

Preliminary results of *Invalda AB* group for 3 months of 2011

Vilnius, 31 May 2011

What is *Invalda AB*?

- *Invalda AB* is one of the major Lithuanian investment companies whose primary objective is to steadily increase the investor equity value.

Invalda actively manages its investments, exercising control or significant influence over target businesses.

More about businesses managed by *Invalda* in 16-27 slides and on www.invalda.lt

- *Invalda* started its activity in 1991.

Its shares have been traded on the NASDAQ OMX Vilnius exchange since 1995.

More about shares of *Invalda* in 8-9 slides.

Management principles

Invalda is proactively managing its investments following these principles:

- **Competitiveness and independence**

Each business of the Group must be competitive and self-sufficient, have professional teams and top managers capable of creating business visions and implementing ambitious objectives.

- **Risk segregation**

Invalda does not grant guarantees or assumes any obligations in respect of individual businesses, and individual businesses do not assume any obligations in respect of each other.

- **Diversification**

The company diversifies its investment in order to avoid any excessive risk concentration in homogeneous business sectors.

- **Transparency**

Invalda discloses information in adherence to the requirement that market participants must get equivalent information at the same time, except such cases where the publication of the information is not possible in view of obligations assumed in respect of third parties, and/or the disclosure may adversely affect the Group's or business ability to compete.

- **Avoidance of conflicts of interest**

Managers of the Group companies do not participate in the activities' of their competitors.

Investment philosophy

- *Invalda* is the company driven by shareholder value creation objectives.

Invalda seeks to acquire competitive businesses that, with an influx of additional capital or management resources, may successfully further develop organically, consolidate fragmented markets or provide other possibilities to increase value.

Investing into undervalued assets that, when restructured, may facilitate significant value increase.

Invalda doesn't avoid any complex business opportunities. This is supported by its belief that the efforts will lead to good results.

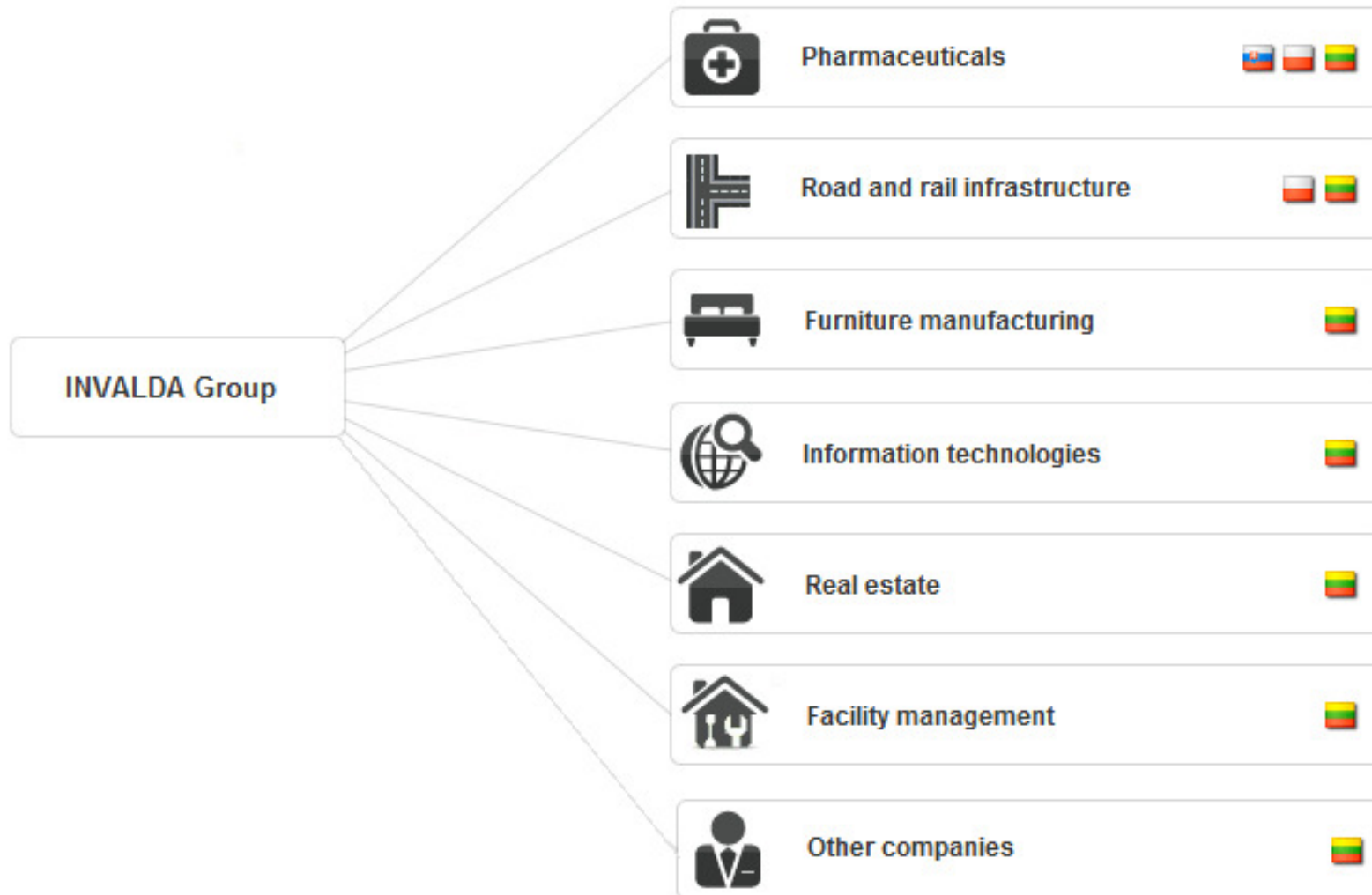
- Long-term prospects.

