

AB INVALIDA

CONSOLIDATED AND PARENT COMPANY'S CONDENSED NOT-AUDITED FINANCIAL
STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2008 PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN
UNION

AB INVALIDA

CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

(all amounts are in LTL thousand unless otherwise stated)

GENERAL INFORMATION

Board of Directors

Mr. Vytautas Bučas (chairman of the Board)

Mr. Darius Šulnis

Mr. Dalius Kaziūnas

Management

Mr. Darius Šulnis (president)

Mr. Raimondas Rajeckas (chief financial officer)

Registered office and company code

Šeimyniškių St. 3,

Vilnius,

Lithuania

Company code 121304349

Bankers

Nordea Bank Finland Plc.

AB DnB Nord bankas

Akcinė bendrovė Šiaulių bankas

AB SEB Vilniaus bankas

AB bankas „Hansabankas“

AB Sampo Bankas

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



Mr. Darius Šulnis
President



Mr. Raimondas Rajeckas
Chief financial officer

Consolidated and parent Company's income statements

	Group		Company		
	I Half Year 2008	I Half Year 2007	I Half Year 2008	I Half Year 2007	
Revenue					
Furniture production revenue	72,359	84,711	-	-	
Sales of apartments	86,373	-	-	-	
Rent and other real estate income	16,827	18,072	-	-	
Financial mediation revenue	5,863	20,694	-	-	
Other production and services revenue	10,486	4,990	-	-	
Total revenue	191,908	128,467	-	-	
Other income	9.1	49,564	8,813	92,212	209
Valuation gains		219	7,186	-	-
Valuation losses		-	-	-	-
Changes in inventories of finished goods and work in progress		1,199	(1,433)	-	-
Raw materials and consumables used		(534,431)	(53,850)	(34)	(12)
Salaries and related expenses		(32,631)	(31,769)	(975)	(849)
Depreciation and amortization		(5,491)	(6,020)	(75)	(78)
Subcontractor expenses		(1,851)	(3,486)	-	-
Premises rent and utilities		(8,383)	(6,608)	(197)	(190)
Fees for securities		(3,425)	(1,420)	(69)	(40)
Vehicles maintenance costs		(2,058)	(1,619)	(118)	(29)
Other taxes		(1,954)	(1,799)	(117)	(73)
Advertising and other promotion expenses		(1,704)	(1,742)	(32)	(7)
Repair and maintenance of premises		(2,068)	(700)	-	(1)
Cost of sales of apartments		(69,177)	-	-	-
Other operating expenses		(8,547)	(8,659)	(1,329)	(10,107)
Finance income	9.3	10,308	5,003	26,844	95,682
Finance expenses	9.2	(23,524)	(13,962)	(13,743)	(2,739)
Share of profit from associates and joint ventures		10,204	11,239	-	-
Profit before tax		48,158	27,641	102,367	81,766
Income tax expense	7	(2,895)	(6,588)	(3,915)	-
Profit for year from continuing operations		45,263	21,053	98,452	81,766
Discontinued operation					
Profit/(Loss) after tax for the year from a discontinued operation		(494)	957	-	-
PROFIT FOR THE PERIOD		44,769	22,010	98,452	81,766
Attributable to:					
Equity holders of the parent		46,244	19,245	98,452	81,766
Minority interest		(1,475)	2,765	-	-
Basic and diluted earnings per share (in LTL)		1.09	0.43		

