice has. <p>4.13.3. Upon resolution of the issues attributable to the competence of the remuneration committee, the committee should at least address the chairman of the collegial body and/or chief executive officer of the company for their opinion on the remuneration of other executive directors or members of the management bodies.</p> <p>4.13.4. The remuneration committee should report on the exercise of its functions to the shareholders and be present at the annual general meeting for this purpose.</p>		
<p>4.14. Audit Committee.</p> <p>4.14.1. Key functions of the audit committee should be the following:</p> <ol style="list-style-type: none"> 1) Observe the integrity of the financial information provided by the company, in particular by reviewing the relevance and consistency of the accounting methods used by the company and its group (including the criteria for the consolidation of the accounts of companies in the group); 2) At least once a year review the systems of internal control and risk management to ensure that the key risks (inclusive of the risks in relation with compliance with existing laws and regulations) are properly identified, managed and reflected in the information provided; 3) Ensure the efficiency of the internal audit function, among other things, by making recommendations on the selection, appointment, reappointment and removal of the head of the internal audit department and on the budget of the department, and by monitoring the responsiveness of the management to its findings and recommendations. Should there be no internal audit authority in the company, the need for one should be reviewed at least annually; 4) Make recommendations to the collegial body related with selection, appointment, 	<p>Yes</p>	<p>The members of the Audit Committee are elected by the General Shareholders Meeting. The main functions of the Audit Committee should be the following:</p> <ul style="list-style-type: none"> - provide recommendations with selection, appointment, reappointment and removal of an external audit company as well as the terms and conditions of engagement with the audit company; - monitor the process of external audit; - monitor how the external auditor and audit company follow the principles of independence and objectivity; - observe the process of preparation of financial reports of the Company; - monitor the efficiency of the internal control and risk management systems of the Company. Once a year review the need of the internal audit function.

reappointment and removal of the external auditor (to be done by the general shareholders' meeting) and with the terms and conditions of his engagement. The committee should investigate situations that lead to a resignation of the audit company or auditor and make recommendations on required actions in such situations;

5) Monitor independence and impartiality of the external auditor, in particular by reviewing the audit company's compliance with applicable guidance relating to the rotation of audit partners, the level of fees paid by the company, and similar issues. In order to prevent occurrence of material conflicts of interest, the committee, based on the auditor's disclosed inter alia data on all remunerations paid by the company to the auditor and network, should at all times monitor nature and extent of the non-audit services. Having regard to the principals and guidelines established in the 16 May 2002 Commission Recommendation 2002/590/EC, the committee should determine and apply a formal policy establishing types of non-audit services that are (a) excluded, (b) permissible only after review by the committee, and (c) permissible without referral to the committee;

6) Review efficiency of the external audit process and responsiveness of management to recommendations made in the external auditor's management letter.

4.14.2. All members of the committee should be furnished with complete information on particulars of accounting, financial and other operations of the company. Company's management should inform the audit committee of the methods used to account for significant and unusual transactions where the accounting treatment may be open to different approaches. In such case a special consideration should be given to company's operations in offshore centers and/or activities carried out through special purpose vehicles (organizations) and justification of such operations.

4.14.3. The audit committee should decide whether participation of the chairman of the collegial body, chief executive officer of the company, chief financial officer (or superior employees in charge of finances, treasury and accounting), or internal and external auditors in the meetings of the committee is required (if required, when). The committee should be entitled, when needed, to meet with any relevant person without executive directors and members of the management bodies present.

4.14.4. Internal and external auditors should be secured with not only effective working relationship with management, but also with free access to the collegial body. For this purpose the audit committee should act as the principal contact person for the internal and external auditors.

