

**Annual Prospectus - Report, 2006
of the AB „Panevėžio statybos trestas“**

(prepared following the Rules on Periodic Disclosure of Information about Issuers' Activities and their Securities confirmed by the Securities Commission of the Republic of Lithuania)

I. GENERAL PROVISIONS

1. Accountable period

2006.

2. Main data about the issuer

Name of the issuer	Public Limited Liability Company „Panevėžio statybos trestas“
Authorised capital	16 350 000 Litas
Domicile address	P. Puzino g. 1, LT-35173 Panevėžys, Lithuania
Telephone	(8~45) 505 503
Fax	(8~45) 505 520
E-mail	pst@pst.lt
Legal-organisational form	Public limited liability company
Date and place of registration	October 30, 1993, Panevėžys City Board
Registration No.	AB 9376
Code in the Register of Enterprises	147732969
Administrator of the Legal Persons Register	State Enterprise Centre of Registers
Website	www.pst.lt

3. Emitento pagrindinės veiklos pobūdis

The main activity of the AB „Panevėžio statybos trestas“ is construction.

4. Information about where and when one may get conversant with the report and other documents, based on which it was prepared and the name of the means of mass media.

The report and other documents, based on which it was prepared, are available at the domicile of the Public Limited Liability Company „Panevėžio statybos trestas“ at the address P. Puzino g. 1, Panevėžys, on working days from 8:00 to 16:00.

The notices of the Company, including information and other documents, related to the to-be-convened general meeting of shareholders, as well as the notices and information related to the reorganisation and liquidation of the Company, resolutions (decisions) of the general meetings of shareholders and the Board, other notices and documents, which following the laws of the Republic of Lithuania, the Articles of Association of the Company and resolutions (decisions) of the management bodies of the Company must be made communicated to all shareholders and/or other persons, shall be published in the daily „Lietuvos rytas“ and by the news agencies BNS and ELTA.

5. Persons responsible for the accuracy of information in the report

5.1. The members of the management bodies, employees and the head of administration of the issuer responsible for the accuracy of information in the report

Dalius Gesevičius, Director General of the AB „Panevėžio statybos trestas“, tel. (8~45) 505 502.
Dalė Bernotaitienė, Finance Director of the AB „Panevėžio statybos trestas“ tel. (8~45) 505 507
Rasa Kairienė, economist of the AB „Panevėžio statybos trestas“, tel. (8~45) 505 508.
Fax No. of all responsible persons is: (8~45) 505 520

5.2. -----

6. Declaration by the members of the issuer's managing bodies, employees, the head of the administration and the issuer's consultants that the information contained in the report is in accordance with the facts and that the report makes no omissions likely to have an effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities.

In the name of the Public Limited Liability Company “Panevėžio statybos trestas”, we, Remigijus Juodviršis, Chairman of the Board, Dalius Gesevičius, Director General and Dalė Bernotaitienė, Finance Director, hereby confirm that the information contained in the report is in accordance with the facts and that the report makes no omissions likely to have material effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities.

Chairman of the Board of the AB
„Panevėžio statybos trestas“

May 23, 2007

Remigijus Juodviršis

Director General of the AB „Panevėžio
statybos trestas“

May 23, 2007

Dalius Gesevičius

Finance Director of the AB „Panevėžio
statybos trestas“

Dalė Bernotaitienė

Panevėžys, June 7, 2007

II. INFORMATION ABOUT THE ISSUER'S AUTHORISED CAPITAL AND SECURITIES ISSUED

7. Issuer's authorised capital

7.1. Authorised capital registered in the Register of Enterprises

The authorised capital of the AB „Panevėžio statybos trestas“ registered in the Register of Legal Persons is equal to 16 350 000 Litass.

The structure of the authorised capital of the AB „Panevėžio statybos trestas“ as per types of shares is presented in the table below:

Type of share	Number of shares (pcs.)	Nominal value (Lt)	Total nominal value (Lt)	Share in authorised capital (%)
Ordinary registered shares (PVA) Issuing code - 101446	16 350 000	1	16 350 000	100,00
Total:	16 350 000	-	16 350 000	100,00

All shares of the AB „Panevėžio statybos trestas“ have been paid up and are offered for public trading on the stock exchange at the time of their issue.

7.2. Information about projected increase of the authorized capital through the conversion or exchanging debt securities or derivative securities and securities for shares.

8. Shareholders

On the shareholders' accounting day for the repeated general meeting of shareholders, having taken place on May 11, 2007, the total number of shareholders was 833. The shareholders exercising the right of ownership or holding over 5 per cent of the authorised capital of the Company are presented in the table below:

Shareholder's name, surname (company's name, type, domicile address, code in the Register of Enterprises)	Number of ordinary registered shares held on property ownership right (pcs.)	Percentage of authorised capital held (%)	Percentage of votes granted by the shares held on property ownership right (%)	Percentage of votes held together with the persons acting together (%)
AB Panevėžio keliai, S. Kerbedžio g. 7, Panevėžys, Company code: 147710353.	8 138 932	49,78	49,78	---
Bank of New York as custodian or trustee for ING B One Wall street, Niujorkas JAV Company code GSP181305	1 919 000	11,74	11,74	---
Hansabank customers Liivalaia street 8 Tallinn, Estonia Company code: 10060701	1 402 034	8,58	8,58	---

Skandivaviska Enskilda Bank

clients,

Sergels Torg 2, Stockholm

1 164 953

7,13

7,13

Sweden

Company code: 502032-9081

9. The main characteristics of the securities issued for trading the securities market

Denomination of shares: uncertificated ordinary registered shares of the AB Panevėžio statybos trestas;

Number of shares: 16 350 000 (sixteen million three hundred fifty thousand);

Nominal value of a share: 1 Litas;

Total nominal value of the shares: 16 350 000 Litas (sixteen million three hundred fifty thousand);

Type of share	Number of shares (pcs.)	Nominal value (Lt)	Total nominal value (Lt)	Issuing code
Ordinary registered shares (PVA) (PVA)	16 350 000	1	16 350 000	101446

All shares of the Company have been issued for public circulation of securities.

10. Data about the shares issued and distributed through private placement

11. Information about depositary receipts issued

12. Main characteristic of the debt securities issued for public trading

13. Data about the debt securities registered for private placement and distributed as such

14. Securities not representing participation in the capital but circulation of which is governed by the Law On Securities Market, except debt securities

III. DATA ABOUT THE SECONDARY TRADING SECURITIES ISSUED BY THE ISSUER

15. Securities admitted to the trading lists of the Stock Exchanges

The total of 16 350 000 of ordinary registered shares of the AB „Panevėžio statybos trestas“ of 1 Litas in nominal value are admitted to the current trading list of the Vilnius Stock Exchange (VVPB).