Consolidated and parent Company's income statements

	Group		Company	
	II Quarter 2008	II Quarter 2007	II Quarter 2008	II Quarter 2007
Revenue				
Furniture production revenue	37,857	46,014	-	-
Sales of apartments	14,528	-	-	-
Rent and other real estate income	8,767	9,128	-	-
Financial mediation revenue	3,066	11,874	-	-
Other production and services revenue	6,172	1,958	-	-
Total revenue	70,390	68,974	-	-
Other income	9.1	11,381	1,891	25,147
Valuation gains		91	190	-
Valuation losses		-	-	-
Changes in inventories of finished goods and work in progress		606	(1,928)	-
Raw materials and consumables used		(29,168)	(28,672)	(20)
Salaries and related expenses		(16,973)	(17,043)	(497)
Depreciation and amortization		(2,778)	(3,097)	(37)
Subcontractor expenses		(1,767)	(1,490)	-
Premises rent and utilities		(3,556)	(4,291)	(105)
Fees for securities		(2,264)	(772)	(34)
Vehicles maintenance costs		(1,124)	(949)	(72)
Other taxes		(1,059)	(883)	(74)
Advertising and other promotion expenses		(892)	(830)	(29)
Repair and maintenance of premises		(1,025)	(700)	-
Cost of sales of apartments		(9,018)	-	-
Other operating expenses		(4,407)	(3,886)	(1,239)
Finance income	9.3	7,920	2,717	16,797
Finance expenses	9.2	(12,378)	(6,615)	(6,815)
Share of profit from associates and joint ventures		12,559	7,758	-
Profit before tax		16,538	10,374	33,022
Income tax expense	7	(1,492)	(2,383)	(3,257)
Profit for year from continuing operations		15,046	7,991	29,765
Discontinued operation				
Profit/(Loss) after tax for the year from a discontinued operation		-	1,116	-
PROFIT FOR THE PERIOD		15,046	9,107	29,765
Attributable to:				
Equity holders of the parent		15,750	9,253	29,765
Minority interest		(704)	(146)	-
Basic and diluted earnings per share (in LTL)		0.37	0.21	

Consolidated and parent Company's balance sheets

	Group		Company	
	As of 30 June 2008	As of 31 December 2007	As of 30 June 2008	As of 31 December 2007
	unaudited	audited	Unaudited	audited
ASSETS				
Non-current assets				
Property, plant and equipment				
Hotels	-	-	-	-
Other property, plant and equipment	82,374	80,424	397	535
Total property, plant and equipment	82,374	80,424	397	535
Investment properties	403,761	402,933	-	-
Intangible assets	22,963	23,546	7	10
Non-current financial assets				
Investments into subsidiaries	8	-	176,883	163,991
Investments into associates and joint ventures	8	309,021	216,067	216,350
Other non-current investments		5,564	1,821	1,821
Granted loans		22,541	27,751	21,961
Total non-current financial assets		337,126	422,522	404,123
Other non-current assets		2,850	-	-
Deferred tax asset		1,505	-	708
Total non-current assets		850,579	422,926	405,376
Current assets				
Inventories		58,158	-	-
Trade and other receivables		41,467	12,420	239
Short term loans granted		75,885	137,834	108,754
Prepaid income tax		2,705	662	900
Prepayments and other current assets		3,612	242	142
Financial assets at fair value through profit or loss		45,627	25,371	-
Cash and cash equivalents	5	10,472	275	30
Total current assets		237,926	176,804	110,065
Non-current assets and assets of disposal group classified as held for sale		-	-	10,079
Total assets		1,088,505	599,730	525,520

(cont'd on the next page)

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

	Group		Company	
	As of 30 June 2008	As of 31 December 2007	As of 30 June 2008	As of 31 December 2007
	unaudited	audited	Unaudited	Audited
EQUITY AND LIABILITIES				
Equity				
Equity attributable to equity holders of the parent				
Share capital	42,569	42,569	42,569	42,569
Share premium	50,588	50,588	50,588	50,588
Reserves	75,538	41,852	73,383	39,001
Retained earnings	175,067	136,131	98,452	47,153
Translation reserve	53	(73)	-	-
Reserves of disposal group classified as held-for-sale	-	28,077	-	-
	343,815	299,144	264,992	179,311
Minority interest	4,764	6,056	-	-
Total equity	348,579	305,200	264,992	179,311
Liabilities				
Non-current liabilities				
Non-current borrowings	266,878	270,395	60,193	78,589
Financial lease liabilities	341	230	-	-
Government grants	25	31	-	-
Provisions	133	136	-	-
Deferred tax liability	35,133	35,356	2,969	-
Other non-current liabilities	1,280	1,280	-	-
Total non-current liabilities	303,790	307,428	63,162	78,589
Current liabilities				
Current portion of non-current borrowings	88,748	134,830	50,000	1,350
Current portion of financial lease liabilities	176	6,102	-	-
Current borrowings	295,858	186,821	217,355	144,244
Trade payables	23,410	26,159	1,483	890
Income tax payable	6,252	4,729	-	-
Advances received	1,981	47,400	-	1,233
Other current liabilities	19,711	130,690	2,738	119,903
Total current liabilities	436,136	536,731	271,576	267,620
Non-current liabilities and liabilities of disposal group directly associated with the assets classified as held-for-sale	-	55,168	-	-
Total liabilities	739,926	899,327	334,738	346,209
Total equity and liabilities	1,088,505	1,204,527	599,730	525,520

