

Securities Commission of the Republic of Lithuania  
Konstitucijos Ave. 23, LT-08105 Vilnius

*Vilniaus vertybinių popierių birža AB*  
(Vilnius Stock Exchange)  
Konstitucijos Ave. 7, 15 Floor, LT-08105 Vilnius

## STATEMENT OF EXECUTIVE OFFICERS OF THE COMPANY

Hereby we confirm that based on the information available to us, the interim financial statement of the company and the group provided for the six months of the year 2010 made in accordance with the International Financial Reporting Standards is true and shows the assets, liabilities, financial state, profit or loss of *Panevėžio statybos trestas AB* and the Company Group of *Panevėžio statybos trestas AB* in a correct manner, and that the review of business development and performance is indicated correctly in the interim report.

Dalius Gesevičius  
Managing Director  
*Panevėžio statybos trestas AB*

Dalė Bernotaitienė  
Finance Director  
*Panevėžio statybos trestas AB*

# ***PANEVĖŽIO STATYBOS TRESTAS AB***

## **Consolidated Interim Financial Statement and Consolidated Interim Report for Six Months of 2010**

**30 August 2010**

**Panevėžys**

## 1. Reporting period

The consolidated annual report has been prepared for six months of the year 2010 that expired on 30 June 2010.

## 2. Main data about the issuer

Name of issuer	Public limited liability company <i>Panevėžio statybos trestas</i>
Authorized capital	16,350,000 Litas
Address of registered office	P. Puzino Str. 1, LT-35173 Panevėžys, Lithuania
Telephone	(+370 45) 505 503
Fax	(+370 45) 505 520
E-mail	pst@pst.lt
Legal-organization form	Public limited liability company
Registration date and place	30 October 1993, Panevėžys City Department
Registration No.	AB 9376
Code at the register of enterprises	147732969
VAT code	LT477329610
Administrator of legal entity register	State Enterprise Centre of Registers
Web address	www.pst.lt

## 3. Character of the main activity of the issuer

The main area of activity of the Company and subsidiaries (the Group) is designing and construction of buildings, constructions, installations and communications of various purposes both in and outside Lithuania, real estate development. In addition to the mentioned activities, the Company rents premises and machinery, resells utilities and communication services.

#### 4. Information on the Company Group

As of 30 June 2010 the Company Group of *Panevėžio statybos trestas* AB consists of the following companies:

Subsidiaries	Type of activities	Share controlled (per cent)	Domicile address
<i>Skydmedis</i> UAB	Production of wood constructions	100	Pramonės Str. 5, Panevėžys Tel.: +370 45 583341
<i>Metalo meistrai</i> UAB	Production of metal constructions	100	Tinklų Str. 7, Panevėžys
<i>Vekada</i> UAB	Electrical installation activities	96	Marijonų Str. 36, Panevėžys Tel.: +370 45 461311
<i>Vilniaus papėdė</i> TŪB	Construction works	69	Švitrigailos Str. 8, Vilnius Tel.: +370 5 2609405
<i>Alinita</i> UAB	Air conditioning equipment	100	Dubysos Str. 31, Klaipėda Tel.: +370 46 340363
PS Trests SIA	Construction	100	Vietalvas Str. 5, Riga
OOO Baltlitstroij	Construction	100	Sovetskij Ave. 43, Kaliningrad Tel.: 0074012350435
<i>PST Investicijos</i> UAB	Real estate development	67	Lvovo Str.25, Vilnius Tel.: +370 5 2102130
<u>Subsidiaries of <i>PST investicijos</i> UAB:</u>			
<i>Ateities projektai</i> UAB	Real estate development and sales	100	Lvovo Str. 25, Vilnius
<i>Sakališkės</i> UAB	Real estate development and sales	100	Lvovo Str. 25, Vilnius
<i>Kauno erdvė</i> UAB	Real estate development and sales	100	Lvovo Str. 25, Vilnius
<i>Verkių projektas</i> UAB	Real estate development and sales	100	Lvovo Str. 25, Vilnius
OOO ISK Baltevromarket	Construction investment company	100	Cherniachovsk Str. 6 Kaliningrad

### 5. Contracts with intermediaries in security public circulation

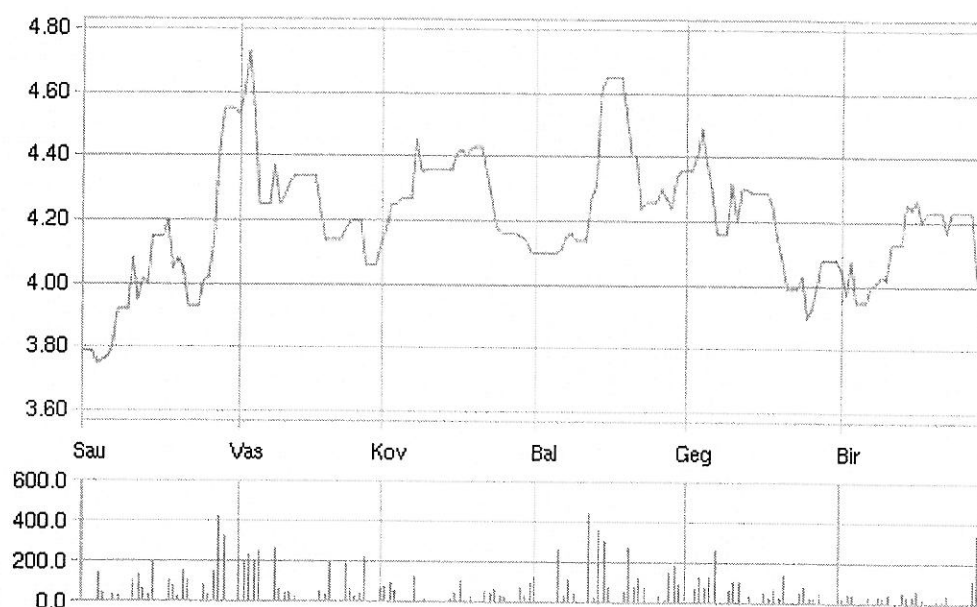
On 7 February 2006 the contract No.3792 was signed with the public limited liability company *NORD/LB bankas* located at Basanavičiaus Str. 26 in Vilnius. This company was authorized to perform accounting of securities issued and transferred to it, and management of personal security accounts.

### 6. Data on trade in the securities of the issuer at the regulated markets

The ordinary registered shares of *Panevėžio statybos trestas AB*, 16,350,000 pcs., the par value of each being one Litas, have been included in the official list of the Vilnius Stock Exchange (VSE) since 13 July 2006.