With a view to maximizing the investment potential to its full scale, *Invalda* normally pursues long-term prospects.

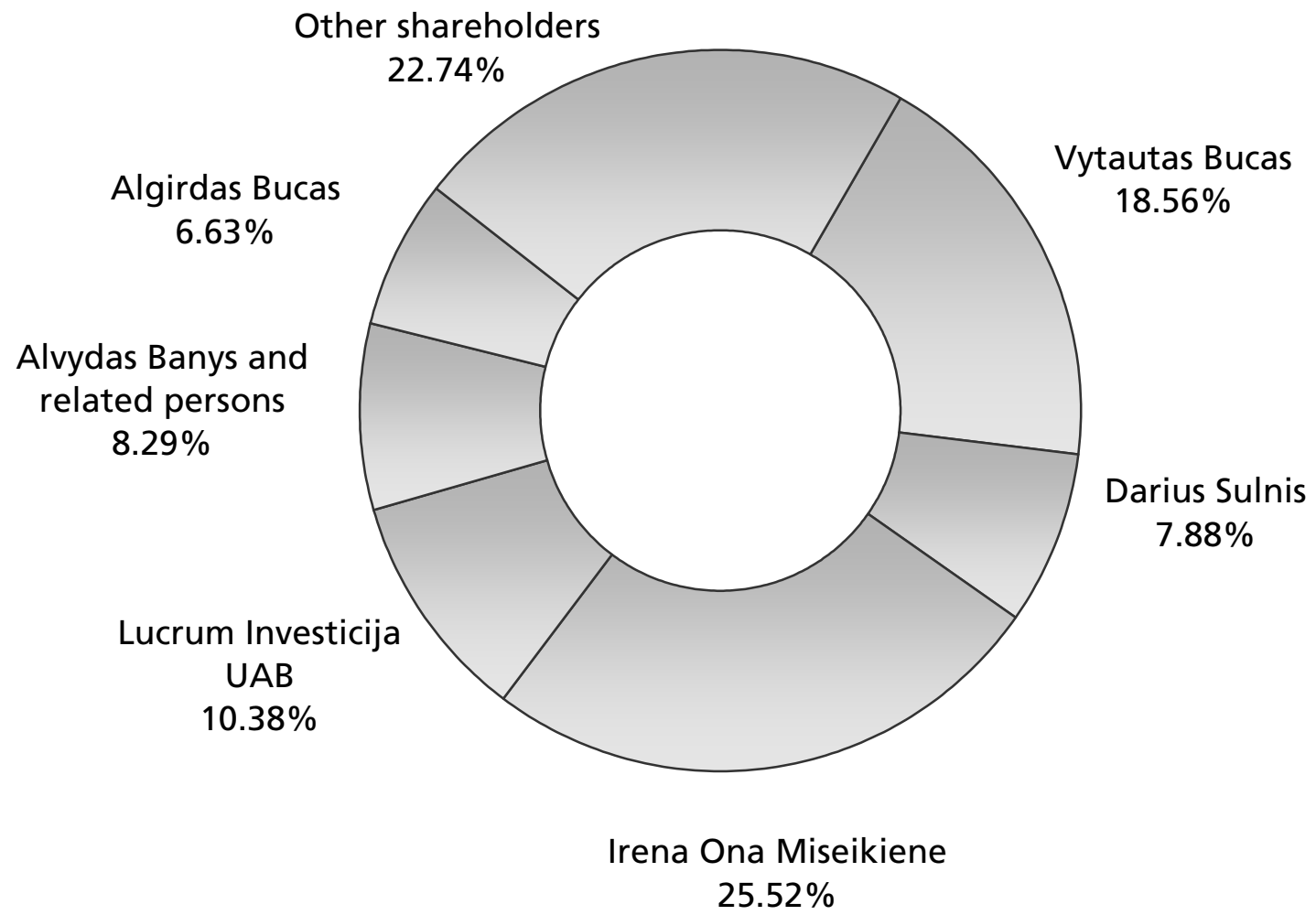
Invalda focuses its efforts to maximize the investment value in the long-term perspective, and offers business for sale only when they are properly prepared and become attractive to potential buyers, or having received any proposal matching the corporate future prospects.