16. Dealing in the issuer's securities on Stock Exchanges and other organized markets

Trading in ordinary registered shares of the AB „Panevėžio statybos trestas“ on the central market of the Vilnius Stock Exchange (VVPB):

Period	Price (Lt)		Trading volume (Lt)	
	Highest	lowest	Highest	lowest
2005 01 01 – 2005 03 31	7,15	1,72	4 044 704	0
2005 04 01 – 2005 06 30	7,46	6,20	1 302 846	0
2005 07 01 – 2005 09 30	9,05	6,75	3 505 083	0
2005 10 01 – 2005 12 31	14,00	8,66	14 315 400	0
2006 01 01 – 2006 03 31	14,00	12,15	5 624 209	0
2006 04 01 – 2006 06 30	13,16	9,00	2 547 030	0
2006 07 01 – 2006 09 30	12,55	10,20	15 762 150	0
2006 10 01 – 2006 12 31	15,60	12,10	18 025 672	0

Period	Recent sessions		Trading volume (Lt)	
	price (Lt)	turnover (Lt)	vnt.	litas
2005 01 01 – 2005 03 31	6,99	6 768	3 491 931	18 709 187
2005 04 01 – 2005 06 30	7,20	34 794	807 045	5 193 393
2005 07 01 – 2005 09 30	8,65	21 584	2 042 766	15 725 330
2005 10 01 – 2005 12 31	14,00	0	3 755 358	39 089 760
2006 01 01 – 2006 03 31	13,08	392 919	2 233 399	28 603 271
2006 04 01 – 2006 06 30	10,50	129 395	1 671 304	20 149 657
2006 07 01 – 2006 09 30	12,10	115 831	5 289 296	56 429 677
2006 10 01 – 2006 12 31	15,10	671 604	5 417 979	73 785 248

Dealing in the ordinary registered shares of the AB „Panevėžio statybos trestas“ through direct deals:

Period	Average price (Lt)	Trading volume (Lt)	
		vnt.	litas
2005 01 01 – 2005 03 31	2,00	6 000	12 000
2005 04 01 – 2005 06 30	0,28	3 371 635	930 687
2005 07 01 – 2005 09 30	5,04	51 325	258 705
2005 10 01 – 2005 12 31	5,77	241 016	1 389 986
2006 01 01 – 2006 03 31	7,21	476 113	3 431 094
2006 04 01 – 2006 06 30	7,61	164 348	1 250 408
2006 07 01 – 2006 09 30	7,74	168 618	1 309 671
2006 10 01 – 2006 12 31	8,85	225 416	1 995 480

17. Capitalisation of securities

Date	Number of shares (vnt.)	Central market price (Lt)	Capitalisation (Lt)
2006 03 31	16 350 000	13,08	213 858 000
2006 06 30	16 350 000	10,50	171 675 000
2006 09 30	16 350 000	12,10	197 835 000
2006 12 31	16 350 000	15,10	246 885 000

18. Dealing in the issuer's securities outside the Stock Exchanges**I. Settlement in cash:**

Period	Price (Lt)		Trading volume (Lt)		
	Highest	lowest	Highest	lowest	Number of deals
2005 01 01 – 2005 03 31	2	2	6 000	12 000	1
2005 04 01 – 2005 06 30	4,66	0,01	3 371 635	930 688	8
2005 07 01 – 2005 09 30	5,63	2,08	51 325	258 705	5
2005 10 01 – 2005 12 31	8,07	4,21	241 016	1 389 986	25
2006 01 01 – 2006 03 31	9,45	4,31	476 113	3 431 094	45
2006 04 01 – 2006 06 30	9,46	4,77	164 348	1 250 408	37
2006 07 01 – 2006 09 30	8,85	4,48	185 183	1 309 671	27
2006 10 01 – 2006 12 31	12,10	6,18	225 416	1 995 480	49

II. Non-cash settlement:

Period	Number of shares	Number of deals
2005 01 01 – 2005 03 31	0	0
2005 04 01 – 2005 06 30	1 125	1
2005 07 01 – 2005 09 30	1 000	1
2005 10 01 – 2005 12 31	3 000	2
2006 01 01 – 2006 03 31	6 187	5
2006 04 01 – 2006 06 30	0	0
2006 07 01 – 2006 09 30	16 565	1
2006 10 01 – 2006 12 31	0	0

19. Data about the issuer's buying up its own shares

20. Submission of a tender offer

21. The issuer's paying agents

22. Agreements with intermediaries of public trading in securities

On February 7, 2006 the agreement No.3792 was signed with the AB DnB NORD bankas, located at Basanavičiaus 26, Vilnius, which was assigned to carry out accounting of the securities issued and manage the personal securities accounts.

IV. DATA ABOUT THE ISSUER'S ACTIVITY

23. Legal basis for the issuer's activity

In its activities AB "Panevezio statybos trestas" follows the Company Regulation, which are registered in the list of juridical persons on the 1st of August, 2006, Memorandum of Association, the Law on Enterprises of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania and other laws and normative acts of the Government of the Republic of Lithuania.

24. Membership in associated structures

The AB "Panevėžio statybos trestas" is the member of the Lithuanian Building Association, the Panevėžys Chamber of Trade, Industry and Crafts, the German –Lithuanian Business Association and the Polish-Lithuanian Business Association. The issuer is not a party in the capital of the above organisations.

On approval of the Government of Lithuania the twenty four that-time-biggest Lithuanian construction companies (<http://www.statybininkai.lt/>) founded the Lithuanian Building Association in 1993. The association is assisting the enterprises in solving economic, legal and financial problems, represents its members in public and government institutions, takes part in preparation of legal acts and regulations, renders assistance in seeking markets in the country and abroad.

The scope of activities of the Panevėžys Chamber of Trade, Industry and Crafts (<http://www.ccic.lt/>) includes activities in the Panevėžys County (City of Panevėžys, Regions of Biržai, Kupiškis, Panevėžys, Pasvalys and Rokiškis) and the Utena County (City of Visaginas, Regions of Anykščiai, Ignalina, Molėtai, Utena and Zarasai).

The German –Lithuanian and the Polish-Lithuanian Business Associations are non-profit organisations with the main goal of representing the interests of their members in their own countries, promote economic development of above countries.

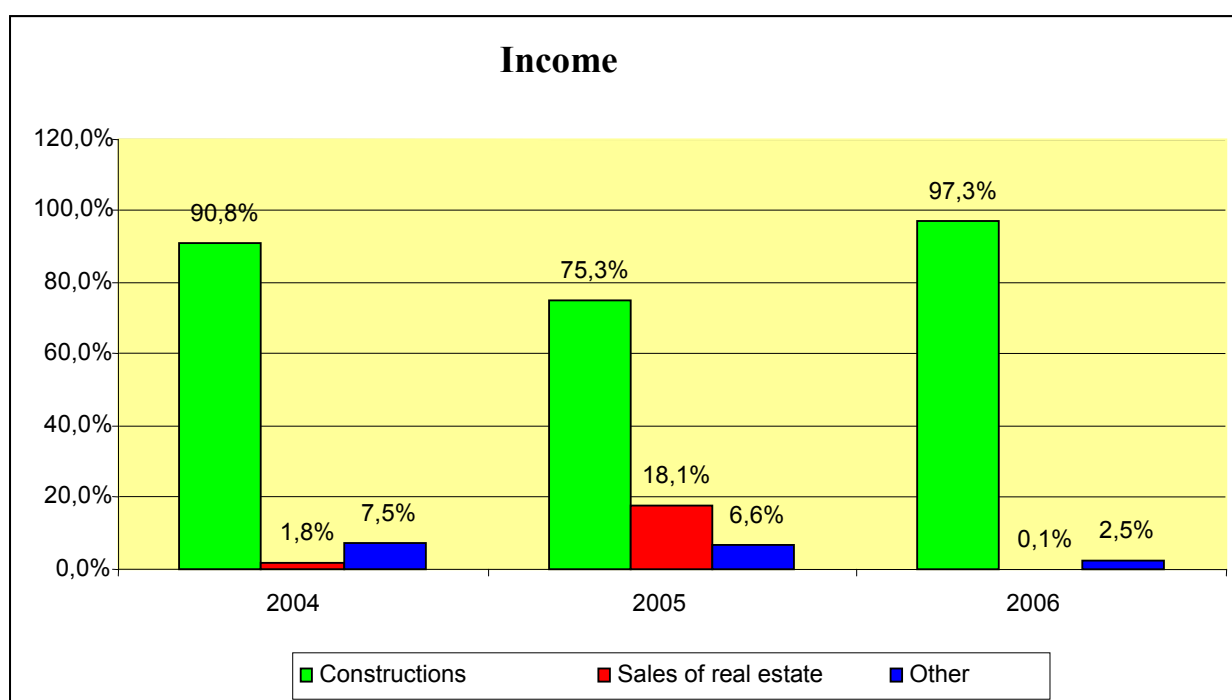
25. Brief description of the issuer's background