(the end)

AB INVALIDA**CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2008**

(all amounts are in LTL thousand unless otherwise stated)

Consolidated and parent Company's statements of changes in equity

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

AB INVALIDA**CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2008**

(all amounts are in LTL thousand unless otherwise stated)

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

Group	Equity attributable to equity holders of the parent									Minority interest	Total equity
	Share capital	Share premium	Discontinued operations	Fair value reserves	Legal and other reserves	Translation reserve	Retained earnings	Total			
Balance as of 31 December 2007	42,569	50,588	28,077	552	41,300	(73)	136,131	299,144	6,056	305,200	
Net gain (loss) on available-for-sale investments	-	-	-	(918)	-	-	-	(918)	-	(918)	
Income (expenses) recognised directly in equity	-	-	-	-	-	-	12,838	12,838	-	12,838	
Total income and expenses for the year recognised directly in equity	-	-	-	(918)	-	-	12,838	11,920	-	11,920	
Profit for the 1 st half year of 2008	-	-	-	-	-	-	46,244	46,244	(1,475)	44,769	
Total income and expenses for the year	-	-	-	(918)	-	-	59,082	58,164	(1,475)	56,689	
Dividends paid	-	-	-	-	-	-	(12,771)	(12,771)	-	(12,771)	
Dividends of subsidiaries	-	-	-	-	-	-	-	-	(228)	(228)	
Investments into subsidiaries	-	-	-	-	-	-	-	-	850	850	
Changes in reserves	-	-	-	-	34,604	-	(34,604)	-	-	-	
Minority of subsidiaries acquired	-	-	-	-	-	-	(846)	(846)	(394)	(1,242)	
Discontinued operation	-	-	(28,077)	-	-	-	28,077	-	(45)	(45)	
Foreign currency translation	-	-	-	-	-	126	-	126	-	126	
Balance as of 30 June 2008	42,569	50,588	-	(366)	75,904	53	175,067	343,815	4,764	348,579	

AB INVALDA**CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2008**

(all amounts are in LTL thousand unless otherwise stated)

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

Company	Share capital	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings	Total
Balance as of 31 December 2006	45,008	50,588	3,068	-	47,675	146,339
Net profit for the 1 st half year of 2007	-	-	-	-	81,766	81,766
Total income and expenses for the year	-	-	-	-	14,041	14,041
Dividends for 2006	-	-	-	-	(11,252)	(11,252)
Transferred to legal reserve	-	-	1,433	-	(1,433)	-
Transferred to reserve of purchase of own shares	-	-	34,500	-	(34,500)	-
Balance as of 30 June 2007	45,008	50,588	39,001	-	82,256	216,853

Company	Share capital	Share premium	Legal reserve	Reserve of purchase of own shares	Retained earnings	Total
Balance as of 31 December 2007	42,569	50,588	4,501	34,500	47,153	179,311
Net profit for the 1 st half year of 2008	-	-	-	-	98,452	98,452
Total income and expenses for the year	-	-	-	-	98,452	98,452
Changes in reserves	-	-	(244)	34,626	(34,382)	-
Dividends paid	-	-	-	-	(12,771)	(12,771)
Balance as of 30 June 2008	42,569	50,588	4,257	69,126	98,452	264,992

