



Presentation of real estate sector of Invalda group

in red
INVALDA REAL ESTATE DEVELOPMENT

in real
NEKILNOJAMASIS TURTAS

in cm
Invalda Construction Management

in service
INVALDA SERVICE

Real estate sector of Invalda group

Investment in real estate

**Real estate
management
and
administration**

in red
INVALDA REAL ESTATE DEVELOPMENT

dommo
.....doma par mājām

**Intermediation in
buying, selling and
renting real estate**

Property valuation

in real
NEKILNOJAMASIS TURTAS

in real
NEKUSTAMIE ĪPAŠUMI

in real
АГЕНТСТВО НЕДВИЖИМОСТИ

Facility management

in service
I N V A L D A S E R V I C E

**Construction
management**

in cm
Invalda Construction Management

Staff of real estate sector of Invalda group

The number of employees in real estate sector of Invalda group (in Lithuania, Kiev and Riga) - 365. In Lithuania:

in real
NEKILNOJAMASIS TURTAS

70 employees, including 15 in Kaunas, 12 in Klaipėda

in red
INVALDA REAL ESTATE DEVELOPMENT

74 employees, including 11 in Kaunas, 12 in Klaipėda

in cm
Invalda Construction Management

51 employee, including 17 in Kaunas

in service
I N V A L D A S E R V I C E

34 employees, including 5 in Kaunas

31-12-2006 data

The structure of real estate operated by Invalda group in Lithuania*

	Market value, LTL**	%	Buildings, units	Buildings, sq m	Plots of land, units	Plots of land, ha
Offices	133,260,701	38.0	59	63,391.49	16	5.54
Warehouses, logistics centres	59,772,577	17.1	37	34,294.41	9	28.63
Residential RE	131,932,080	37.6	159	106,856.10	27	40.22
Other	25,453,518	7.3	56	17,303.77	11	9.48
Total	350,418,876.00	100	311	221,845.77	63	83.87

