

PANEVĖŽIO STATYBOS TRESTAS AB

**Consolidated and Company Financial Statements for Three Months Ending
March 31, 2009**

Unaudited

Company register given code 147732969

Address of registered office P. Puzino Str. 1, LT-35173 Panevėžys, Lithuania

STATEMENT OF EXECUTIVE OFFICERS OF THE COMPANY

Hereby we confirm that on the basis of the information available to us, the Consolidated Interim Financial Statement for Three Months of 2009 made in accordance with the International Financial Reporting Standards is true and shows the assets, liabilities, financial state, and profit or loss of *Panevėžio statybos trestas AB* and companies of *Panevėžio statybos trestas* Company Group in a correct manner.



Dalius Gesevičius, Managing Director
Panevėžio statybos trestas AB



Dalė Bernotaitienė, Finance Director
Panevėžio statybos trestas AB

BALANCE SHEET

In Litas	Group		Company	
	31 Mar. 2009	2008	31 Mar. 2009	2008
ASSETS				
Non-current assets	40384489	42500612	59507912	61757462
Intangible assets	455001	486123	248630	287261
Tangible non-current assets	37418375	39265580	33163273	34786471
Financial assets	2444641	78166	24644426	24795793
Other intangible assets	66472	2670743	1451583	1887937
Current assets	205656644	243080438	137692153	171959074
Inventories	61927056	65309702	5132971	8385119
Advance payments	4592149	5979085	2929183	3412379
Contracts in progress				
Accounts receivable in one year	84848762	108447300	79701734	103871477
Other current assets	3325388	6200945	170084	1519462
Cash and cash equivalents	50963289	57143406	49758181	54770637
TOTAL ASSETS	246041133	285581050	197200065	233716536

In Litas	Group		Company	
	31 Mar. 2009	2008	31 Mar. 2009	2008
EQUITY AND LIABILITIES				
Equity	112813831	112331982	122676942	121062113
Share capital	16350000	16350000	16350000	16350000
Reserves	12261745	12456137	11164765	11340058
Retained profit (loss)	83144176	82844071	95162177	93372055
Translation reserve	1057910	681774		
<i>Minority share</i>	3652601	4545502		
Amounts payable and liabilities	129574701	168703566	74523123	112654423
Amounts payable in one year and long term liabilities	21146064	21997805	10530085	11379016
Loans and borrowings	15352323	16135788	6376469	7148115
Warranty provision	1828083	1861300	1762418	1804644
Deferred tax liabilities	2684422	2719481	2391198	2426257
Other payable amounts	1281236	1281236		
Amounts payable in one year and short term liabilities	108428637	146705761	63993038	101275407
Loans and borrowings	45851053	45554215	3171167	3522594
Trade payables	32846411	59886914	34172518	60489169
Prepayments received	6766252	8477483	6143804	7525256
Current tax payable	5476185	5554439	5298195	5372137
Other liabilities	17488736	27232710	15207354	24366251
TOTAL EQUITY AND LIABILITIES	246041133	285581050	197200065	233716536

Income Statement

IN LITAS	Group		Company	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
SALES	50470818	93217292	44458092	90203771
COST OF SALES	42652200	81908688	37878357	80036082
GROSS PROFIT (LOSS)	7818618	11308604	6579735	10167689
OPERATING COSTS	5552965	7339366	4234714	5552850
Sales	128234	172362	117894	157655
General and administrative	5424731	7167004	4116820	5395195
PROFIT (LOSS) FROM TYPICAL ACTIVITIES	2265653	3969238	2345021	4614839
OTHER ACTIVITIES	-86689	-263354	-10430	97505
Revenue	73587	161990	103280	149942
Expenses	160276	425344	113710	52437
FINANCIAL AND INVESTING ACTIVITIES	-2650548	-268908	-177950	-67702
Revenue	417321	903189	372009	236112
Expenses	3067869	1172097	549959	303814
PROFIT (LOSS) FROM ORDINARY ACTIVITIES	-471584	3436976	2156641	4644642
EXTRAORDINARY INCOME				
EXTRAORDINARY EXPENSES				
PROFIT BEFORE TAXATION	-471584	3436976	2156641	4644642
TAX ON PROFIT	315337	404477	541812	682380
NET PROFIT (LOSS)	-786921	3032499	1614829	3962262
FALLING TO SHAREHOLDERS OF THE COMPANY	105713	3397746		
FALLING TO MINORITY SHARE	-892634	-365247		