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

(all amounts are in LTL thousand unless otherwise stated)

Consolidated and parent Company's cash flow statements

	Group		Company	
	I Half Year 2008	I Half Year 2007	I Half Year 2008	I Half Year 2007
Cash flows from (to) operating activities				
Net profit	44,769	22,010	98,452	81,766
Adjustments for non-cash items:				
Valuation gain, net	(15,543)	(7,186)	-	-
Depreciation and amortization	5,491	6,900	75	78
(Gain) on disposal of property, plant and equipment	(30)	(177)	(21)	-
(Gain) on disposal of investments	(35,348)	(7,803)	(67,169)	6,292
Share of net profits of associates and joint ventures	(10,204)	(11,239)	-	-
Interest (income)	(4,854)	(3,184)	(6,338)	(2,819)
Interest expenses	23,303	11,901	13,687	2,728
Deferred taxes	(817)	2,175	3,677	-
Current income tax expenses	3,712	4,557	238	-
Allowance for receivables	-	-	-	3,387
Allowance for inventories	-	-	-	-
Change in provisions	(3)	-	-	-
Dividend (income)	-	(141)	(20,478)	(92,846)
Loss (gain) from other financial activities	-	930	(25,014)	(6)
	10,476	18,743	(2,891)	(1,420)
Changes in working capital:				
(Increase) decrease in inventories	61,792	2,049	-	-
Decrease (increase) in trade and other receivables	(11,689)	(61,183)	(97)	(1)
Decrease in other current assets	18,428	(21,018)	(186)	(3)
(Decrease) increase in trade payables	(2,749)	2,422	(137)	(481)
Income tax paid	(1,216)	(471)	-	(134)
(Decrease) increase in other current liabilities	(30,906)	10,243	(123,242)	724
Net cash flows (to) from operating activities	44,136	(49,215)	(126,553)	(1,315)

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CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

(all amounts are in LTL thousand unless otherwise stated)

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

	Group		Company	
	I Half Year 2008	I Half Year 2007	I Half Year 2008	I Half Year 2007
Cash flows from (to) investing activities				
(Acquisition) of tangible non-current assets (except investment properties)	(7,866)	(28,648)	(52)	(26)
Proceeds from sale of tangible non-current assets (except investment properties)	1,038	258	139	-
(Acquisition) of investment properties	(2,091)	(24,382)	-	-
Proceeds of sale of investment properties	1,516	2,991	-	-
(Acquisition) of subsidiaries, net of cash acquired	-	-	(71)	(10)
Proceeds from sales of subsidiaries	42,553	(17)	46,017	-
(Acquisition) of associates	(67)	(2,364)	(69)	(22,508)
Proceeds from sales of associates	-	230	24	230
Loans (granted)	(32,828)	(11,025)	(83,331)	(110,850)
Repayment of granted loans	34,920	-	52,903	16,917
Dividends received	-	141	7000	92,470
Interest received	4,854	3,184	2,690	770
(Acquisition) of minority interest	(1,241)	(488)	(8,416)	(1,950)
Other cash flow from investing activities	1,854	-	-	(50)
Net cash flows (to) investing activities	42,642	(60,120)	16,834	(25,007)
Cash flows from (to) financing activities				
Cash flows related to company shareholders				
Issue of shares	-	-	-	-
Dividends (paid)	(12,999)	(11,252)	(12,138)	(11,252)
Dividends to minority	-	(31,065)	-	-
	(12,999)	(42,317)	(12,138)	(11,252)
Cash flows related to other sources of financing				
Proceeds from loans	212,238	204,868	320,152	70,895
Issue of bonds	-	-	-	-
(Repayment) of loans	(251,397)	(64,208)	(192,948)	(31,288)
Interest (paid)	(23,330)	(11,901)	(5,097)	(2,105)
Financial lease (payments)	(5,991)	(582)	-	-
Other cash flows from financing activities	925	22,955	(5)	6
	(67,555)	151,132	122,102	37,508
Net cash flows from financial activities	(80,554)	108,815	109,964	26,256
Impact of currency exchange on cash and cash equivalents	-	-	-	-
Net (decrease) increase in cash and cash equivalents	6,224	(520)	245	(66)
Cash and cash equivalents at the beginning of the year	4,248	9,161	30	82
Cash and cash equivalents at the end of the year	10,472	8,641	275	16

(the end)

Notes to the financial statements

1 General information

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

Šeimyniškių St. 3,
Vilnius,
Lithuania.