* 31-12-2006 data

** property value is presented in proportion to the number of Invalda shares

Objects operated by real estate sector of Invalda group in Vilnius

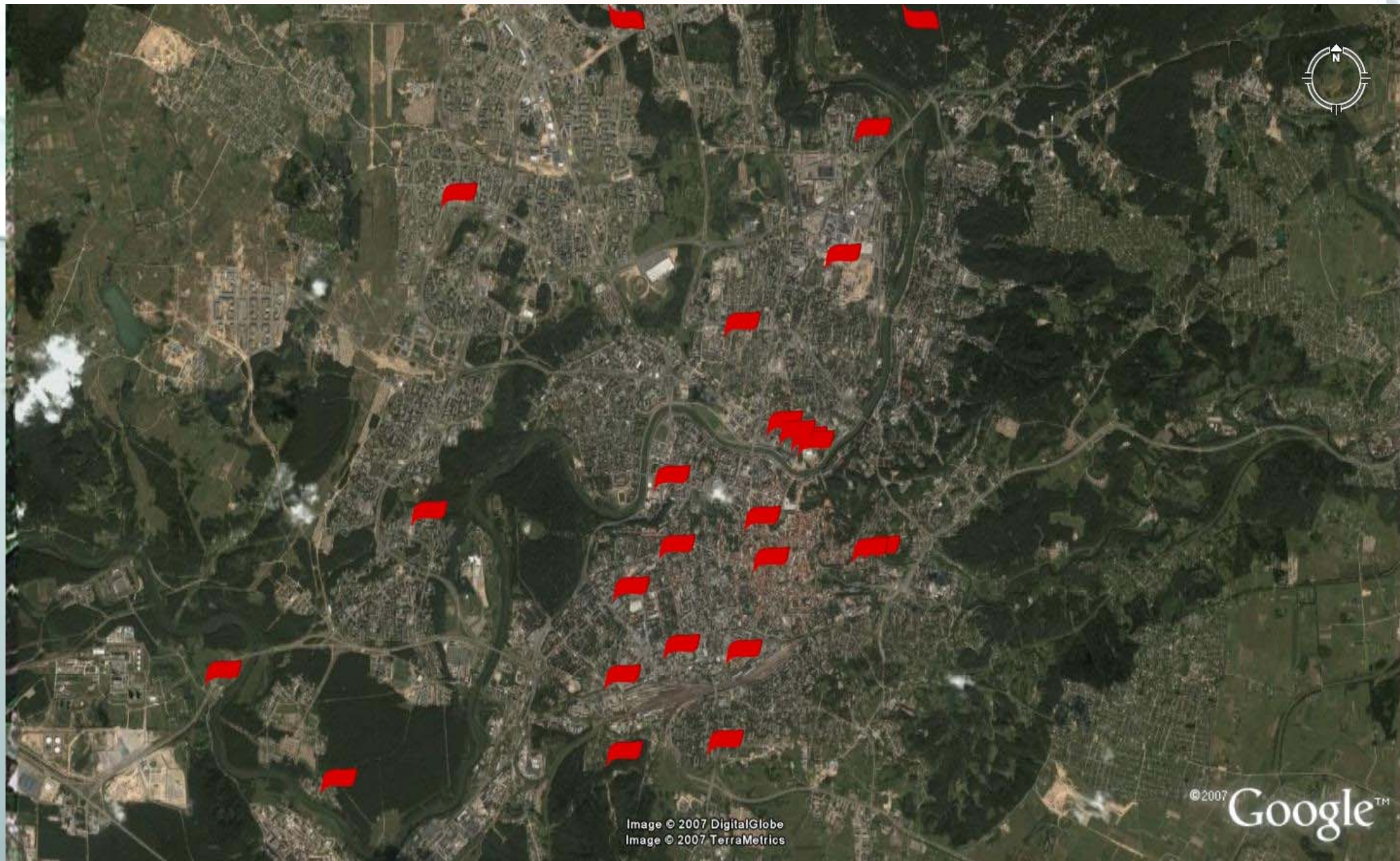


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Image © 2007 TerraMetrics

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The structure of real estate operated by Invalda group in Latvia*

	Market value, LTL**	
Offices	15,414,625	22.8%
Warehouses, logistics centres	11,857,895	17.5%
Residential real estate	40,426,913	59.7%
<i>Total</i>	<i>67,669,433</i>	

