



LATVIA
GERMANY
SWITZERLAND
ICELAND
NORWAY
DENMARK
SWEDEN

**UPB HOLDING NEWSLETTER
YEAR 2008**

upb AS



In 2008, UPB Holding generated EUR 103 million in turnover, the company's preliminary data shows.



*Uldis Pīlēns,
President of UPB Holding,
on UPB results for
the year 2008:*

According to preliminary unaudited data, UPB Holding ("UPB") generated EUR 103 million in consolidated net turnover in 2008 (EUR 110 million in 2007 and EUR 74,8 million in 2006).

"In January last year, UPB management gathered for a seminar in Berlin and, following the analysis of the situation in the world, in the country and in the sector, recognized the first signs of the global crisis almost a year before it struck and outlined the main directions of UPB Holding activities for 2008. We anticipated a dramatic drop in the domestic construction market in the last quarter of the year, therefore we set out the principal goal of maintaining the net turnover of the Holding on a level with 2007 by increasing export volume to make up for declining activities in the sector on the local market. In my opinion, the company did well last year, as preliminary data shows that consolidated net turnover amounted to over EUR 103 million, while export volume grew up to 26% of UPB turnover, which matches the goal set early in the year. In 2008, our productivity and efficiency increased by 10%, which also was one of the main objectives for the year. We continued to develop new business sectors and products: our activities in the Eastern market evolved around prefabricated concrete production technology; as a part of UPB ENERGY activities, we designed a prototype for new small-capacity (50 kW) cogeneration stations specially created for the German renewable energy market. Our plan is to produce about 20 stations of the type per year, by opening a new additional production unit in Germany. In August, Vīna Studija (Wine Studio), the most recent establishment of UPB Holding, opened its doors. This is a new wine trading concept in Latvia, which is planned to be developed during 2009. We have succeeded in comprehending and adapting to the trends in market development and sectors represented by us in 2008, and we are positive that this experience will prove useful in adjusting to much more dynamic market trend in 2009."



Wine bar-shop Vīna Studija



Multifunctional sports complex Trim Tower in Stavanger, Norway, 2008 - steel structures, prefabricated concrete elements

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Major events in the companies of UPB Holding in 2008:

In the field of exports, UPB completed its largest-to-date export project: construction of a new building of the University of Uppsala in Sweden, where steel structures and prefabricated concrete elements were supplied and assembled. In 2008, a number of export projects were implemented, which required the supply of aluminium, aluminium&wood glazed structures to the sites such as residential buildings Gefjunarbrunnur 2-4 и Skidaskalinn i Blafjollum in Reykjavik, **Iceland**; the school Cicignon Skole in Fredrikstad, the oil platform technologies' plant and office building DSS Koppollen, the modern trade and business centre Markens Senter in the historic part of Kristiansand, the multifunctional sports complex Trim Tower in Stavanger, the project Lysaker Nova in Oslo and the facade of NCC office building in Stavanger, **Norway** and other. Steel structures and prefabricated concrete elements were supplied and assembled at the sites including the shopping centre Coop Konsum in Linköping, the shopping centre ICA MAXI in Norrköping, the technical college Teknikcollege in Örebro, University of Skövde, a bus depot in Lund, Stockholm, the shopping centre Hagaby in **Sweden**.

Prefabricated concrete elements were supplied to warehousing complexes Levisonsvej and Skydebane-Århus, a number of apartment house complexes in **Denmark**, the warehousing complex Tyreso, the school Högskolan in **Sweden**; steel structures were supplied to the shipyard Nordahl Grieg in Bergen, ODD stadium in **Norway**, shopping centre ICI Maxi in Norkoping, **Sweden** and to other sites.

Over the last year, **UPB ENERGY Group** continued its active operation in production of cogeneration stations. A number of export projects for the United Kingdom, Ireland and Tennessee, USA were completed. Local projects involved the natural gas-powered cogeneration station

installed in Liepāja Central Hospital and the biogas-fired cogeneration station supplied to the agricultural holding of Latvia University of Agriculture in Vecauce.

Last year, UPB ENERGY Group participated in several international exhibitions. Among them were Euro Tier in Hanover, one of the leading technology forums in the world since the 1960s, Biogas expo&congress in Offenburg, Germany, and VIDE UN ENERĢIJA 2008 in Latvia where a 4-cylinder compact module cogeneration plant powered by natural gas and assembled in Liepāja production unit was exhibited.

Last year, Germany-based UPB GmbH, a company of UPB ENERGY Group, opened a new sales centre in Hanover.

MB BETONS Group marked its 10th anniversary with opening two new ready-mix concrete production units: VENTSPILS MB and ĀDAŽU MB.

The projects implemented by the ready-mix concrete production units of MB BETONS Group in 2008 included reconstruction of the entrance unit of Tērvete Nature Park, bridges across the Nereta and the Jāņupe rivers; a primary school and the branch office of Swedbank in Valmiera, water treatment plants in Valmiera and Alūksne, CĒSU ALUS warehouses in Cēsis; farm structure facilities in Īslīcē and Lielvircavā; the shopping centre MAXIMA, a multifamily residential building and a sports arena in Talsu Grammar School in Talsi; waste disposal sites in Talsi, Roja, Tukums and Kandava, a carting track in Kandava, Irlava bridge in Tukums Region, the shopping centre MAXIMA in Saldus, Brocēnu cement terminal in Saldus Region; the street-cleaning vehicle plant BOHLER, a refrigerating complex, Pārventas library, the metalworking plant IZOTERMS in Ventspils and a bridge across the Rinda river in Ventspils Region, office buildings and the Mormon church in Liepāja and other projects. The activities performed locally by the prefabricated concrete



Apartment house KANALHUSENE in Copenhagen, Denmark, 2008 – prefabricated concrete constructions



Educational center Nordahl Grieg site, Bergen, Norway - steel structures

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production units of MB BETONS Group in 2008 were manufacture and supply of prefabricated concrete structures for kindergartens in Valmiera and Riga Region, a sports arena and a swimming pool in Mālpils, for the reconstruction of the railway section WEST-EAST, for Daugavpils Border Guard Board and for other sites.