4.14.5. The audit committee should be

<p>informed of the internal auditor's work program, and should be furnished with internal audit's reports or periodic summaries. The audit committee should also be informed of the work program of the external auditor and should be furnished with report disclosing all relationships between the independent auditor and the company and its group. The committee should be timely furnished information on all issues arising from the audit.</p> <p>4.14.6. The audit committee should examine whether the company is following applicable provisions regarding the possibility for employees to report alleged significant irregularities in the company, by way of complaints or through anonymous submissions (normally to an independent member of the collegial body), and should ensure that there is a procedure established for proportionate and independent investigation of these issues and for appropriate follow-up action.</p> <p>4.14.7. The audit committee should report on its activities to the collegial body at least once in every six months, at the time the yearly and half-yearly statements are approved.</p>		
<p>4.15. Every year the collegial body should conduct the assessment of its activities. The assessment should include evaluation of collegial body's structure, work organization and ability to act as a group, evaluation of each of the collegial body member's and committee's competence and work efficiency and assessment whether the collegial body has achieved its objectives. The collegial body should, at least once a year, make public (as part of the information the company annually discloses on its management structures and practices) respective information on its internal organization and working procedures, and specify what material changes were made as a result of the assessment of the collegial body of its own activities.</p>	<p>Yes</p>	<p>Once a year the Board conducts its performance evaluation.</p> <p>During 2009 the Board analyzed available information, discussed and adopted decisions concerning essential matters of Invalda AB and its group. The Board reacted promptly to the changing environment and made necessary decisions based on the possessed information and considering the existent information, specialists' forecasts and business environment.</p> <p>In 2009 main businesses of Invalda were reorganized according to market trends, they are operating successfully and are generating positive cash flows. Also liabilities were decreased significantly.</p>
<p>Principle V: The working procedure of the company's collegial bodies The working procedure of supervisory and management bodies established in the company should ensure efficient operation of these bodies and decision-making and encourage active co-operation between the company's bodies.</p>		
<p>5.1. The company's supervisory and management bodies (hereinafter in this Principle the concept 'collegial bodies' covers both the collegial bodies of supervision and the collegial bodies of management) should be chaired by chairpersons of these bodies. The chairperson of a collegial body is responsible for proper convocation of the collegial body meetings. The chairperson should ensure that information about the meeting being convened and its agenda are communicated to all members of the body. The chairperson of a collegial body should ensure appropriate conducting of the meetings of the collegial body. The chairperson should ensure order and working atmosphere during the meeting.</p>	<p>Yes</p>	<p>This provision is implemented by the Board (Supervisory Board is not formed in the Company).</p>
<p>5.2. It is recommended that meetings of the company's collegial bodies should be carried</p>	<p>Yes</p>	<p>According to the Board's procedures and regulations, the Board meetings are held at least</p>

out according to the schedule approved in advance at certain intervals of time. Each company is free to decide how often to convene meetings of the collegial bodies, but it is recommended that these meetings should be convened at such intervals, which would guarantee an interrupted resolution of the essential corporate governance issues. Meetings of the company's supervisory board should be convened at least once in a quarter, and the company's board should meet at least once a month ⁶ .		once per quarter.
5.3. Members of a collegial body should be notified about the meeting being convened in advance in order to allow sufficient time for proper preparation for the issues on the agenda of the meeting and to ensure fruitful discussion and adoption of appropriate decisions. Alongside with the notice about the meeting being convened, all the documents relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body are present or certain issues of great importance to the company require immediate resolution.	Yes	The Board meetings are being convened by the chairman. The chairman of the Board informs members about the meeting at least 5 days prior to the meeting. Additional issues may be including into the agenda not later than 3 days prior to the meeting.
5.4. In order to co-ordinate operation of the company's collegial bodies and ensure effective decision-making process, chairpersons of the company's collegial bodies of supervision and management should closely co-operate by co-ordinating dates of the meetings, their agendas and resolving other issues of corporate governance. Members of the company's board should be free to attend meetings of the company's supervisory board, especially where issues concerning removal of the board members, their liability or remuneration are discussed.	No	The Company may not implement this recommendation since only the Board is formed.
Principle VI: The equitable treatment of shareholders and shareholder rights The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. The corporate governance framework should protect the rights of the shareholders.		
6.1. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all their holders.	Yes	Shares which compose the authorised capital of the Company grant equal rights to all shareholders.
6.2. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	Yes	The Company informs shareholders about the rights of newly issued shares. Information about the rights of already issued shares is provided in the Shareholders' Policy approved by the Board, the Articles of the Association, Company's annual report
6.3. Transactions that are important to the company and its shareholders, such as transfer, investment, and pledge of the company's assets or any other type of encumbrance should be subject to approval of the general shareholders' meeting. All shareholders should	Yes	Shareholders of the Company have equal opportunities to get familiarised and participate in adopting decisions important to the Company. Approval of the General Meeting is also necessary in cases stipulated in Chapter V of the Law on Companies. No other cases when the