Plots of land for development, ha	66.226
Buildings, sq m	41,387
Total, units	50

* 31-12-2006 data

** property value is presented in proportion to the number of Invalda shares

Objects operated by real estate sector of Invalda group in Riga

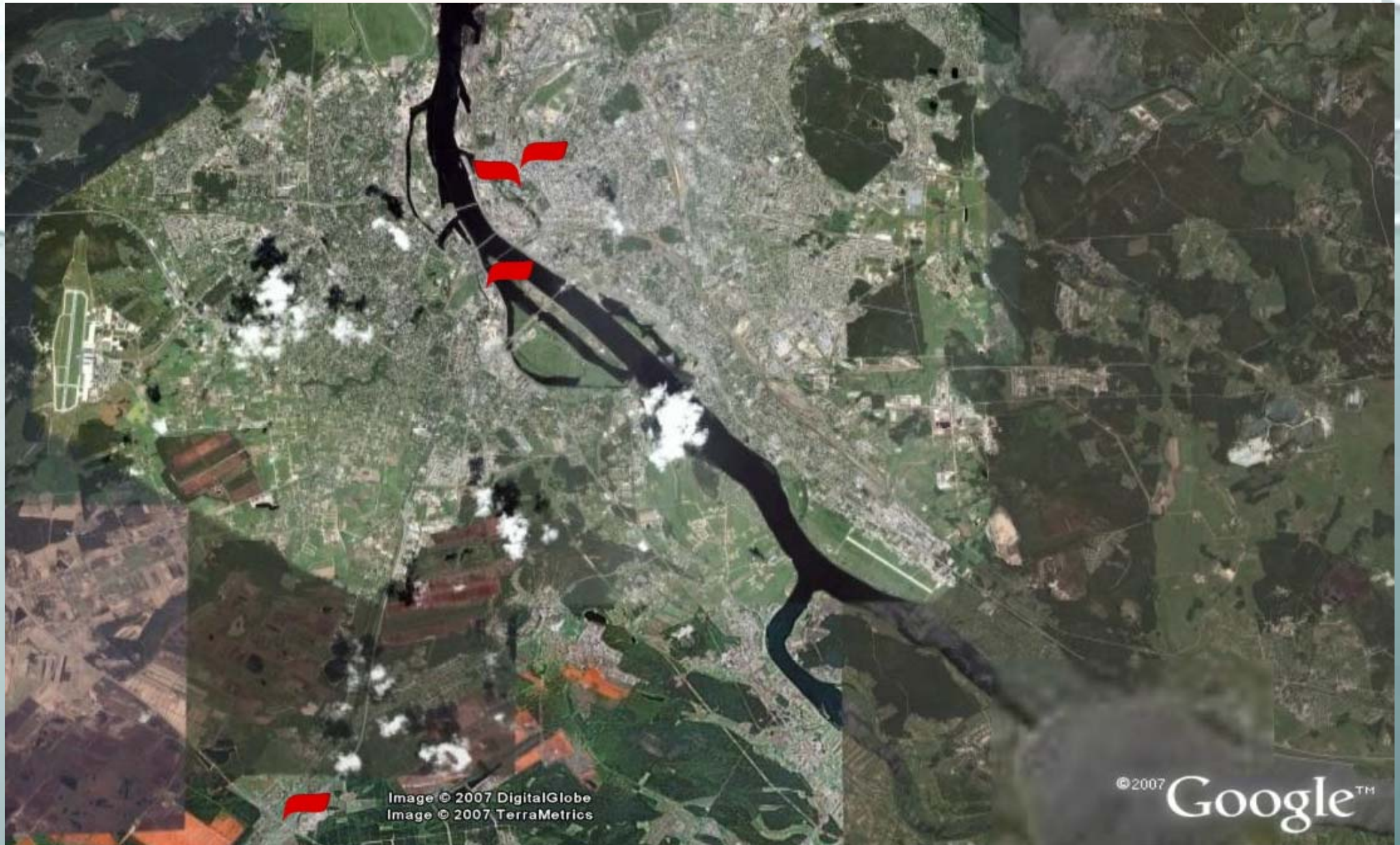


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Invalda group accounting policy

- Until the year 2006 Invalda accounted the investment properties at cost less accumulated depreciation and impairment losses.
- In 2006 Invalda changed the accounting policy for investment properties to fair value model.

Balance sheet of real estate sector of Invalda group*

Investment properties	391,303,000
Objects under development**	65,506,971
Other assets	83,069,973
Total assets:	539,879,944
Equities	213,351,239
Bank loans, leasing liabilities	213,961,713
Other liabilities	112,566,992
Total equity and liabilities:	539,879,944

** - the number includes unfinished construction 38,663,507 LTL

**31-12-2006 data, except associated companies*

Profit and loss account of real estate sector of Invalda group

Change in investment property value	46,117,500
Property sales results	6,562,528
Rental and other revenues	38,568,030
Operating expenses	34,426,708
Financing activities result	-8,335,420
Profit part of associates	27,012,182
Profit before tax	75,498,112
Income tax	8,151,448
Net profit	67,346,664
Profit for minority	11,218,893
Profit for holding company	56,127,771

The biggest projects developed by Invalda group real estate sector in 2006

- IBC logistics centres in Vilnius and Kaunas(19,000 sq m);
 - Multi-dwelling building situated at Vytauto Ave, Kaunas (37,500 sq m);
 - Holiday apartments situated at Miško St, Juodkrantė (3,550 sq m);
- Plot of land at Antakalnio St 40, Kaunas for residential development (10 ha).

