

AB „PANEVĖŽIO STATYBOS TRESTAS“

Consolidated and company financial statements for the nine month accountability, ending September 30,

Unaudited

Company register given code 147732969

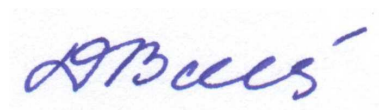
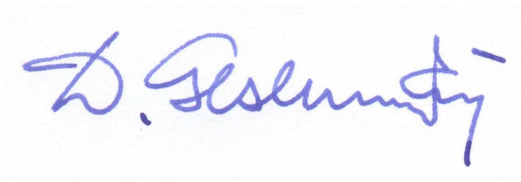
Domicile address P. Puzino g. 1, LT-35173 Panevėžys, Lithuania

CONFIRMING RESPONSIBLE PERSONS OF THE COMPANY

This is to confirm that on the basis of information we have, nine month financial consolidated interim statement for the year of 2007, prepared according to International standards of financial accountability is true and shows AB „Panevėžio statybos trestas“ and company „Panevėžio statybos trestas“ group enterprises' estates, liabilities, financial situation, profit or loses.

Dalius Gesevičius, Director General
of AB „Panevėžio statybos trestas“

Dalė Bernotaitienė, Finance Director
of AB „Panevėžio statybos trestas“



BALANCE SHEET

Litais	Group		Company	
	2007 09 30.	2006	2007 09 30	2006
ASSETS				
Non-current assets	30640837	27008195	47574632	31945724
Intangible assets	1437591	1755257	273729	93106
Goodwill	1116482	1645038		
Patents, licences	3621	14605	3621	14605
Computer software	316779	94414	270108	78501
Other intangible assets	709	1200		
Tangible non-current assets	26331050	22685674	21892543	18340237
Land	215529	211729	215529	211729
Buildings and constructions	7641866	7755190	6975498	7054691
Machinery and equipment	7112028	5677196	5540324	3924136
Vehicles	4417446	3190039	3548212	2516635
Other property, plant and equipment	4750006	4078349	4104918	3445448
Construction in progress	1008100	542168	367905	
Other tangible assets	84544	79163	38626	35758
Investment Property	1101531	1151840	1101531	1151840
Buildings	1135070	1151840	1101531	1151840
Financial assets	1024192	389967	24093341	12197362
Investments in subsidiaries and associates	2886	2887	23400282	11810282
Loans to subsidiaries and associates	586591	167111	266591	167111
Amounts receivable after one year	379215	164469	370968	164469
Other financial assets	55500	55500	55500	55500
Other non-current assets	1848004	2177297	1315019	1315019
Deferred tax assets	1848004	2177297	1315019	1315019
Other non-current assets				
Current assets	213867331	210998178	126569736	145087281
Inventories, advance payments and contracts in progress	77995200	115039114	8688900	43231008
Inventories	5385815	7979368	504212	1238318
Raw materials and consumables	2671762	3591132	466643	1200748
Not finished products	186369			
Finished products	499101	390758		
Goods purchased for resale	2028583	3997478	37569	37570
Advance payments	1858798	33436989	1784861	33011646
Contracts in progress	70750587	73622757	6399827	8981044
Accounts receivable in one year	118343358	62764798	108867476	70022989
Trade debtors	112108792	61001088	106497329	58194192
Debts of subsidiaries and associated companies	462161	60777	2208346	11717671
Other account receivable	5772405	1702933	161801	111126
Other current assets	6283268	303229	0	2343
Other current assets	6283268	303229		2343
Cash and cash equivalents	11245505	32891037	9013360	31830941
TOTAL ASSETS	244508168	238006373	174144368	177033005