⁶-The frequency of meetings of the collegial body provided for in the recommendation must be applied in those cases when both additional collegial bodies are formed at the company, the board and the supervisory board. In the event only one additional collegial body is formed in the company, the frequency of its meetings may be as established for the supervisory board, i.e. at least once in a quarter.

<p>be furnished with equal opportunity to familiarize with and participate in the decision-making process when significant corporate issues, including approval of transactions referred to above, are discussed.</p>		<p>approval of the General Meeting should be obtained are foreseen, since it would impair Company's business considering the nature of the Company's activity.</p>
<p>6.4. Procedures of convening and conducting a general shareholders' meeting should ensure equal opportunities for the shareholders to effectively participate at the meetings and should not prejudice the rights and interests of the shareholders. The venue, date, and time of the shareholders' meeting should not hinder wide attendance of the shareholders. Prior to the shareholders' meeting, the company's supervisory and management bodies should enable the shareholders to lodge questions on issues on the agenda of the general shareholders' meeting and receive answers to them.</p>	Yes	<p>The procedures of convening and conducting of the General Meeting comply with the provisions of legal acts and provide the shareholders with equal opportunities to participate in the meetings get familiarised with the draft resolutions and materials necessary for adopting the decision in advance, also give questions to the Board members.</p>
<p>6.5. If is possible, in order to ensure shareholders living abroad the right to access to the information, it is recommended that documents on the course of the general shareholders' meeting, should be placed on the publicly accessible website of the company not only in Lithuanian language, but in English and /or other foreign languages in advance. It is recommended that the minutes of the general shareholders' meeting after signing them and/or adopted resolutions should be also placed on the publicly accessible website of the company. Seeking to ensure the right of foreigners to familiarize with the information, whenever feasible, documents referred to in this recommendation should be published in Lithuanian, English and/or other foreign languages. Documents referred to in this recommendation may be published on the publicly accessible website of the company to the extent that publishing of these documents is not detrimental to the company or the company's commercial secrets are not revealed.</p>	Yes	<p>The documents prepared for the General Meeting are be published in Lithuanian and English on the Company's website. The decisions of General Meetings for the last 8 years are also published on Company's website.</p>
<p>6.6. Shareholders should be furnished with the opportunity to vote in the general shareholders' meeting in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.</p>	Yes	<p>The Company's shareholders are furnished with the opportunity to participate in the General Meeting both personally and via an attorney, if such a person has a proper authorisation or if an agreement on the transfer of voting rights was concluded in the manner set forth in the legal acts. The company provides the shareholders with conditions to vote by completing the general voting ballot.</p>
<p>6.7. With a view to increasing the shareholders' opportunities to participate effectively at shareholders' meetings, the companies are recommended to expand use of modern technologies by allowing the shareholders to participate and vote in general meetings via electronic means of communication. In such cases security of transmitted information and a possibility to identify the identity of the participating and voting person should be guaranteed. Moreover, companies could furnish its shareholders, especially shareholders living abroad, with the opportunity to watch shareholder meetings by means of modern technologies.</p>	No	<p>Shareholders can vote via an attorney or by completing the general voting ballot but for the meantime shareholders cant participate and vote in general meetings via electronic means of communication.</p>