The company was established in 1957. In 1991 it was reorganized into the Panevėžys State Stock Construction Company (VASĮ). At the same time the authorised capital of the company was formed and 76,8% of which was held by the state. In 1993 the VASĮ was reorganised into the Public Limited Liability Company – the AB "Panevėžio statybos trestas". The ownership of the state in the authorised capital of the Company accounted only for 11,2%.

In January 1999 the state share in the authorised capital – 1,8 mio.Litas - was privatised. These shares as well as the the bigger part of the shares offered in the market (total of 49,8%) was acquired by the AB „Panevėžio keliai“.

26. Characteristics of production (services) (thou.Lt)

Income	2004	2005	2006
Constructions	136630	144222	330489
Sales of real estate	2656	34758	458
Other	11224	12610	8565
Total	150510	191590	339512



Changes in pricing during 2005 to 2006

Pricing of works is performed is done using the computer estimate software and taking into account the market prices for particular period.

The prices of works was going up due to increase in labour pay. Following the recommendations for pricing of the state financed sites the labour pay increased by approx.40 % during the period from 01-01-2005 to 01-01-2007. The labour pay in our Company increased in the level similar to that of the market. During the above period the time-per-job consumption was partially reduced due to new technologies introduced and specialisation. The price reduction due to time-per –job savings was approx.5 %.

Prices for main building materials and mechanisms went up in view of more expensive energy resources. In average the building materials grew in price by approx.15 to 20 %, though some materials went cheaper.

Taking into account all above factors, the general increase of prices of works of our company was approx.20 %.

The indicators of the AB „Panevėžio statybos trestas“ activities:

Item	2006	2005	2004
Income	339,512	191,590	150,510
Cost	296,837	159,558	129,606
Gross profit	42,675	32,032	20,905
Gross profit margin (%)	12,57	16,72	13,89
Profit before taxes, interest, depreciation and amortisation EBITDA	21,632	13,855	7,00
Net profit margin (%)	3,97	4,42	1,70
Profit per share (Litas)	0,82	0,52	0,16
Return of equity (ROE)	25,03	23,70	9,25
Average return of assets or profitability of assets (ROA)	5,66	8,88	2,93
Return of investments (ROI)	12,74	21,50	5,48
Current liquidity ratio	1,60	1,32	1,36
Bookkeeping value of a shares	3,29	2,18	2,32
Ratio of share price and profit (P/E)	18,41	26,92	10,56
Ratio of share price and bookkeeping value (P/BV)	4,59	6,42	0,73
Business value, Litas million	277,03	206,20	44,92
Ration of business value and sales (EV/S)	0,83	1,09	0,30

27. Sales markets (thou. Lt)

	2004		2005		2006	
Lithuania	108436	72,0%	175522	91,6%	314625	92,7%
Russia	39263	26,1%	12219	6,4%	20438	6,0%
Germany	1834	1,2%	522	0,3%	278	0,1%
Sweden		0,0%	574	0,0%	110	0,0%
Iceland, Norway	977	0,6%	2753	1,4%	4061	1,2%
	150510		191590		339512	

During the accounting year the following bigger projects were completed: 1st stage of the Panevėžys City waste water cleaning facility, commercial buildings: „BIG“ in Vilnius, trade centre „Senukai“ in Panevėžys and others. The project which are in progress: 2nd stage of the Panevėžys City waste water cleaning facility, Sports arena in Šiauliai, reconstruction of the President's Office, Panevėžys Thermo Power station, „ADAX“ production facility in Panevėžys. The Company is executing construction-erection works following contracts with customers entered following winning the tenders of such customers.

28. Procurement

During 2006 most of the building materials were purchased from suppliers and producers of Lithuania and depending in which region the works were executed.

The basic building materials were purchased from: UAB „Consena“, UAB „Ruukki Lietuva“, UAB „Skalduva“, UAB „Senukų prekybos centras“, UAB „Steiga“, UAB „Naujoji agluona“ UAB „Simpras“, Vilniaus Reinforced Concrete Plant, AB „Markučiai“, UAB „Perdanga“, UAB „Panevėžio gelžbetonis“; UAB „Diduva“, AB „Vilsota“, UAB „Klikman Lit“, UAB „Metalų komercijos agentūra“, UAB „Palmusta“, UAB „Zujūnų karjeras“, UAB „Ruukki Lietuva“, UAB „Peri“, UAB „Doka Lietuva“, UAB „Melesta“, UAB „Serfas“, UAB „Partnerių st. Medžiagos“, UAB „Matalplast Vilnius“, UAB „Vakarų metalai“, UAB „Rizgonys“ and others.

Long term contracts have been entered with all of the above suppliers and producers. Short term and accidental contracts are also realised from time to time with the companies dealing in various building materials, such as UAB IRIS, AB „MORENA“, AB „IRLANDA“, UAB „Stamecha“, UAB „Ikoda“, UAB „Vileka“, UAB „Wavin Baltija“, UAB „Gairana“, UAB „Alternos Statybos“, UAB „Margusta“, UAB „Stilmeda“, UAB „AKMI“, UAB „Lankmeta“, UAB „Lukoil Baltija“, AB „Alytaus gelžbetonis“, AB „AKSA“, AB Kauno energetikos remontas:, UAB „Metalo meistrai“, UAB „Suvirininkystė“, and etc..

29. Imovable property

As provided for in the Resolution of the City Board No. 149 v, dated 06-03-1995 the Company is leasing from the Panevėžys City Board the land plot of 20.0 hectares, in the City of Vilnius at Verkių 7 – the land plot of 0,2128 hectare (Sublease Agreement), at Liudvinavos pt. 1d. – 1,53 hectare. The company hold ownership title to the land plot of 12,09 hectares in the Pagiegala for Gravel Quarry located in the Region of Panevėžys, land plots for Sand Quarries of 15,85 hectares in the Mitkai located in the Region of Panevėžys and of 13,2 hectares in the Budriškes in the Region of Molėtai.

The main facilities and building of the company were built during the period from 1961 to 1989, so the condition of the buildings is satisfactory..