- A merge of different competences may potentially appreciate the investment value.

Activity sectors of *Invalda* Group



The structure of shareholders



Management



Vytautas Bucas - Chairman of the Board

Vytautas Bucas is a member of ACCA (Association of Chartered Certified Accountants, UK) since 2002. After graduation from his studies at Vilnius University for a period he worked at the audit firm *Arthur Andersen*, where, having started from an auditor assistant grew to the position of the Chief auditor. Later on, in *SEB Bank* he was managing the Finance and IT departments, was holding the position of the Deputy President, and a Member of the Board of the Bank. In the course of the past five years was a member of the Board of companies operating in the finance and real estate sector, also the pharmaceuticals company *Sanitas*, currently - member of the Board of *Invalda Service* and *BAIP Group*, Chairman of the Board of *Vilniaus Baldai*, *Invaldos Nekilnojamojo Turto Fondas* and *Invalda* which he joined in 2006.



Darius Sulnis - Member of the Board, President

Darius Sulnis acquired his Master's degree in accounting and audit at Vilnius University. He has for eight years managed the financial brokerage firm *Finasta*, and for four years - a real estate company *Invalda Nekilnojamojo Turto Valdymas*. Furthermore, Darius Sulnis has been a member of Boards and Supervisory Boards of a number of Polish, Latvian and Lithuanian companies. Currently Darius Sulnis is the President and a member of the Board of the investment company *Invalda*. Also he is for a considerable period of time a Member of the Boards of *Vilniaus Baldai*, *Sanitas*, *Umega*, *Invaldos Nekilnojamojo Turto Fondas*.



Dalius Kaziunas - Member of the Board

Dalius Kaziunas holds a Master's degree in economics, graduate of Vilnius University. Dalius Kaziunas has for more than 10 years worked at the financial brokerage firm *Finasta*, of which was its General Manager for six years. In 2008-2009 he was General Manager and Chairman of the Board of the *Bank Finasta*. For the past two years *Dalius Kaziunas* has been working as an advisor for *Invalda*, and is a Member of its Board, as well as Member of the Boards of *Ineturas*, *Invalda Service*, *Vilniaus Baldai*, *Kelio Zenklai*, *BAIP Group*.

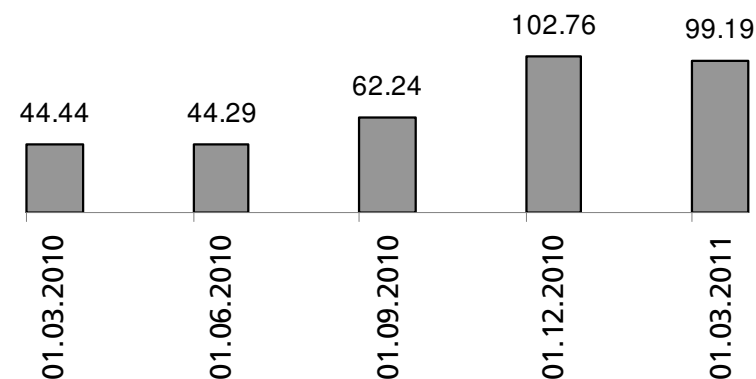
Information about *Invalda AB* shares

Total number of securities	51 659 758 (units)
Nominal value	1 LTL
ISIN	LT0000102279
Name	IVL1L
Exchange	NASDAQ OMX Vilnius
List	BALTIC MAIN LIST