Litas	Group		Company	
	2007 09 30.	2006	2007 09 30.	2006
EQUITY AND LIABILITIES				
<i>Capital and reserves</i>	68524898	49137078	62427592	47411909
Capital	16350000	16350000	16350000	16350000
Authorised (subscribed)	16350000	16350000	16350000	16350000
Revaluation reserve (results)	3620930	3780063	3277673	3396968
Reserves	1997725	1619155	1635030	1619155
Prescribed by the law	1997725	1619155	1635030	1619155
Retained profit (loss)	46489424	27376954	41164889	26045786
Current year profit (loss)	21813497	14836580	17914478	18477190
Previous year profit (loss)	24675927	12540374	23250411	7568596
Translation reserve	66819	10906		
<i>Minority share</i>	13072803	4692136		
<i>Grants, subsidies</i>				
Amounts payable and liabilities	162910467	184177159	111716776	129621096
Amounts payable in one year and long term liabilities	52729675	51935056	7016171	3861672
Financial debts	51715233	50916748	6375538	3221039
Leasing (financial lease) or similar liabilities	8325139	4436867	6375538	3221039
Credit institutions	43390094	46479881		
Provisions				
Deferred tax liability	1014442	1018308	640633	640633
Other amounts payable and long-term liabilities				
Amounts payable in one year and short term Liabilities	110180792	132242103	104700605	125759424
Current year portion of long-term debts	589941	2407061	463152	1333633
Financial debts	559658	12121199	506732	11975347
Credit institutions	506732	12015347	506732	11975347
Other debts	52926	105852		
Suppliers	73915885	50446870	71019471	47694091
Prepayments received	12251668	46592393	12105195	45832157
Profit tax liabilities	7461489	3699513	6787242	3493841
Employment related liabilities	12838061	12441229	11385745	11105084
Provisions	684635	291194	681828	247194
Other amounts payable and short-term liabilities	1879455	4242644	1751240	4078077
TOTAL EQUITY AND LIABILITIES	244508168	238006373	174144368	177033005

Income statement

LITAS	Group		Company	
	2007 09 30	2006 09 30	2007 09 30	2006 09 30
SALES	393835561	231733004	369985845	218351987
COST OF SALES	342203484	202030334	332944680	192835752
GROSS PROFIT (LOSS)	51632077	29702670	37041165	25516235
OPERATING COSTS	20639915	14254785	14913195	11080750
Sales	412174	587518	329876	567425
General and administrative	20227741	13667267	14583319	10513325
PROFIT (LOSS) FROM TYPICAL ACTIVITIES	30992162	15447885	22127970	14435485
OTHER ACTIVITIES	-42084	-1122732	156531	1748520
Revenue	378987	59322	326521	2037647
Expenses	421071	1182054	169990	289127
FINANCIAL AND INVESTING ACTIVITIES	-1295173	-1006500	-34495	-84053
Revenue	1318882	194473	510896	360046
Expenses	2614055	1200973	545391	444099
PROFIT (LOSS) FROM ORDINARY ACTIVITIES	29654905	13318653	22250006	16099952
EXTRAORDINARY INCOME				
EXTRAORDINARY EXPENSES				
PROFIT BEFORE TAXATION	29654905	13318653	22250006	16099952
TAX ON PROFIT	6613540	4065447	4454822	3726504
NET PROFIT (LOSS)	23041365	9253206	177951184	12373448
FALLING TO SHAREHOLDERS OF THE COMPANY	21658060	9467616		
FALLING TO MINORITY SHARE	1383305	-214410		