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

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

2 Basis of preparation and accounting policies

Basis of preparation

The interim condensed financial statements for the I six months ended 30 June 2008 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2007.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's and Company's annual financial statements for the year ended 31 December 2007.

3 Seasonality of operations

Road and bridge building business give lower revenue and operational profit in the 1st and 4th quarter in contrast to the 2nd and the 3rd quarters. Investment assets owned by the Group are revaluated and the change of their value is included in the profit/loss statement at the end of a year.

4 Segment information

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

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

Real estate

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

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(all amounts are in LTL thousand unless otherwise stated)

Financial mediation

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

Pharmacy

The pharmacy segment produces injections preparations, tablets, ointments.

Furniture production

The furniture segment includes furniture design, production and sale.

Hotels management

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

Roads and bridge construction

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

Other production and service segments

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

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

AB INVALIDA

CONSOLIDATED AND PARENT COMPANY'S CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

(all amounts are in LTL thousand unless otherwise stated)

The following table present revenues and profit information regarding the Group's business segments for the 6 months ended 30 June 2008:

Year ended 30 June 2008	Continuing operations							Discontinued operation		Total operations
	Real estate	Financial mediation	Pharmacy	Furniture production	Roads and bridge construction	Other production and service	Elimination and other	Total	Hotels management	
Revenue										
Sales to external customers	103,200	5,863	-	72,359	-	10,486	-	191,908	1,533	193,441
Inter-segment sales	1,158	50	-	323	-	6	(1,537)	-	-	-
Total revenue	104,358	5,913	-	72,682	-	10,492	(1,537)	191,908	1,533	193,441
Results										
Other income	1,638	6,600	-	966	-	21,350	29,537	60,091	17	60,108
Segment expenses	97,569	23,646	-	75,339	-	10,773	(7,048)	200,279	2,044	202,323
Unallocated expenses	-	-	-	-	-	-	13,766	13,766	-	13,766
Operating profit (loss)	8,427	(11,133)	-	(1,691)	-	21,069	21,282	37,954	(494)	37,460
Share of profit (loss) of the associates and joint ventures	2,622	-	8,840	(2,125)	427	440	-	10,204	-	10,204
Profit (loss) before income tax	11,049	(11,133)	8,840	(3,816)	427	21,509	21,282	48,158	(494)	47,664
Income tax expenses	1,877	(1,631)	-	36	-	2,450	163	2,895	-	2,895
Net profit for the year	9,172	(9,502)	8,840	(3,852)	427	19,059	21,119	45,263	(494)	44,769
Attributable to:										
Equity holders of the parent	9,485	(9,486)	8,840	(2,737)	427	19,090	21,119	46,738	(494)	46,244
Minority interest	(313)	(16)	-	(1,115)	-	(31)	-	(1,475)	-	(1,475)

Gain of sale of AB Hidroprojektas shares and gain of loss of significant influence in AB Agrowill group" is shown in "Other income" of other production and service segment. Gain of sale of AB Valmeda shares is shown in "Other income" in Elimination and other column.