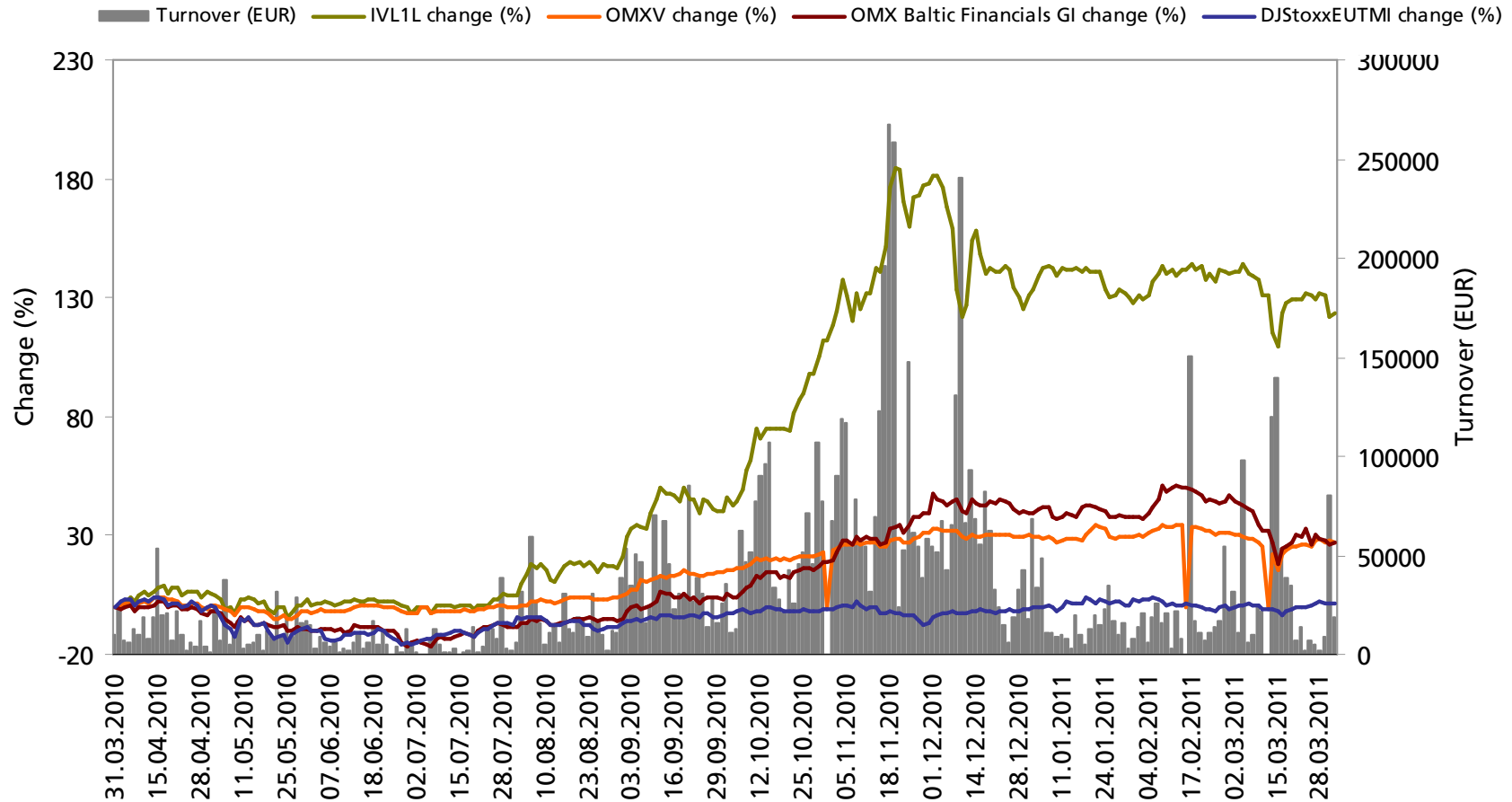
The company has issued convertible bonds of 32.44 m LTL in nominal value; after converting, the authorized capital could increase by 5.898.182 shares of 1 LTL in nominal value.

	2010 IQ	2011 IQ
Price of shares, EUR:		
- open	0.533	2.000
- highest	0.941	2.120
- lowest	0.521	1.750
- last	0.860	1.920
Turnover, m EUR	1.80	1.58

Capitalization, m EUR



Trading in shares



OMXV index is an all-share index consisting of all the shares listed on the Main and Secondary lists of the NASDAQ OMX Vilnius with exception of the shares of the companies where a single shareholder controls at least 90% of the outstanding shares.

Dow Jones Stoxx EU Enlarged TMI index cover approximately 95% of the free float market capitalisation of the New Europe countries, including Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.



Financial results

Key events

- On 23 May 2011 an agreement for the sale of shareholding in *AB Sanitas* to *Valeant Pharmaceuticals International, Inc.* was signed.

Invalda will sell 26.5% shareholdings in *AB Sanitas*, in exchange of EUR 82.5-84 million (LTL 285-290.1 million), or 10-10.18 EUR (34.53-35.15 LTL) per share payable by Valeant.

Taking into account share price adjustment mechanism set out in the agreement signed on 24th October, 2008, (regarding sale of 20.3 % of the share capital of *AB Sanitas*) total proceedings of *AB Invalda* from *Sanitas* shares will amount to EUR 89.8-92.2 million (LTL 310-318.3 million) (based on the official LTL/USD exchange rate as of 24 May 2011).

The share sale and purchase agreement includes the mechanism of the possible price correction based on certain adjustments at closing, which is expected to take place no later than 30th September 2011.

The preliminary net gain in the consolidated financial statements of *AB Invalda* group and standalone financial statements of *AB Invalda* is approximately EUR 52.1-54.5 million (LTL 179.9-188.2 million) and EUR 58.1-60.5 million (LTL 200.5-208.8 million) respectively.

Key events

- In April a merger of *Trakcja Polska* and *Tiltr Group* completed

Invalda sold 44.8 percent stake in *Tiltr Group* and 43.4 per cent stake in Kauno Tiltai AB for 314.1 mPLN and acquired 12.5 per cent stake in *Trakcja Polska* for 132.3 mPLN, *Trakcja Polska* bonds for 119.8 mPLN and got 62 mPLN in cash.

