

AB PANEVĖŽIO STATYBOS TRESTAS

*Independent Auditors' Report and
Amended Financial Statements for
the year ended 31 December 2003*

Šopijė Rikša

Vyr. buhalterė
Dalė Bernotaitienė

ABEUS



AB PANEVĖŽIO STATYBOS TRESTAS

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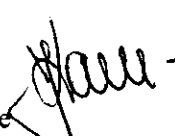
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INDEPENDENT AUDITORS' REPORT

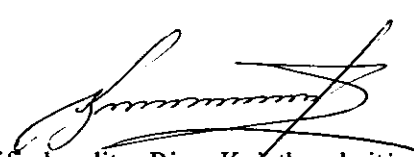
To the shareholders of AB Panevėžio Statybos Trestas:

1. We have audited the accompanying amended balance sheet of AB Panevėžio Statybos Trestas (the Company) as of 31 December 2003 and the related statements of income and cash flows for the year then ended. The reasons for amendment are presented in paragraph 3 below. These amended financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these amended financial statements based on our audit.
2. We conducted our audit in accordance with Lithuanian and International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our report issued as of 22 March 2004, we expressed qualified opinion on the financial statements as of 31 December 2003 due to the financial investments value and deficiency of allowances for doubtful receivables. Following the shareholders decision, the Company reduced the value of financial investments by LTL'000 1 191 and provided an allowance for doubtful receivables in the amount of LTL'000 3 189 by reducing shareholders' equity in the amount of LTL'000 4 380 in the financial statements as of 31 December 2003. The amendment of the financial statements is disclosed in Note 18 to the financial statements.
4. As of 31 December 2003 the Company has accounted for contracts in progress in the amount of LTL'000 7 118. Owing to the nature of the Company's contracts in progress records, we were unable to perform audit procedures to obtain sufficient audit evidence regarding the value of contracts in progress, therefore we do not express an opinion on the value of contracts in progress as of 31 December 2003.

5. In our opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraph, the amended financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31 December 2003 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles in the Republic of Lithuania.


UAB Deloitte & Touche
Gen. Director Juozas Kabašinskas

Vilnius, Lithuania
12 May 2004


Certified auditor Rima Kvietkauskaitė
Auditor's Certificate No. 000369

AB PANEVĖŽIO STATYBOS TRESTAS

AMENDED BALANCE SHEET AS OF 31 DECEMBER 2003

No.	Assets	Notes	2003 (LTL)	2002 (LTL)
A.	Non-current assets		19 533 886	18 356 847
I.	FORMATION COSTS	2	-	-
I.1.	Cost of formation and capital increase		-	-
I.2.	Loan issue costs		-	-
I.3.	Other formation costs		-	-
I.4.	Reorganization costs		-	-
II.	INTANGIBLE ASSETS	3	488 338	554 529
II.1.	Research and development costs		8 749	19 302
II.2.	Rights obtained		479 589	535 227
II.3.	Goodwill		-	-
II.4.	Prepayments		-	-
III.	FIXED ASSETS	4	13 119 438	11 772 132
III.1.	Land		1 646 179	1 646 179
III.2.	Buildings		5 516 710	5 053 092
III.3.	Plant and machinery		1 014 432	872 017
III.4.	Vehicles		768 596	919 038
III.5.	Other equipment		1 784 045	2 127 202
III.6.	Leasing and similar rights		1 589 139	578 961
III.7.	Other fixed assets		6 298	-
III.8.	Construction in progress and prepayments		794 039	575 643
IV.	FINANCIAL ASSETS		5 791 877	5 668 006
IV.1.	Enterprises in which participation interest is held		5 706 481	5 573 757
IV.1.1.	Investments	5, 18	5 706 481	5 573 757
IV.1.2.	Accounts receivable	6, 18	-	-
IV.2.	Other non-current financial assets		85 396	94 249
IV.2.1.	Treasury shares		-	-
IV.2.2.	Other investments	5	50 000	50 000
IV.2.3.	Other accounts receivable	6	35 396	44 249
V.	ACCOUNTS RECEIVABLE AFTER ONE YEAR		134 233	362 180
V.1.	Trade debtors		105 733	126 760
V.2.	Other accounts receivable		28 500	235 420

(Continued)