Share type	Number of shares (pcs.)	Par value (Litas)	Total par value (Litas)	Emission code
Ordinary registered shares (ORS)	16,350,000	1	16,350,000	101446

#### *Variation in the price of the company shares at the Stock Exchange for the first half of 2010*



<i>Last price 31 Dec. 2009</i>	<i>Highest price for the first half</i>	<i>Lowest price for the first half</i>	<i>Last price 30 June 2010</i>
3,79	4,8	3,67	3,77

## 7. Authorized capital of the company and its structure

As of 30 June 2010, the authorized capital of the Company was 16,350,000 Litass, it was divided into 16,350,000 ordinary registered shares (hereinafter referred to as ORS), the par value of one share being 1.00 Litass. All shares are intangible and fully paid. The property right for the shares is proved by the record in the stock accounts. The shares of *Panevėžio statybos trestas AB* are traded at the Vilnius Stock Exchange. On 30 June 2010 the total number of the shareholders who under the ownership right held or controlled more than 5 percents of the authorized capital of the Company was 1995:

Name, surname of a shareholder (company name, type, headquarter address, company code)	Number of ordinary registered shares held by a shareholder under ownership right (pcs.)	Share of the authorized capital held (%)	Portion of votes granted by the shares held under the ownership right (%)	Portion of votes owned by the shareholder along with acting persons (%)
<i>Panevėžio keliai AB</i> S. Kerbedžio Str. 7, Panevėžys, Company code: 147710353	8 138 932	49.78	49.78	---
Skandinaviska Enskilda Banken clients Sergels Torg 2, Stockholm, Sweden 502032-9091	1 294 157	7.92	7.92	---
Bank of New York as custodian or trustee for ING B One Wall Street, New York, NY 10286, USA GSP181305	1 102 000	6.74	6.74	---

The Company has not purchased its own shares, any of its subsidiaries has not purchased any shares of the Company and no other person who would act in his/her own name but in the favor and using the means of the Company, has purchased any shares of the Company.

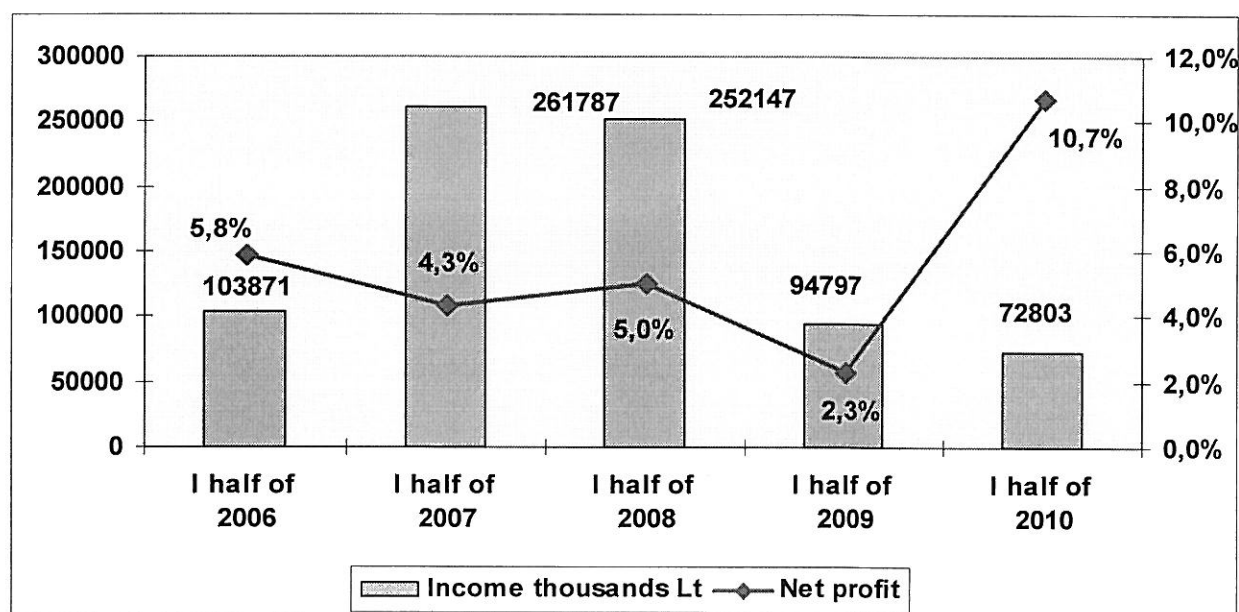
## 8. Information on the performance results of the issuer

Referring to the unaudited data, during six months of this year the PST Group was on the income of 84.5 mln. Litass, that is by 21 percents less than for the same period last year and made net profit in the amount of 18.7 mln. Litass. The company was on the income of 72.8 mln. Litass and made net profit amounting 7.8 mln. Litass.

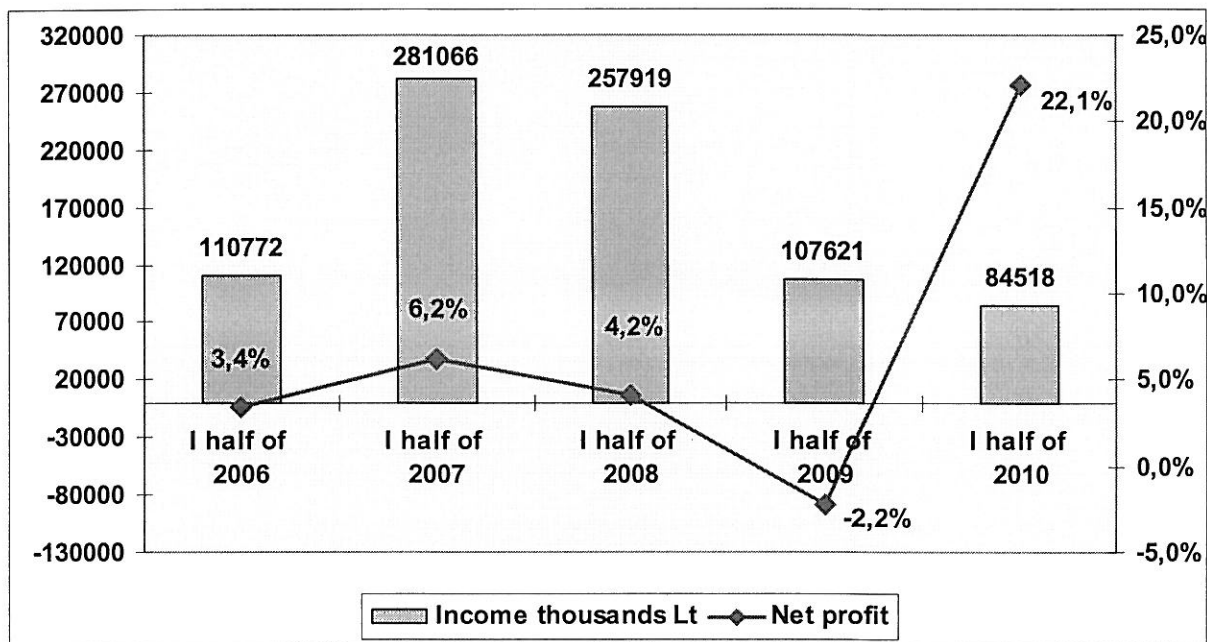
The performance results of *Panevėžio statybos trestas AB* Group and the Company are as follows (in thousands Lt):