Preliminary positive result in consolidated financial statements of *Invalda* Group is approximately 152 mLTL, standalone company – about 199 mLTL.

Proceedings paid to *Invalda AB* for shares in *Tiltr Group AB* and *Kauno Tiltai AB* might be reduced by not more than 60.6 mPLN, depending on the financial results of the years ending 31 March 2011 and 31 March 2012.

Other events

- New companies joined the group during I quarter.

Group company from the Sate Property Fund acquired 51 percent of Lauko Gelininkystes Bandymu Stotis shares for 911 thousand LTL.

A company Inreal GEO, which will provide land geodetic measurements services, was established.

A new facility management sector, which includes Invalda Service UAB and Priemiestis UAB, was set in the financial statements of Invalda.

Activity results of Invalda AB

mLTL	Consolidated		Parent company	
	2010 Q1	2011 Q1	2010 Q1	2011 Q1
Assets	572.1	611.3	316.6	310.9
Equity	151.4	208.9	94.8	84.8
Liabilities	420.7	402.5	221.8	226.1
Profit (loss) for the period	2.6	8.2	-1.5	-1.0
Attributable to equity holders of the parent company	-1.5	6.4	-1.5	-1.0

} detailed in 15 slide

Equity and liabilities

<i>Invalda AB, mLTL</i>	2010 Q1	2011 Q1
Equity	94.8	84.8
Liabilities to financial institutions	144.8	138.9
from this long term	118.9	94.1
Liabilities to group companies	32.5	51.3
Bonds	35.9	32.4
Other liabilities	8.6	3.5
Total liabilities	221.8	226.1
Total equity and liabilities	316.6	310.9

Preliminary results by sectors



- Effect of the group's sectors on the profit (loss) statement of *Invalda*

	mLTL	2010 Q1	2011 Q1
Pharmaceuticals		4.0	4.2
Road construction		-6.4	-
Real estate		-1.3	0.3
Facility management		0.1	0.1
Furniture manufacturing		5.0	4.9
IT		-0.9	-0.2
Other		-2	-2.9
Total		-1.5	6.4

Part of net profit (loss) attributable to Invalda calculated in proportion to capital held by Invalda, applying equity accounting method.

Since the road construction sector was classified as held for sale, its influence on the results of Invalda for the first quarter of 2011 wasn't calculated

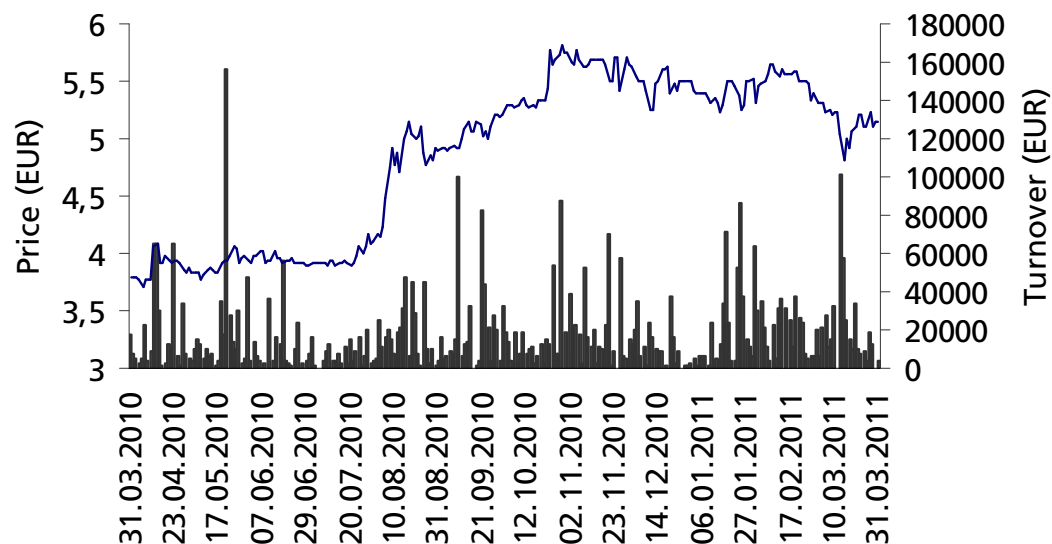
Pharmaceuticals sector (*Sanitas AB*)

(1)

	2010 Q1 mLTL	2011 Q1 mLTL	Change, mLTL	Change %
Sales	80.2	89.7	9.5	11.8
Net profit	15.2	15.7	0.5	3.3
Capitalization	406.9	553	146.1	35.9

- *Sanitas'* shares are listed on NASDAQ OMX Vilnius stock exchange.