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

(all amounts are in LTL thousand unless otherwise stated)

The following table present revenues and profit information regarding the Group's business segments for the 6 months ended 30 June 2007:

Year ended 30 June 2007	Continuing operations							Discontinued operation		
	Real estate	Financial mediation	Pharmacy	Furniture production	Roads and bridge construction	Other production and service	Elimination and other	Total	Hotels management	Total operations
Revenue										
Sales to external customers	18,072	20,694	-	84,711	-	4,990	-	128,467	6,611	135,078
Inter-segment sales	1,071	138	-	4	-	-	(1,213)	-	-	-
Total revenue	19,143	20,832	-	84,715	-	4,990	(1,213)	128,467	6,611	135,078
Results										
Other income	7,797	13,140	-	812	-	10	908	22,667	65	22,732
Segment expenses	25,194	14,722	-	85,088	-	4,578	(4,371)	125,211	5,575	130,786
Unallocated expenses	-	-	-	-	-	-	9,521	9,521	-	9,521
Operating profit (loss)	1,746	19,250	-	439	-	422	(5,455)	16,402	1,101	17,503
Share of profit (loss) of the associates and joint ventures	(2,225)	-	7,785	(734)	531	5,882	-	11,239	-	11,239
Profit (loss) before income tax	(479)	19,250	7,785	(295)	531	6,304	(5,455)	27,641	1,101	28,742
Income tax expenses	1,910	3,582	-	425	-	97	574	6,588	144	6,732
Net profit for the year	(2,389)	15,668	7,785	(720)	531	6,207	(6,029)	21,053	957	22,010
Attributable to:										
Equity holders of the parent	(5,082)	15,650	7,785	(766)	531	6,199	(6,029)	18,288	957	19,245
Minority interest	2,693	18	-	46	-	8	-	2,765	-	2,765

5 Cash and cash equivalents

	Group		Company	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Cash at bank	10,117	4,170	275	30
Cash in hand	355	78	-	-
	10,472	4,248	275	30

6 Dividends

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

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

(all amounts are in LTL thousand unless otherwise stated)

7 Income tax

	Group		Company	
	I Half Year 2008	I Half Year 2007	I Half Year 2008	I Half Year 2007
Components of income tax expense				
Current income tax charge	(3,712)	(2,175)	238	-
Deferred income tax income (expense)	817	(4,413)	3,677	-
Income tax (expenses) income charged to the income statement	<u>(2,895)</u>	<u>(6,588)</u>	<u>3,915</u>	<u>-</u>

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

During the I half year 2008 The Group invested LTL 11,591 thousand additionally to increased share capital of companies: UAB *Positor*, AB FMĮ *Finasta*, UAB *Invalda turto valdymas* (former UAB *Finasta investicijų valdymas*), SIA *Inreal* (Latvija), TOV *Finasta* (Ukraina)

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

The Group acquired 1,67 % of shares of *Vilniaus Baldai* AB for LTL 1,241 thousand additionally. The value of the additional interest acquired was LTL 419 thousand. The negative difference equal to LTL 822 thousand between the consideration and the value of the interest acquired has been recognised directly to the shareholders equity.

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

Sales in 2008

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

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

AB Agrowill Group

AB Agrowill Group completed its initial public offering. As a result the Company ceased to have significant influence (share of stock of AB Agrowill Group decreased from 20.63 % till 15.78 % and the Company is not represented in the governing bodies). From 1 April 2008 the Company accounts this investment as financial assets at fair value through profit or loss. The fair value on 30 June 2008 was LTL 25,371 thousand.

In the standalone income statement gain of LTL 25,019 thousand and deferred tax expenses of LTL 3,753 thousand were recognized (total positive influence – LTL 21,266 thousand).

In the consolidated income statement gain of LTL 15,324 thousand and deferred tax expenses of LTL 2,299 thousand were recognized (total positive influence – LTL 13,025 thousand).

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

(all amounts are in LTL thousand unless otherwise stated)

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

	Group		Company	
	I Half Year 2008	I Half Year 2007	I Half Year 2008	I Half Year 2007
Gain on sale of subsidiaries and associates	36,720	205	67,169	205
Gain from financial assets at fair value through profit or loss	10,072	7,598	25,019	-
Gain on sale of investment properties	1,368	176	-	-
Other	1,404	834	24	4
	<u>49,564</u>	<u>8,813</u>	<u>92,212</u>	<u>209</u>