CASH FLOW STATEMENT

	Group		Company	
	2007 09 30	2006 09 30	2007 09 30	2006 09 30
Cash flow from operating activities				
Net profit (loss)	23.041.365	9.253.206	17.795.184	12.373.448
Elimination of other non-monetary items				
Depreciation and amortisation costs	3.801.461	2.537.980	3.148.798	2.155.340
Profit (loss) from transfer of non-current assets	-14.967		-21.360	-1.176.982
Other non-cash items	801.643	4.894.273	24.705	80.925
	27.629.502	16.685.459	20.947.327	13.432.731
Changes in operating capital:				
Decrease (increase) in inventories	2.593.553	-3.492.837	734.106	397.703
Decrease (increase) in trade receivables	-50.847.334	-71.957.224	-50.374.251	-69.339.339
Decrease (increase) in prepayments	31.578.191	1.263.721	31.020.286	1.440.027
Decrease (increase) in contracts in progress	-257.617	-64.347.361	2.581.217	-25.645.748
Decrease (increase) in amounts receivable and other assets	1.255.143	-1.730.196	-48.332	2.098.378
Increase (decrease) in trade payables	23.266.071	53.286.868	23.124.304	73.830.421
Increase (decrease) in provisions	393.441	3.109.987	434.634	3.109.987
Increase (decrease) in prepayments received	-34.340.725	13.344.829	-33.726.962	-13.091.850
Increase (decrease) in profit tax obligations	3.761.976	2.641.806	3.293.401	2.522.077
Increase (decrease) in employment related liabilities	396.832	2.066.990	280.661	1.529.036
Increase (decrease) in other payables and liabilities	-2.187.565	1.289.110	-2.151.213	1.068.854
	3.241.468	-47.838.848	-3.884.822	-8.647.723
Elimination of results of financial and investing activities	1.295.173	970.867	-19.488	14.373
Net cash flow from operating activities	4.536.641	-46.867.981	-3.904.310	-8.633.350
Cash flow from investing activities				
Acquisition of long term assets (excl. Investment)	-2.453.022	-2.307.869	-2.379.055	-2.231.717
Transfer of long term assets (excl. investment)	80.768	131.703	77.780	70.767
Acquisition of investments		-11.085.461		-2.910.000
Transfer of investment				
Loans issued	-6.689.480		-769.682	-11.153.000
Loans recovered			670.202	
Dividends and interest received	504.756	38.865	456.885	348.522
Other increase in cash flow from investing activities				
Other decrease in cash flow from investment activities				
Net cash flow from investing activities	-8.556.978	-13.222.762	-1.943.870	-15.875.428
Cash flow from financial activities				
Cash flow related to owners of the company	-1.205.325	-6.750	-2.955.125	-6.750
Increase in financial liabilities		39.433.635		3.135.487
Decrease in financial liabilities	-11.521.541		-11.468.615	
Interest paid	-2.346.317	-1.064.132	-353.061	-230.976
Leasing (financial lease) payments	-2.695.503	-2.305.893	-2.299.779	-1.219.128
Increase in other cash flow from financial activities	161.933	19.429	107.994	21.186
Decrease in other cash flow from financial activities	-74.355	-13.146	-815	-13.146
Net cash flow from financing activities	-20.810.845	36.063.143	-16.969.401	1.686.673
Increase (decrease) in net cash flow	-21.701.445	-24.027.600	-22.817.581	-22.822.105
Result of changes in currency rate on the balance of cash and its equivalents	55.913	-4.476		
Cash and its equivalent at the beginning of the period	32.891.037	27.914.028	31.830.941	24.946.114
Cash and its equivalent at the end of the period	11.245.505	3.881.952	9.013.360	2.124.009

STATEMENT of CHANGES IN SHAREHOLDERS' EQUITY

Group									
Litas	Authorised capital	Share premium	Revaluation reserve	Legal reserve	Currency fluctuation impact	Accrued profit	Equity share falling to Parent c.sh	Minority share	Total
Balance as for December 31, 2005	16.350.000		4.671.344	1.435.029		12.521.636	34.978.009	738.910	35.716.919
Decrease in value of revaluated assets and postponed tax liability			-924.165			1.126.023	201.859	-500	201.358
Change in postponed tax									0
Net profit (loss) for 2006						9.467.616	9.467.616	-214.410	9.253.206
Loss previous year restated									0
Legal reserves formed				184.126		-184.126			0
Currency rate change					-4.476		-4.476		-4.476
Increase of minority share								5.363.600	5.363.600
Decrease of minority share								-632.889	-632.889
Balansce as for September 30, 2006	16.350.000	0	3.747.179	1.619.155	-4.476	22.931.149	44.643.008	5.254.711	49.897.718
Balance as for December 31, 2006	16.350.000	0	3.780.063	1.619.155	10.906	27.376.954	49.137.078	4.692.136	53.829.214
Fixed assets revaluation			-159.133			159.134		-1.835	-1.834
Depreciation of revaluated part of FA									0
Postponed tax related liability									0
Unrecognised profit previous year									0
Other unrecogn.profit (loss) 2007						-3.697	-3.696	-3	-3.700
Net profit (loss) 2007						21.658.060	21.658.060	1.383.305	23.041.365
Dividend						-2.779.500	-2.779.500		-2.779.500
Influence of currency rate change					55.913		55.913		55.913
Minority share gain								6.999.200	6.999.200
Minority share loss									0
Reserves formed				23.563		-23.563			0
Reserves used				355.007		102.036	457.043		457.043
Balance as for September 30, 2007	16.350.000	0	3.620.930	1.997.725	66.819	46.489.424	68.524.898	13.072.803	81.597.701

AB „Panevėžio statybos trestas“ Interim financial statements for 2007 9 months.