Turnover and price of *Sanitas'* shares, EUR



More information about company's activities and results are provided on www.sanitasgroup.com

Pharmaceuticals sector (*Sanitas AB*)

(2)

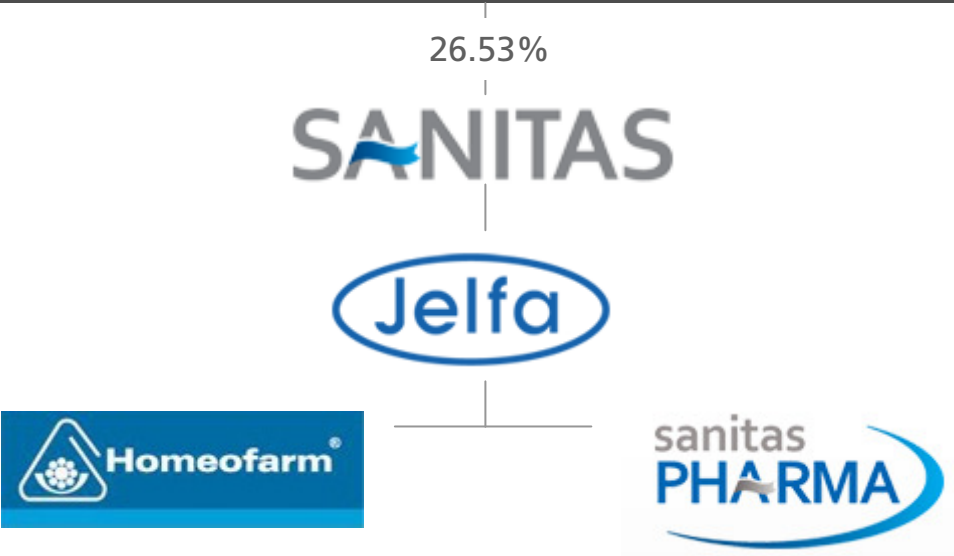
▪ The main event

An agreement for the sale of 87.2 percent shareholding in *AB Sanitas to Valeant Pharmaceuticals International, Inc.* was signed.

Enterprise value – 365 mEUR, share value – 315 mEUR.

The closing is expected to take place no later than 30 September 2011.

Pharmaceuticals sector of *Invalda* group



Road and bridge construction

(1)

- A merger of *Trakcja Polska* and *Tiltra Group* completed.

In November 2010 it was announced about the activities merger of *Tiltra Group* and the Polish railway infrastructure construction market leader *Trakcja Polska S.A.*

Total amount of the deal - 777.536 mPLN.

The part of Invalda before the expenses related to the deal - 314.1 mPLN.

Invalda sold 44.78 per cent stake in *Tiltra Group* and 43.36 per cent stake in *Kauno Tiltai AB* and subsequently acquired:

- 12.5 percent stake in *Trakcja Polska* for 132.3 mPLN;
 - 59.9 m nominal value bonds of *Trakcja Polska*, annual interest rate – 7%, maturity date – 12 December 2013;
 - 59.9 m nominal value bonds of *Trakcja Polska*, annual interest rate – 7%, maturity date – 12 December 2014;
- Remaining 62 mPLN was paid to AB Invalda in cash.



Road and bridge construction

(2)

Proceedings paid to *Invalda* might be reduced by not more than 60.6 mPLN, depending on the financial results of *Tiltra Group* for the years ending 31 March 2011 and 31 March 2012.

During the financial year which ended in 31 March 2011, *Tiltra Group* had to achieve 109 mPLN EBITDA and 63 mPLN net profit.

During the financial year which ends in 31 March 2012, *Tiltra Group* has to achieve 119 mPLN EBITDA and 67.5 mPLN net profit.



In case of not reaching these rates, the price will be reduced by the larger value:

- the amount of net profit failed to reach * 4
- the amount of EBITDA failed to reach * 3



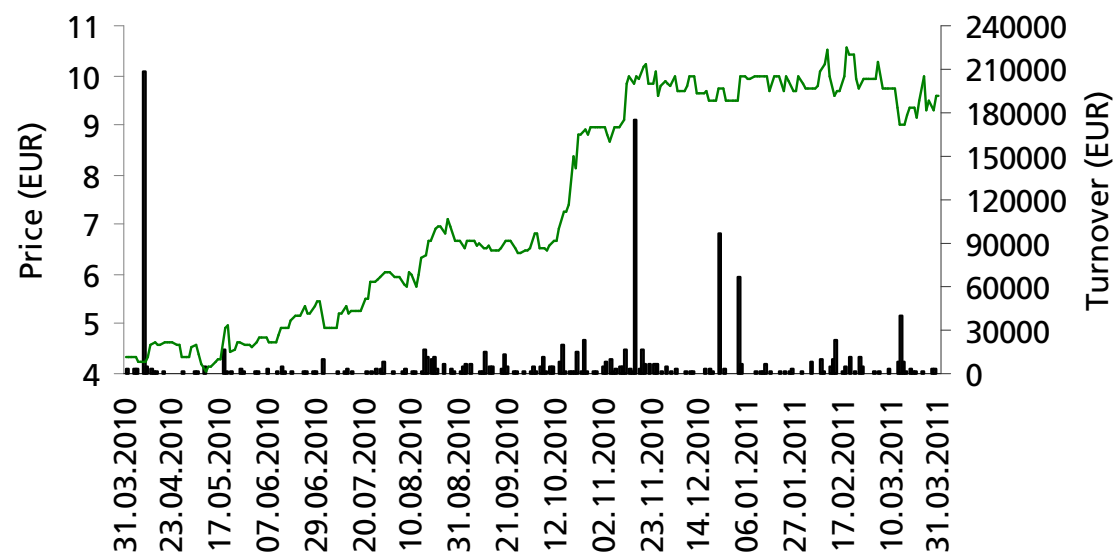
Furniture manufacturing (*Vilniaus Baldai AB*)

