

AB „PANEVĖŽIO STATYBOS TRESTAS“

Consolidated and company financial statements for the quarter ending March 31, 2007

Unaudited

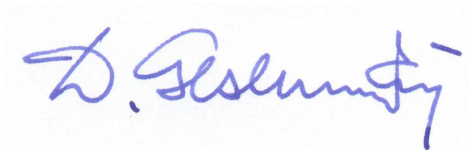
Company register given code 147732969

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

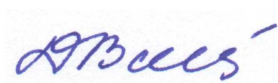
MANAGEMENT DECLARATION

The persons responsible for drawing of the financial statements hereby confirm that the information presented in these financial reporting statements is true and free from any omissions likely to have effect on the investors' decisions to purchase or sell the securities of the issuer, on the price and valuation of said securities.

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



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



BALANCE SHEET

Litas	Group		Company	
	I quarter of 2007	2006	I quarter of 2007	2006
ASSETS				
<i>Non-current assets</i>	29277670	27008195	46155984	31945724
Intangible assets	1951987	1755257	258255	93106
Goodwill	1645038	1645038		
Patents, licences	10270	14605	10270	14605
Computer software	295643	94414	247985	78501
Other intangible assets	1036	1200		
Tangible non-current assets	24624998	22685674	20161627	18340237
Land	215529	211729	215529	211729
Buildings and constructions	7667953	7755190	6983511	7054691
Machinery and equipment	6978616	5677196	5301470	3924136
Vehicles	3848523	3190039	3067496	2516635
Other property, plant and equipment	4125042	4078349	3425614	3445448
Construction in progress	581201	542168	0	
Other tangible assets	73064	79163	32937	35758
Investment Property	1135070	1151840	1135070	1151840
Buildings	1135070	1151840	1135070	1151840
Financial assets	523687	389967	24421083	12197362
Investments in subsidiaries and associates	2886	2887	23400282	11810282
Loans to subsidiaries and associates	266591		766591	167111
Amounts receivable after one year	198710	331580	198710	164469
Other financial assets	55500	55500	55500	55500
Kitas ilgalaikis turtas	2176998	2177297	1315019	1315019
Deferred tax assets	2176998	2177297	1315019	1315019
Other non-current assets				
<i>Current assets</i>	216252121	210998178	130810736	145087281
Inventories, advance payments and contracts in progress	92611885	115039114	20947325	43231008
Inventories	6987007	7979368	863067	1238318
Raw materials and consumables	2721026	3591132	823826	1200748
Finished products	334628	390758		
Goods purchased for resale	3931353	3997478	39241	37570
Advance payments	4470406	33436989	4425299	33011646
Contracts in progress	81154472	73622757	15658959	8981044
Accounts receivable in one year	76370596	62764798	66821786	70022989
Trade debtors	68880387	61001088	65130467	58194192
Debts of subsidiaries and associated companies	57336	60777	1587076	11717671
Other account receivable	7432873	1702933	104243	111126
Other current assets	693981	303229	0	2343
Other current assets	693981	303229		2343
Cash and cash equivalents	46575659	32891037	43041625	31830941
TOTAL ASSETS	245529791	238006373	176966720	177033005

Litas	Group		Company	
	I quarter of 2007	2006	I quarter of 2007	2006
EQUITY AND LIABILITIES				
<i>Capital and reserves</i>	52763039	49137078	51576232	47411909
Capital	16350000	16350000	16350000	16350000
Authorised (subscribed)	16350000	16350000	16350000	16350000
Revaluation reserve (results)	3727020	3780063	3357203	3396968
Reserves	1619155	1619155	1619155	1619155
Prescribed by the law	1619155	1619155	1619155	1619155
Retained profit (loss)	31056748	27376954	30249874	26045786
Current year profit (loss)	3679794	14836580	4204088	18477190
Previous year profit (loss)	27376954	12540374	26045786	7568596
Translation reserve	10116	10906		
<i>Minority share</i>	11300905	4692136		
<i>Grants, subsidies</i>				
Amounts payable and liabilities	181465847	184177159	125390488	129621096
Amounts payable in one year and long term liabilities	53991850	51935056	5427523	3861672
Financial debts	52970092	50916748	4786890	3221039
Leasing (financial lease) or similar liabilities	6035913	4436867	4786890	3221039
Credit institutions	46934179	46479881		
Provisions	0	0	0	0
Deferred tax liability	1018308	1018308	640633	640633
Other amounts payable and long-term liabilities	3450			
Amounts payable in one year and short term Liabilities	127473997	132242103	119962965	125759424
Current year portion of long-term debts	2603774	2407061	1682091	1333633
Financial debts	92926	12121199	0	11975347
Credit institutions	40000	12015347		11975347
Other debts	52926	105852		
Suppliers	60593804	50446870	58512768	47694091
Prepayments received	44754896	46592393	42481621	45832157
Profit tax liabilities	4680107	3699513	4389561	3493841
Employment related liabilities	12223701	12441229	10654891	11105084
Provisions	598310	291194	588810	247194
Other amounts payable and short-term liabilities	1926479	4242644	1653223	4078077
TOTAL EQUITY AND LIABILITIES	245529791	238006373	176966720	177033005

