

PANEVĖŽIO STATYBOS TRESTAS AB

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENT
for three months of 2012

31 May 31 2012

Panevėžys

PANEVĖŽIO STATYBOS TREŠTAS AB

Consolidated and Company Financial Statements for Quarter Ending 31 March 2012

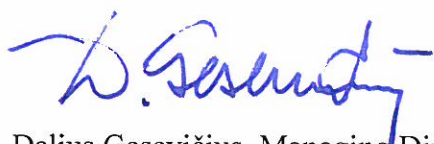
Unaudited

Company register given code 147732969

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

STATEMENT OF EXECUTIVE OFFICERS OF THE COMPANY

Hereby we confirm that on the basis of the information available to us, the Consolidated Interim Financial Statements for three months of 2012 made in accordance with the International Financial Reporting Standards is true and shows the assets, liabilities, financial state, and profit or loss and cash flow of *Panevėžio statybos trestas AB* and companies of *Panevėžio statybos trestas* Company Group in a correct manner.



Dalius Gesevičius, Managing Director
Panevėžio statybos trestas AB



Dalė Bernotaitienė, Finance Director
Panevėžio statybos trestas AB

Main data about the issuer

Name of issuer	Public limited liability company <i>Panevėžio statybos trestas</i>
Authorized capital	16,350,000 Litas
Address of registered office	P. Puzino Str. 1, LT-35173 Panevėžys, Lithuania
Telephone	(+370 45) 505 503
Fax	(+370 45) 505 520
E-mail	pst@pst.lt
Legal-organization form	Public limited liability company
Registration date and place	30 October 1993, Panevėžys City Department
Registration No.	AB 9376
Code at the register of enterprises	147732969
VAT code	LT477329610
Administrator of legal entity register	State Enterprise Centre of Registers
Web address	www.pst.lt

Board

Remigijus Juodviršis, Chairman
 Artūras Bučas
 Gvidas Drobužas
 Irma Abromavičienė
 Vilius Gražys

Management

Dalius Gesevičius, Managing Director

Separate statement of financial position

In Litas

ASSETS	31 March 2012	31 Dec. 2011
Non-current assets	79,192,100	71,258,514
Intangible assets	16,531	21,105
Tangible assets	16,328,321	17,340,459
Investment and amounts receivable in one year	62,525,140	53,423,459
Deferred tax assets	322,108	473,491
Current assets	112,552,001	137,341,907
Inventories	19,097,710	9,769,019
Advance payments	5,443,584	6,245,330
Amounts receivable	53,572,568	60,206,979
Other current assets	15,917,870	17,433,755
Cash and cash equivalents	18,520,269	43,686,824
TOTAL ASSETS	191,744,101	208,600,421

EQUITY AND LIABILITIES	31 March 2012	31 Dec. 2011
Equity	130,693,886	130,434,694
Share capital	16,350,000	16,350,000
Reserves	7,389,800	7,553,805
Retained profit (loss)	106,954,086	106,530,889
Translation reserve		
Minority share		
Amounts payable and liabilities	61,050,215	78,165,727
Amounts payable in one year and long term liabilities	2,192,591	2,642,945
Loans and borrowings	236,956	537,785
Warranty provision	940,088	1,060,670
Deferred tax liabilities	1,015,547	1,044,490
Amounts payable in one year and short term liabilities	58,857,624	75,522,782
Loans and borrowings	1,405,330	1,582,227
Trade payables	29,597,475	35,536,154
Prepayments received	15,258,049	16,523,170
Current tax payable	1,135,235	2,060,324
Other liabilities	11,461,535	19,820,907
TOTAL EQUITY AND LIABILITIES:	191,744,101	208,600,421

Consolidated statement of financial position

In Litas

ASSETS	31 March 2012	31 Dec. 2011
Non-current assets	40,438,150	39,699,308
Intangible assets	182,193	179,792
Tangible non-current assets	23,994,507	22,833,766
Other investment and amounts receivable in one year	14,529,069	14,632,296
Other intangible assets	1,732,381	2,053,454
Current assets	166,629,029	187,212,768
Inventories	59,602,082	50,023,833
Advance payments	13,675,083	8,624,496
Amounts receivable	58,657,661	71,635,644
Other assets	11,529,303	6,865,724
Cash and cash equivalents	23,164,900	50,063,071
TOTAL ASSETS:	207,067,179	226,912,076