IBC logistics centres in Vilnius and Kaunas



Total area of the buildings – 19,000 sq m

Multi-dwelling complex in the centre of Kaunas, 1st stage



Plot of land	2.8754 ha (state land rent)
Number of flats	720
Total area of the buildings, sq m	37,500
Total area of the flats, sq m	35,000
Total area of commercial premises, sq m	2,500
When constructing high-rise buildings	about 10,000 extra sq m – total 47,500 sq m
Parking lot, units	approx. 1,000
Number of floors in dwelling houses	Up to 10
Construction density	70 per cent
Market value, million LTL	45.5

Holiday apartments in Juodkrantė



Total area of the building – 3,550 sq m
Sales for the year 2006 - 11,281,162 LTL

Plot of land for residential development in Kaunas



Area of the land plot – about 10 ha

Sale price – approx. 32 million LTL

Priority objectives of real estate sector of Invalda group for the year 2007

Common priorities:

To guarantee high financial return and well-balanced risk from investment properties;

Purposeful selection of markets and segments.

Investment in real estate:

To increase turnover of the property presently owned and obtained in Lithuania;

To increase rental income from property operated ;

To invest in real estate objects in Kiev (only if proportion between expected return and risk is acceptable);

Intermediation:

To establish new representative offices

Financial plans of Invalda group real estate sector for the year 2007

Profit (loss) account, LTL	RE Lithuania	RE Latvia
Change in investment property value	0	0
Property sales result	37,826,971	0
Rental and other revenues	81,024,355	0
Operating expenses	76,495,722	0
Financing activities result	-8,145,797	0
Profit part of associates	1,565,247	13,240,135
Profit before tax	35,775,054	0
Income tax	6,387,809	0
Net profit	29,387,245	13,240,135
Profit for minority	10,123,100	0
Profit for holding company	19,264,145	0

Pelnas tenkantis motininei

Projects developed by Invalda group real estate sector

IBC – area situated between Kalvarijų, Šeimyniškių, Slucko and A.Juozapavičiaus St



	Now	Future
Area of the land plot, sq m	14,500	14,500
Area of the buildings, sq m	22,700	38,000
Parking lot, units	350	700
Monthly rental income, LTL	610,000	1,100,000
Office premises, sq m	15,500	22,000
Trade premises, sq m	1,000	8,800
Residential premises, sq m	0	7,200
„Public space“, sq m	0	4,000
Value of the object, LTL	78,000,000	174,000,000

Projects developed by Invalda group real estate sector

Nida – multi-dwelling and commercial building in the centre of Vilnius



Address	A. Juozapavičiaus St 9A, Vilnius
Area of the land plot	0.6619 ha
Density of construction	71 %
Height (superstructure)	1-11
Intensity of construction	2.44
Useful area of the buildings, sq m	16,000
End of project	Year 2007, 4 th quarter
Investment, million LTL	60
Expected income, million LTL	109

Projects developed by Invalda group real estate sector

ZIEDONDARZA MAJAS – multi-dwelling building in the centre of Riga



Income from residential buildings

Area	Development cost	Total income	Project implementation
15,000 sq m	15 million Euro	30 million Euro	Year 2006-2007

Projects developed by Invalda group real estate sector

BUKČIŲ St – a quarter of multi-dwelling houses in Bukčiai, Vilnius



Area of the land plot, ha	3.43
Density of construction	40%
Intensity of construction	1.0 - 1.2
Height	5-7 floors
Total area of the premises, sq m	30,000
Useful area of the premises, sq m	25,000
Investment cost (construction and infrastructure), million LTL	80
Expected income, million LTL	138
Market value of the object, million LTL	23

Projects developed by Invalda group real estate sector

SAVANORIŲ St 28 – commercial and residential construction in Vilnius



Expected results

Area of new business center	Development cost	Value	Project completion
21,000 sq m	54 million LT	90 million LT	Year 2009-2010

Sale of residential/commercial premises

Area	Development cost	Sale income	Project completion
7,000 sq m	17.5 million LTL	31.5 million LTL	Year 2011-2012