<p>Principle VII: The avoidance of conflicts of interest and their disclosure The corporate governance framework should encourage members of the corporate bodies to avoid conflicts of interest and assure transparent and effective mechanism of disclosure of conflicts of interest regarding members of the corporate bodies.</p>		
<p>7.1. Any member of the company's supervisory and management body should avoid a situation, in which his/her personal interests are in conflict or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory and management body should, within reasonable time, inform other members of the same collegial body or the company's body that has elected him/her, or to the company's shareholders about a situation of a conflict of interest, indicate the nature of the conflict and value, where possible.</p>	Yes	The Board members fully comply with these recommendations.
<p>7.2. Any member of the company's supervisory and management body may not mix the company's assets, the use of which has not been mutually agreed upon, with his/her personal assets or use them or the information which he/she learns by virtue of his/her position as a member of a corporate body for his/her personal benefit or for the benefit of any third person without a prior agreement of the general shareholders' meeting or any other corporate body authorized by the meeting.</p>		
<p>7.3. Any member of the company's supervisory and management body may conclude a transaction with the company, a member of a corporate body of which he/she is. Such a transaction (except insignificant ones due to their low value or concluded when carrying out routine operations in the company under usual conditions) must be immediately reported in writing or orally, by recording this in the minutes of the meeting, to other members of the same corporate body or to the corporate body that has elected him/her or to the company's shareholders. Transactions specified in this recommendation are also subject to recommendation 4.5.</p>		
<p>7.4. Any member of the company's supervisory and management body should abstain from voting when decisions concerning transactions or other issues of personal or business interest are voted on.</p>		
<p>Principle VIII: Company's remuneration policy Remuneration policy and procedure for approval, revision and disclosure of directors' remuneration established in the company should prevent potential conflicts of interest and abuse in determining remuneration of directors, in addition it should ensure publicity and transparency both of company's remuneration policy and remuneration of directors.</p>		
<p>8.1. A company should make a public statement of the company's remuneration policy (hereinafter the remuneration statement) which should be clear and easily understandable. This remuneration statement should be published as a part of the company's annual statement as well as posted on the company's website.</p>	No	<p>The Company does not prepare a remuneration policy since the majority of VIII principle items are not relevant for the present structure of the Company.</p> <p>Information about the benefits and loans for the members of the management bodies is provided in the periodical reports, financial statements.</p>
<p>8.2. Remuneration statement should mainly focus on directors' remuneration policy for the following year and, if appropriate, the subsequent years. The statement should contain a summary of the implementation of</p>		

<p>the remuneration policy in the previous financial year. Special attention should be given to any significant changes in company's remuneration policy as compared to the previous financial year.</p>		
<p>8.3. Remuneration statement should leastwise include the following information:</p> <ol style="list-style-type: none"> 1) Explanation of the relative importance of the variable and non-variable components of directors' remuneration; 2) Sufficient information on performance criteria that entitles directors to share options, shares or variable components of remuneration; 3) An explanation how the choice of performance criteria contributes to the long-term interests of the company; 4) An explanation of the methods, applied in order to determine whether performance criteria have been fulfilled; 5) Sufficient information on deferment periods with regard to variable components of remuneration; 6) Sufficient information on the linkage between the remuneration and performance; 7) The main parameters and rationale for any annual bonus scheme and any other non-cash benefits; 8) Sufficient information on the policy regarding termination payments; 9) Sufficient information with regard to vesting periods for share-based remuneration, as referred to in point 8.13 of this Code; 10) Sufficient information on the policy regarding retention of shares after vesting, as referred to in point 8.15 of this Code; 11) Sufficient information on the composition of peer groups of companies the remuneration policy of which has been examined in relation to the establishment of the remuneration policy of the company concerned; 12) A description of the main characteristics of supplementary pension or early retirement schemes for directors; 13) Remuneration statement should not include commercially sensitive information. 		
<p>8.4. Remuneration statement should also summarize and explain company's policy regarding the terms of the contracts executed with executive directors and members of the management bodies. It should include, inter alia, information on the duration of contracts with executive directors and members of the management bodies, the applicable notice periods and details of provisions for termination payments linked to early termination under contracts for executive directors and members of the management bodies.</p>		
<p>8.5. Remuneration statement should also contain detailed information on the entire amount of remuneration, inclusive of other benefits, that was paid to individual directors</p>		

over the relevant financial year. This document should list at least the information set out in items 8.5.1 to 8.5.4 for each person who has served as a director of the company at any time during the relevant financial year.