Main buildings/facilities	Year of construction	Address	Book value in Litas as for 31-12-2006
Administrative building	1965	P.Puzino g.1, Panevėžys	1 335 129
Administrative premises	1961	Marijonų g. 36, Panevėžys	132 750
Administrative premises	1969	Tinklų g. 7, Panevėžys	274 074
Mechanical workshop, changing and office premises	1962	Kerbedžio 54, Panevėžys	931 188
Mechanical workshop, warehouses	1969	Tinklų g. 7, Panevėžys	1 224 683
Warehouses, production building	1984	Pramonės g. 5, Panevėžys	2 486 500
Recreation facility	1965	Region of Molėtai	120 715
Flats, 6 units		Vilnius	961 178
Flat, 1 unit		Klaipėda	117 111
Flats, 2 units		Visaginas	50 931
Household building		Tiekimo g. 3, Panevėžys	93 273

30. Risk factors related to issuer's activity

The main risk factors, related with the activities of the AB „Panevėžio statybos trestas“ are:

- Growth of prices of building materials and mechanisms;
- Growth of prices of energy resources;
- Growth of labour payment; recovering world construction market absorbing labour force from Lithuania;
- Increasing competition from the other players in the construction market;
- General economic condition of the Republic of Lithuania and the neighbouring countries.

The loans are repayable as follows:

Litas	2006	2005
Up to 1 year	1,212,199	2,407,985
From 2 to 5 years	46,479,881	105,852
Short-term liabilities	1,212,199	2,407,985
Payable after 12 month	46,479,881	105,852

31. Termination or reduction of production having exercised or is exercising material impact on the performance of the issuer during the last two financial years.

None.

32. Patents, licenses and contracts.

1) The Company holds the Certificate issued by the Ministry of Environment of the Republic of Lithuania on October 27, 2006 granting the right to carry out designing of parts of structures, general and specialised construction jobs, perform technical supervision of structure construction including the construction jobs done in respect of immovable cultural heritage objects.

2) The National Agriculture Service under the Ministry of Agriculture issued License No.132G-655 dated February 5, 2004 for performance of geodetic jobs.

3) On November 30, 1998 the certification company BM TRADA issued the Certificate confirming the company's quality management systems meets the requirements of the ISO 9001:2000.

On August 28, 2003 the quality management system certification was reviewed and validity of the certificate extended until August 27, 2012.

4) On December 6, 2004 the certification company BM TRADA issued the certificate confirming that the company's environment management activities comply with the ISO 14001. On September 17, 2006 it was certified that the company's environment management activities comply with the requirements of the standard LST EN ISO 14001:2004.

5) The Construction and Utility –Residential Complex Committee of the Russian Federation issued to the Company the following licenses:

- No.D 389250 dated 28-10-2003– right to design 1st and 2nd class buildings in Russia
- No. D 502298 dated 26-07-2004 – right to build 1st and 2nd class structures and buildings in Russia

6) The National Accreditation Body accredited the company’s construction laboratory as meeting the requirements of the LST EN ISO/IEC 17025:2000, granting the right to perform testing of building materials

33. Court (arbitration) proceedings

There were no court or arbitration proceedings which might produce impact on the financial status of the issuer over the accountable period (sanctions applied, compensation for inflicted losses, etc.)

34. Darbuotojai

With development of the construction market, the number of the staff members in the parent company and the group increased significantly in 2006. As at 31 December 2006, the number of staff members in the group of AB Panevėžys Statybos Trestas was 1464 (1138 in 2005). As at 31 December 2006, the number of the staff members in the Company was 1192 (953 in 2005).

Groups of employees	Listed number	With university education	With higher non-university education	With college (middle) education	With secondary school education	Average monthly salary
Management	41	34	0	6	1	5,268
Specialists	307	209	7	71	20	2,694
Workers	1 116	16	2	207	891	1,962

With the increase of the scope of work, an increase in staff of the group and the Company is expected. Labour contracts do not provide for any special rights or obligations of employees or part of employees.

Number of employees:

2004 m.	1 047
2005 m.	1 138
2006 m.	1 464

35. Investments

The Company has invested in the following companies:

UAB Skydmedis was established and initiated activities as of 17 June 1999. The company produces and assembles prefabricated wooden panel houses. During 2006 the company's sales amounted to Litas 7.2 million and exceeded the sales volumes in 2005 by 9%. The net profitability ratio is 0.7%. In the second half of the year a new production unit was established in the company, the investment to which reached Litas 0.3 million and increased the production capacities by more than 30%. The company's products, i.e. wooden prefabricated panel houses are sold and assembled in the Scandinavian countries: Iceland, Sweden, Norway as well as in Germany and Latvia. In 2006 the company's export reached 93.1% of all the products. The Company's investment plans include installation of automotive flow production line which would allow increasing of production capacities by 2.5. In 2006 the staff of the company was 70. In 2006 the authorised capital of UAB Skydmedis was increased from Litas 12.5 thousand to Litas 500 thousand. The share capital was divided into 1 thousand ordinary shares with the value of Litas 500 each. The sole shareholder is AB Panevėžio Statybos Trestas holding 100% of the shares

UAB Metalo Meistrai was established on 16 June 1999 and started its activities on 1 July 1999. The company is engaged in manufacturing of metal constructions and construction parts. Other activities include rent of small size scaffoldings. The goods produced by the company are used for construction of industrial, commercial and dwelling objects. In 2006, the company produced 1600 tons of metal constructions. The major objects are as follows: trade center BIG in Vilnius, plant Adax in Panevėžys, expansion of Malsena. During the reporting period the company obtained the national certificate for production of metal constructions. In 2006 the turnover of the company was Litas 8,064 thousand, i.e. higher by 47.9% as compared to 2005. Net profit amounts to 3.6%. The staff of the company was 44 in 2006. In 2007 due to forecasted growth of the construction market the increase in turnover is planned to be of 15% and in net profitability of 5%. During the reporting year the authorised capital increased by Litas 69,000 and as at the end of 2006 it amounted to Litas 81,500. The share capital consists of 163 ordinary shares with the nominal value of Litas 500 each. The sole shareholder is AB Panevėžio Statybos Trestas holding 100% of the shares.

UAB „Vekada“ was established on 1 January 1963 as Elektros Montavimo Valdyba (Electricity Installation Board) and reregistered as UAB Vekada on 16 May 1994. The company's activities include electricity installation works in industrial, commercial, dwelling objects. Last year the company expanded geography of its activities. It provides services in Vilnius, Visaginas, Marijampolė, Alytus, Čiauliai and other Lithuanian towns and districts. As compared to 2005, the annual turnover increased twice.

The major objects are as follows: SBA furniture plant in Visaginas, trade center RIMI in Marijampolė, Panevėžys waste water treatment facilities, multi-apartment dwelling houses with commercial premises in Klaipėda and Panevėžys, reconstruction of RIMI trade center in Kėdainiai. As a subcontractor of AB PST the company performed electricity installation works for Litas 2 million 284 thousand. Major objects are as follows: reconstruction of the administration building at Geležinkelio g. 16, Vilnius, the Royal Palace (Valdovų Rūmai) in Vilnius, a production building at Ramygalos g. 194, Panevėžys. Based on the financial results, it should be noted that the scope of the works performed amounts to Litas 8.89 million (Litas 4.44 million in 2005). The net profitability ratio is 7.9%.