	Group		Company	
	<i>I half of 2010</i>	<i>I half of 2009</i>	<i>I half of 2010</i>	<i>I half of 2009</i>
Income	84518	107621	72803	94797
Net profit	18711	-2388	7792	2142
Net profit margin (percents)	22.14	-2.2	10.7	2.3
Profit per share (Litas)	0.94	-0.05	0.48	0.13
<i>Profit before taxes, interest, depreciation and amortization</i> <b>EBITDA</b>	24430	5403	11834	7613
Return on equity (percents) (ROE)	16.26	-2.15	5.93	1.75
Return on assets or asset profitability (ROA)	9.52	-0.98	4.21	1.10
Return on investments (ROI)	13.26	-1.77	5.68	1.63
Current liquidity ratio	2.99	1.88	2.50	2.14
Current liquidity ratio	2.28	1.32	2.41	2.07
General liquidity ratio	1.46	0.85	2.45	1.68
Book value per share	7.20	6.99	8.04	7.47
Share price / earnings ratio (P/E)	4.0	-42.7	7.9	17.2

*Income and net profit variation for the Company:*



**Income and net profit variation for the Group:**

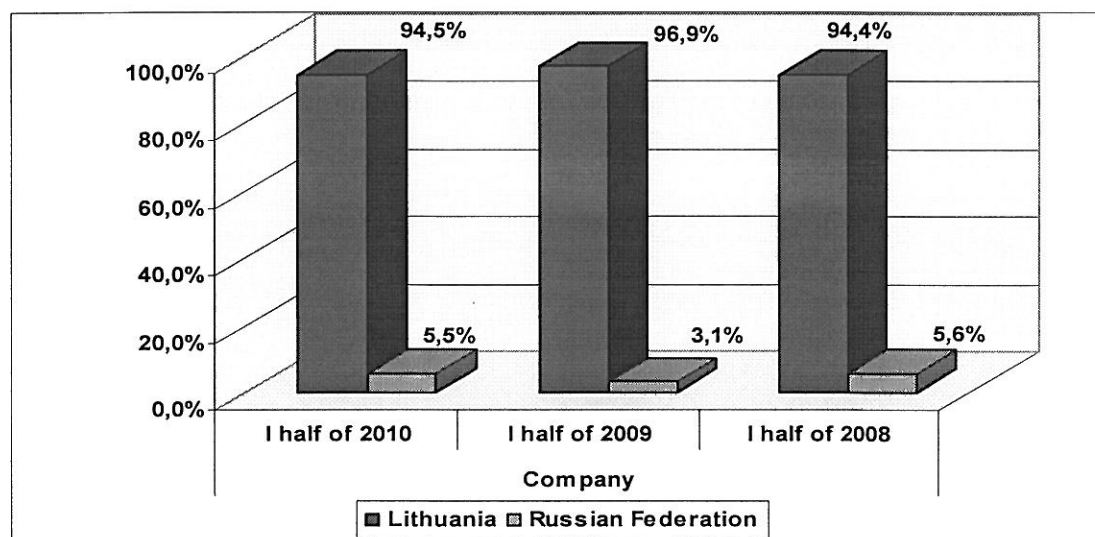


**Information on segments**

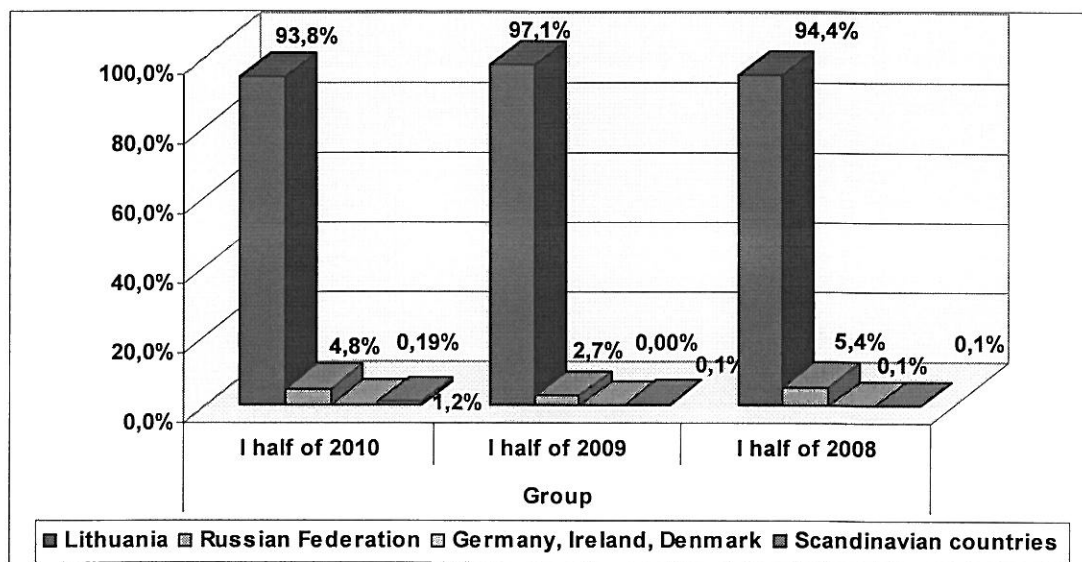
No segment reporting is provided in the financial statements as the Company and Group have one reportable operating segment that would account for 90% or more of the Company and Group revenue and assets.

**Geographical distribution of income:**

(thousands Lt)	Group			Company		
	I half of 2010	I half of 2009	I half of 2008	I half of 2010	I half of 2009	I half of 2008
Lithuania	79,30	104,55	243,47	68,77	91,86	238,13
Russian Federation	4,04	2,93	14,01	4,04	2,93	14,01
Germany, Ireland, Denmark	0,16	0,00	0,22			
Scandinavian countries	1,02	0,14	0,21			