Income statement

LITAS	Group		Company	
	I quarter of 2007	I quarter of 2006	I quarter of 2007	I quarter of 2006
SALES	127338827	33683477	124106119	30759751
COST OF SALES	115951047	29689043	114276825	27587299
GROSS PROFIT (LOSS)	11387780	3994434	9829294	3172452
OPERATING COSTS	6404949	4021996	4733411	3313822
Sales	95496	97448	95496	93524
General and administrative	6309453	3924548	4637915	3220298
PROFIT (LOSS) FROM TYPICAL ACTIVITIES	4982831	-27562	5095883	-141370
OTHER ACTIVITIES	-95510	-168253	37606	490454
Revenue	57143	26108	93183	574599
Expenses	152653	194361	55577	84145
FINANCIAL AND INVESTING ACTIVITIES	-569098	20175	26559	92410
Revenue	285518	83979	227150	119753
Expenses	854616	63804	200591	27343
PROFIT (LOSS) FROM ORDINARY ACTIVITIES	4318223	-175640	5160048	441494
EXTRAORDINARY INCOME				
EXTRAORDINARY EXPENSES				
PROFIT BEFORE TAXATION	4318223	-175640	5160048	441494
TAX ON PROFIT	1081904	58430	995725	27439
NET PROFIT (LOSS)	3236319	-234070	4164323	414055
FALLING TO SHAREHOLDERS OF THE COMPANY	3626749	-221462		
FALLING TO MINORITY SHARE	-390430	-12608		

Cash flow statement

	Group		Company	
	I quarter of 2007	I quarter of 2006	I quarter of 2007	I quarter of 2006
Cash flow from operating activities				
Net profit (loss)	3.236.319	-234.070	4.164.323	414.055
Elimination of other non-monetary items				
Depreciation and amortisation costs	1.162.535	757.761	931.618	650.706
Profit (loss) from transfer of non-current assets	-1.779		-1.779	
Other non-cash items	7.001.677	9.634	2.177	-139.158
	8.162.433	767.395	932.016	511.548
Changes in operating capital:				
Decrease (increase) in inventories	992.361	-548.239	375.251	-151.324
Decrease (increase) in amounts receivable after one year		-2.971.508	-34.241	
Decrease (increase) in trade receivables		-401.335	-6.933.325	-1.568.182
Decrease (increase) in amounts receivable from subsidiaries			-1.459.405	-186.131
Decrease (increase) in prepayments	28.932.342	-8.423.546	28.586.347	-7.705.632
Decrease (increase) in contracts in progress	-7.531.715	-24.765.685	-6.677.915	-836.113
Decrease (increase) in amounts receivable and other assets	-13.820.662	245.344	9.226	-7.172.254
Increase (decrease) in trade payables	10.050.842	-401.335	4.052.888	-1.054.229
Increase (decrease) in prepayments received	307.116	4.046.991	3.350.536	5.304.078
Increase (decrease) in profit tax obligations	-1.837.497	27.345	895.720	920
Increase (decrease) in employment related liabilities	980.594	-1.549.600	-450.193	-1.509.266
Increase (decrease) in provisions	-217.528	526.657	341.616	524.907
Increase (decrease) in other payables and liabilities	-2.312.652	-949.863	-2.424.791	-706.679
	15.543.201	-32.193.266	19.631.714	-15.059.905
Elimination of results of financial and investing activities	569.098	-20.175	-23.609	-79.790
Net cash flow from operating activities	27.511.051	-34.280.289	24.704.444	14214.092
Cash flow from investing activities				
Acquisition of long term assets (excl. Investment)	-632.909	-895.864	-263.497	-529.683
Transfer of long term assets (excl. investment)	1.779		1.778	
Acquisition of investments				
Transfer of investment				
Loans issued	-99.480		-599.480	
Loans recovered				
Dividends and interest received	120.166	28.050	201.040	67.055
Other increase in cash flow from investing activities				
Other decrease in cash flow from investment activities				
Net cash flow from investing activities	-610.444	-867.814	-660.159	-462.628
Cash flow from financial activities				
Cash flow related to owners of the company	-63	-1.468	-63	-1.468
Increase in financial liabilities		18.912.015		
Decrease in financial liabilities	-11.573.975	-705.137	-11.975.347	
Interest paid	-793.132		-141.225	-33.096
Leasing (financial lease) payments	-872.097		-742.527	-638.016
Increase in other cash flow from financial activities	26.110	18.013	26.110	3.594
Decrease in other cash flow from financial activities	-2.038	-6.867	-549	-6.867
Net cash flow from financing activities	-13.215.195	18.216.556	-12.833.601	-675.853
Increase (decrease) in net cash flow	13.685.412	-16.931.547	11.210.684	-15.352.573
Result of changes in currency rate on the balance of cash and its equivalents	-790			
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	46.575.659	10.982.481	43.041.625	9.593.541