Projects to be developed by Invalda group real estate sector

PALANGOS St/VILNIAUS St –reconstruction of the building in the centre of Vilnius

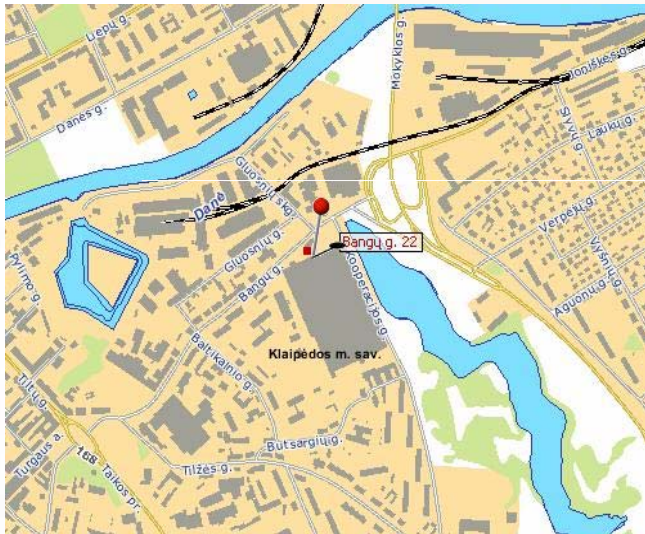


Expected results

Area after reconstruction	Development cost	Income	Project completion
14,000 sq m	83 million LTL	135 million LTL	Year 2010 – 2011

Projects to be developed by Invalda group real estate sector

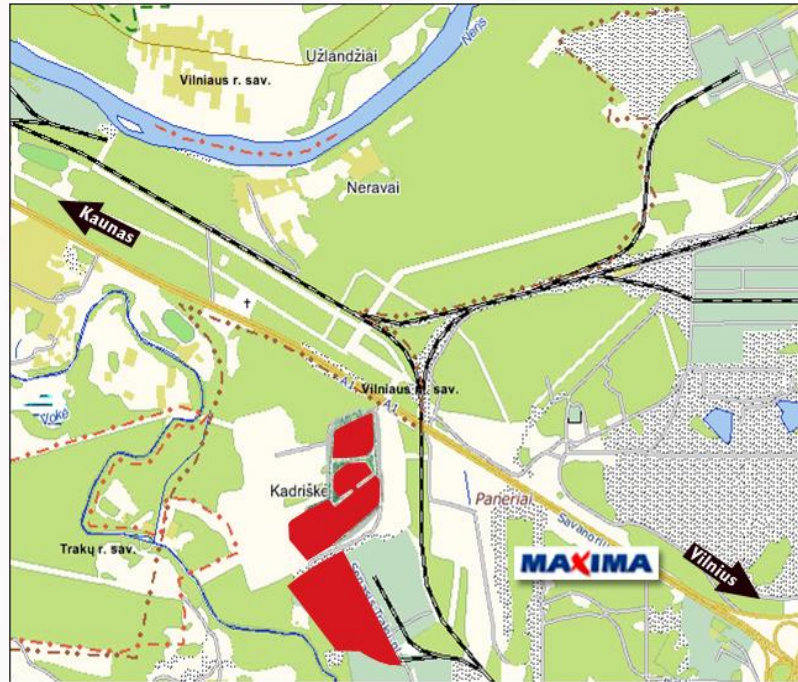
BANGŲ St – multi-dwelling building in Klaipėda



Object	Multi-dwelling buildings, including commercial and social objects
Area of the land plot, ha	5.0116
Status (private or state land)	State land rent
Area of the buildings, prior to investment, sq m	36,300
Area of the buildings, after investment sq m	100,000
Useful are of the buildings, sq m	70,000
Floors	from 5 to 22
Market value, million LTL	40
Total investment cost, million LTL	300
Expected sale price, million LTL	390

Projects to be developed by Invalda group real estate sector

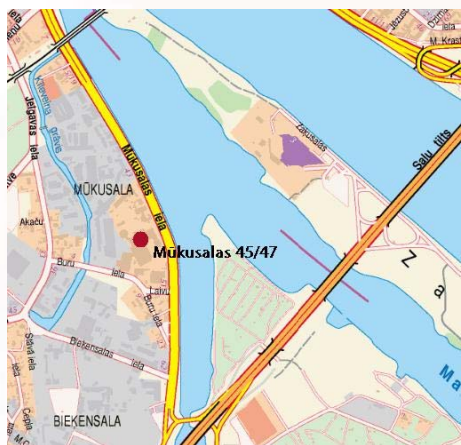
KADRIŠKĖS – plot of land in Vilnius district