In 2007 due to the forecasted development of the construction market, the company plans an increase in income of 15% and in net profitability of 5%. The company is also planning to increase the number of employees: from 60 in the reporting year to 70-75 next year. The authorised capital and the composition of the shareholders did not change in the reporting year, i.e. as previously, the authorised capital of Litas 211,488 is divided to 52,872 ordinary shares with the nominal value of 4 Litas each. The main shareholder is AB Panevėžio Statybos Trestas holding 95.6% of the shares, the remaining part of the shares are held by individuals.

TŪB Vilniaus Papėdė – the partnership was established in 2000 in the period of construction of the Royal Palace and should terminate its activities in 2009. The company's activities are related only to construction of the Royal Palace. As of the beginning of the construction the works performed in the complex of the Royal Palace amount to Litas 72.4 million, including investigation, design works for Litas 18.4 million. The partnership does not generate profit by its activities, it only distributes costs and only insignificant profit is calculated according to regulations of bank interest and taxable profits.

The partnership's capital consists of contributions of the incorporators, in total Litas 14,500, including AB Panevėžio Statybos Trestas of Litas 10,000 or 69%. Other incorporators are also legal entities.

In 2007, it is planned to assign Litas 37.1 million (including VAT) as follows: Litas 2.5 million to investigation works, Litas 2.0 million to designing works, Litas 32.6 million to construction works. During this year all general construction works of the blocks should be finalized, the yard cellar established, decoration works performed in the southern and western blocks, special parts assembled.

UAB PST Investicijos was established on 23 December 1998. The shares of the Company are held by several individuals (8.4%) and legal persons (91.6%). Currently, the Company's authorised capital amounts to Litas 16,168,700 and consists of 161,687 ordinary registered shares with the nominal value of Litas 100. In 2006, the Company's authorised capital was increased twice: on 16 March 2006 – from the Company's funds up to Litas 6,232,800; on 14 July 2006 by additional contributions of shareholders up to Litas 16,168,700. AB Panevėžio Statybos Trestas holds 67% of the company's shares. The company is engaged in development and sale of real estate. UAB PST Investicijos participates in real estate projects itself or through its subsidiaries. Such development of activities (by establishing a separate subsidiary for a project) was chosen with a view to estimate the result of the project as precisely as possible.

In 2006, the Company established several secondary companies: UAB Kauno Erdvė, UAB Sakališkės, UAB Ateities Projektai, UAB Smiltynų Kalvos. Furthermore, during the reporting year the company acquired 100% of UAB Audros Rūmai, UAB Gėlužio Projektai, UAB Realtus and OOO Baltevro market. On the other hand the secondary company UAB Realtus has a secondary company OOO Olovka and 50% of UAB Novigo shares.

UAB PST Investicijos owns a land plot of 7,765 square meters located at Šeškinės g. 4, Vilnius, including: 4,807 square meters owned by UAB PST Investicijos under the private ownership right; 2,958 square meters held by UAB PST Investicijos under the sublease right; 9,051 square meters held by UAB PST Investicijos under the sublease right on which two 16 floors dwelling houses with underground parking have been built. The company plans to build a multifunctional commercial building with trading space on the ground floor and offices on the rest 8 floors on the non-occupied part of the land plot.

Development of real estate consists of several stages and takes a few years. During the first year preparatory works are performed – occupancy of the land plot by buildings is coordinated with the municipality, designers for the conception forecasted are chosen, financial resources are searched, the market is monitored seeking to establish whether the economic environment is favourable for the concept chosen. In the sense of income generation, this activity – development of real estate –

is deemed to be seasonal: acquisition of goods, services and generation of income do not coincide. During the first years of activities the companies engaged in real estate development suffer losses. The company plans to participate actively in development of projects of its subsidiaries – UAB Sakališkės and UAB Gėlužės Projektai, UAB Ateities Projektai, UAB Smiltynų Kalvos, UAB Kauno Erdvė. The company also plans to seek possibilities to sell some projects more profitable or acquire new perspective projects.

UAB Alinita was established on 8 December 1997. The main activities of the company are design works of ventilation, air-conditioning and installation of ventilation, air-conditioning, heating, internal sewerage, water supply, electricity installation and automation. The company has effective certificates for implementation of such activities. In 2006, the staff of the company was 39.

In 2006 the company planned to perform works for Litas 2,150 thousand and actually performed for Litas 2,984 thousand. In 2006 the company signed an annual agreement for maintenance of ventilation system with AB Baltijos Laivų Statykla and UAB Aldasta regarding installation of ventilation, heating, internal sewerage, water supply, automation in a multi-apartment dwelling house. The company's authorised capital is Litas 10,000. It is divided into 100 ordinary registered shares with a nominal value of Litas 100. The sole shareholder holding 100% of the shares is AB Panevėžio Statybos Trestas.

UAB Verkių Projektas was established and started its activities on 2 May 2006. The company's activities include development of real estate, rent and sales. One person is employed in the company. As the company just starts its activities, it had no income in 2006. The authorised capital of the company is Litas 2,510,000 which is divided into 25,100 ordinary shares. The nominal value per share is Litas 100.

PS Trests SIA and Baltilstrojij OOO financial statements were not consolidated in the Groups financial statements as at 31 December 2006 and 2005 due to immateriality to the Group.

The Prospectus –Report includes all enterprise wherein the issuer's investment comprises over 30 per cent of the authorised capital of such enterprises.

36. Competitors

The main competitors of the AB „Panevėžio statybos trestas“ are AB „YIT Kausta“ and AB „Ranga IV“.

37. Dividends paid

2000 - not paid

2001 – not paid

2002 – not paid

2003 – not paid

2004 – not paid

2005 - 542 990 (five hundred forty two thousand nine hundred ninety) Litas in dividend were paid or 0,033 Lt of dividends per one share.

2006 - not paid

2006 – 2 779 500 (two million seven hundred seventy nine thousand five hundred) Litas, or 0,17 Lt of dividends per one share.

V. FINANCIAL STATUS

38. Financial Reporting Statement

The company has prepared the consolidated financial reporting statements for 2006, 2005 and 2004. PS Trests SIA and Baltilstroij OOO financial statements were not consolidated in the Groups financial statements as at 31 December 2006 and 2005 due to immateriality to the Group.

38.1. Consolidated Balance Sheet as for December 31, 2006.

In Lit	2006	2005	2004
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	1 645 038	105 671	105 671
Patents, licences	14 605	41 581	50 045
Computer software	94 414	131 209	60 807
Other intangible assets	1 200	1 855	60 807
Total intangible non-current assets	1 755 257	280 316	219 033
Tangible non-current assets			
Land	211 729	290 298	1 646 179
Buildings and constructions	8 907 030	10 631 543	10 002 703
Machinery and equipment	5 677 196	3 271 788	1 735 927
Vehicles	3 190 039	2 502 865	1 607 816
Other property, plant and equipment	4 078 349	2 972 481	2 825 621
Construction in progress	542 168	119 978	70 944
Other tangible assets	79 163	87 565	87 197
Total tangible non-current assets	22 685 674	19 876 518	19 262 387
Financial assets			
Investments in subsidiaries and associates	2 887		
Amounts receivable after one year	331 580	246 083	92 175
Other financial assets	55 500	55 500	55 500
Total financial assets	389 967	301 583	147 675
Deferred tax assets	2 177 297	753 528	421 081
Total non-current assets	27 008 195	21 211 945	20 050 176
Current assets			
Inventories	7 979 368	2 688 741	6 384 200
Prepayments	33 436 989	2 804 056	1 128 125
Contracts in progress	73 622 757	16 475 595	21 920 945
Amounts receivable	61 001 088	21 865 813	27 776 066
Other amounts receivable	1 763 710	942 596	4 217 352
Other current assets	303 229	1 571 580	2 900 000
Cash and cash equivalents	32 891 037	27 914 028	3 131 179
Total current assets	210 998 178	74 262 409	67 457 867