AB PANEVĖŽIO STATYBOS TRESTAS

AMENDED BALANCE SHEET AS OF 31 DECEMBER 2003

No.	Assets	Notes	2003 (LTL)	2002 (LTL)
B.	<i>Current assets</i>		42 621 951	27 814 954
I.	INVENTORY AND CONTRACTS IN PROGRESS		13 279 338	4 489 395
I.1.	Inventory		6 161 788	3 250 505
I.1.1.	Raw materials and consumables		2 526 412	1 372 509
I.1.2.	Work in progress		-	-
I.1.3.	Finished goods		-	-
I.1.4.	Goods purchased for resale		312 860	428 230
I.1.5.	Non-current assets held for sale		82 867	538 368
I.1.6.	Prepayments		3 239 649	911 398
I.2.	Contracts in progress		7 117 550	1 238 890
II.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR	6, 18	27 836 344	21 568 965
II.1.	Trade debtors		25 294 193	21 028 055
II.2.	Other accounts receivable		2 542 151	540 910
II.2.1.	Called-up capital unpaid		-	-
II.2.2.	Other debtors		2 542 151	540 910
III.	INVESTMENTS AND TERM DEPOSITS		-	-
III.1.	Treasury shares		-	-
III.2.	Other investments and term deposits		-	-
IV.	CASH AT BANK AND ON HAND		1 506 269	1 756 594
C.	<i>Accrued income and prepaid expenses</i>	7, 8	212 399	45 690
	TOTAL ASSETS		62 368 236	46 217 491

(Continued)

AB PANEVĖŽIO STATYBOS TRESTAS

AMENDED BALANCE SHEET AS OF 31 DECEMBER 2003

No.	Shareholders' equity and liabilities	Notes	2003 (LTL)	2002 (LTL)
A.	<i>Share capital and reserves</i>	18	19 623 688	23 224 411
I.	SHARE CAPITAL	9	16 350 000	16 350 000
I.1.	Subscribed share capital		16 350 000	16 350 000
I.2.	Uncalled share capital (-)		-	-
II.	SHARE PREMIUM		-	-
III.	REVALUATION RESERVE		-	-
IV.	RESERVES		1 287 090	6 803 998
IV.1.	Legal reserves		1 287 090	1 244 586
IV.2.	Reserves not available for distribution		-	5 098 213
IV.3.	Reserves available for distribution		-	461 199
V.	PROFIT (LOSS) BROUGHT FORWARD		1 986 598	70 413
V.1.	Current year profit (loss)		1 986 598	70 413
V.2.	Previous year profit (loss)		-	-
B.	<i>Financing (grants and subsidies)</i>		-	-
C.	<i>Provisions and deferred taxes</i>		2 154 931	933 186
I.	PROVISIONS		2 154 931	933 186
I.1.	For pensions and similar obligations		-	-
I.2.	For tax charges		-	-
I.2.1.	Unexpected		-	-
I.2.2.	Other		-	-
I.3.	Major repairs and large-scale maintenance		-	-
I.4.	Other provisions		2 154 931	933 186
II.	DEFERRED TAXES		-	-
II.1.	On subsidies in capital		-	-
II.2.	Other		-	-

(Continued)

AB PANEVĖŽIO STATYBOS TRESTAS

AMENDED BALANCE SHEET AS OF 31 DECEMBER 2003

No.	Shareholders' equity and liabilities	Notes	2003 (LTL)	2002 (LTL)
D.	Accounts payable and liabilities		40 589 617	22 059 894
I.	ACCOUNTS PAYABLE AFTER ONE YEAR AND NON-CURRENT LIABILITIES	10	1 092 772	258 752
I.1.	Financial debts		1 092 772	258 752
I.1.1.	Subordinated loans		-	-
I.1.2.	Unsubordinated loans		-	-
I.1.3.	Leasing and other similar obligations		1 092 772	226 016
I.1.4.	Credit institutions		-	32 736
I.1.5.	Other		-	-
I.2.	Trade creditors		-	-
I.2.1.	Suppliers		-	-
I.2.2.	Bills of exchange payable		-	-
I.3.	Advances received on contracts in progress		-	-
I.4.	Other accounts payable and non-current liabilities		-	-

(Continued)