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			-891.281			891.894	613	-1.981	0
Change in postponed tax						-306.542	-306.542	971	-1.368
Net profit (loss) for 2006						14.251.228	14.251.228	-776.475	-305.571
Loss previous year restated						202.864	202.864		13.474.753
Legal reserves formed				184.126		-184.126			202.864
Currency rate change					10.906		10.906		0
Increase of minority share								5.363.600	10.906
Decrease of minority share								-632.889	5.363.600
									-632.889
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			-53.043			53.045		-612	0
Depreciation of revaluated part of FA									0
Postponed tax related liability									0
Unrecognised profit previous year									0
Other unrecogn.profit (loss) 2007								611	0
Net profit (loss) 2007						3.626.749	3.626.749	-390.430	611
Dividend									0
Influence of currency rate change					-790		-790		-790
Minority share gain								6.999.200	6.999.200
Minority share loss									0
Reserves formed									0
Reserves used									0
Increase (decrease) of authorised capital									0
Balance as for March 31, 2007	16.350.000	0	3.727.020	1.619.155	10.116	31.056.748	52.763.037	11.300.905	64.063.944

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							615	615
Postp.tax liability related to revaluation of FA			-848.252				848.252	0
Net profit (loss) 2006							17.628.323	17.628.323
Reserves formed					184.126		-184.126	0
Increase (decrease) of authorised capital								0
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			-39.765				39.765	0
Net profit (loss) 2007							4.164.323	4.164.323
Dividend								0
Reserves formed								0
Reserves used								0
Increase (decrease) of authorised capital								0
Balance as for March 31, 2007	16.350.000	0	3.357.203	0	1.619.155	0	30.249.874	51.576.232

EXPLANATORY NOTE

General information

AB „Panevėžio statybos trestas“ (hereinafter the Company) was established in 1957 and for a long time used to be the North Lithuania Construction company. In 1991 the Company was registered as a state enterprise. On October 30, 1993 said state enterprise was reorganised into a public limited liability company. Company code 147732969, VAT code LT477329610. Registration certificate No. 013732, certificate issued on September 27, 2004 by the Panevėžys Branch of the State Enterprise Centre of Registers.

“Gerbusta” and “Pastatų apdaila” were the branches of the Company as for 1st quarter of 2007. These branches carry out their own accounting and their data was included when preparing the reporting of the Company. The Company has a representative office in the city of Cherepovets and branches in Kaliningrad and St.Petersburg. The financial year of the Company is the calendar year. The expected duration of commercial-business activities is unlimited.

The main activities of the Company are: designing and construction of buildings, structures, facilities and communication for various applications in Lithuania and out of it. In addition to said activities the Company is also engaged in lease of premises and mechanisms, trade in building materials and other activities.

As for March 31, 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

Fundamentals of preparation of financial statements

The figures in the financial statements are presented in the national currency the Litas, which the functional currency of the Company. The Financial Reporting has been prepared based on

historic self costs save the fixed assets, which is shown applying current cost accounting method.

In the course of preparation of the financial statements according to the IFAS adopted for application in the European Union, the management has to make estimations and valuations based on certain presumptions, which determine selection of accounting principles and amounts of assets, obligations, income and expenses. Valuations and related assumptions are based on historic experience and factors reflecting the existing conditions. Based on above presumptions and valuations the conclusion regarding the balance values of assets and liabilities and which cannot be decided based on other sources. The actual results may differ from the valuations made. The figures based on evaluation and presumptions are regularly reviewed. The impact of changes in accounting evaluations is recognised only for the particular period, during which it has been reviewed provided it has influence only on the current period or in the evaluation review period and future period in case such evaluations affects the evaluation and future periods.