CASH FLOW STATEMENT

	Company	
	3 Jan. 2009	3 Jan. 2008
Cash flow from operating activities		
Net profit (loss)	1,614,829	3,962,262
Elimination of other non-monetary items		
Depreciation and amortisation costs	1,672,725	1,245,737
Profit (loss) from transfer of non-current assets	-7,512	-48,344
Income tax expense	140,517	682,380
	<u>3,420,559</u>	<u>5,842,035</u>
Change in inventories	3,252,148	520,655
Change in amounts receivable	24,169,744	-11,032,251
Change in prepayments	483,196	883,855
Change in amounts receivable after one year	14,694	-10,288
Change in other assets	1,346,377	263,063
Change in trade payables	-26,316,651	-1,413,310
Change in prepayments received	-1,381,452	0
Change in provisions and other liabilities	-8,971,294	-5,331,580
	<u>-3,982,679</u>	<u>-10,277,821</u>
Income tax paid	-226,531	-939,751
Elimination of results from financial and investing activities		
Net cash from operating activities	-4,209,210	-11,217,572
Cash flow from investing activities		
Acquisition of long term assets (excl. investment)	-37,309	-108,236
Transfer of long term assets (excl. investment)	32,285	48,349
Acquisition of investments		
Loans issued		-6,000
Loans recovered	139,673	236,112
Dividends and interest received	370,009	0
Net cash used in investing activities	504,658	170,225
Cash flow from financial activities		
Cash paid by minority interest		
Dividends paid	-896	-301
Proceeds from loans and borrowings		
Repayments from loans and borrowings		-506,732
Payment of finance lease liabilities	-1,123,073	-792,748
Interest paid	-183,935	-136,624
Net cash from (used in) financing activities	-1,307,904	-1,436,405
Increase (decrease) in net cash flow	-5,012,456	-12,483,752
Cash and its equivalent at the beginning of the period	54,770,637	39,040,718
Cash and its equivalent at the end of the period	49,758,181	26,556,966

	Group	
	31 March 2009	31 March 2008
Cash flow from operating activities		
Net profit (loss)	-786,921	3,032,499
Elimination of other non-monetary items		
Depreciation and amortisation costs	1,976,216	1,488,735
Other non-monetary items	184,953	-493,984
	<hr/> 1,374,248	<hr/> 4,027,250
Change in inventories	3,382,646	-1,175,699
Change in amounts receivable	23,598,538	-10,412,028
Change in prepayments	1,386,936	808,148
Change in other assets	2,837,249	-10,207,844
Change in trade payables	-27,040,503	-95,558
Change in prepayments received	-1,711,231	853,927
Change in provisions and other liabilities	-9,854,549	-5,552,890
	<hr/> -6,026,666	<hr/> -21,754,694
Elimination of results from financial and investing activities	1,578,657	1,175,842
Net cash from operating activities	<hr/> -4,448,009	<hr/> -20,578,852
Cash flow from investing activities		
Acquisition of non-current assets (except investments)	-163,473	-320,674
Transfer of non-current assets (except investments)	73,001	94,412
Loans issued		-14,670
Loans recovered	50,002	-6,733
Dividends and interest received	383,329	269,047
Net cash used in investing activities	<hr/> 342,859	<hr/> 21,382
Cash flow from financial activities		
Cash paid by minority interest		5,200,199
Dividends and tantjemes paid	-896	
Proceeds from loans and borrowings	108,592	4,589,607
Repayments from loans and borrowings		-1,540,082
Payment of finance lease liabilities	-1,258,492	-1,043,478
Interest paid	-924,171	-1,002,930
Net cash from (used in) financing activities	<hr/> -2,074,967	<hr/> 6,203,316
Increase (decrease) in net cash flow	-6,180,117	-14,354,154
Cash and its equivalent at the end of the period	57,143,406	44,609,512
Cash and its equivalent at the end of the period	<hr/> 50,963,289	<hr/> 30,255,358