AB PANEVĖŽIO STATYBOS TRESTAS

AMENDED BALANCE SHEET AS OF 31 DECEMBER 2003

No.	Shareholders' equity and liabilities	Notes	2003 (LTL)	2002 (LTL)
II.	ACCOUNTS PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES	10	39 496 845	21 801 142
II.1.	Current portion of non-current debts		461 082	266 834
II.2.	Financial debts		3 341 206	4 931 847
II.2.1.	Credit institutions		3 341 206	4 931 847
II.2.2.	Other		-	-
II.3.	Trade creditors		23 307 965	12 499 602
II.3.1.	Suppliers		23 307 965	12 499 602
II.3.2.	Bills of exchange payable		-	-
II.4.	Advances received on contracts in progress		9 210 375	1 787 359
II.5.	Taxes, remuneration and social security payable		2 761 421	1 466 220
II.5.1.	Taxes		1 126 707	420 542
II.5.2.	Remuneration		1 134 234	685 981
II.5.3.	Social security payable		500 480	359 697
II.6.	Other accounts payable and current liabilities		414 796	849 280
E.	<i>Accrued expenses and deferred income</i>	<i>11, 12</i>	-	-
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		62 368 236	46 217 491

The accompanying notes are an integral part of these financial statements. (Concluded)

These financial statements were approved on 12 May 2004 and signed by:


General Director E. Rečiūnas


Chief Accountant A. Nagienė

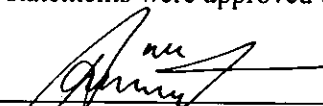
AB PANEVĖŽIO STATYBOS TRESTAS

AMENDED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2003

No.	Items	Notes	2003 (LTL)	2002 (LTL)
I.	SALES AND SERVICES		136 358 888	93 435 484
I.1.	Turnover from sales of goods		3 846 142	5 906 126
I.2.	Turnover from services rendered		132 512 746	87 529 358
II.	COST OF GOODS SOLD AND SERVICES RENDERED		124 167 647	85 468 744
II.1.	Raw materials, consumables and goods for resale		3 592 205	4 668 488
II.2.	Services, works and research		120 575 442	80 800 256
III.	GROSS PROFIT (LOSS)		12 191 241	7 966 740
IV.	OPERATING EXPENSES		9 733 329	7 983 409
IV.1.	Selling expenses		439 690	736 800
IV.2.	General and administrative expenses		9 293 639	7 246 609
V.	PROFIT (LOSS) FROM OPERATIONS		2 457 912	(16 669)
VI.	OTHER ACTIVITIES		234 277	133 399
VI.1.	Income		1 840 687	1 444 413
VI.2.	Expenses		1 606 410	1 311 014
VII.	FINANCIAL AND INVESTING ACTIVITIES	13	(1 797 845)	(161 249)
VII.1.	Income		673 142	1 882 496
VII.2.	Expenses		2 470 987	2 043 745
VIII.	PROFIT (LOSS) FROM ORDINARY ACTIVITIES		894 344	(44 519)
IX.	EXTRAORDINARY GAIN	14	275 301	183 856
X	EXTRAORDINARY LOSS	14	140 228	68 924
XI.	CURRENT YEAR PROFIT (LOSS) BEFORE TAXES		1 029 417	70 413
XII.	INCOME TAX		249 759	-
XIII.	NET PROFIT (LOSS)		779 658	70 413

The accompanying notes are an integral part of these financial statements.

These financial statements were approved on 12 May 2004 and signed by:


General Director E. Rečiūnas


Chief Accountant A. Nagienė

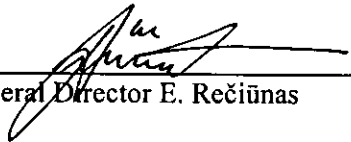
AB PANEVĖŽIO STATYBOS TRESTAS

AMENDED APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

No.	Items	Notes	2003 (LTL)	2002 (LTL)
I.	Profit (loss) brought forward from previous years		70 413	259 274
II.	Current year profit (loss)		779 658	70 413
III.	Profit (loss) to be appropriated at the end of the year		850 071	329 687
IV.	Shareholders' contribution against losses		-	-
V.	Transfers from reserves		5 559 412	247 417
VI.	Profit to be appropriated		6 409 483	577 104
VII.	Appropriation of profit:		4 422 885	506 691
VII.1.	To legal reserves		42 504	26 365
VII.2.	To other reserves		-	480 326
VII.3.	Dividends		-	-
VII.4.	Other appropriation	18	4 380 381	-
VIII.	Profit (loss) to be carried forward at the end of the year		1 986 598	70 413

The accompanying notes are an integral part of these financial statements.