TOTAL ASSETS	238 006 373	95 474 354	87 508 043
In Litas			
	2006	2005	2004
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16 350 000	16 350 000	16 350 000
Revaluation reserve	3 780 063	4 671 344	5 029 438
Legal reserve	1 619 155	1 435 029	1 287 090
Translation reserve	10 906		
Retained earnings	27 376 954	12 521 636	4 212 974
EQUITY SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY			
	49 137 078	34 978 009	26 879 502
MINORITY INTEREST			
	4 692 136	738 910	823 078
Total equity	53 829 214	35 716 919	27 702 580
Long-term liabilities			
Leasing (financial lease) liabilities	4 436 867	2 704 620	1 305 744
Long-term liabilities to credit institutions	46 479 881		16 814 393
Other financial liabilities		105 852	
Deferred tax liability	1 018 308	852 054	947 883
Total long-term liabilities	51 935 056	3 662 526	19 068 020
Short-term liabilities			
Current year portion of long-term debts	2 407 061	1 128 166	696 931
Short-term liabilities to credit institutions	12 015 347	2 407 985	2 302 000
Other financial liabilities	105 852		
Trade payables	50 446 870	18 432 087	19 009 298
Prepayment received	46 592 393	22 914 776	9 029 044
Payable corporate income tax	3 699 513	1 675 376	1 141 208
Employment related liabilities	12 441 229	7 869 610	6 360 778
Provisions	291 194	189 642	1 425 030
Other amounts payable and short-term liabilities	2 055 760	1 477 267	773 154
Accrued expenses and deferred income	2 186 884		
Total current liabilities	132 242 103	56 094 909	70 737 443
TOTAL EQUITY AND LIABILITIES	238 006 373	95 474 354	87 508 043

38.2. Consolidated Profit (Loss) Account for the year ended on December 31, 2006

Litais	2006	2005	2004
Sales	339 512 297	191 589 890	150 510 440
Cost of sales	(296 836 915)	(159 557 572)	(129 605 654)
Gross profit	42 675 382	32 032 318	34 218 786
Operating expenses	(23 634 457)	(20 214 681)	(16 397 809)
Operating profit	19 040 925	11 817 637	4 506 977
Other operating income	69 038	193 509	932 727
Other operating expenses	(493 341)	(756 897)	(1 152 381)
Interest income	70 773	10 536	1 519
Other financial income	345 674	89 728	174 793
Interest expenses	(1 656 145)	(581 292)	(606 523)
Other financial expenses	(252 466)	(221 595)	(45 783)
Profit before taxation	17 124 458	10 551 626	3 811 329
Profit tax expenses	(3 649 705)	(2 085 888)	(1 248 388)
Net profit	13 474 753	8 465 738	2 562 941
Attributable to:			
Equity holders of the parent	14 251 228	8 615 491	2 616 758
Minority interest	(776 475)	(149 753)	(53 817)
Profit per share	0,82	0,52	0,16

38.3 Consolidated Account of Changes in Equity for the year ended on December 31, 2006

Litas	Paid share capital	Revaluation reserve	Legal reserve	Translation reserve	Retained earnings	Equity share attributable to the shareholders of the parent company	Minority interest	Total equity
Balance as at 31 December 2004	16,350,000	5,029,438	1,287,090		4,212,974	26,879,502	823,078	27,702,580
Net profit for the reporting period					8,615,491	8,615,491	(149,753)	8,465,738
Revaluation of tangible non-current assets		48,256				48,256		48,256
Deferred tax liability related to revaluation of tangible fixed assets		(2,549)				(2,549)	(172)	(2,721)
Dividends					(562,691)	(562,691)		(562,691)
Increase in minority							65,757	65,757
Legal reserves formed			147,939		(147,939)			
Decrease in revaluation reserve, net of deferred tax liability		(403,801)			403,801			
Balance as at 31 December 2005	16,350,000	4,671,344	1,435,029		12,521,636	34,978,009	738,910	35,716,919
Net profit for the reporting period					14,251,228	14,251,228	(776,475)	13,474,753
Change of deferred tax liability					(306,542)	(306,542)	971	(305,571)
Increase in minority							5,363,600	5,363,600
Decrease in minority							(632,889)	(632,889)
Decrease in revaluation reserve, net of deferred tax liability		(891,281)			891,894	613	(1,981)	(1,368)
Recovered loss of previous years					202,864	202,864		202,864
Legal reserves formed			184,126		(184,126)			
Change of exchange rates				10,906		10,906		10,906
Balance as at 31 December 2006	16,350,000	3,780,063	1,619,155	10,906	27,376,954	49,137,078	4,692,136	53,829,214

38.4 Consolidated Cash Flow Account for the year ended on December 31, 2006.

Litais	2006	2005	2004
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit	13 474 753	8 465 738	2 562 941
Adjustments of:			
Depreciation and amortization	3 650 966	2 721 376	2 669 991
Profit (loss) from transfer of non-current assets	1 595	(12 861)	49 200
Other non-cash items	3 817 582	2 599 208	1 704 645
Net cash flow from operating activities until changes in the operating capital	20 944 896	13 773 461	6 986 777
Decrease (increase) in inventories)	(5 290 627)	3 662 121	(2 190 656)
(Increase) decrease in prepayments	(30 632 933)	(1 675 931)	2 415 000
Decrease (increase) in contracts in progress	(55 893 824)	6 159 350	(10 167 027)
Increase (decrease) in trade payables and advances received	33 605 554	(1 393 872)	(2 432 589)
Increase (decrease) in amounts receivable and other assets	(37 914 289)	9 001 480	(316 880)
Increase in profit tax liability	2 024 137	534 168	991 418
Increase (decrease) in prepayments received	23 677 617	13 885 732	(7 777 660)
Increase (decrease) in employment related liabilities	4 571 619	1 479 877	2 119 628
Increase (decrease) in provisions	101 552	(1 235 388)	1 220 396
Increase (decrease) in other amounts payable and short-term liabilities	643 903	713 367	(65 538)
Elimination of results of financial and investing activities	1 423 672	771 723	
Net cash flow from operating activities	(42 738 723)	45 676 088	(9 217 131)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of tangible and intangible non-current assets	(4 007 824)	(1 880 106)	(2 393 619)
Transfer of non-current tangible assets	83 326	517 459	796 301
Loans issued	(3 000)	(169 799)	
Dividends and interest received	70 773	10 536	1 519
Acquisitions of investments	(356 309)		(105 671)
Other increase in cash flows from investment activities			585 875
Net cash flow from investing activities	(4 213 034)	(1 521 910)	(1 115 595)

Litais	2006	2005	2004
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	(6 928)	(542 990)	
Decrease in financial liabilities		(16 602 556)	
Interest paid	(1 725 825)	(581 292)	(606 523)
Increase of financial liabilities	56 087 243		13 439 335
Leasing (financial lease) payments	(2 470 089)	(1 713 591)	(1 194 273)
Changes in other cash flow from financial activities	44 365	69 100	172 408
Net cash flow from financing activities	51 928 766	(19 371 329)	11 810 947
Increase (decrease) in net cash flow	4 977 009	24 782 849	1 478 221
NET CASH AND CASH EQUIVALENTS IN THE BEGINNING OF THE YEAR	27 914 028	3 131 179	1 652 958
NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	32 891 037	27 914 028	3 131 179

39. Comments on the Financial Statements

The consolidated financial reporting statements have prepared following the International Financial Reporting Standards (IFRS) adopted for application in the European Union.