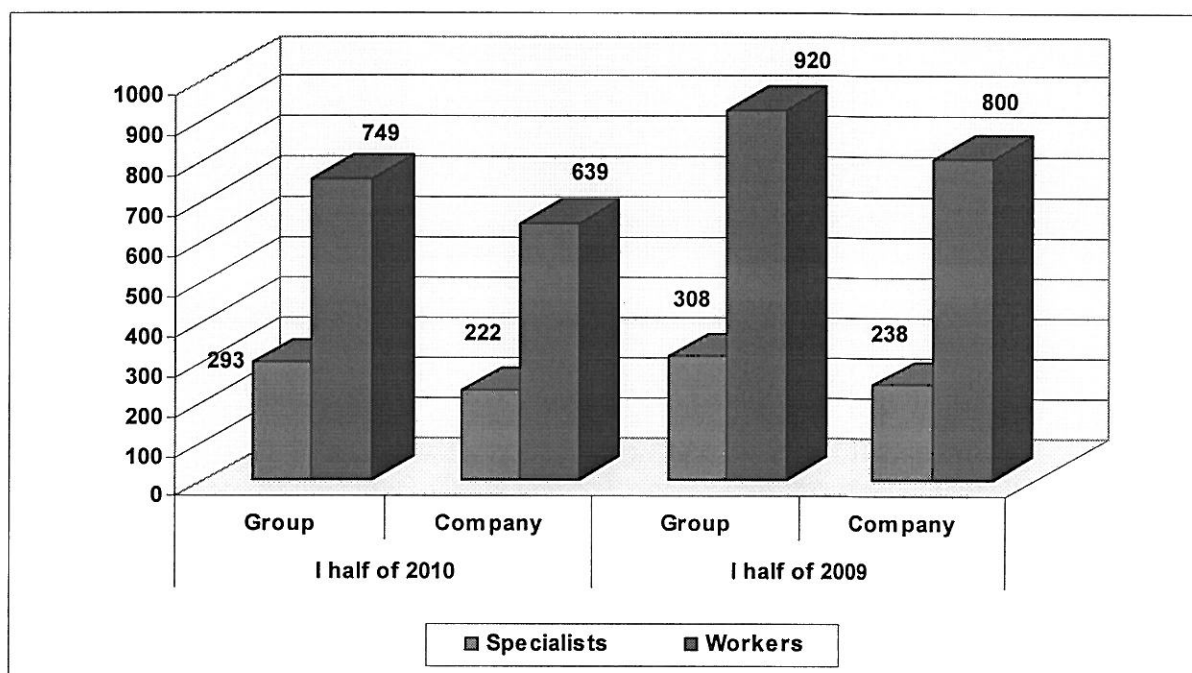




### 9. Employees

During the first half of 2010, the average number of employees in *Panevėžio statybos trestas* AB Group was 1042, whereas in the Company – 861 employees.

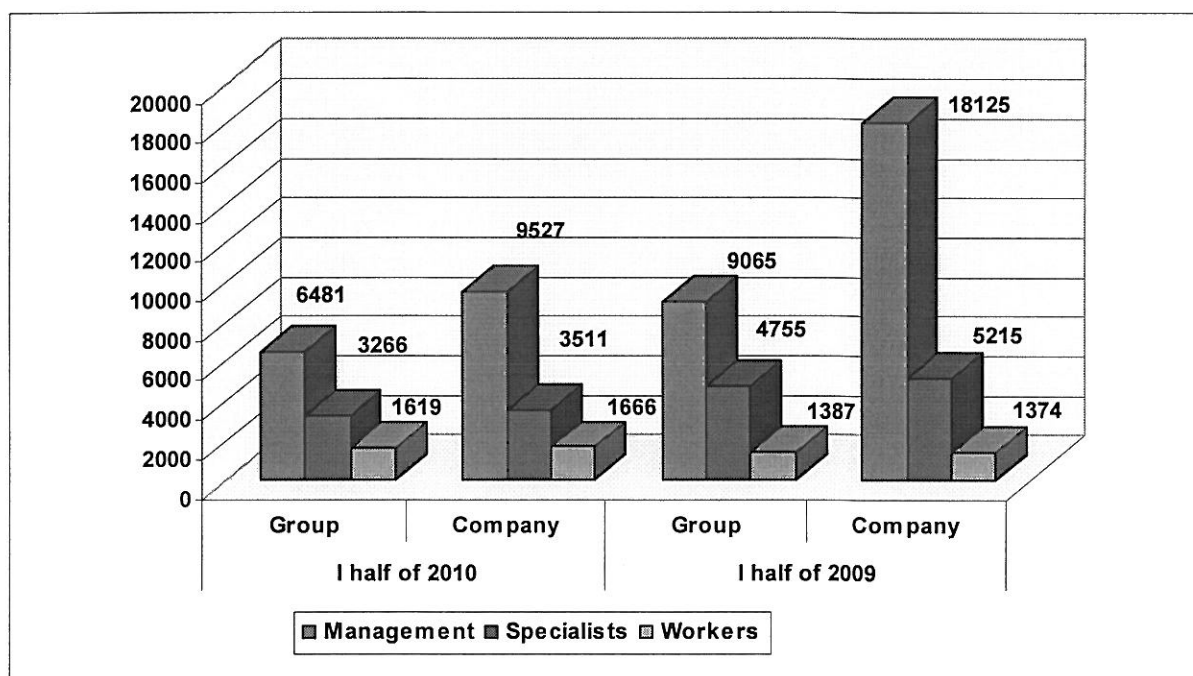
Average number of employees	I half of 2010		I half of 2009	
	Group	Company	Group	Company
Specialists	293	222	308	238
Workers	749	639	920	800



Employee grouping by education in *Panevėžio statybos trestas* AB Group:

Groups of employees	Payroll number	Higher university level education	Higher non-university education	Community college education	Secondary education	Incomplete secondary education
Management	30	25	0	4	1	0
Specialists	276	202	8	50	15	1
Workers	824	18	4	163	508	131

Average salary/wage	I half of 2010		I half of 2009	
	Group	Company	Group	Company
Management	6481	9527	9065	18125
Specialists	3266	3511	4755	5215
Workers	1619	1666	1387	1374



Employment agreements do not include any specific rights and obligations for employees or a part thereof.

#### 10. Procedure for amendment of the Articles of Association of the issuer

The Articles of Association of the Company may be amended only by the General Meeting of the Shareholders by the qualified majority of votes that may not be less than 2/3 of all votes conferred by the shares held by the shareholders attending the meeting. The decision of the

General Meeting of the shareholders regarding the amendment of the Articles of Association shall be adopted in accordance with the procedure set forth in Article 27 or 30 of the Law on Companies of the Republic of Lithuania.

## 11. Bodies of the issuer

Referring to the Articles of Association of *Panevėžio statybos trestas AB*, the management bodies of the Company are the General Meeting of the Shareholders, the Board and the Managing Director. No Supervisory Board is formed in the company.

The power of the General Meeting of the Shareholders has no difference from the power of the General Meeting of the Shareholders set forth by the Law on Companies.

The Board of the Company consisting of five persons is elected by the General Meeting of the Shareholders for a period not longer than 4 years. At present the Board of the company consists of four members. The procedure for election and withdrawal of a member of the Board has no difference from the procedure set forth by the Law on Companies.

The activities of the Board are managed by the Chairman of the Board. The Chairman of the Board is elected by the Board from the members of the Board.

The Board elects and removes from the office the manager of the Company – the Managing Director, fixes his salary, sets other terms of the employment contract, approves his job description, gives incentives and imposes penalties.

The manager of the company is a single-person management body of the Company who organizes the current economic activities based on the authority granted.