These financial statements were approved on 12 May 2004 and signed by:


General Director E. Rečiūnas


Chief Accountant A. Nagienė

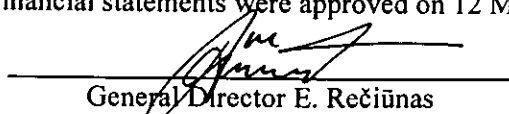
AB PANEVĖŽIO STATYBOS TRESTAS

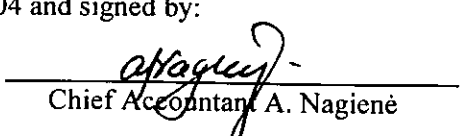
AMENDED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2003

No.	Items	2003 (LTL)	2002 (LTL)
I.	Cash flow from operating activities		
I.1.	Net profit (loss)	779 658	70 413
I.2.	Depreciation and amortization expenses, changes in inventory	(3 327 413)	1 015 390
I.3.	Negative (positive) influence of changes in exchange rate of foreign currency	1 177 582	845 823
I.4.	Loss (gain) on disposal of long – term assets	(170 372)	(979 430)
I.5.	Decrease (increase) in trade receivables	(7 980 732)	(4 526 186)
I.6.	Increase (decrease) in trade payables	10 808 363	415 113
I.7.	Increase (decrease) in other liabilities	5 770 538	807 252
I.8.	Increase (decrease) in amount payable to Government and authorities	706 165	(61 654)
I.9.	Decrease (increase) in prepayments	(2 328 251)	(317 945)
I.10.	Loss (gain) from financial and investing activities	792 635	294 856
	Net cash flow from operating activities (+/-)	6 228 173	(2 436 368)
II.	Cash flow from investing activities		
II.1.	Sale (acquisition) of long – term assets	(1 706 707)	(97 541)
II.2.	Sales (acquisition) of investments	(355 619)	(2 280 502)
	Net cash flow from investing activities (+/-)	(2 062 326)	(2 378 043)
III.	Cash flow from financing activities		
III.1.	Issue of preferred and common shares	-	-
III.2.	Purchase of own shares (-)	-	-
III.3.	Issue of bonds	-	-
III.4.	Payments of leasing commitments (-)	(666 640)	492 850
III.5.	Increase (decrease) in bank loans	(1 590 641)	4 570 196
III.6.	Other enterprises		
III.6.1	Increase (decrease) in payables	-	-
III.6.2	Decrease (increase) in receivables	(188 674)	(19 344)
III.7.	Dividends paid (-)	-	-
III.8.	Other cash inflow (outflow)	(1 970 217)	(1 159 806)
	Net cash flow from financing activities (+/-)	(4 416 172)	3 883 896
IV.	Cash flow from extraordinary activities		
IV.1.	Increase (decrease) from extraordinary operations	-	-
	Net cash flow from extraordinary activities (+/-)	-	-
V.	Increase (decrease) in net cash	(250 325)	(930 515)
VI.	Cash and cash equivalents, beginning of year	1 756 594	2 687 109
VII.	Cash and cash equivalents, end of year	1 506 269	1 756 594

The accompanying notes are an integral part of these financial statements.

These financial statements were approved on 12 May 2004 and signed by:


General Director E. Rečiūnas


Chief Accountant A. Nagienė

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1. Accounting policies and other information

AB Panevėžio Statybos Trestas (hereafter referred to as “the Company”) was established in 1957 and was known as Šiaurės Lietuvos Statybos Trestas. In 1991 the Company was registered as State capital Company. Later, on 30 October 1993 the Company was reorganized and registered as Joint Stock Company with register No. AB 93 – 76 in Panevėžys town administration. Granted state register number of the Company is 4773296 and VAT payer number is 477329610.

As of 31 December 2003 the Company had the following branches: Gerbusta, Pastatų Apdaila and Darmesta. These branches have an independent accounting from the parent company, but results of financial reports are included in the financial statements of the Company. Operations result of Klaipstata branch, which is registered in municipality of Klaipėda city, is accounted within the parent company. Vilsenta branch, which is registered in Vilnius city, actually is inactive, but was not removed from the register. The Company has two branches in Russia: in Čerepovec and in Kaliningrad.

The main activity of the Company is projection and construction of various buildings, structures, facilities, communications nets and other similar objects in Lithuania and abroad. The Company also rents out premises and equipment, sales building materials and resale communication services.

The Company employed 906 employees in 2003 (2002: 750).

Accounting policies

The accompanying financial statements are presented in the national currency of Lithuania, the Litas (“LTL”).