8.5.1. The following remuneration and/or emoluments-related information should be disclosed:

- The total amount of remuneration paid or due to the director for services performed during the relevant financial year, inclusive of, where relevant, attendance fees fixed by the annual general shareholders meeting;
- The remuneration and advantages received from any undertaking belonging to the same group;
- The remuneration paid in the form of profit sharing and/or bonus payments and the reasons why such bonus payments and/or profit sharing were granted;
- If permissible by the law, any significant additional remuneration paid to directors for special services outside the scope of the usual functions of a director;
- Compensation receivable or paid to each former executive director or member of the management body as a result of his resignation from the office during the previous financial year;
- Total estimated value of non-cash benefits considered as remuneration, other than the items covered in the above points.

8.5.2. As regards shares and/or rights to acquire share options and/or all other share-incentive schemes, the following information should be disclosed:

- The number of share options offered or shares granted by the company during the relevant financial year and their conditions of application;
- The number of shares options exercised during the relevant financial year and, for each of them, the number of shares involved and the exercise price or the value of the interest in the share incentive scheme at the end of the financial year;
- The number of share options unexercised at the end of the financial year; their exercise price, the exercise date and the main conditions for the exercise of the rights;
- All changes in the terms and conditions of existing share options occurring during the financial year.

8.5.3. The following supplementary pension schemes-related information should be disclosed:

- When the pension scheme is a defined-benefit scheme, changes in the directors' accrued benefits under that scheme during the relevant financial year;
- When the pension scheme is defined-contribution scheme, detailed information on contributions paid or payable by the company in respect of that director during the relevant

<p>financial year.</p> <p>8.5.4. The statement should also state amounts that the company or any subsidiary company or entity included in the consolidated annual financial report of the company has paid to each person who has served as a director in the company at any time during the relevant financial year in the form of loans, advance payments or guarantees, including the amount outstanding and the interest rate.</p>		
<p>8.6. Where the remuneration policy includes variable components of remuneration, companies should set limits on the variable component(s). The non-variable component of remuneration should be sufficient to allow the company to withhold variable components of remuneration when performance criteria are not met.</p>		
<p>8.7. Award of variable components of remuneration should be subject to predetermined and measurable performance criteria.</p>		
<p>8.8. Where a variable component of remuneration is awarded, a major part of the variable component should be deferred for a minimum period of time. The part of the variable component subject to deferment should be determined in relation to the relative weight of the variable component compared to the non-variable component of remuneration.</p>		
<p>8.9. Contractual arrangements with executive or managing directors should include provisions that permit the company to reclaim variable components of remuneration that were awarded on the basis of data which subsequently proved to be manifestly misstated.</p>		
<p>8.10. Termination payments should not exceed a fixed amount or fixed number of years of annual remuneration, which should, in general, not be higher than two years of the non-variable component of remuneration or the equivalent thereof.</p>		
<p>8.11. Termination payments should not be paid if the termination is due to inadequate performance.</p>		
<p>8.12. The information on preparatory and decision-making processes, during which a policy of remuneration of directors is being established, should also be disclosed. Information should include data, if applicable, on authorities and composition of the remuneration committee, names and surnames of external consultants whose services have been used in determination of the remuneration policy as well as the role of shareholders' annual general meeting.</p>		
<p>8.13. Shares should not vest for at least three years after their award.</p>		
<p>8.14. Share options or any other right to acquire shares or to be remunerated on the basis of share price movements should not be exercisable for at least three years after their</p>		