(1)

	2010 Q1 mLTL	2011 Q1 mLTL	Change, mLTL	Change, %
Sales	43.2	56.6	13.4	31
EBITDA	9.8	9.2	-0.6	-6
Net profit	7	6.9	-0.1	-1
Capitalization	58.3	128.8	70.5	121

- Shares of *Vilniaus Baldai* are listed on NASDAQ OMX Vilnius stock exchange.

Turnover and price of Vilniaus Baldai shares, EUR



More information about company's activities and results are provided on www.vilniausbaldai.lt

Furniture manufacturing (*Vilniaus Baldai AB*)

(2)

- Trends

Increased sales offset the decline in margins on the rising prices of raw materials.

The company generated stable cash flows from its activities.

15.5 mLTL allocated for dividends, which is 4 LTL per share.

Furniture manufacturing sector of *Invalda* group

72.01%



Real estate sector

(1)

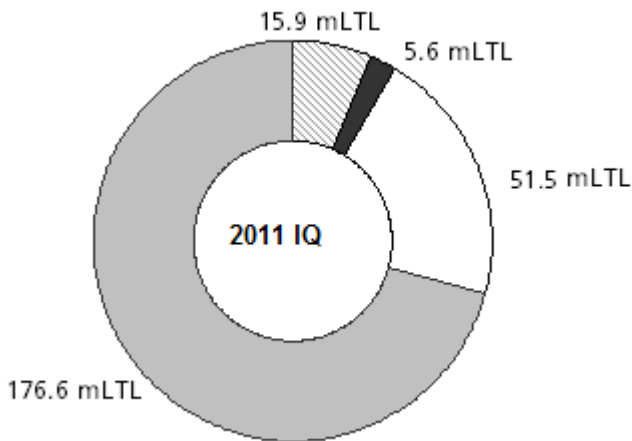
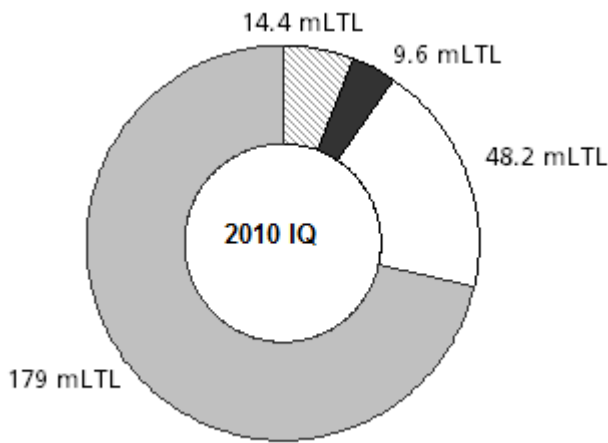
Excluding companies that were sold in 2010.

Valuation is made at the end of the year.

	mLTL	2010 Q1	2011 Q1
Value of real estate		251.2	249.6
Shareholders' equity (incl. loans from <i>Invalda</i>)		119.1	118.9
Loans from credit institutions		144.3	141.1
Rent income		4.7	4.2
from this owned by clients		1.3	1.2
Change of the real estate value		0	0
Companies' sale result, allowance and other non-monetary items		1.7	1
Result of the real estate sector		1	0.3

Real estate values

- ▣ Agricultural land
- Residential
- For development
- ▣ Commercial



Real estate sector

(2)

▪ Trends

Rental income decreased during the year, but a trend of stabilization is observed if compared the first quarter of 2011 to the fourth quarter of 2010.

New construction of 17 flats apartment in Vilnius, Valakampiai district, was launched.

Established company *Inreal GEO*, which will provide cadastral services.

Amendments to the credit agreement with *Nordea* bank were signed. Liabilities' fulfillment term was extended for 3 years.

Real estate sector of *Invalda* group

Service companies



*Invalda
Nekilnojamojo
Turto Valdymas*

Investors

The main companies:
*Invaldos Nekilnojamojo Turto Fondas,
Naujoji Svara, Ineturas, Ekotra*

Facility management sector

- Aggregated results of *Invalda Service* and *Priemiestis*

From 1 quarter 2011 facility management sector is determined as separate sector in the financial statements of Invalda.