Basis of Preparation - The financial statements have been prepared on the historical cost basis of accounting, as modified by the indexation of certain fixed assets, in accordance with accounting principles generally accepted in the Republic of Lithuania. The following summarizes the more significant of these policies.

Use of Estimates - The preparation of the financial statements in accordance with accounting principles generally accepted in the Republic of Lithuania requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investments – Investments consist of shares of Lithuania companies and shares of subsidiaries in abroad countries. Investments are recognized at cost.

Inventories - Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. Appropriate consideration is given to deterioration, obsolescence and other factors when evaluating net realizable value.

Cash – Cash includes cash on hand and accounts in banks.

Foreign Currencies - The Company performs the majority of transactions in the national currency. Transactions denominated in foreign currency are translated into LTL at the official Bank of Lithuania exchange rate on the date of the transaction, which approximates the prevailing market rates. Monetary assets and liabilities are translated at the rate of exchange on the balance sheet date.

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

The applicable rates used for the principal currencies as of 31 December 2003 and 2002 were as follows:

	2003		2002
1 USD	= 2,7621 LTL	1 USD	= 3,3114 LTL
1 EUR	= 3,4528 LTL	1 EUR	= 3,4528 LTL
10 RUB	= 0,9446 LTL	10 RUB	= 1,0378 LTL
1 LVL	= 5,1629 LTL	1 LVL	= 5,6369 LTL

All resulting gains and losses relating to foreign currency exchange differences are recorded in the income statement in the period in which they arise. Gains and losses on translation of monetary assets and liabilities, denominated in foreign currency, are credited or charged at foreign exchange rates prevailing at year-end.

Accounts receivable - The Company evaluates the collectability of its receivables on an ongoing basis and if questions as to collectability arise, provides an allowance for potentially uncollectible amounts.

Revenue recognition and related expenses - Revenues are recognized as income on the accrual basis when earned. Expenses are charged to operations as incurred.

Fixed Assets - Fixed assets are stated at historical cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method.

Depreciation is provided in equal monthly installments except for the month placed in service over the expected useful lives as follows:

Buildings	8 - 90	years
Machinery and equipment	8	years
Vehicles	6 - 10	years
Office furniture and other assets	3 - 5	years
Intangible assets	3 - 4	years

All assets in excess of 1 000 LTL and which are used to generate income over 1 year are capitalized.

Gains and losses on disposal of fixed assets are recognized in the income statement in the year of disposal.

Income taxes - In 2003 income is taxed at 15% according to the tax regulations in the Republic of Lithuania. In 2003 the Company recorded a taxable profit and charged 249 759 LTL of income tax expense.

Related parties - Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties are defined as shareholders, employees, members of the supervisory council and management board, their close relatives and companies that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the reporting entity.

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

Other information

Dynamic of the main Company's rates for the period from 1999 till 2003 is presented in the table below (thousand LTL):

Rates	1999	2000	2001	2002	2003
Sales and Services	72 744	66 455	87 707	93 435	136 359
Net profit	2 841	23	259	70	780
Profitability percent	3,9	0	0,3	0,1	0,6
Current assets	22 805	21 967	23 162	27 815	44 465
Current liabilities	12 758	12 438	15 384	21 801	39 497
General solvency ratio	1,79	1,77	1,51	1,28	1,12

The Company operates in Lithuania and Russia Federation markets. As of 31 December 2003 operations in Russia Federation were 7,6 percent from the total amount of operations. During the year of 2003 the Company operated in Kaliningrad and Čerepovec markets and started construction works in Sankt – Peterburg.

Investments in to other companies

During the year additional investments in to other companies were LTL'000 1 324. As of 31 December 2003 the Company's financial assets included the following investments:

UAB Skydmedis	12 500 LTL
UAB Metalo Meistrai	12 500 LTL
UAB Vekada	776 481 LTL
TŪB Vilniaus Papėdė	10 000 LTL
SIA PS Trests (Latvia)	0 LTL
OOO Baltlitstroj (Kaliningrad)	0 LTL
UAB Audros Rūmai	1 742 000 LTL
UAB Sėkmės Šaltinis	2 910 000 LTL
Community of residential houses Uosis	238 000 LTL
Panevėžys basketball club	5 000 LTL
Total:	5 706 481 LTL

Rates of reporting period of subsidiaries and controlled companies are presented in the table below:

Company	Sales and services LTL	Net profit (loss) LTL	Company's ownership %
UAB Skydmedis	3 821 123	155 901	100,00
UAB Metalo Meistrai	3 489 411	75 493	100,00
UAB Vekada	3 128 624	15 624	96,00
TŪB Vilniaus Papėdė	10 934 884	(1)	69,00
SIA PS Trests	152 842	(181 450)	100,00
OOO Baltlitstroj	2 335 860	(3 141 422)	100,00
UAB Audros Rūmai	-	(95 018)	67,00
UAB Sėkmės Šaltinis	-	(26 957)	100,00
Total:	23 862 744	(3 197 830)	

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

During the reporting period dividends in these companies were not declared. According to information obtained dividends will not to be declared on the distribution of the profit of 2003.

Subsequent events

No significant subsequent events were noted during 2003.

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

2. Formation costs (LTL)

Items	Codes	Amounts
NET BOOK VALUE 31 DECEMBER 2002		
Changes during 2003:		-
- New costs in the current year		-
- Amounts written off (-)		-
- Others +/-(-)		-
NET BOOK VALUE 31 DECEMBER 2003		-

3. Intangible assets (LTL)

Items	Codes	Research and development costs	Rights obtained	Goodwill	Prepayments
a) ACQUISITION COSTS					
31 December 2002		98 897	805 210	-	-
Changes during 2003:					
- acquisition (including assets under production)		-	46 956	-	-
- disposals (-)		(55 051)	(57 950)	-	-
- transfers +/-(-)		(1 500)	1 500	-	-
31 December 2003		42 346	795 716	-	-
b) AMOUNTS WRITTEN OFF AND AMORTIZATION (-)					
31 December 2002		79 595	269 983	-	-
Changes during 2003:					
- charge for the year		9 258	103 883	-	-
- reversals (-)		-	-	-	-
- disposals (-)		-	-	-	-
- write-offs (-)		(55 048)	(57 947)	-	-
- transfers +/-(-)		(208)	208	-	-
31 December 2003		33 597	316 127	-	-
c) NET BOOK VALUE					
31 DECEMBER 2003 (a) - (b)		8 749	479 589	-	-

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

4. Fixed assets (LTL)

Items	Land and buildings	Plant and machinery	Vehicles	Other equipment	Leasing and similar rights	Other fixed assets	Construction in progress and prepayments
a) ACQUISITION COST							
31 December 2002	12 551 563	4 958 077	3 432 033	6 919 110	632 264	-	575 643
Changes during 2003:							
- acquisition	421 639	469 218	344 544	813 083	1 694 096	6 298	460 269
- disposals (-)	(245 840)	(112 422)	(176 616)	(789 337)	(10 841)	-	-
- transfers +/-(-)	641 873	(11 921)	308	11 613	(400 000)	-	(241 873)
31 December 2003	13 369 235	5 302 952	3 600 269	6 954 469	1 915 519	6 298	794 039
b) REVALUATION							
31 December 2002	-	-	-	-	-	-	-
Changes during 2003:							
- increase in value	-	-	-	-	-	-	-
- disposals (-)	-	-	-	-	-	-	-
- write-offs (-)	-	-	-	-	-	-	-
- transfers +/-(-)	-	-	-	-	-	-	-
31 December 2003	-	-	-	-	-	-	-
c) AMOUNTS WRITTEN-OFF AND DEPRECIATION (-)							
31 December 2002	5 852 292	4 086 060	2 512 995	4 791 908	53 303	-	-
Changes during 2003:							
- charge for the year	451 778	318 886	428 110	800 667	255 453	-	-
- reversals (-)	-	-	-	-	-	-	-
- disposals (-)	(97 724)	(856)	(27 698)	(39 897)	-	-	-
- write-offs (-)	-	(103 652)	(82 041)	(373 891)	(2 350)	-	-
- transfers +/-(-)	-	(11 918)	307	(8 363)	19 974	-	-
31 December 2003	6 206 346	4 288 520	2 831 673	5 170 424	326 380	-	-
d) NET BOOK VALUE 31 DECEMBER 2003 (a) + (b) - (c)	7 162 889	1 014 432	768 596	1 784 045	1 589 139	6 298	794 039

AB PANEVĖŽIO STATYBOS TRESTAS**NOTES TO THE AMENDED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003****5. Financial assets
(LTL)**