EQUITY AND LIABILITIES	31 March 2012	31 Dec. 2011
Equity	107,068,829	112,181,933
Share capital	16,350,000	16,350,000
Reserves	8,396,419	8,572,753
Retained profit (loss)	82,368,947	86,400,093
Translation reserve	-46,537	859,087
Minority share	4,470,576	4,247,232
Amounts payable and liabilities	95,527,774	110,482,911
Amounts payable in one year and long term liabilities	6,216,603	5,099,692
Loans and borrowings	2,903,842	1,663,643
Provisions	1,866,180	1,981,768
Deferred tax liabilities	1,321,052	1,349,995
Grants and subsidies	43,987	45,900
Other payable amounts	81,542	58,386
Amounts payable in one year and short term liabilities	89,311,171	105,383,219
Loans and borrowings	15,075,934	16,333,899
Trade payables	32,805,456	39,590,984
Prepayments received	25,645,093	22,486,770
Current tax payable	1,175,383	2,093,659
Other liabilities	14,609,305	24,877,907
TOTAL EQUITY AND LIABILITIES:	207,067,179	226,912,076

Separate statement of comprehensive income

In Litas

ITEM	31 March 2012	31 March 2011
SALE		
COST OF SALE	40,466,236	27,922,755
GROSS PROFIT (LOSS)	38,094,126	24,465,651
OPERATING EXPENSES	2,372,110	3,457,104
Sale	2,803,616	2,885,324
General and administration	108,612	80,210
TYPICAL OPERATING PROFIT (LOSS)	2,695,004	2,805,114
OTHER ACTIVITIES	-431,506	571,780
Income	15,193	-78,933
Expenses	368,901	256,991
FINANCIAL AND INVESTMENT ACTIVITIES	353,708	335,924
Income	1,116,908	313,450
Expenses	1,226,667	394,275
USUAL ACTIVITY PROFIT (LOSS)	109,759	80,825
WINDFALL PROFIT	700,595	806,297
LOSSES		
PROFIT (LOSS) BEFORE TAXATION		
PROFIT TAX	700,595	806,297
NET PROFIT (LOSS)	426,980	158,487

Consolidated statement of comprehensive income

In Litas

ITEM	31 March 2012	31 March 2011
SALE	44,876,085	40,743,784
COST OF SALE	45,699,815	35,385,681
GROSS PROFIT (LOSS)	-823,730	5,358,103
OPERATING EXPENSES	4,394,709	4,402,422
Sale	247,783	152,763
General and administration	4,146,926	4,249,659
TYPICAL OPERATING PROFIT (LOSS)	-5,218,439	955,681
OTHER ACTIVITIES	-76,105	-122,393
Income	318,469	249,843
Expenses	394,574	372,236
FINANCIAL AND INVESTMENT ACTIVITIES	1,952,280	216,845
Income from other financial activities	2,463,457	388,013
Other expenses of financial activities	511,177	171,168
USUAL ACTIVITY PROFIT (LOSS)	-3,342,264	1,050,133
WINDFALL PROFIT		
LOSSES		
PROFIT (LOSS) BEFORE TAXATION	-3,342,264	1,050,133
PROFIT TAX	701,703	273,433
NET PROFIT (LOSS)	-4,043,967	776,700
ATTRIBUTABLE TO SHAREHOLDERS	-4,193,054	997,296
ATTRIBUTABLE TO MINORITY INTEREST	149,087	-220,596