Plots of land	4 plots of land (total area 18.87 ha) are of industrial purpose, there are buildings for possible industrial-commercial activities. The rest 3 plots of land are of agricultural purpose.
Area of the buildings, sq m	10,500
The use of object	64.3 per cent is leasehold
The use of object in the future	Trade, warehouses, logistics
Market value, million LTL	28.4

Projects to be developed by Invalda group real estate sector in Latvia

MŪKUSALAS St - 7 ha multi-functional territory in Riga



Function of premises	Area, sq m	% of the total	Notes
Residential	60,000	area ~40	
Office	40,000	~27	
Hotel	10,000	~7	
Trade and service	15,000	~10	Incl. areas for sports and entertainment
Surface parking lot	25,000	~16	
Total:	150,000	100	
Underground parking lot	50,000		

Total area, sq m	Development cost	Final value	Project implementation
200,000	200 million Euro	290 million Euro	Year 2008-2015

Projects to be developed by Invalda group real estate sector in Latvia

DOMMO BUSINESS PARK – trade/warehouses and office premises



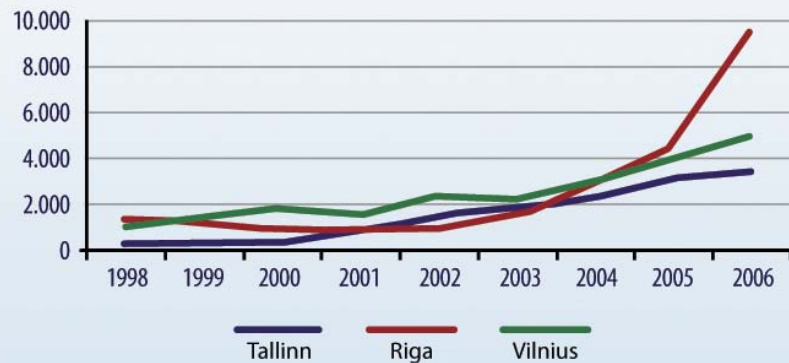
Expected results

Area of new business park	Development cost	Cash flow per year after completion	Project implementation
580,000 sq m	150 million Euro	13 million Euro	Year 2007-2015