Items	Codes	Investments	
		Main investments	Other investments
a) AQUISITION COST			
31 December 2002		5 573 757	50 000
Changes during 2003:			
- acquisition		1 323 571	-
- disposals (-)		-	-
- transfers +/-		-	-
31 December 2003		6 897 328	50 000
b) REVALUATION			
31 December 2002		-	-
Changes during 2003:			
- increase in value		-	-
- disposals (-)		-	-
- transfers +/-		-	-
31 December 2003		-	-
c) AMORTIZATION (-)			
31 December 2002		-	-
Changes during 2003:			
- decrease in value		(1 190 847)	-
- reversals (-)		-	-
- disposals (-)		-	-
- transfers +/-		-	-
31 December 2003		(1 190 847)	-
d) UNCALLED AMOUNTS (-)			
31 December 2002		-	-
Changes during 2003:		-	-
31 December 2003		-	-
NET BOOK VALUE 31 DECEMBER 2003			
(a)+(b)-(c)-(d)		5 706 481	50 000

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

6. Accounts receivable within one year (LTL)

Items	Codes	2003	2002
a) ACCOUNTS RECEIVABLE AFTER ONE YEAR		1 381 836	44 249
b) PROVISIONS FOR DOUBTFUL ACCOUNTS RECEIVABLE		1 346 440	-
c) NET ACCOUNTS RECEIVABLE AFTER ONE YEAR		35 396	44 249

Items	Codes	2003	2002
a) ACCOUNTS RECEIVABLE WITHIN ONE YEAR		30 044 198	21 568 965
Trade debtors		27 502 047	21 028 055
Other accounts receivable		2 542 151	540 910
b) PROVISIONS FOR DOUBTFUL ACCOUNTS RECEIVABLE		2 207 854	-
c) NET ACCOUNTS RECEIVABLE WITHIN ONE YEAR		27 836 344	21 568 965
Trade debtors		25 294 193	21 028 055
Other accounts receivable		2 542 151	540 910

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

7. Prepaid expenses (LTL)

Prepaid expenses accounts	Codes	Prepaid expenses to be recognized		
		Within one year	1-2 years	Thereafter
Insurance		119 973	-	-
Repairing of rented premises		33 533	49 514	-
Subscription		9 379	-	-
Total prepaid expenses		162 885	49 514	-

8. Accrued income (LTL)

Accrued income accounts	Codes	Accrued income to be recognized		
		Within one year	1-2 years	Thereafter
Total accrued income		-	-	-

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

9. Status of share capital (LTL)

Items	Codes	Amount	Number of shares
A. Registered share capital			
1. Subscribed share capital			
- 31 December 2002		16 350 000	16 350 000
- Changes during 2003		-	-
31 December 2003		16 350 000	16 350 000
2. Structure of share capital			
2.1. Categories of shares			
2.1.1. Common shares		16 350 000	16 350 000
2.1.2. Preferred shares		-	-
2.2. State owned share capital		-	-
B. Uncalled and called but unpaid share capital		-	-
Shareholders – debtors		-	-
TOTAL:		16 350 000	16 350 000
		Amount of share capital held	Corresponding number of shares
C. Treasury shares		-	-

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

10. Status of the Company's liabilities (LTL)

Items	Codes	Debts or portions thereof to be paid		
		Within one year	1-5 years	Thereafter
A Structure of debts				
Financial debts:				
1. Subordinated loans		-	-	-
2. Unsubordinated loans		-	-	-
3. Leasing and similar obligations		461 082	1 092 772	-
4. Credit institutions		3 341 206	-	-
5. Loans of foreign credit institutions		-	-	-
6. Other debts		-	-	-
Trade debts:				
1. Suppliers		23 307 965	-	-
2. Bills of exchange payable		-	-	-
Advances received on contracts in progress		9 210 375	-	-
Taxes, remuneration and social security payable				
1. Taxes		1 126 707	-	-
2. Remuneration and social security payable		1 634 714	-	-
Other liabilities		414 796	-	-
TOTAL:		39 496 845	1 092 772	-
		Debts under guarantee of		
B. Guarantee liabilities		Government	The Company itself by collateralized assets	
Financial debts:				
1. Subordinated loans		-	-	-
2. Unsubordinated loans		-	-	-
3. Leasing and similar obligations		-	-	1 553 854
4. Credit institutions		-	-	3 341 206
5. Other debts		-	-	-
Trade debts:				
1. Suppliers		-	-	-
2. Bills of exchange payable		-	-	-
Advances received on contracts in progress		-	-	-
Other liabilities		-	-	-
TOTAL:		-	-	4 895 060