Separate statement of cash flows

In Litas

	Jan. through March 2012	Jan. through March 2011
Cash flow from operating activities		
Net profit (loss)	273,615	647,810
Depreciation and amortization costs	1,106,751	1,298,960
(Profit) loss from transfer of long term assets	-71,294	-10,403
Income tax expense	426,980	158,487
	<u>1,736,052</u>	<u>2,094,854</u>
Change in inventories	-9,328,691	-2,007,467
Changes in trade receivables	6,634,411	-6,631,928
Change in prepayments	801,746	-1,207,435
Change in amounts receivable after one year	-30,585	-198,024
Change in other assets	-3,924,809	8,311,058
Change in trade payables	-5,938,679	-1,747,127
Change in prepayments received	-1,265,121	1,107,539
Change in provisions and other liabilities	-8,641,515	-3,277,066
	<u>-19,957,191</u>	<u>-3,555,596</u>
Income tax paid	-1,833,516	-574,558
Net cash from operating activities	<u>-21,790,707</u>	<u>-4,130,154</u>
Cash flow from investing activities		
Acquisition of long term assets (excl. investment)	-100,363	-108,178
Transfer of long term assets (excl. investment)	73,273	10,413
Acquisition of investments	0	0
Loans issued	-3,349,559	-10,345,895
Loans recovered	202,605	3,189,738
Dividends and interest received	391,979	276,546
Net cash used in investing activities	<u>-2,782,065</u>	<u>-6,977,376</u>
Cash flow from financial activities		
Dividends paid	-6,725	-17,644
Getting loans and borrowings	0	0
Repayments from loans and borrowings	0	0
Payment of finance lease liabilities	-477,726	-615,457
Interest paid	-109,332	-77,869
Net cash from (used in) financing activities	<u>-593,783</u>	<u>-710,970</u>
Increase (decrease) in net cash flow	<u>-25,166,555</u>	<u>-11,818,500</u>
Cash and its equivalent at the beginning of the period	43,686,824	40,847,520
Cash and its equivalent at the end of the period	<u><u>18,520,269</u></u>	<u><u>29,029,020</u></u>

Consolidated statement of cash flows

In Litas

	Jan. through March 2012	Jan. through March 2011
Cash flow from operating activities		
Net profit (loss)	-4,043,967	776,700
Elimination of other non-monetary items		
Depreciation and amortization costs	1,296,133	1,507,003
Other non-monetary items	2,504	-123,795
	<u>-2,745,330</u>	<u>2,159,908</u>
Change in inventories	-9,578,249	-2,211,103
Change in amounts receivable	12,977,983	-13,298,730
Change in prepayments	-5,050,587	-1,228,937
Change in other assets	-4,562,009	8,496,520
Change in trade payables	-6,785,528	-1,086,853
Change in prepayments received	3,158,323	-1,265,207
Change in provisions and other liabilities	-11,274,498	-4,593,806
	<u>-23,859,895</u>	<u>-13,028,208</u>
Elimination of results from financial and investing activities	-540,824	46,755
Net cash from operating activities	<u>-24,400,719</u>	<u>-12,981,453</u>
Cash flow from investing activities		
Acquisition of non-current assets (except investments)	-2,462,488	-169,107
Transfer of non-current assets (except investments)	74,245	10,413
Loans issued		-2,575,380
Loans recovered	1,657	692,569
Dividends and interest received	119,921	115,719
Net cash used in investing activities	<u>-2,266,665</u>	<u>-1,925,786</u>
Cash flow from financial activities		
Dividends paid	-6,725	-17,644
Proceeds from loans and borrowings	512,033	109,123
Repayments from loans and borrowings		
Payment of finance lease liabilities	-529,799	-672,400
Interest paid	-206,296	-164,282
Net cash from (used in) financing activities	<u>-230,787</u>	<u>-745,203</u>
Increase (decrease) in net cash flow	-26,898,171	-15,652,442
Cash and cash equivalent in the beginning of the period	<u>50,063,071</u>	<u>49,159,690</u>
Cash and cash equivalent at the end of the period	<u>23,164,900</u>	<u>33,507,248</u>

Separate statement of changes in equity

In Litas

	Authorized capital	FA revaluation	Legal reserve	Deferred result	Total
Balance as of 31 December 2010	16,350,000	9,119,597	1,635,030	105,483,449	132,588,076
Unrecognised net profit (loss) for 2011					0
Net profit (loss) for 2011		-175,294		175,294	
Dividend				647,810	647,810
					0
Balance as of 31 March 2011	16,350,000	8,944,303	1,635,030	106,306,553	133,235,886
Balance as of 31 December 2011	16,350,000	5,918,775	1,635,030	106,530,889	130,434,694
Revaluation of fixed assets		-14,423			-14,423
Related deferred tax liability					0
Deferred profit tax liability related to annual asset revaluation					0
Unrecognized net profit (loss) for 2012		-149,582		149,582	0
Net profit (loss) for 2012				273,615	273,615
Dividend					0
Balance as of 31 March 2012	16,350,000	5,754,770	1,635,030	106,954,086	130,693,886