Company

Litas	Authorised capital	Share premium	FA revaluation	Financial reserve	Legal reserve	Other reserves	Deferred result	Total
Balance as for December 31, 2005	16.350.000		4.245.220		1.435.029		7.752.722	29.782.971
Revaluation of fixed assets								0
Postponed tax related liability								0
Postp.tax liability related to revaluation of FA			-884.325				884.325	0
Net profit (loss) 2006							12.373.448	12.373.448
Reserves formed					184.126		-184.126	0
Increase (decrease) of authorised capital								0
Balance as for September 30, 2006	16.350.000	0	3.360.895	0	1.619.155	0	20.826.369	42.156.419
Balance as for December 31, 2006	16.350.000	0	3.396.968	0	1.619.155	0	26.045.786	47.411.909
Revaluation of fixed assets								0
Related postponed tax liability								0
Postponed profit tax related to revaluation of FA								0
Net profit (loss) 2007 unrecognised			-119.295				119.295	0
Net profit (loss) 2007							17.795.183	17.795.183
Dividend							--2.779.500	-2.779.500
Reserves formed					15.875		-15.875	0
Reserves used								0
Increase (decrease) of authorised capital								0
Balance as for September 30, 2007	16.350.000	0	3.277.673	0	1.635.030	0	41.164.889	62.427.592

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 State Register Centre Panevėžys Branch.

In January-September, 2007 the following subsidiaries were functioning in the company: „Gerbusta“ and „Pastatų apdaila“. These subsidiaries keep separate records, but their estate, liabilities and financial results are included into preparing financial accountability of the Company. On September 5, 2007 Vilnius subsidiary “Genranga“ of AB “Panevėžio statybos trestas“. The Company has its quarters in Čerėpovec and its branch in Kaliningrad. The branch in Sankt-Petersburgh on July 19, 2007 was signed out of the Register of Legal Persons in Russia. 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 Group rents out premises and equipment, resells utility and communication services.

As for September 30, 2007 the Group includes the parent company and 8 subsidiaries:

Name	Country	Address	Shares held	Activities
UAB Skydmedis	Lithuania	Pramonės g. 5, Panevėžys	100 per cent	Construction of prefabricated panel houses
UAB Metalo Meistrai	Lithuania	Tinklų g. 7, Panevėžys	100 per cent	Fabrication of metal constructions
UAB Vekada	Lithuania	Marijonų g. 36, Panevėžys	96 per cent	Electrical installation works
TŪB Vilniaus Papėdė	Lithuania	Švitrigailos g. 8/14, Vilnius	69 per cent	Construction works
UAB PST investicijos	Lithuania	Konstitucijos pr. 7, Vilnius	67 per cent	Real estate development
UAB Alinita	Lithuania	Dubysos g. 31, Klaipėda	100 per cent	Air conditioning equipment
PS Trests SIA	Latvia	Vietalvas 5, Riga	100 per cent	Construction
Baltilstroj OOO	Russia	Sovetskij pr. 43, Kaliningrad	100 per cent	Construction

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	2007-09-30	2006-12-31	2006-06-30
1 EUR	3,4528	3,4528	3,4528
10 SEK	3,7372	3,8251	3,7484
10 RUB	0,97741	0,99708	1,01657

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 where the Company has the power to govern the financial and operating policies of the entity 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 balance, dealings and unrealized profit (loss) of the operations between the companies the companies of the Group were eliminated from the financial statement.

Investments in non-current assets

Group investments for long-term assets in January-September, 2007 were 7 405 256 Lt.: AB „Panevėžio statybos trestas“ acquired long-term assets for the sum of 6 828 018 Lt..

Investments in subsidiaries

On 22 February 2007 the company of the Group *PST investicijos* UAB increased its share capital by 21 099 200 Lt., *Panevėžio statybos trestas* AB acquired shares the value of which amounted to 14 100 000 Lt.

On March 1, 2007 Group enterprise UAB „PST investicijos“ sold stock of the subsidiary UAB „Audros rūmai“ .

Loans

On September 30, 2007 UAB „PST investicijos“ Group of enterprises had long-term bank loans for 43 390 094 Lt. All the loans must be paid back in April – October, 2008. Interest rate of the loans is 6 months Vilibor + 1,05 – 1,55 % .

Guarantees, sureties

On September 30, 2007 guarantees credit institutions granted for the AB „Panevėžio statybos trestas“ liabilities for the Environmental Projects Management Agency of the Ministry of Environment of the Republic of Lithuania and AB „Lietuvos geležinkeliai“ were 9 415 099 Lt. AB „Panevėžio statybos trestas“ guarantees UAB „PST investicijos“ dispensation of duties on Credit Agreement with NORD/LB for the sum of 4 164 124 USD.