<p>award. Vesting of shares and the right to exercise share options or any other right to acquire shares or to be remunerated on the basis of share price movements, should be subject to predetermined and measurable performance criteria.</p>		
<p>8.15. After vesting, directors should retain a number of shares, until the end of their mandate, subject to the need to finance any costs related to acquisition of the shares. The number of shares to be retained should be fixed, for example, twice the value of total annual remuneration (the non-variable plus the variable components).</p>		
<p>8.16. Remuneration of non-executive or supervisory directors should not include share options.</p>		
<p>8.17. Shareholders, in particular institutional shareholders, should be encouraged to attend general meetings where appropriate and make considered use of their votes regarding directors' remuneration.</p>		
<p>8.18. Without prejudice to the role and organization of the relevant bodies responsible for setting directors' remunerations, the remuneration policy or any other significant change in remuneration policy should be included into the agenda of the shareholders' annual general meeting. Remuneration statement should be put for voting in shareholders' annual general meeting. The vote may be either mandatory or advisory.</p>		
<p>8.19. Schemes anticipating remuneration of directors in shares, share options or any other right to purchase shares or be remunerated on the basis of share price movements should be subject to the prior approval of shareholders' annual general meeting by way of a resolution prior to their adoption. The approval of scheme should be related with the scheme itself and not to the grant of such share-based benefits under that scheme to individual directors. All significant changes in scheme provisions should also be subject to shareholders' approval prior to their adoption; the approval decision should be made in shareholders' annual general meeting. In such case shareholders should be notified on all terms of suggested changes and get an explanation on the impact of the suggested changes.</p>	<p>Not applicable</p>	<p>In 2009 the schemes, on which basis the managers were remunerated in shares, share selection transactions or other rights to acquire the shares or be remunerated based on the share price movements were not applied in the Company.</p>
<p>8.20. The following issues should be subject to approval by the shareholders' annual general meeting:</p> <ol style="list-style-type: none"> 1) Grant of share-based schemes, including share options, to directors; 2) Determination of maximum number of shares and main conditions of share granting; 3) The term within which options can be exercised; 4) The conditions for any subsequent change in the exercise of the options, if permissible by law; 5) All other long-term incentive schemes for which directors are eligible and which are not available to other employees of the company 		

<p>under similar terms. Annual general meeting should also set the deadline within which the body responsible for remuneration of directors may award compensations listed in this article to individual directors.</p>		
<p>8.21. Should national law or company's Articles of Association allow, any discounted option arrangement under which any rights are granted to subscribe to shares at a price lower than the market value of the share prevailing on the day of the price determination, or the average of the market values over a number of days preceding the date when the exercise price is determined, should also be subject to the shareholders' approval.</p>		
<p>8.22. Provisions of Articles 8.19 and 8.20 should not be applicable to schemes allowing for participation under similar conditions to company's employees or employees of any subsidiary company whose employees are eligible to participate in the scheme and which has been approved in the shareholders' annual general meeting.</p>		
<p>8.23. Prior to the annual general meeting that is intended to consider decision stipulated in Article 8.8, the shareholders must be provided an opportunity to familiarize with draft resolution and project-related notice (the documents should be posted on the company's website). The notice should contain the full text of the share-based remuneration schemes or a description of their key terms, as well as full names of the participants in the schemes. Notice should also specify the relationship of the schemes and the overall remuneration policy of the directors. Draft resolution must have a clear reference to the scheme itself or to the summary of its key terms. Shareholders must also be presented with information on how the company intends to provide for the shares required to meet its obligations under incentive schemes. It should be clearly stated whether the company intends to buy shares in the market, hold the shares in reserve or issue new ones. There should also be a summary on scheme-related expenses the company will suffer due to the anticipated application of the scheme. All information given in this article must be posted on the company's website.</p>		
<p>Principle IX: The role of stakeholders in corporate governance</p>		
<p>The corporate governance framework should recognize the rights of stakeholders as established by law and encourage active co-operation between companies and stakeholders in creating the company value, jobs and financial sustainability. For the purposes of this Principle, the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interest in the company concerned.</p>		
<p>9.1. The corporate governance framework should assure that the rights of stakeholders that are protected by law are respected.</p>	<p>Yes</p>	<p>The company respects the rights of interest holders and allows the interest holders to participate in the management of the Company in the manner set forth by the laws.</p>
<p>9.2. The corporate governance framework should create conditions for the stakeholders to participate in corporate governance in the manner prescribed by law. Examples of mechanisms of stakeholder participation in corporate governance include: employee participation in adoption of certain key</p>		