Consolidated statement of changes in equity

In Litas

	Authorized capital	Revaluation reserve	Legal reserve	Influence of change in exchange rate	Accumulated profit	Losses per parent company share	Minority part	Total
Balance as of 1 January 2011	16,350,000	9,784,208	2,020,212	434,660	85,449,807	114,038,887	4,820,707	118,859,594
Decrease in revaluation reserve		-194,393			194,393	0		0
Net profit (loss) for 2011					997,296	997,296	-220,595	776,701
Currency rate change				-462,700		-462,700		-462,700
Balance as of 31 March 2011	16,350,000	9,589,815	2,020,212	-28,040	86,641,496	114,573,483	4,600,112	119,173,595
Balance as of 31 December 2011	16,350,000	6,541,416	2,031,336	572,174	86,400,093	111,895,019	4,534,146	116,429,165
Decrease in revaluation reserve		-161,908			161,908	0		0
Revaluation of fixed assets		-14,425				-14,425		-14,425
Net profit (loss) for 2012					-4,193,054	-4,193,054	149,090	-4,043,964
Currency rate change				-618,711		-618,711	-212,660	-831,371
Balance as of 31 March 2012	16,350,000	6,365,083	2,031,336	-46,537	82,368,947	107,068,829	4,470,576	111,539,405

EXPLANATORY NOTE

General Information

Panevėžio statybos trestas AB (hereinafter “the Company”) was established in 1957 and for a long time was known as the North Lithuania Construction Trust (*Šiaurės Lietuvos statybos trestas*). In 1991 the Company was registered as a State Capital Company. On 30 October 1993 the State Capital Company was reorganized to a Public Limited Liability Company. Company code 147732969, VAT code LT477329610. Registration certificate No. 013732, issued on 27 September 2004 by the State Register Centre Panevėžys Branch.

The Company comprises the following branches: *Gerbusta*, *Pastatų apdaila*, *Genranga* and *Klaipstata*. These branches keep separate records, but their assets, liabilities and financial results are included when preparing financial accountability of the Company. The Company has its representative offices in Cherepovets, a branch in Kaliningrad and a permanent establishment in the United Kingdom of Great Britain and Northern Ireland. Financial year of the Company is calendar year. The period of commercial-economic activities of the Company is unlimited.

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

As of 31 March 2012, the Group includes the parent company and 9 subsidiaries:

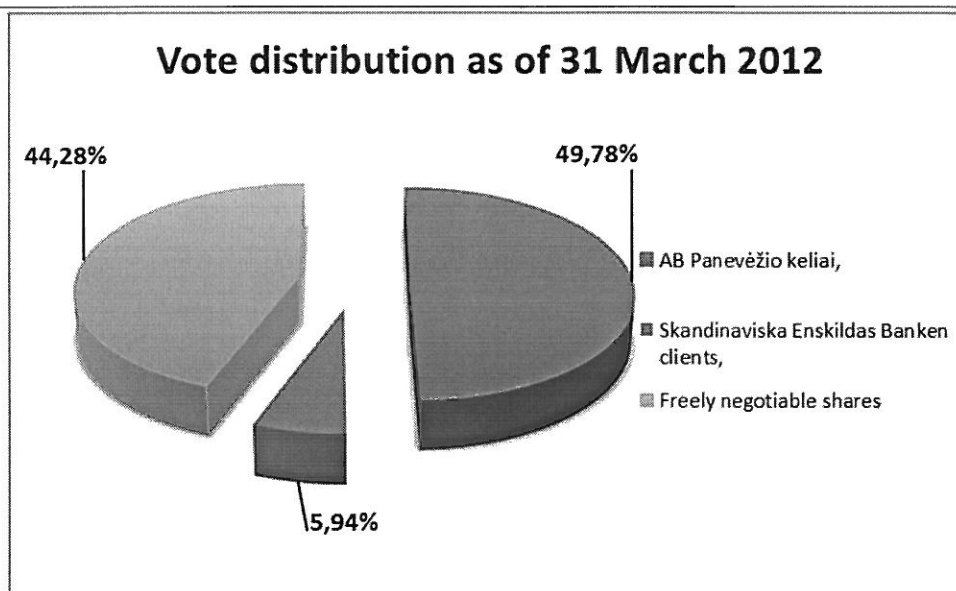
Subsidiaries	Type of activities	Share controlled (per cent)	Registered address
<i>Skydmedis</i> UAB	Production of wood constructions	100	Pramonės Str. 5, Panevėžys Tel.: +370 45 583341
<i>Metalo meistrai</i> UAB	Production of metal constructions	100	Tinklų Str. 7, Panevėžys, Tel. 8 45 464677
<i>Vekada</i> UAB	Electrical installation works	96	Marijonų Str. 36, Panevėžys Tel.: +370 45 461311
<i>Vilniaus papėdė</i> TŪB	Construction works	69	Švitrigailos Str. 8, Vilnius Tel.: +370 5 2609405
<i>Alinita</i> UAB	Ventilation and conditioning systems in buildings	100	Tinklų g.7, Panevėžys Tel. +370 45467630
KINGSBUD Sp.zo.o.	Wholesale in construction materials	100	A.Patli 16-400 Suwalki, Poland
<i>PS TRETS</i> SIA	Construction	100	Vietalvas Str. 5, Riga
<i>BALTILSTROI</i> OOO	Construction	100	Sovetskij Ave. 43, Kaliningrad Tel.: 0074012350435