9.2. Finance expenses

	Group		Company	
	I Half Year 2008	I Half Year 2007	I Half Year 2008	I Half Year 2007
Interest expenses	(23,303)	(11,241)	(13,687)	(2,728)
Foreign currency exchange loss	-	(1,154)	-	(2)
Other finance expenses	(221)	(1,567)	(56)	(9)
	<u>(23,524)</u>	<u>(13,962)</u>	<u>(13,743)</u>	<u>(2,739)</u>

9.3. Finance income

	Group		Company	
	I Half Year 2008	I Half Year 2007	I Half Year 2008	I Half Year 2007
Interest income	4,854	3,184	6,338	2,819
Foreign currency exchange gain	(148)	1,033	28	17
Dividend income	5,165	-	20,478	92,846
Other finance income	437	789	-	-
	<u>10,308</u>	<u>5,006</u>	<u>26,844</u>	<u>95,682</u>

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

(all amounts are in LTL thousand unless otherwise stated)

10 Related party transactions

The Company's transactions with related parties in the 1st half year of 2008 and related quarter-end balances were as follows:

I half year 2008 Company	Sales to related parties	Purchases from related parties	Amounts owed to related parties	Amounts owed by related parties
Loans and borrowings	5,804	2,363	122,484	159,912
Rent and utilities	-	160	206	-
Dividends	20,478	-	-	7,978
Payables for share capital in subsidiaries in Ukraine and Latvia	-	-	1,110	-
Other	-	37	42	-
	26,282	2,560	123,843	167,890

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

I Half Year 2007 Company	Sales to related parties	Purchases from related parties	Amounts owed to related parties	Amounts owed by related parties
Loans and borrowings	2,549	1,076	49,151	133,695
Rent and utilities	-	154	43	-
Dividends	-	-	-	376
Increase of share capital	-	-	-	3,701
Shares transactions	-	-	-	378
Other	2	60	8	2
	2,551	1,290	49,202	138,152

The Group's transactions with related parties in the 1st half year of 2008 and related quarter-end balances were as follows:

I Half Year 2008 Group	Sales to related parties	Purchases from related parties	Amounts owed to related parties	Amounts owed by related parties
Loans and borrowings	1,385	736	27,349	38,685
Rent and utilities	793	112	150	44
Financial segment	549	-	-	-
Roads and bridges construction segment	229	35	119	32
Raw materials purchased by AB Vilniaus baldai from UAB „Girių bizonas“	-	9,749	1,379	-
Dividends receivables by AB "Invalda" from AB "Sanitas"	-	-	-	7,978
Other	67	-	59	104
	3,023	10,632	29,056	46,844

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

(all amounts are in LTL thousand unless otherwise stated)

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

I Half Year 2007 Group	Sales to related parties	Purchases from related parties	Amounts owed to related parties	Amounts owed by related parties
Loans and borrowings	973	12	-	30,891
Rent and utilities	888	341	-	775
Increase of share capital	-	-	-	3,701
Dividends	-	-	-	299
Roads and bridges construction segment	89	644	324	30
Shares transactions	-	-	-	378
Raw materials purchased by AB Vilniaus balдай from UAB „Girių bizonas“	-	5,596	1,519	-
Other	32	-	-	11
	<u>1,982</u>	<u>6,593</u>	<u>1,843</u>	<u>36,085</u>

11 Subsequent eventsThe Company

The Company received the approval of the Financial and Capital Market Commission to acquire assets management company IPAS Baltikums Asset Management (subsidiaries of Latvian bank AS Akciju komercbanka Baltikums). When the deal is completed, AB Invalda will entered Latvian pension fund market.

On May 2008 the Company signed the agreement with Akciju Komerbanka Baltikums regarding acquisition of 100% shares of Baltikums Asset Management (investment management company registered in the Republic of Latvia) and regarding sale to Akciju Komerbanka Baltikums 100% shares of Finasta Asset Management (investment management company registered in the Republic of Latvia). Management of investment funds of Finasta Asset Management will be transferred to Baltikums Asset Management which already manages 3 investment and 2 pension funds. Deal will be closed when other actions are completed.

The Group

On July 2008 Umega AB completed the purchase deal of Vienybe AB shares and obtained control.