Dividends

The reconvened General Meeting of the Shareholders of *Panevėžio statybos trestas* AB that took place on 11 May 2007 took the decision to pay dividends in the amount of 2 779 500 Lt. (0.17 Lt. per share) and bonuses in the amount of 231 000 Lt. 96.6 percents of dividends and all bonuses were paid in June – September, 2007 .

Significant changes in the interim financial statement during the reporting period

AB „Panevėžio statybos trestas“ (PST) Group turnover for period of January-September of this year on unaudited data was 393,8 mln. Litas and by 162,1 mln. Litas higher than the same period last year. Group unaudited gross profit was 23,0 mln. Lt, in comparison with gross profit of 9,3 mln.Lt for the same period last year.

Information on business segments:

A business segment is a distinguishable component of business that is engaged in producing individual or related products or providing an individual or related services that is subject to risk and returns that are different from those other business segments of the Group.

Group

Indicators	Segments (types of activities)								Entire Group	
	Construction contracts		Sale of real estate		Finished products		Other			
	2007 09 30	2006 09 30.	2007 09 30	2006 09 30.	2007 09 30	2006 09 30.	2007 09 30	2006 09 30.	2007 09 30	2006 09 30.
Revenue	371099205	225284650	14699721	0	3534996	4664214	4501639	1784140	393835561	231733004
Expenses	347373018	209253959	7814058	1007340	3475651	4397521	4180672	1626299	362843399	216285119
Profit from operations	23726187	16030691	6885663	-1007340	59345	266693	320967	157841	30992162	15447885

Company

Indicators	Segments (types of activities)								Entire Company	
	Construction contracts		Sale of real estate		Finished products		Other			
	2007 09 30	2006 09 30.	2007 09 30	2006 09 30.	2007 09 30	2006 09 30.	2007 09 30	2006 09 30.	2007 09 30	2006 09 30.
Revenue	366486788	216999898			1230		3497827	1352089	369985845	218351987
Expenses	344575224	202819674			833		3281818	1096828	347857875	203916502
Profit from operations	21911564	14180224	0	0	397	0	216009	255261	22127970	14435485

Information on geographical segments:

A geographical segment is a distinguishable component of business that is engaged in producing products or providing services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environment.

Group

Indicators	Segments (geographical)										All groups	
	Lithuania		Russian Federation		Latvia		Germany		Iceland, Norway, Sweden			
	2007 09 30	2006 09 30	2007 09 30	2006 09 30	2007 09 30	2006 09 30	2007 09 30	2006 09 30	2007 09 30	2006 09 30	2007 09 30	2006 09 30
Revenue	380783159	215929191	10699883	12335851		23648		277949	2352519	3166365	393835561	231733004
Expenses	348953934	200882606	11640931	12082573		15387		267912	2248534	3052028	362843399	216285119
Profit from operations	31829225	15046585	-941048	253278	0	8261	0	10037	103985	114337	30992162	15447885

Company

Indicators	Segments (geographical)										All groups	
	Lithuania		Russian Federation		Latvia		Germany		Iceland, Norway, Sweden			
	2007 09 30	2006 09 30	2007 09 30	2006 09 30	2007 09 30	2006 09 30	2007 09 30	2006 09 30	2007 09 30	2006 09 30	2007 09 30	2006 09 30
Revenue	359285962	206016136	10699883	12335851							369985845	218351987
Expenses	337292468	191833909	10565407	12082593							347857875	203916502
Profit from operations	21993494	14182227	134476	253258	0	0	0	0	0	0	22127970	14435485

Main indicators of the AB „Panevėžio statybos trestas” company group (thou. Lt):

	Group		Company	
	2007 09 30	2006 09 30	2007 09 30	2006 09 30
Revenue	393836	231733	369986	218352
Selfcost	342203	202030	332945	192836
Gross profit	51632	29703	37041	25516
Gross profit margin (per cent)	13,1	12,8	10,01	11,7
Net profit margin (per cent)	5,85	4,0	4,81	5,7
Profit per one share (Litas)	1,41	0,57	1,09	0,76
Return on equity (per cent) (ROE)	33,62	17,77	28,51	29,35
Return on assets (ROA)	9,42	4,03	10,22	7,44
Return on investment (ROI)	17,15	9,66	25,63	25,56
Current liquidity ratio	1,94	1,45	1,21	1,16
Book value of a share	4,99	3,19	3,82	2,58
Share price/book value ratio (P/BV)	4,61	3,81	6,02	4,71