<i>PST Investicijos</i> UAB	Real estate development	68	Konstitucijos Ave. 7, Vilnius Tel.: +370 5 2728213
<u>Subsidiaries of <i>PST investicijos</i> UAB:</u>			
<i>Ateities projektai</i> UAB	Real estate development and sales	100	Lvovo Str. 25, Vilnius
<i>Šeškinės projektai</i> UAB	Real estate development and sales	100	Lvovo Str. 25, Vilnius
<i>Sakališkės</i> UAB	Real estate development and sales	100	Lvovo Str. 25, Vilnius
<i>Kauno erdvė</i> UAB	Real estate development and sales	100	Lvovo Str. 25, Vilnius
<i>Verkių projektas</i> UAB	Real estate development and sales	100	Lvovo Str. 25, Vilnius
<i>ISK Baltevro market</i> ZAO	Construction investment company	100	Chernyakhovsk Str. 6, Kaliningrad

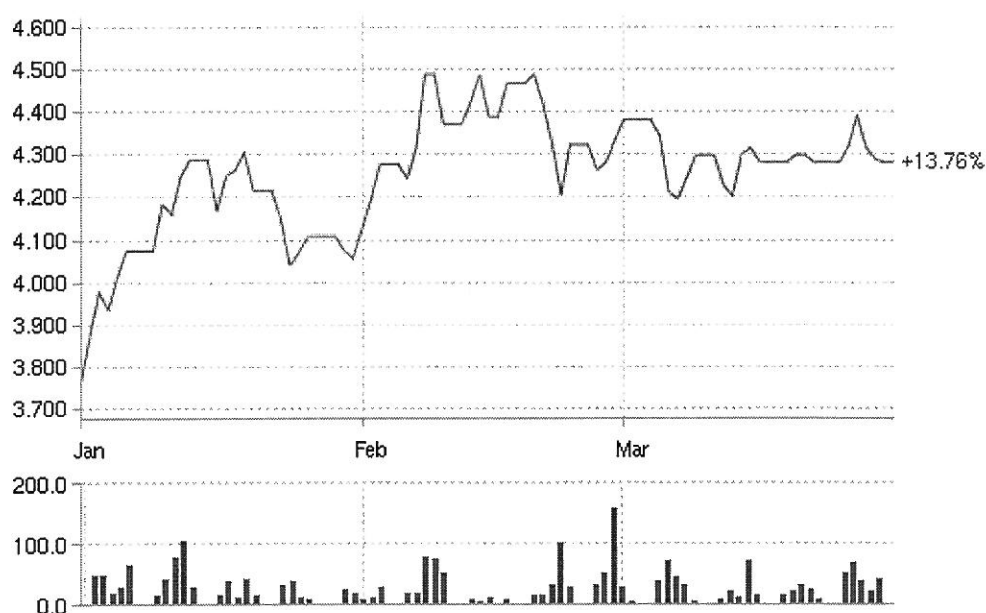
Authorized capital of the company and its structure