### **The Board:**

REMIGIJUS JUODVIRŠIS – the Chairman of the Board. No membership in the capital of the company. Membership in the activities or capital of the companies below:

COMPANY NAME	POSITION	NUMBER OF SHARES	CAPITAL,%	VOTES, %
<i>TERTIUS UAB</i>		704,638	80	80
<i>PANEVĖŽIO KELIAI AB</i>	Member of the Board	531,675	28.47	28.47
<i>LAUKTUVĖS JUMS UAB</i>	Member of the Board	11,069	50.15	50.15
<i>POKŠTAS UAB</i>		261	50	50
<i>KLOVAINIŲ SKALDA AB</i>	Member of the Board	203,526	3.78	3.78
<i>GELBERA UAB</i>	Member of the Board	34	34	34
<i>KELTECHA UAB</i>	Member of the Board			
<i>EMULTEKA UAB</i>		14	14.0	14.0
<i>GUSTONIŲ ŽŪT UAB</i>	Member of the Board	18,027	49.04	49.04

<i>SPECIALIZUOTA KOMPLEKTAVIMO VALDYBA AB</i>		21,490	9,29	9,29
<i>IGNALINOS STATYBA UAB</i>	Member of the Board	91,351	37.93	37.93
<i>TAMSUMA UAB</i>	Chairman of the Board	1,467	33.34	33.34
<i>NAUJASIS UŽUPIS UAB</i>	Chairman of the Board			
<i>PANEVĖŽYS UAB</i>	Member of the Board	157,191	49.98	49.98
<i>PANEVĖŽIO STATYBOS TRESTAS AB</i>	Chairman of the Board	0	0	0
<i>PANODEN UAB</i>	Member of the Board			
<i>PST INVESTICIJOS UAB</i>	Member of the Board	16,407	4.4	4.4
<i>KIRTIMŲ AUTOTRANSPORTAS AB</i>	Member of the Board	-		
<i>CONSTRUCTUS UAB</i>	Member of the Board	1,669	4.5	4.5
<i>CONVESTUS UAB</i>	Vice-president, Chairman of the Board	50,000	50	50
<i>UPĖS SLĖNIS UAB</i>		810 1969 bonds	18	18
<i>ALPROKA UAB</i>	Chairman of the Board			

Term of office: October 2006 through October 2010

No previous convictions.

GVIDAS DROBUŽAS – the Member of the Board. No membership in the capital of the company. Membership in the activities or capital of the companies below:

COMPANY NAME	POSITION	NUMBER OF SHARES	CAPITAL %	VOTES %
<i>PANEVĖŽIO KELIAI AB</i>	Chairman of the Board	529,861	28.33	28.33
<i>LAUKTUVĖS JUMS UAB</i>	Member of the Board	11,001	49.85	49.85
<i>POKŠTAS UAB</i>	Director	261	50.0	50.0
<i>KLOVAINIŲ SKALDA AB</i>	Member of the Board	203,129	3.77	3.77
<i>GELBERA UAB</i>	Member of the Board	34	34	34
<i>EMULTEKA UAB</i>		12	12.0	12.0
<i>GUSTONIŲ ŽŪT UAB</i>	Member of the Board	18,028	49.04	49.04
<i>IGNALINOS STATYBA UAB</i>	Member of the Board	91,351	37.93	37.93
<i>TAMSUMA UAB</i>	Member of the Board	1,467	33.34	33.34
<i>PANEVĖŽIO STATYBOS TRESTAS AB</i>	Member of the Board	-	-	-
<i>PANEVĖŽYS UAB</i>	Member of the Board	157,225	49.98	49.98
<i>SPECIALIZUOTA KOMPLEKTAVIMO VALDYBA AB</i>		21,470	9.28	9.28
<i>PST INVESTICIJOS UAB</i>	Chairman of the Board, Director	12,644	2.9	2.9
<i>CONSTRUCTUS UAB</i>	Chairman of the Board	1,669	4.5	4.5
<i>NAUJASIS UŽUPIS UAB</i>	Member of the Board			
<i>VILNIAUS VAIZDAS UAB</i>	Chairman of the Board	50	50	50
<i>CONVESTUS UAB</i>	President, Member of the Board	50,000	50	50
Shares of <i>UPĖS SLĖNIS UAB</i>		810 1969 bonds of <i>Upės slėnis UAB</i>	18	18
<i>ALPROKA UAB</i>	Member of the Board			

Term of office: October 2006 through October 2010

No previous convictions

IRMA ABRAMAVIČIENĖ – the Member of the Board. Membership in the capital of the company below:

COMPANY NAME	CAPACITY	NUMBER OF SHARES	CAPITAL %	VOTES %
<i>CONVESTUS UAB</i>	Internal auditor	-	-	-

Term of office: April 2008 through October 2010

No previous convictions

VILIUS GRAŽYS – the Member of the Board. Participates in the activities of the following companies:

COMPANY NAME	POSITION	NUMBER OF SHARES	CAPITAL %	VOTES %
<i>AKVALDA UAB</i>		500	33.33	33.33
<i>EMULTEKA UAB</i>		11	11	11
<i>BASS UAB</i>		40	40	40
<i>PANEVĖŽIO STATYBOS TRESTAS AB</i>	Member of the Board			
<i>PANEVĖŽIO KELIAI AB</i>	Member of the Board	101735	5.45	5.45

Term of office: October 2006 through October 2010

No previous convictions.

ARTŪRAS BUČAS – the Member of the Board. No membership in the capital of the company.

COMPANY NAME	POSITION	NUMBER OF SHARES	CAPITAL %	VOTES %
<i>DVARČIONIŲ KERAMIKA AB</i>	Share holder	356		
<i>AB „PANEVĖŽIO KELIAI“</i>	Member of the Board			

Terms of office: October 2006 through October 2010

No previous convictions.

**Administration:**

DALIUS GESEVIČIUS – Head of the Company Administration, Managing Director. Holds 15 shares of the company. University education (1984, VISI), construction engineer. No previous convictions.

DANGUOLĖ ŠIRVINSKIENĖ – Chief Accountant of the Company. Holds no shares of the company. University education (1983, LŽUA), qualification of accountant-economist. No previous convictions.

## 12. Information announced in public

Since the beginning of the year 2010 up to the day of this report presentation the Company announced the following information in public through the system of OMX Client News Service:

Title of announcement	Category of announcement	Language	Date
Financial statement for the first quarter of 2010 of <i>Panevėžio statybos trestas AB</i>	Interim information	Lt, En	17 May 2010
Performance Results for the first quarter of 2010	Notification on material event	Lt, En	17 May 2010
Resolutions of the Reconvened General Meeting of the Shareholders	Notification on material event	Lt, En	5 May 2010
Non-competitive formal offer	Notification on material event	Lt, En	5 May 2010
Reconvening of the Annual General Meeting of the Shareholders	Notification on material event	Lt, En	20 April 2010
The General Meeting of <i>PST AB</i> did not take place	Notification on material event	Lt, En	19 April 2010
Audited company and consolidated financial statement for 2009	Annual information	Lt, En	14 April 2010
Convening of the Annual General Meeting of the Shareholders	Notification on material event	Lt, En	29 March 2010
Preliminary Results of <i>PST Group</i> for the Year 2009	Interim information	Lt, En	26 Feb. 2010

The content of the above listed announcements may be found on the website of the Vilnius Stock Exchange

<http://www.baltic.omxgroup.com/market/?currency=0&pg=details&instrument=LT0000101446&list=2>

and on the Company website <http://www.pst.lt>

## 13. Information on compliance with the Governance Code

The Company complies with the procedure of company management set forth by the Law on Companies of the Republic of Lithuania. The Company partially complies with the Governance Code applicable to the companies that are on the list of the Vilnius Stock Exchange. In accordance with the Articles of Association of the Company the bodies of the Company are the

General Meeting of the Shareholders, the Board and the Managing Directors. No Supervisory Board is formed in the Company. The annual report of the Company will include the more detailed explanation of how the Company complies with the recommendations of the Governance Code.