STATEMENT of CHANGES IN SHAREHOLDERS' EQUITY

Group In Litas	Authorised capital	Share premium	Revaluation reserve	Legal reserve	Currency fluctuation impact	Accrued profit	Equity share falling to parent company share	Minority share	Total
Balance as of 1 January 2008	16,350,000		3,636,299	1,642,718	122,291	53,820,670	75,571,978	7,869,553	83,441,531
Decrease in value of revaluated assets			-53,045			53,045		-611	-611
Decrease in reappraisal reserve									0
Paid up capital									5,200,500
Net profit (loss) for 2008						3,397,746	3,397,746	-364,636	3,033,110
Dividend									0
Legal reserves formed					93,928		93,928		93,928
Currency rate change									0
Balance as of 31 May 2008	16,350,000	0	3,583,254	1,642,718	216,219	57,271,461	79,063,652	12,704,806	91,768,458
Balance as of 31 December 2008	16,350,000	0	10,452,776	2,003,361	681,774	82,844,071	112,331,982	4,545,502	116,877,484
Decrease in reappraisal reserve			-194,392			194,392		-1,146	-1,146
Fixed assets revaluation									0
Postponed tax related liability									0
Paid up capital									0
Net profit (loss) for 2009						105,713	105,713	-891,755	-786,042
Dividend									0
Influence of currency rate change					376,136		376,136		376,136
Reserves formed									0
Company transfer									0
Balance as of 31 May 2009	16,350,000	0	10,258,384	2,003,361	1,057,910	83,144,176	112,813,831	3,652,601	116,466,432

Panevėžio stovybos trestas AB Interim Financial Statement for 3 months of 2009

Company

In Litas

	Authorised capital	Share premium	FA revaluation	Financial reserve	Legal reserve	Other reserves	Deferred result	Total
Balance as for December 31, 2007	16,350,000		3,296,761		1,635,030		48,195,936	69,477,727
Revaluation of fixed assets								0
Postponed tax related liability								0
Other unrecognised profit (loss) 2008			-39,765				39,765	0
Net profit (loss) 2008							3,962,262	3,962,262
Reserves formed								0
Increase (decrease) of authorised capital								0
Balance as for March 31, 2008	16,350,000	0	3,256,996	0	1,635,030	0	52,197,963	73,439,989
Balance as for December 31, 2008	16,350,000	0	9,705,028	0	1,635,030	0	93,372,055	121,062,113
Revaluation of fixed assets								0
Related postponed tax liability								0
Postponed profit tax related to revaluation of FA								0
Net profit (loss) 2009 unrecognised							175,293	0
Net profit (loss) 2009			-175,293				1,614,829	1,614,829
Dividend								0
Reserves formed								0
Reserves used								0
Increase (decrease) of authorised capital								0
Balance as of March 31, 2009	16,350,000	0	9,529,735	0	1,635,030	0	95,162,177	122,676,942

EXPLANATORY NOTE

General Information

Panevėžio statybos trestas AB (hereinafter “the Company”) was established in 1957 and for a long time was known as the North Lithuania Construction Trust (*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 No. 013732, issued on 27 September 2004 by the State Register Centre Panevėžys Branch.

In January through December 2008 the following subsidiaries were functioning in the company: *Gerbusta*, *Pastatų apdaila* and *Genranga*. These subsidiaries keep separate records, but their assets, liabilities and financial results are included when preparing financial accountability of the Company. The Company has its representative offices in Tchrepovec and a subsidiary in Kaliningrad. Financial year of the Company is calendar year. The period of commercial-economic activities of the Company is unlimited.

The main activity of the Company and its subsidiaries (hereinafter “the Group”) is designing and construction of various buildings, structures, facilities, communications and other similar objects in Lithuania and abroad, real estate development. In addition to the listed activities the Company rents out premises and equipment, resells utility and communication services.