Consolidation principles

The consolidated financial reporting statements include the financial statements of the Company and the enterprises (subsidiaries) controlled by the Company. The control is achieved when the Company has the power of manage the finance and activity policy of the enterprise into which the capital has been investment for the purpose of seeking to get benefit from it.

The financial results of the subsidiaries acquired or disposed in the course of the year are included into the consolidated profit (loss) account starting from the date of acquisition to the date of disposal of a subsidiary. In case they were different the financial reporting statements of the subsidiaries are corrected to meet the accounting policies applied by the group.

When making consolidation all material Group company balances, contracts and profit (loss) not received from the group company transactions were eliminated from the financial statements.

Material changes in financial statements during the accounting period

The unaudited turnover of the AB „Panevėžio statybos trestas“ (PST) for the 1st quarter of 2007 reached 127,339 mio.Litas and is by 94 mio.Litas higher than for the same period last year. Unaudited net profit of the Company was 3,236 mio.Litas, compared against the 0,234 mio.Litas loss the Company suffered during the same period last year. mln.Litas.

Information about business segments:

A business segment is the singled out component of business, which includes production of related or unrelated products or rendering of related or unrelated services, business risk and profitability of which differs from other business components of the Group.

Group

Parameters	Segments (types of activities)								Total for the Group	
	Construction contracts		Sales of real estate		Products produced		Other			
	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>
Revenue	122954191	30458400	698951	0	1323923	2752473	2361762	472604	127338827	33683477
Expenses	117481249	30629334	1340805	0	1307053	2644007	2226889	437698	122355996	33711039
Profit from operations	5472942	-170934	-641854	0	16870	108466	134873	34906	4982831	-27562

Company

Parameters	Segments (types of activities)								Total for the Company	
	Construction contracts		Sales of real estate		Products produced		Other			
	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>
Revenue	121957327	30555943					2148792	203808	124106119	30759751
Expences	116975665	30744445					2034571	156676	119010236	30901121
Profit from operations	4981662	-188502	0	0	0	0	114221	47132	5095883	-141370

Information about geographic segments:

Geographic segments is the singled out component of business, which includes production of products or rendering services in certain geographic economic environment and the risk and profitability of which differs from other business components, active in a different geographic economic environment.

Group

Parameters	Segments (geographic)										Total for the Group	
	Lithuania		Russian Federation		Latvia		Germany		Iceland, Norway, Sweden			
	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q. 2007</i>	<i>1st q.2006</i>
Revenue	119189787	32126182	7046100	406610				145018	1102940	1005667	127338827	33683477
Expenses	114253627	32105798	6972171	513588				137589	1130198	954064	122355996	33711039
Profit from operations	4936160	20384	73929	-106978	0	0	0	7429	-27258	51603	4982831	-27562

Company

Parameters	Segments (geographic)										Total for the Company	
	Lithuania		Russian Federation		Latvia		Germany		Iceland, Norway, Sweden			
	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>	<i>1st q. 2007</i>	<i>1st q. 2006</i>	<i>1st q.2007</i>	<i>1st q.2006</i>
Revenue	117060019	30353141	7046100	406610							124106119	30759751
Expenses	112038065	30387533	6972171	513588							119010236	30901121
Profit from operations	5021954	-34392	73929	-106978	0	0	0	0	0	0	5095883	-141370

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

	Group		Company	
	<i>1st q. 2007</i>	<i>1st q.2006</i>	<i>1st q.2007</i>	<i>1st.q.2006.</i>
Revenue	127339	33683	124106	30760
Selfcost	115951	29689	114277	27587
Gross profit	11388	3994	9829	3172
Gross profit margin (per cent)	8,94	11,86	7,92	10,31
Net profit margin (per cent)	2,54	-0,69	3,36	1,35
Profit per one share (Litas)	0,03	-0,01	0,25	0,03
Return on equity (per cent) (ROE)	6,13	-0,63	8,07	1,12
Return on assets (ROA)	1,32	-0,24	2,35	0,46
Return on investment (ROI)	2,74	-0,56	7,31	1,02
Current liquidity ratio	1,70	1,33	1,09	1,22
Book value of a share	3,92	2,33	3,15	2,27
Share price/book value ratio (P/BV)	4,35	5,61	5,4	5,77