**14. Financial statements**

**BALANCE SHEET**

<b>In Litas</b>	<b>Company</b>	
	<b>30 June 2010</b>	<b>31 Dec. 2009</b>
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>65275623</b>	<b>73650975</b>
Intangible assets	42054	80009
Tangible non-current assets	26229495	28832083
Investment and amounts receivable in one year	38792532	44393475
Deferred tax assets	211542	345408
<b>Current assets</b>	<b>119726751</b>	<b>110829276</b>
Inventories	4213648	4418046
Advance payments	1400785	4198396
Amounts receivable	55440245	47623506
Other current assets	20338005	654644
Cash and cash equivalents	38334068	53934684
<b>TOTAL ASSETS</b>	<b>185002374</b>	<b>184480251</b>

<b>In Litas</b>	<b>Company</b>	
	<b>30 June 2010</b>	<b>31 Dec. 2009</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>131379104</b>	<b>124731781</b>
Share capital	16350000	16350000
Reserves	11000038	11350624
Retained profit (loss)	104029066	97031157
Translation reserve		
<i>Minority share</i>		
<b>Amounts payable and liabilities</b>	<b>53623270</b>	<b>59748470</b>
<b>Amounts payable in one year and long term liabilities</b>	<b>5706312</b>	<b>7328058</b>
Loans and borrowings	3140946	4323901
Warranty provision	903437	1289640
Deferred tax liabilities	1661929	1714517
<b>Amounts payable in one year and short term liabilities</b>	<b>47916958</b>	<b>52420412</b>
Loans and borrowings	2423601	2760113
Trade payables	27422500	17967020
Prepayments received	6771611	17798652
Current tax payable	104739	126597
Other liabilities	11194507	13768030
<b>TOTAL EQUITY AND LIABILITIES:</b>	<b>185002374</b>	<b>184480251</b>



**BALANCE SHEET**

<b>In Litas</b>	<b>Group</b>	
<b>ASSETS</b>	<b>30 06 2010</b>	<b>31 Dec. 2009</b>
<b>Non-current assets</b>	<b>30958360</b>	<b>40244322</b>
Intangible assets	176437	234725
Tangible non-current assets	29560008	32412105
Other investment and amounts receivable in one year	110919	6247855
Other intangible assets	1110996	1349637
<b>Current assets</b>	<b>165647806</b>	<b>172830335</b>
Inventories	39305137	53811431
Advance payments	2494312	6189074
Amounts receivable	65246277	54467327
Other assets	17137000	2222936
Cash and cash equivalents	41465080	56139567
<b>TOTAL ASSETS:</b>	<b>196606166</b>	<b>213074657</b>

<b>In Litas</b>	<b>Group</b>	
<b>EQUITY AND LIABILITIES</b>	<b>30 06 2010</b>	<b>31 Dec. 2009</b>
<b>Equity</b>	<b>115088607</b>	<b>101114316</b>
Share capital	16350000	16350000
Reserves	12076571	12465122
Retained profit (loss)	86122207	71488724
Translation reserve	539829	810470
<i>Minority share</i>	<b>2573477</b>	<b>-670604</b>
<b>Amounts payable and liabilities</b>	<b>78944082</b>	<b>112630945</b>
<b>Amounts payable in one year and long term liabilities</b>	<b>23471066</b>	<b>11575314</b>
Loans and borrowings	19280727	6988316
Provisions	1935875	2248495
Deferred tax liabilities	1796597	1849184
Grants and subsidies	56738	60563
Other payable amounts	401129	428756
<b>Amounts payable in one year and short term liabilities</b>	<b>55473016</b>	<b>101055631</b>
Loans and borrowings	2669112	40697653
Trade payables	30971243	22254571
Prepayments received	7314283	18201667
Current tax payable	120098	127923
Other liabilities	14398280	19773817
<b>TOTAL EQUITY AND LIABILITIES:</b>	<b>196606166</b>	<b>213074657</b>

**PROFIT (LOSS) STATEMENT**

In Litais ITEM	Company			
	Jan. through June 2010	Jan. through June 2009	April through June 2010	April through June 2009
SALE	72803369	94796756	52570759	50338664
COST OF SALE	62158308	80384195	43949228	42505838
<b>GROSS PROFIT (LOSS)</b>	<b>10645061</b>	<b>14412561</b>	<b>8621531</b>	<b>7832826</b>
OPERATING EXPENSES	3599819	11328419	1092023	7093705
Sale	134832	212175	77449	94281
Recovery of doubtful debts	-3561827	-67460	-3039633	-26590
General and administration	7026814	11183704	4054207	7026014
<b>TYPICAL OPERATING PROFIT (LOSS)</b>	<b>7045242</b>	<b>3084142</b>	<b>7529508</b>	<b>739121</b>
OTHER ACTIVITIES	-25399	-95982	17735	-85552
Income	330808	181184	177783	77904
Expenses	356207	277166	160048	163456
FINANCIAL AND INVESTMENT ACTIVITIES	1615273	940832	484537	1118782
Income	1879476	1335664	591665	963655
Expenses	264203	394832	107128	-155127
<b>USUAL ACTIVITY PROFIT (LOSS)</b>	<b>8635116</b>	<b>3928992</b>	<b>8031780</b>	<b>1772351</b>
WINDFALL PROFIT	0	0	0	0
LOSSES	0	0	0	0
<b>PROFIT (LOSS) BEFORE TAXATION</b>	<b>8635116</b>	<b>3928992</b>	<b>8031780</b>	<b>1772351</b>
PROFIT TAX	843293	1787474	712712	1245662
<b>NET PROFIT (LOSS)</b>	<b>7791823</b>	<b>2141518</b>	<b>7319068</b>	<b>526689</b>

**PROFIT (LOSS) STATEMENT**

In Litas ITEM	Group			
	Jan. through June 2010	Jan. through June 2009	April through June 2010	April through June 2009
SALE	84517797	107621299	58368146	57150481
COST OF SALE	70656301	92341647	47884650	49689447
<b>GROSS PROFIT (LOSS)</b>	<b>13861496</b>	<b>15279652</b>	<b>10483496</b>	<b>7461034</b>
OPERATING EXPENSES	6706186	14262597	2704445	8709632
Sale	227003	256748	151950	128514
Recovery of doubtful debts	-3561827	-67460	-3039633	-26590
General and administration	10041010	14073309	5592128	8607708
<b>TYPICAL OPERATING PROFIT (LOSS)</b>	<b>7155310</b>	<b>1017055</b>	<b>7779051</b>	<b>-1248598</b>
OTHER ACTIVITIES	-278434	-155500	-107905	-68811
Income	191819	187094	92522	113507
Expenses	470253	342594	200427	182318
FINANCIAL AND INVESTMENT ACTIVITIES	12966426	-1661067	11358159	989481
Income from other financial activities	4133847	1404761	1471507	987440
Profit due to loss of company control	10005556		10005556	
Other financial expenses	1172977	3065828	118904	-2041
<b>USUAL ACTIVITY PROFIT (LOSS)</b>	<b>19843302</b>	<b>-799512</b>	<b>19029305</b>	<b>-327928</b>
WINDFALL PROFIT				
LOSSES				
<b>PROFIT (LOSS) BEFORE TAXATION</b>	<b>19843302</b>	<b>-799512</b>	<b>19029305</b>	<b>-327928</b>
PROFIT TAX	1132836	1588222	742114	1272885
<b>NET PROFIT (LOSS)</b>	<b>18710466</b>	<b>-2387734</b>	<b>18287191</b>	<b>-1600813</b>
ATTRIBUTABLE TO SHAREHOLDERS	15389429	-862187	14783326	-967900
ATTRIBUTABLE TO MINORITY INTEREST	3321037	-1525547	3503865	-632913