The major projects implemented by **UPB NAMS Group** on the local market in 2008 were: Liepāja Olympic Centre, the second construction stage of Friendly Appeal Liepāja Secondary School No. 5; the sports arena of Talsu Secondary School No. 2, the sports arena of Talsu State Grammar School, a multifunctional sports complex in Balvi, sports arenas in Grobiņa, Priekule and Mālpils; reconstruction of water supply intakes in Aistere and Otaņķi, reconstruction of water supply and sewage system in Karosta, reconstruction of water supply and sewage system piping of North-Sounth in Liepāja; new building of a pre-school educational institution in Cēsis and other sites.

In 2008, STIKLU CENTRS, an **AILE Group** company producing glassed structures, launched the third production unit: STIKLU CENTRS DAUGAVPILS. The aluminium glassed structures' production unit of AILE Group started its operation in Daugavpils. In 2008, AILE Group glazed structures were installed in the office complex UPMALAS BIROJI in Riga, using special solutions for energy saving, in the office building and warehouse complex PERI in Salaspils, in Alfa Shopping Mall at the third construction stage, involving extension of the sales area and erection of a cinema in Riga, in the branch office of Swedbank in Valmiera, MITSUBISHI and HYUNDAI car dealerships in Liepāja and other sites. STIKLU CENTRS, supplied glassed structures for the sites such as the admissions office of Clinical University Hospital Gaiļezers, a logistics centre in Berģi, Zemitānu Centre at Zemitānu Street, Latvenergo Centre at Ventspils Street in Riga, Jelgava sports arena, Waldorf school in Ādaži, VW car dealership in Valmiera and other sites.



University of Uppsala Sweden, 2008 - steel structures, prefabricated concrete elements

The production unit of **RK METĀLS Group** in Grobiņa performed a large-scale reconstruction of the office building along with modernization and expansion of production facilities. Within its operation on the local market, RK METĀLS Group produced and supplied steel structures to the building materials store DEPO in Liepāja, the building materials store MĀJA&DĀRZS in Ventspils, and implemented projects such as warehouse and office buildings SANISTAL, the office building of the company PERI in Riga, AKVEDUKTS in Riga Region, NORDIC INDUSTRIAL PARK in Olaine and other projects.

Last year, **Arhitekta U.Pīlēna birojs** (Architect U.Pīlēns' Office) completed the technical design for the reconstruction of Station Square in Liepāja and the sketch design for the improvement and renovation of the premises of Secondary School No.1 in Ogre. The Office also drafted a comprehensive plan of Spaļu Street in Daugavpils and a project for the renovation of the



ODD stadium in Norway, 2008 – steel structures



Trade and business centre Markens Senter in Kristiansand, Norway, 2008 – glazed structures

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production building and land development at Lauktehnikas Street and Rūpniecības Street in Grobiņa, started to design the office&hotel complex of the company UNIMARS in Karosta, to draft the engineering and architectural design for the reconstruction of Station Square in Liepāja and continued to design universal standard hangars and a new line of ready-mix prefabricated concrete standard houses. The previous projects were implemented with success in a complex of residential houses in Ogre and Liepāja.

2008 was the start of construction of a new tiles&bathroom fittings showroom of **H&L STUDIJA**, which is still ongoing this year. H&L STUDIJA supplied tiles for the sites such as ELEFANT HOTEL, BLOOM HOTEL, the night club LEGRANDEL, the multifamily residential building EIRO HOUSE, BENTLEY showroom at Krasta Street, DOMENIKSS dealer's car service, the office building of the company OLIMPS in Riga, the supermarket BAATA and the building of the Administrative District Court in Liepāja. Among renovated sites where the shopping centre KURZEME and the hotel LĪVA, the residential and shopping complex RIETUMU KRASTS in Liepāja, MITSUBISHI car dealership and car services in Cēsis and other sites.

VĪNA STUDIJA (Wine Studio), one of the most recent establishments of UPB, opened in late August. Concept combines wine trading, wine bar and wine school. For the first months of its run, the company has produced good results, and prospects for the further development of the concept in Latvia are currently under exploration. The interior designer of Vīna Studija is the company **1 PLUS 1 STUDIJA**, which is also one of the youngest companies within UPB.

At the end of last year, all companies of the Holding located in Riga moved to a new modern office, enabling a better internal job management and more efficient



Construction of Liepāja Olympic Center 2008

communication with customers. The designer of the new office is 1 PLUS 1 STUDIJA.

UPB is one of the leading construction and building materials' production companies in Latvia operating locally and internationally for 18 years. The Holding incorporates more than 35 companies and production units, joined in independently operating groups of companies the largest of which are AILE Group, MB BETONS Group, RK METĀLS Group, UPB ENERGY Group, UPB NAMS Group, H&L STUDIJA, Arhitekta U.Pīlēna birojs etc. Companies and their production networks cover the whole territory of Latvia. Over the recent years, several UPB daughter companies in Germany, Switzerland, Denmark, Iceland and Sweden have been established and launched a successful operation. UPB has acquired confident business partners in many EU and CIS countries. Currently, UPB employs more than 1200 people.



Construction of Talsu Secondary school No 2 sports hall, Talsi, Latvia, 2008



Construction of brewery Užava, Venstpils district, Latvia, 2008



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