The group didn't own *Priemiestis* in 1Q of 2010

	mIn. Lt	2010 Q1	2011 Q1	Change, mTL
Sales		1.4	2.3	0.9
EBITDA		0.2	0.2	0
Net profit		0.1	0.1	0

Facility management sector of *Invalda* group





▪ Consolidated results of *BAIP Group*

mLTL	2009	2010	Change, mTL
Sales	2.8	8.4	5.6
Net profit before investment amortisation and share based payment expenses.	(0.8)	(0.1)	0.7
Net profit	(1.2)	(0.3)	0.9

▪ 2011 events:

A loss was suffered in the first quarter due to seasonality, but the growing turnover and increasing the number of stable services allowed to improve the results significantly.

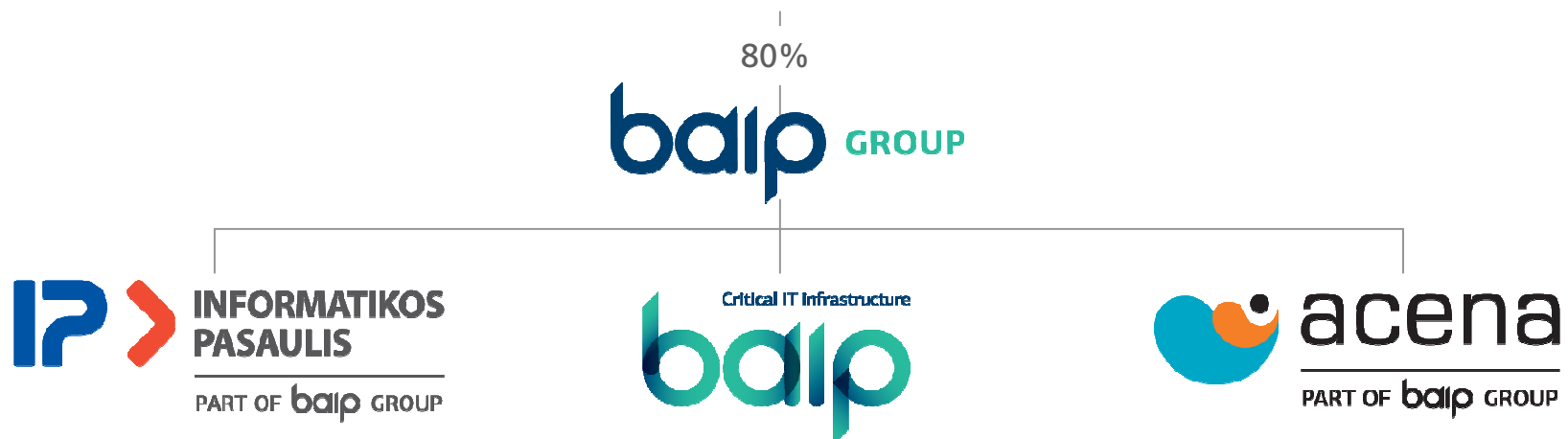
BAIP together with Vilnius University held European Grid Infrastructure users forum.

BAIP designed and introduced at Vilnius University a supercomputer, which will allow scientists to perform a new quality of multidimensional calculations.

- Changed names of the companies, 2011.

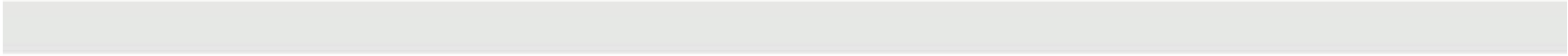
BAIP Group and *BAIP* changed their names and logos (before that *BAIP Group* was called *Positor* and *BAIP* - *Baltic Amadeus Infrastrukturos Paslaugos*). This change is a planned action by which one of the provisions of company acquisition is implemented according to which the company was obliged within a defined period of time to change its name and logo. In 2007, *Baltic Amadeus UAB* detached its infrastructure business into a separate company called *Baltic Amadeus Infrastrukturos Paslaugos UAB* and sold it to *Positor* group.

IT sector of *Invalda* Group



Disclaimer

- The presentation was prepared by Invalda AB. The following information was used for the preparation:
 - Preliminary consolidated and Company's financial statements of Invalda for 3 months of 2010;
 - Preliminary consolidated and Company's financial statements of Invalda for 3 months of 2011.
- Data provided here is for information purpose only.
- The information provided here is not a recommendation or solicitation to buy or sell any securities of Invalda AB or companies related to Invalda AB.
- Invalda AB does not take responsibility for the actions any third parties make based only on information provided here.
- Group composition charts are simplified. Presented owned shares including shares sold under repurchase agreements. Invalda AB owns 100% in the companies if not stated otherwise.
- Invalda its investments into pharmaceuticals, road construction, furniture manufacturing and IT sectors measure at acquisition costs. Investment properties of the real estate sector are measured at fair value.
- Since 22 November 2010, shares of the listed companies are traded only in EUR on NASDAQ OMX Vilnius stock exchange, therefore all information related to the securities trading is provided in EUR.



Thank you!