**CASH FLOW STATEMENT**

	Company	
	Jan. through June 2010	Jan. through June 2009
<b>Cash flow from operating activities</b>		
Net profit (loss)	7.791.823	2.141.518
Depreciation and amortization costs	2.976.048	3.313.434
Profit (loss) from transfer of non-current assets	-116.192	3.363
Income tax expense	843.293	1.340.755
	11.494.972	6.799.070
Change in inventories	204.398	4.141.453
Change in amounts receivable	-7.816.739	35.532.154
Change in prepayments	2.797.611	-174.497
Change in amounts receivable after one year	-92.475	-22.407
Change in other assets	-8.289.335	-304.948
Change in trade payables	9.455.480	-28.994.321
Change in prepayments received	-11.027.041	-843.060
Change in provisions and other liabilities	-2.543.638	-8.023.690
	-5.816.767	8.109.754
Income tax paid	-998.152	-275.771
<b>Net cash from operating activities</b>	<b>-6.814.919</b>	<b>7.833.983</b>
<b>Cash flow from investing activities</b>		
Acquisition of long term assets (excl. investment)	-403.093	-371.303
Transfer of long term assets (excl. investment)	189.280	44.100
Acquisition of investments		
Loans issued	-5.318.070	-2.389.957
Loans recovered		137.544
Dividends and interest received	738.280	868.726
<b>Net cash used in investing activities</b>	<b>-4.793.603</b>	<b>-1.710.890</b>
<b>Cash flow from financial activities</b>		
Dividends, tantiemes paid	-2.249.465	-2.254.147
Proceeds from loans and borrowings		
Repayments from loans and borrowings		
Payment of finance lease liabilities	-1.519.467	-1.963.379
Interest paid	-223.162	-370.559
<b>Net cash from (used in) financing activities</b>	<b>-3.992.094</b>	<b>-4.588.085</b>
<b>Increase (decrease) in net cash flow</b>	-15.600.616	1.535.008
Cash and its equivalent at the beginning of the period	53.934.684	54.770.637
<b>Cash and its equivalent at the end of the period</b>	<b>38.334.068</b>	<b>56.305.645</b>

**CASH FLOW STATEMENT**

	<b>Group</b>	
	<b>Jan. through June 2010</b>	<b>Jan. through June 2009</b>
<b>Cash flow from operating activities</b>		
Net profit (loss)	18.710.466	-2.387.734
Elimination of other non-monetary items		
Depreciation and amortization costs	3.448.773	3.849.953
Other non-monetary items	-32.172	278.983
	<u>22.127.067</u>	<u>1.741.202</u>
Change in inventories	-3.299.408	3.708.894
Change in amounts receivable	-10.778.950	33.120.472
Change in prepayments	3.694.762	320.453
Change in other assets	-8.813.691	2.735.520
Change in trade payables	8.858.617	-27.283.700
Change in prepayments received	-10.887.384	-1.178.739
Change in provisions and other liabilities	-750.737	-7.127.595
	<u>150.276</u>	<u>6.036.507</u>
Elimination of results from financial and investing activities	-10.056.701	2.438.653
<b>Net cash from operating activities</b>	<b>-9.906.425</b>	<b>8.475.160</b>
<b>Cash flow from investing activities</b>		
Acquisition of non-current assets (except investments)	-435.608	-454.521
Transfer of non-current assets (except investments)	43.994	113.405
Loans issued		-2.396.817
Loans recovered		187.546
Dividends and interest received	696.858	922.136
<b>Net cash used in investing activities</b>	<b>305.244</b>	<b>-1.628.251</b>
<b>Cash flow from financial activities</b>		
Cash paid by minority interest		
Dividends and tantjemes paid	-2.249.465	-2.254.147
Proceeds from loans and borrowings		2.969.081
Repayments from loans and borrowings		11.966
Payment of finance lease liabilities	-1.687.269	-2.193.834
Interest paid	-1.136.572	-2.352.595
<b>Net cash from (used in) financing activities</b>	<b>-5.073.306</b>	<b>-3.819.529</b>
<b>Increase (decrease) in net cash flow</b>	<b>-14.674.487</b>	<b>3.027.380</b>
Cash and cash equivalent in the beginning of the period	<u>56.139.567</u>	<u>57.143.406</u>
<b>Cash and cash equivalent at the end of the period</b>	<b><u>41.465.080</u></b>	<b><u>60.170.786</u></b>

## STATEMENT OF CHANGES IN EQUITY

Company

In Litas	Authorized capital	Share premium	FA revaluation	Financial reserve	Legal reserve	Other reserves	Deferred result	Total
<b>Balance as of 31 December 2008</b>	16.350.000		9.705.028		1.635.030		93.372.055	121.062.113
Revaluation of fixed assets								0
Deferred tax related liability							350.586	0
Unrecognized profit (loss) for 2009			-350.586				2.141.518	2.141.518
Net profit (loss) for 2009							-1.144.499	-1.144.499
Dividend								0
Increase (decrease) of authorized capital								0
<b>Balance as of 30 June 2009</b>	16.350.000	0	9.354.442	0	1.635.030	0	94.719.660	122.059.132
<b>Balance as of 31 December 2009</b>	16.350.000	0	9.715.594	0	1.635.030	0	97.031.157	124.731.781
Revaluation of fixed assets								0
Related postponed tax liability								0
Deferred profit tax related to reappraisal of FA								0
Unrecognized net profit (loss) for 2009			-350.586				350.586	0
Net profit (loss) for 2009							7.791.823	7.791.823
Dividend							-1.144.500	-1.144.500
Reserves formed								0
Reserves used								0
Increase (decrease) of authorized capital								0
<b>Balance as of 30 June 2010</b>	16.350.000	0	9.365.008	0	1.635.030	0	104.029.066	131.379.104