The consolidated financial statements comprise the financial statements of the Company and the enterprises under control of the company (subsidiaries). The financial results of the subsidiaries acquired or sold in the course of the year are included in the consolidated profit (loss) account from the day of acquisition to the date of sales of such a subsidiary. Subsidiary companies accountabilities are adjusted so that to accord with the accounting policy of the group

During consolidation all significant balances of the inter-group transactions and unrealised profit (loss) in mutual transactions was eliminated from the financial statements.

The subsidiaries of the Company as for December 31, 2006:

Name	Country	Address	Part of ownership	Activities
UAB Skydmedis	Lithuania	Pramonės st. 5, Panevėžys	100 %	Construction of wood houses
UAB Metalo Meistrai	Lithuania	Tinklų st. 7, Panevėžys	100 %	Production of metal constructions
UAB Vekada	Lithuania	Marijonų st. 36, Panevėžys	96 %	Electricity installation
TŪB Vilniaus Papėdė	Lithuania	Švitrigailos st. 8/14, Vilnius	69 %	Construction
UAB PST Investicijos	Lithuania	Konstitucijos pr. 7, Vilnius	67 %	Construction of real state
UAB Alinita	Lithuania	Dubysos g. 31, Klaipėda	100 %	Air conditioning equipment
UAB Verkių projektas	Lithuania	Konstitucijos pr. 7 Vilnius	100 %	Development of real estate
PS Trests SIA	Latvia	Vietalvas 5, Ryga	100 %	Construction
Baltilstroj OOO	Russia	Sovetskij pr. 43, Kaliningradas	100 %	Construction

40. Annual Report of the Issuer

The Annual Report for 2006 has been prepared.

41 Information about the audit

The audit of the Company for 2006 was conducted by the UAB "KPMG Baltics". The Auditor's Report and the financial statements were presented on April 12, 2007. Auditing of the balance sheets and related profit (loss) account, statements of cash flow and changes in shareholders' equity of the AB „Panevėžio statybos trestas“ and its subsidiaries as for December 31 of 2005 and 2006 was carried out. On behalf of the UAB „KPMG Baltics“ the Auditor's Report was signed by Leif Rene Hansen, Certified Accountant of Denmark and Vilmantas Karalius, the member of the ACCA and licensed auditor of Lithuania.

VI. Information about the issuer's management bodies

42. Member of the management bodies

The Board:

REMIGIJUS JUODVIRŠIS – chairman of the board. No membership in Company's capital. Membership in the activities or capital of the companies below:

COMPANY NAME	CAPACITY	NUMBER OF SHARES	CAPITAL %	VOTES %
UAB "TERTIUS"		704 638	80	80
AB "PANEVĖŽIO KELIAI"	Board member	531 675 of them pledged to UAB „Dangų emulsija“	28,47	28,47
UAB "LAUKTUVĖS JUMS"	Board member	11 069	50,15	50,15
UAB "POKŠTAS"		261	50	50
AB "KLOVAINIŲ SKALDA"	Board member	203 526	3,78	3,78
UAB "GERBERA"	Board member	34	34	34
UAB "KELTECHA"		340	17,0	17,0
UAB "EMULTEKA"		14	14,0	14,0
UAB "GUSTONIŲ ŽŪT"	Board member	18 027	49,04	49,04
AB "SPECIALIZUOTA KOMPLEKTAVIMO VALDYBA"		21 490	9,37	9,37
AB "IGNALINOS STATYBA"	Board member	91 351	37,93	37,93
UAB "TAMSUMA"	Chairman of the board	1467	33,5	33,5
UAB „NAUJASIS UŽUPIS“	Chairman of the board			
UAB „PANEVĖŽYS“	Board member	155 832	49,52	49,52
AB „PANEVĖŽIO STATYBOS TRESTAS“	Chairman of the board	0	0	0
UAB „PANODEN“	Board member			

UAB „PST INVESTICIJOS“	Board member	7118	4,4	4,4
UAB“ PAKNOVUS“	Board member	35	35	35
AB “KIRTIMŲ AUTOTRANSPORTAS“	Board member	-		
UAB “CONSTRUCTUS“	Board member	1 669	4,5	4,5
UAB “REALTUS“	Board member			
UAB“ AUDROS RUMAI“	Board member			
UAB „VILNIAUS VAIZDAS“	Board member	50	50	50
UAB „CONVESTUS“	vice President Chairman of the board	50 000	50	50
UAB „UPĖS SLĖNIS“		1575 and 3860 debentures	35	35
UAB „ALPROKA“	Chairman of the board	100 Debentures		

Terms in office: 05-1999 to 05-2003

05-2003 to 04-2004

02-2005 to 04-2008

No previous conviction.

GVIDAS DROBUŽAS – board member. No membership in Company’s capital. Membership in the activities or capital of the companies below:

COMPANY NAME	CAPACITY	NUMBER OF SHARES	CAPITAL %	VOTES %
AB "PANEVĖŽIO KELIAI"	Chairman of the board	529 861 of them pledged to UAB „Dangų emulsija“	28,33	28,33
UAB "LAUKTUVĖS JUMS"	Board member	10 987	49,78	49,76
UAB "POKŠTAS"	Director	261	50,0	50,0
UAB "KELTECHA"		340	17,0	17,0
AB "KLOVAINIŲ SKALDA"		203 129	3,77	3,77
UAB "GELBERA"	Board member	34	34	34
UAB "EMULTEKA"		12	12,0	12,0
UAB "GUSTONIŲ Ž.Ū.T.“	Board member	18 028	49,04	49,04
AB “KIRTIMŲ AUTOTRANSPORTAS“	Board member			
AB "IGNALINOS STATYBA"	Board member	91 351	37,93	37,93
UAB "TAMSUMA"	Board member	1467	33,5	33,5

AB "PANEVĖŽIO STATYBOS TRESTAS"	Board member	-	-	-
AB "UKMERGĖS KELIAI"		10	-	-
UAB „PANEVĖŽYS“	Board member	155 768	49,52	49,52
AB "SPECIALIZUOTA KOMPLEKTAVIMO VALDYBA"		21 470	9,36	9,36
UAB PST INVESTICIJOS	Chairman of the board	4118	2,55	2,55
UAB "PANODEN"	Chairman of the board			
UAB "PAKNOVUS"	Board member			
UAB "CONSTRUCTUS"	Board member	1 669	4,5	4,5
UAB "REALTUS"	Board member			
UAB "AUDROS RŪMAI"	Board member			
UAB „NAUJASIS UŽUPIS“	Board member			
UAB „VILNIAUS VAIZDAS“	Board member	50	50	50
UAB „CONVESTUS“	President Board member	50 000	50	50
UAB „UPĖS SLĖNIS“		1575 4410	35	35
		debentures of the UAB „Upės slėnis“		
UAB „ALPROKA“	Board member			
AB "MAŽEIKIŲ NAFTA"		1229		
AB „RYTŲ SKIRSTOMIEJI TINKLAI“		5000		

Terms in office: 05-1999 to 05-2003

05-2003 to 04-2004

02-2005 to 04-2008

No previous conviction.