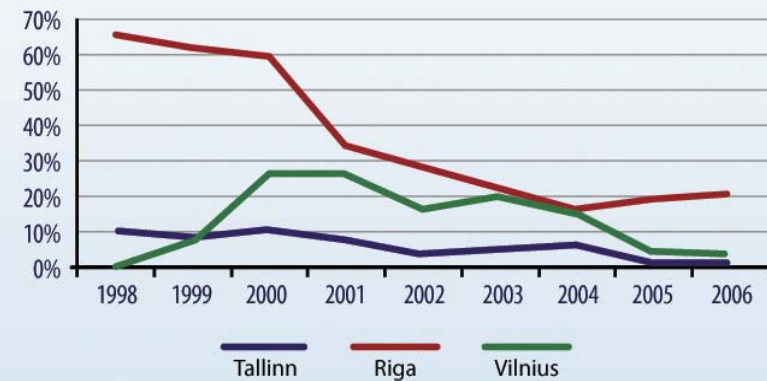
Real estate market review

Changes in real estate market in the Baltic countries
for the period 1998-2006*

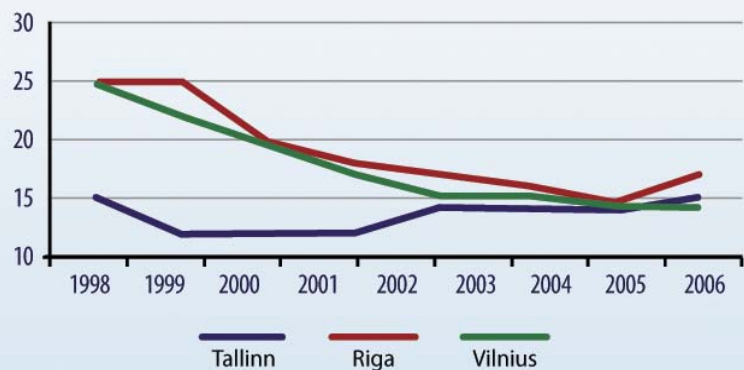
Completed residential units



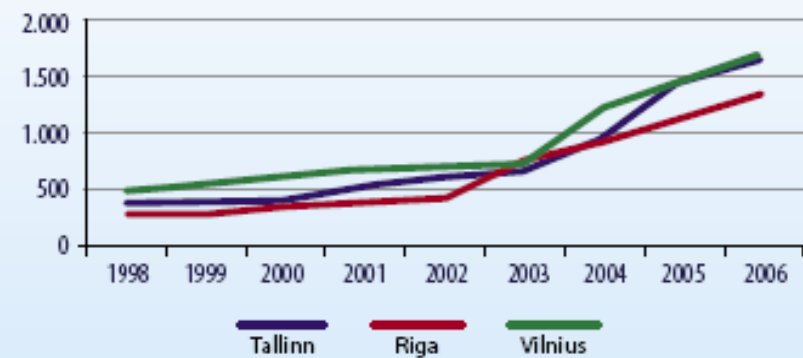
Class A office vacancy rates



Avg class A office rents (EUR)