As of 31 December 2008 the Group includes the parent company and 8 subsidiaries:

Subsidiaries	Type of activities	Share controlled (per cent)	Headquarter 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 works	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
Baltlitstroij OOO	Construction	100	Sovetskij Ave. 43, Kaliningrad Tel.: 0074012350435
<i>PST Investicijos</i> UAB	Real estate development	67	Konstitucijos Ave. 7, Vilnius Tel.: +370 5 2728213
Subsidiaries of <i>PST investicijos</i> UAB:			
<i>Ateities projektai</i> UAB	Real estate development and sales	100	Konstitucijos Ave. 7, Vilnius
<i>Sakališkės</i> UAB	Real estate development and sales	100	Konstitucijos Ave. 7, Vilnius

<i>Kauno erdvė</i> UAB	Real estate development and sales	100	Konstitucijos Ave. 7, Vilnius
<i>Gėlužės projektai</i> UAB	Real estate development and sales	100	Konstitucijos Ave. 7, Vilnius
<i>Verkių projektas</i> UAB	Real estate development and sales	100	Konstitucijos Ave. 7, Vilnius
OOO ISK Baltevro market	Construction investment company	100	Sovetskij Lane 43, Kaliningrad
<i>Smiltynių kalvos</i> UAB	Real estate development and sales	100	Konstitucijos Ave. 7, Vilnius

Basis of Interim Financial Statement Preparation

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

The same accounting principles were applicable to the interim financial statement as to the annual financial statement.

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

Currency	31 March 2009	31 Dec. 2008
1 EUR	3.4528	3.4528
10 SEK	3.1465	3.1505
10 RUB	0.76722	0.83337

Principles of Consolidation

The consolidated financial statement incorporates the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company has the power to manage the financial and operating policies of the entity where the capital has been invested so as to obtain benefits from its activity.

The financial results of the subsidiary companies, acquired or sold during the year, are included in the consolidated operating statement covering the period from the subsidiary company acquisition date till the subsidiary company selling date. The financial statements of the subsidiary companies are revised so that they comply with the accounting policies applicable by the group in case they were different.

For consolidation purposes all significant remaining balance, transactions and unrealized profit (loss) of the operations between the companies the Group were eliminated from the financial statement.

Investments in Non-Current Assets

The investments of the Group related to acquisition of non-current assets amounted 130,888 Lt. in January through March 2009.

Loans

On 31 May 2009 *PST investicijos* UAB Company Group had bank loans amounting 50,513,013 Lt. The interest rate of the loans is 6 months Vilibor + 1.1 – 1.55 % .

Guarantees, Sureties

On 31 May 2009 the warranty deeds granted by credit institutions for the liabilities of *Panevėžio statybos trestas* AB amounted 24,704,745 Lt.

Panevėžio statybos trestas AB guarantees the fulfillment of liabilities undertaken by *PST investicijos* UAB based on the Credit Agreement with *DnB NORD* AB for the amount of 4,164,124 USD and on Surety Agreement with *DnB NORD* AB for the amount of 980,000 EUR.

Dividends

The annual General Meeting of the Shareholders of *Panevėžio statybos trestas* AB that took place on 15 May 2009 took the decision to pay dividends in the amount of 1,144,500 Lt. (0.07 Lt. per share) and bonuses in the amount of 1,144,500 Lt.

Significant Changes in the Interim Financial Statement during the Reporting Period

Based on the unaudited data one of the largest construction companies in the country, *Panevėžio statybos trestas* AB Company Group was on the income of 50.5 mln. Litas for three months of this year, i.e. by 46 percents less than last year. The result of this year was loss-making to *PST* Company Group due to negative changes in the real estate market, however *PST* p earned 2.2 mln. Litas of before tax profit during January through March.

The received net profit of *PST* was conditioned by successful activities on the main construction sites - Klaipėdos BIG, Office Building of Lithuanian Railways, Rokiškis Waste Water Treatment Plant and other sites.

Key Indicators of Panevėžio statybos trestas AB Company Group (thousands Lt):

	Group		Company	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
Income	50471	93217	44458	90204
Cost price	42652	81909	37878	80036
Gross profit	7819	11308	6580	10168
Gross profit margin (per cent)	15.49	12.13	14.80	11.27
Net profit margin (per cent)	-1.56	3.25	3.63	4.39
Profit per one share (Litas)	0.01	0.21	0.10	0.24
Return on equity (per cent) (ROE)	-0.70	3.84	1.32	5.40
Return on assets (ROA)	-0.32	1.05	0.82	1.85
Return on investment (ROI)	-0.57	2.07	1.21	4.96
Current liquidity ratio	1.90	1.80	2.15	1.22
Book value of a share	7.12	5.61	7.50	4.49
Share price/book value ratio (P/BV)	0.20	2.12	0.19	2.65