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

11. Accrued expenses (LTL)

Accrued expenses accounts	Codes	Accrued expenses to be payable		
		Within one year	1-2 years	Thereafter
Total accrued expenses		-	-	-

12. Deferred income (LTL)

Deferred income accounts	Codes	Deferred income to be recognized		
		Within one year	1-2 years	Thereafter
Total deferred income		-	-	-

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

13. Result of financial and investing activities (LTL)

Items	Codes	2003	2002
a) TOTAL INCOME FROM FINANCIAL AND INVESTING ACTIVITIES		673 142	1 882 496
Currency exchange gain		482 301	746 647
Gain from sales of fixed assets		170 372	979 430
Interest from other companies		8 181	2 288
Write – off of payables		4 558	2 821
Penalties received		2 436	13 461
Bank interest		2 424	4 987
VAT exemption due to disable employees		-	132 862
Other		2 870	-
b) TOTAL EXPENSES OF FINANCIAL AND INVESTING ACTIVITIES (less capitalized expenses)		2 470 987	2 043 745
Currency exchange loss		1 659 884	1 592 470
Write – off of receivables		432 923	35 129
Loan interest		363 142	337 084
Penalties paid		15 038	79 062
c) CAPITALIZED EXPENSES OF FINANCIAL AND INVESTING ACTIVITIES		-	-
d) RESULT OF FINANCIAL AND INVESTING ACTIVITIES (a – b)		(1 797 845)	(161 249)

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

14. Result of extraordinary activities (LTL)

Items	Codes	2003	2002
a) TOTAL EXTRAORDINARY INCOME		275 301	183 856
Damage compensation		209 987	4 948
Insurance bonus		57 644	174 505
Reversal of written – off fixed assets		303	2 403
Reversal of written – off current assets		118	-
Recovery of doubtful accounts receivable		-	2 000
Other		7 249	-
b) TOTAL EXTRAORDINARY EXPENSES		140 228	68 924
Write - off of fixed assets		58 885	35 968
Previous year expenses		34 975	3 380
Expenses of insurable events		30 197	23 395
Write - off of current assets		9 874	6 181
Other		6 297	-
c) RESULT FROM EXTRAORDINARY ACTIVITIES (a-b)		135 073	114 932

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

15. Financial relations with the Company's management (LTL)

Items	Codes	2003	2002
A. Management remuneration		1 141 691	888 160
B. Company's loans to its managers		14 560	-
C. Non rechargeable assets and gifts granted to them		-	-
D. Guarantees on behalf of the Company granted to them		-	-
E. Other significant amounts computed to the managers within the year		-	-
F. Significant liabilities of the managers to the Company		-	-
Average number of managers per year		18	20

16. Related party transactions (LTL)

Items	Codes	2003
A. Receivables from related parties		4 819 148
B. Payables for related parties		315 903
C. Cost and expenses of acquired goods in the related parties transactions		5 194 192
D. Disposed goods and revenue obtained from the related parties transactions		13 848 619

AB PANEVĖŽIO STATYBOS TRESTAS

NOTES TO THE AMENDED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

17. Off balance sheet rights and obligations (LTL)

Items	Codes	2003
Issued irrevocable guarantees of the Company		-
Including: issued bills of exchange		-

As of 31 December 2003 the Company has pledged following property as security against outstanding borrowings:

- Real estate property, which net book value was 5 292 835 LTL.
- Cash in banks' accounts, which value was 254 988 LTL.
- Obligation rights according to the construction agreements, which total value was 12 172 883 LTL

Total value of pledged property as of 31 December 2003 was 17 720 706 LTL.

18. Amending of the financial statements

Following the General Shareholders' Meeting decision dated 16 April 2004, the Company reduced the value of financial investments by LTL'000 1 191 and provided an allowance for doubtful receivables in the amount of LTL'000 3 189 by reducing shareholders' equity in the amount of LTL'000 4 380 in the financial statements as of 31 December 2003. Impact of the amendment to the financial statements as of 31 December 2003 is presented below:

	Notes	Before amendment	Amendment	After amendment
Investments	5	6 897 328	(1 190 847)	5 706 481
Accounts receivable	6	1 346 440	(1 346 440)	-
Accounts receivable within one year	6	29 679 438	(1 843 094)	27 836 344
Share Capital and reserves		24 004 069	(4 380 381)	19 623 688