Group

In Litas	Authorized capital	Share bonus	Revaluation reserve	Legal reserve	Influence of change in exchange rate	Accumulated profit	Losses per parent company share	Minority part	Total
<b>Balance as of 1 January 2009</b>	<b>16.350.000</b>	<b>0</b>	<b>10.452.776</b>	<b>2.003.361</b>	<b>681.774</b>	<b>82.844.071</b>	<b>112.331.982</b>	<b>4.545.502</b>	<b>116.877.484</b>
Decrease in revaluation reserve			-388.784			388.784		-1.758	-1.758
Net profit (loss) for 2009						-862.187	-862.187	-1.524.056	-2.386.243
Dividend						-1.144.500	-1.144.500		-1.144.500
Legal reserves formed				115.132		-115.132			0
Currency rate change					962.905		962.905		962.905
<b>Balance as of 30 June 2009</b>	<b>16.350.000</b>	<b>0</b>	<b>10.063.992</b>	<b>2.118.493</b>	<b>1.644.679</b>	<b>81.111.036</b>	<b>111.288.200</b>	<b>3.019.688</b>	<b>114.307.888</b>
<b>Balance as of 31 December 2009</b>	<b>16.350.000</b>	<b>0</b>	<b>10.445.141</b>	<b>2.019.981</b>	<b>810.470</b>	<b>71.488.724</b>	<b>101.114.316</b>	<b>-670.604</b>	<b>100.443.712</b>
Decrease in revaluation reserve			-388.782			388.785			3
Deferred tax liability									0
Net profit (loss) for 2010						15.389.429	15.389.429	3.305.187	18.694.616
Dividend						-1.144.500	-1.144.500		-1.144.500
Influence of currency rate change					-270.641		-270.641	-61.106	-331.747
Reserves formed				231		-231			0
Company transfer									0
<b>Balance as of 30 June 2010</b>	<b>16.350.000</b>	<b>0</b>	<b>10.056.359</b>	<b>2.020.212</b>	<b>539.829</b>	<b>86.122.207</b>	<b>115.088.607</b>	<b>2.573.477</b>	<b>117.662.084</b>

## EXPLANATORY NOTE

### General information

*Panevėžio statybos trestas* AB (hereinafter „the Company“) was established in 1957 and for a long time was known as Šiaurės Lietuvos Statybos Trestas. In 1991 the Company was registered as a State Capital Company. On 30 October 1993 the State Capital Company was reorganized to a Public Limited Liability Company. Company code 147732969, VAT code LT477329610. Registration certificate Nr. 013732, issued on 27 September 2004 by the Panevėžys Branch of State Enterprise Centre of Registers.

On January through June 2010 the Company had the following branches: *Gerbusta*, *Pastatų apdaila*, *Genranga* and *Klaipstata*. These branches have accounting independent of the parent company but their assets, liabilities and financial results are included in the financial statement of the Company. The Company has its representative office in Cherepovets, and a branch office in Kaliningrad. The financial year of the Company is the calendar year. The anticipated period of commercial-economic activities is unlimited.

### Basis of interim financial statement preparation

The figures in the interim financial statement are presented in the national currency of Lithuania, Litas, which is also the Company's functional currency.

The same accounting principles were applicable to both - the interim financial statement and to the annual financial statement.

The following currency rates were used when preparing the interim financial statement:

Currency	30 June 2010	31 Dec. 2009	30 June 2009
1 EUR	3.4528	3.4528	3.4528
10 RUB	0.90483	0.79465	0.78771

### Principles of consolidation

Subsidiary companies are the companies controlled by the parent company. Such control is defined as a capability to a company to have determinant effect on other company, manage and influence financial and economic activities to get benefit from that company. For the purposes of control assessment the total available number of shareholders' votes at the General Meeting of Shareholders is considered. The financial statements of subsidiary companies are included into the Consolidated Financial Statement from the day of control gain and are excluded from the day of



control loss. As in June 2010 the Group lost control of *Geluzės projektai* UAB and *Smiltynų kalvos* UAB, the financial statements of these companies for the first quarter of the year 2010 have not been consolidated.

During consolidation of financial statement the income and expenses, amounts receivable and payable and unrealized results of the Company Group are eliminated.

### **Investments in non-current assets**

In January through June 2010 the investments of the Group in acquisition of non-current assets amounted to 435,608 Litass: *Panevėžio statybos trestas* AB acquired non-current assets for 403,091 Litass. The costs related to depreciation and amortization of assets of the Group amounted to 3,448,773 Litass, including 2,976,048 Litass accounted for in the Financial Statement of *Panevėžio statybos trestas* AB.

On 22 April 2010 as per decision of the Annual General Meeting of Shareholders of *PST investicijos* UAB the authorized capital of the company was increased by 12,136,600 Litass (by additional issue of 121.366 pieces of ordinary registered shares) and registered at the Register of Legal Persons on 12 August 2010.

On 28 April 2010 the Share Purchase Agreement was signed between *Panevėžio statybos trestas* AB and *PST investicijos* UAB based on which *Panevėžio statybos trestas* AB acquired 88,597 pieces of ordinary registered shares for the amount of 8,859,700 Litass by paying, settling amounts receivable from *PST investicijos* UAB paid to *DnB NORD bankas* AB based on the Surety Agreement.

### **Loans**

As of 30 June 2010 the long-term loans of the Company Group of *PST investicijos* UAB amounted to 15,722,821 Litass including bank credits totaling 13,526,734 Litass. For using credits *SEB* AB is paid the interest rate 1 month VILIBOR + 1.1%, for other loans the interest rate is 3 months VILIBOR and the interest margin is 1.9%.

### **Guarantees, sureties**

As of 30 June 2010 the guarantees of the liabilities of *Panevėžio statybos trestas* AB by credit institutions amounted to 21,080,548 Litass, including 17,335,146 Litass for the Environmental Project Management Agency of the Ministry of Environment of the Republic of Lithuania.

## Transactions with associated parties

As per resolution adopted by the Board of *Panevėžio statybos trestas* AB dated 20 July 2009, *Panevėžio keliai* AB had been given a loan amounting 6.2 mln. Litas that was accounted for in current assets in the Financial Statement dated 30 June 2010.

## Dividends

The Annual General Meeting of the Shareholders of *Panevėžio statybos trestas* AB that took place on 5 May 2010 made the decision to pay dividends in the amount of 1,144,500 Litas (0.07 Litas per share) and bonuses in the amount of 1,144,500 Litas.

Bonuses were paid during the first half of the year. Dividends are paid by DnB NORD bank in accordance with the contract. As of 30 June 2010 97 percents of dividends have been paid.

## Significant changes in the interim financial statement during the reporting period

During the first half of 2010 the Group made the net profit amounting to 18.7 mln. Litas, whereas it suffered the loss of 2.3 mln. Litas in the first quarter of 2009. The profit in the amount of 10 mln. Litas was made due to control loss of the companies of *PST investicijos* UAB: *Gelūžės projektai* UAB and *Smiltynų kalvos* UAB. (In June 2010 *Gelūžės projektai* UAB was sold and bankruptcy proceedings were initiated to *Smiltynų kalvos* UAB based on the resolution of Vilnius Regional Court). After control of *Gelūžės projektai* UAB and *Smiltynų kalvos* UAB had been lost, the loans payable to credit institutions decreased by 24.1 mln. Litas and contracts in progress decreased by 14.6 mln. Litas in the Financial Statements of the Group.

The result of 3.6 mln. Litas was improved by decrease in operating expenses after receivable doubtful debts evaluated in 2009 had been recovered.