VILIUS GRAŽYS – board member. No membership in Company's capital. Membership in the activities or capital of the companies below:

COMPANY NAME	CAPACITY	NUMBER OF SHARES	CAPITAL %	VOTES %
UAB „KELTECHA“		250	11	11
UAB "EMULTEKA"		11	11	11
UAB „BASS“		40	40	40
AB „PANEVĖŽIO STATYBOS TRESTAS“	Board member			
AB „PANEVĖŽIO KELIAI“	Board member	100 085	5.36	5.36

Terms in office: 02-2005 to 04-2008

No previous conviction.

ARTŪRAS BUČAS – valdybos narys. Higher education. No membership in Company's capital. Since 2005 is representing the member of the AB „Panevėžio keliai“ board.

COMPANY NAME	CAPACITY	NUMBER OF SHARES	CAPITAL %	VOTES %
AB „DVARČIONIŲ KERAMIKA“	Shareholder	356		

Terms in office: 37-10-2006 to general meeting of shareholders in 2010

No previous conviction.

Administration:

DALIUS GESEVIČIUS – head of the company administration, director general. Holds 15 shares of the company. Education – higher, VISI, 1984, construction engineering. No membership in activities or authorised capital of other companies. 1999 to 2004 – AB „Panevėžio statybos trestas“ marketing director, 2004 to date – director general. Chairman of the board of the UAB „PST Investicijos“.

No previous conviction.

DANGUOLĖ ŠIRVINSKIENĖ – chief accountant of the Company. Holds no shares of the Company. No membership in activities or authorised capital of other companies. Education – higher (LŽUA, 1983, accounting, economics). 1996 to 2005 - UAB Krekenavos pašarai. Deputy chief accountant of the AB „Panevėžio statybos trestas“ since February 21, 2005, chief accountant since May 15, 2006.

No previous conviction.

43. Information about payments and loans extended to the members of management bodies

Salary paid:

Director General Dalius Gesevičius – 245 999 Lt

Chief Accountant Danguolė Širvinskienė – 70 830 Lt

No tantiems and other payments from profit in 2006 were paid to the members of the Board, head of administration, his deputies and the chief accountant.

No payment received from the companies where the PST holds over 20 % of shares.

No loans, guarantees or sureties were granted to the members of management bodies during the accountable period.

44. Related party transactions

The Group's transactions with the related parties during 2006 and corresponding balances of amounts payable/receivable as at 31 December 2006 are presented below:

Litas	Sale of goods and services	Purchase of goods and services	Amounts owed by related parties	Amounts owed to related parties
AB Panevėžio Keliai	816,897	3,091,375	1,973	2,751,605
UAB Constructus	1,126,414		179,993	
Total	1,943,311	3,091,375	181,966	2,751,605

VII. UPDATED AND MATERIAL EVENTS IN THE ISSUER'S ACTIVITY AND PERSPECTIVES

45. Updated events in the issuer's activity

46. MATERIAL EVENTS IN THE ISSUER'S ACTIVITY

On 31-01-2006 the AB "Panevėžio statybos trestas" signed an agreement with the UAB "Baltijos investicijų grupė" for construction and erection works of the trade-commercial building „BIG“ in Vilnius.

Jonas Pilkauskas resigned from his membership in the Board on 08-02-2006.

The general meeting of shareholders took place on 24-04-2006. It approved the Report on Company's Activities for 2005, Financial Statements of the Company for 2005, agreed to the Company auditor's conclusion on the Financial Statements for 2005. The meeting also resolved to approve the increase of the authorised capital of subsidiary UAB „Sėkmės šaltinis“ by subscribing for newly issued 45 723 shares of 100 Lt in nominal value. Acquisition of shares of the UAB „Sėkmės šaltinis“ was effected by making the following non-monetary contribution toward partial payment for said shares: transferring 1 742 ordinary registered shares of the UAB „Audros rūmai“ (company code 125673614) of 1000 Litas in nominal value, the total value of which was 1 672 320 Litas. This non-monetary contribution was assessed by an independent assets valuator (Valuation report dated January 9, 2006).

The extraordinary general meeting of shareholders took place on 30-06-2006. At this meeting the new edition of Articles of Association of the Company was approved (one of the items in new revision is that the Board shall consist of five members). It was resolved to undertake the obligations to the AB DnB NORD bank to act as surety in the event the UAB „Sėkmės šaltinis“ (UAB „PST investicijos“) failed to meet its obligations as per Credit Line Agreement, entered between the AB DnB NORD bank and the UAB „Sėkmės šaltinis“ (UAB „PST investicijos“) the total credit amount being USD 4 250 000.

The resolution not to elect the sixth member of the Board in view of the revised and confirmed Articles of Association. Election of the new Board is expected to take place at the extraordinary general meeting of shareholders.

On 28-06-2006 the application and the documents were filed with the Vilnius Stock Exchange for admission of the ordinary registered shares of the AB „Panevėžio statybos trestas“ into the Official Trading List. The contract for listing of securities in the official trading list of securities was signed with the AB „Vilniaus vertybinių popierių birža“ on July 3, 2006.

On 27-10- 2006 the extraordinary shareholders meeting took place.

The auditing company UAB „KPMG Baltics“ was elected to be auditor for the PST company group for auditing the financial reporting statements and the Annual report for 2006.

The Board was dismissed in connection with the changes in the Articles of Association (change in the number of members of the Board).

Four member of the were elected: Remigijus Juodviršis, Gvidas Drobužas, Vilius Gražys ir Artūras Bučas. As there were no candidates proposed for the fifth member, he/she will be elected during the immediate extraordinary meeting of shareholders.

On 10 11 2006 the new Chairman of the board was elected Mr. Remigijus Juodviršis

By its decision dated October 11, 2006 the Panevėžys District Court obligated the AB „Panevėžio Keliai“ and the group of natural persons, the principal shareholders, to announce the official bid for purchasing the shares of minority shareholders

The main shares of AB Panevėžio statybos trestas” the company “Panevėžio keliai” have appealed to the (Highest) Court of Session the obligation. The complaint was put on the table of the Court on the 1st of January 2007 to be investigated.

Notices about material events are delivered to the Lithuanian Securities Commission, Vilnius Stock Exchange, Central Depository of Securities, daily „Lietuvos rytas“, news agencies BNS, ELTA and communicated on the website of the Company <http://www.pst.lt/lt>.

47. Strategy of activity and prospective changes during the nearest financial (business) years

In 2007 the AB „Panevėžio statybos trestas“ is planning to maintain leadership and forecasts further growth of the company in construction-erection works and real estate development areas. The activities of the subsidiaries will be also expanding.

In 2007 the AB „Panevėžio statybos trestas“ together with its subsidiaries is expecting to reach the turnover of 410 mio.Litas and 15,6 mio (3,8 proc.) in net profit.

Appendices

1. Appendix No.1 „Independent Auditor’s Report, Annual Report and Financial Reporting statements for the year ended on December 31. 2006