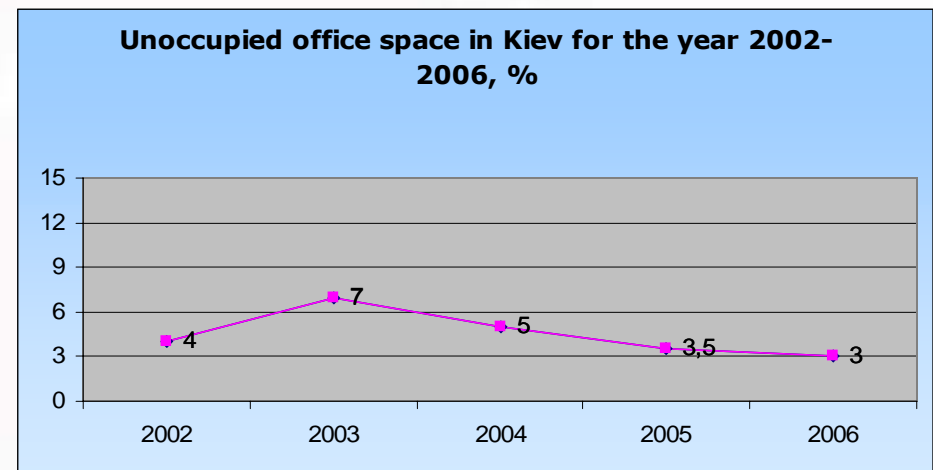
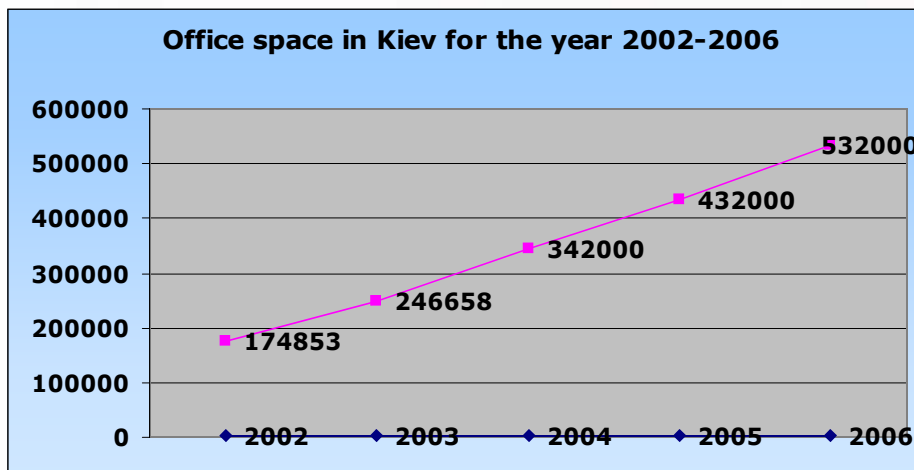
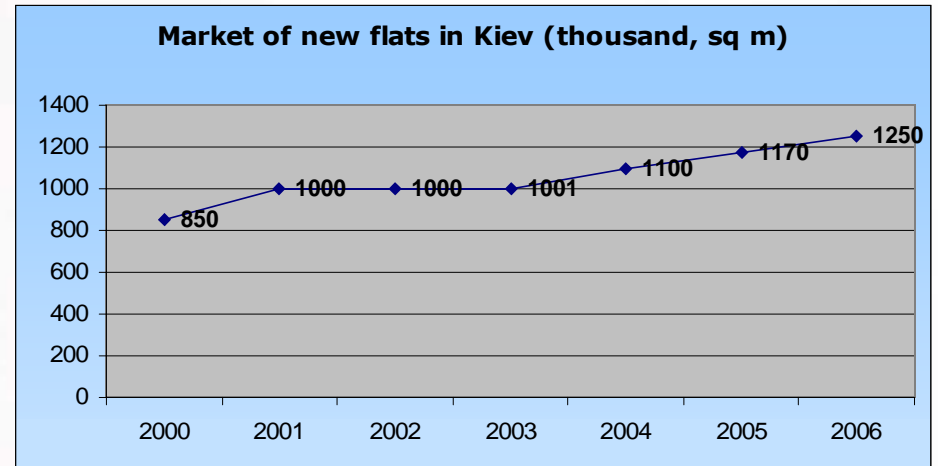
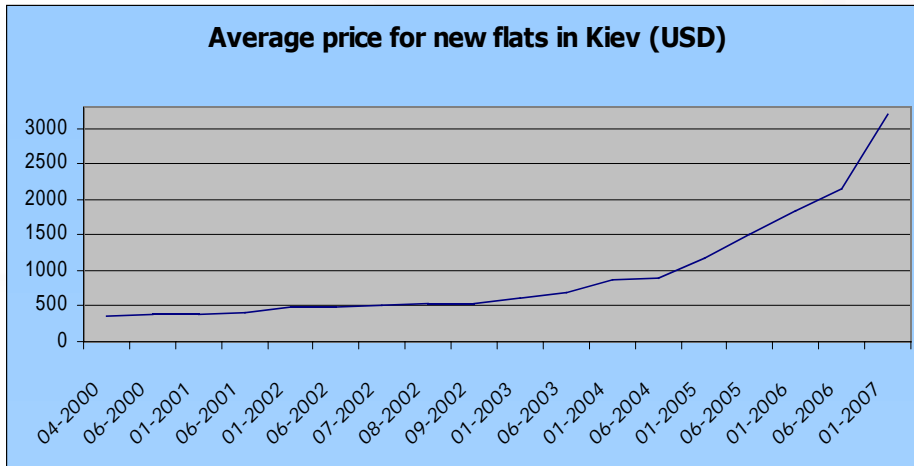
Average city centre residential prices (EUR/sqm)



* "Ober-Haus" data

Real estate market review

Changes in real estate market in Ukraine for the period 2000-2006 *



* "InReal" data

Real estate market tendencies*

Residential real estate sector:

- demand and growth of prices for real estate in prestigious districts is likely to remain;
- growth of demand for single-family houses and plots of land suitable for building such houses around the biggest towns;
- increasing demand for holiday apartments in prestigious areas (e.g. Neringa).

Commercial real estate sector:

- demand for offices and growth of rental prices is going to remain.

* "InReal" data LT and LV

Work principles of real estate sector of Invalda group

High requirements for financial return and well-balanced risk;

Strong knowledge of the local market;

Concentration of all real estate services;

Instant decision making;

High turnover of the objects.

Thank you !

TOMAS BUČAS

Managing director of real estate sector of Invalda group