<p>decisions for the company; consulting the employees on corporate governance and other important issues; employee participation in the company's share capital; creditor involvement in governance in the context of the company's insolvency, etc.</p>		
<p>9.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.</p>		
<p>Principle X: Information disclosure and transparency</p>		
<p>The corporate governance framework should ensure that timely and accurate disclosure is made on all material information regarding the company, including the financial situation, performance and governance of the company.</p>		
<p>10.1. The company should disclose information on: 1) The financial and operating results of the company; 2) Company objectives; 3) Persons holding by the right of ownership or in control of a block of shares in the company; 4) Members of the company's supervisory and management bodies, chief executive officer of the company and their remuneration; 5) Material foreseeable risk factors; 6) Transactions between the company and connected persons, as well as transactions concluded outside the course of the company's regular operations; 7) Material issues regarding employees and other stakeholders; 8) Governance structures and strategy. This list should be deemed as a minimum recommendation, while the companies are encouraged not to limit themselves to disclosure of the information specified in this list.</p>	<p>Yes</p>	<p>Information set forth in this recommendation is disclosed in the notifications on material event, periodical reports. This information is also published on Company's website.</p>
<p>10.2. It is recommended to the company, which is the parent of other companies, that consolidated results of the whole group to which the company belongs should be disclosed when information specified in item 1 of Recommendation 10.1 is under disclosure.</p>		
<p>10.3. It is recommended that information on the professional background, qualifications of the members of supervisory and management bodies, chief executive officer of the company should be disclosed as well as potential conflicts of interest that may have an effect on their decisions when information specified in item 4 of Recommendation 10.1 about the members of the company's supervisory and management bodies is under disclosure. It is also recommended that information about the amount of remuneration received from the company and other income should be disclosed with regard to members of the company's supervisory and management bodies and chief executive officer as per Principle VIII.</p>		
<p>10.4. It is recommended that information about the links between the company and its stakeholders, including employees, creditors, suppliers, local community, as well as the company's policy with regard to human resources, employee participation schemes in the company's share capital, etc. should be</p>		



disclosed when information specified in item 7 of Recommendation 10.1 is under disclosure.		
10.5. Information should be disclosed in such a way that neither shareholders nor investors are discriminated with regard to the manner or scope of access to information. Information should be disclosed to all simultaneously. It is recommended that notices about material events should be announced before or after a trading session on the NASDAQ OMX Vilnius, so that all the company's shareholders and investors should have equal access to the information and make informed investing decisions.	Yes	The Company discloses information via NASDAQ OMX news distribution service so that the public in Lithuania and other EU countries should have equal access to the information. The information is disclosed in Lithuanian and English. The Company publishes its information prior to or after the trade sessions on the NASDAQ OMX Vilnius. The company doesn't disclose information that may have an effect on the price of shares in the commentaries, interview or other ways as long as such information is publicly announced via NASDAQ OMX news distribution service.
10.6. Channels for disseminating information should provide for fair, timely and cost-efficient access to relevant information by users. It is recommended that information technologies should be employed for wider dissemination of information, for instance, by placing the information on the company's website. It is recommended that information should be published and placed on the company's website not only in Lithuanian, but also in English, and, whenever possible and necessary, in other languages as well.	Yes	The information is disclosed in Lithuanian and English simultaneously via NASDAQ OMX news distribution service. It is also published on Company's website.
10.7. It is recommended that the company's annual reports and other periodical accounts prepared by the company should be placed on the company's website. It is recommended that the company should announce information about material events and changes in the price of the company's shares on the Stock Exchange on the company's website too.	Yes	The Company publishes all information indicated in this recommendation on its website.
Principle XI: The selection of the company's auditor		
The mechanism of the selection of the company's auditor should ensure independence of the firm of auditor's conclusion and opinion.		
11.1. An annual audit of the company's financial reports and interim reports should be conducted by an independent firm of auditors in order to provide an external and objective opinion on the company's financial statements.	Yes	The annual Company's and consolidated financial statements and consolidated annual report are conducted by the independent audit firm. The interim financial statements are not conducted by the audit firm.
11.2. It is recommended that the company's supervisory board and, where it is not set up, the company's board should propose a candidate firm of auditors to the general shareholders' meeting.	Yes	The candidate audit firm is suggested to the General Meeting by the Board.
11.3. It is recommended that the company should disclose to its shareholders the level of fees paid to the firm of auditors for non-audit services rendered to the company. This information should be also known to the company's supervisory board and, where it is not formed, the company's board upon their consideration which firm of auditors to propose for the general shareholders' meeting.	Not applicable	The audit firm does not provide non-audit services to the Company.

President

Darius Šulnis