As of 31 March 2012, the authorized capital of the Company was 16,350,000 Litass, it was divided into 16,350,000 ordinary registered shares (hereinafter referred to as ORS), the par value of one share being 1.00 Litass. All shares are intangible and fully paid. The property right for the shares is proved by the record in the stock accounts. The shares of *Panevėžio statybos trestas* AB are traded at the Vilnius Stock Exchange. On 31 March 2012 the total number of the shareholders who under the ownership right held or controlled more than 5 percents of the authorized capital of the Company was 2388:

Name, surname of a shareholder (company name, type, headquarter address, company code)	Number of ordinary registered shares held by a shareholder under ownership right (pcs.)	Share of the authorized capital held (%)	Portion of votes granted by the shares held under the ownership right (%)	Portion of votes owned by the shareholder along with acting persons (%)
<i>Panevėžio keliai</i> AB S. Kerbedžio Str. 7, Panevėžys, Company code: 147710353	8,138,932	49.78	49.78	---
Skandinaviska Enskilda Banken clients Sergels Torg 2, Stockholm, Sweden 502032908101	971,462	5.94	5.94	---
Freely negotiable shares	7,239,606	44.28	44.28	---



Variation in price of the company shares at the Stock Exchange for January through March 2012 (in Litas)



<i>Last price 31 Dec. 2011</i>	<i>Average price for Jan. through March</i>	<i>Highest price for Jan. through March</i>	<i>Lowest price for Jan. through March</i>	<i>Last price 31 March 2012</i>
3.764 Litas	4.244 Litas	4.551 Litas	3.760 Litas	4.281 Litas

Basis of interim financial statement preparation

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

The same accounting principles were applicable to both - the interim financial statement and the annual financial statement.

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

Currency	31 March. 2011	31 Dec. 2011
1 EUR	3.4528	3.4528
10 RUB	8.8433	8.3334
1 LV	4.9297	4.9408
10 PLN	8.3000	7.8506

Principles of consolidation

Subsidiary companies are the companies controlled by the parent company. Such control is defined as a capability to a company to have determinant effect on other company, manage and influence financial and economic activities to get benefit from that company. For the purposes of control assessment the total available number of shareholders' votes at the General Meeting of Shareholders is considered. The financial statements of subsidiary companies are included into the Consolidated Financial Statement from the day of control gain and are excluded from the day of control loss. During consolidation of financial statement the income and expenses, amounts receivable and payable and unrealized results of the Company Group are eliminated.

Investment in non-current assets

During the first quarter of the year 2012, the investments of the Group in acquisition of non-current assets amounted to 2,462,488 Litas: *Panevėžio statybos trestas* AB acquired non-current assets for 100,363 Litas and *Verkių projektas* UAB invested 1,995,408 Litas in construction of the office building. During the first quarter of year 2012 the costs related to depreciation and amortization of assets of the Group amounted to 1,296,133 Litas, including 1,106,751 Litas accounted for in the Financial Statement of *Panevėžio statybos trestas* AB.

Loans

As of 31 March 2012, the loans of the Company Group of *PST investicijos* UAB amounted to 16,101,305 Litas including short-term bank credits totaling 13,526,734 Litas.

Guarantees, sureties

As of 31 March 2012 the guarantees of the liabilities of *Panevėžio statybos trestas* AB by credit institutions amounted to 25,037,571 Litas, 24,611,571 Litas of which were issued performance guarantees.

On 14 May 2012 *Panevėžio statybos trestas* AB signed a one-year credit agreement with AS UniCredit Bank for the amount of 10,000,000 Litas including mortgage of real estate.

On May 2012 *Swedbank* AB increased the guarantee limit for *Panevėžio statybos trestas* AB up to 15,000,000 Litas and extended their validity till 18 May 2015.

On 21 May 2012 *Panevėžio statybos trestas* AB signed a surety agreement related to liabilities of *Verkių projektas* UAB to AB DNB bank amounting to 3,559,140 EUR.

Transactions with associated parties

There were no significant transactions made with any associated parties.

Dividends

The Annual General Meeting of the Shareholders of *Panevėžio statybos trestas* AB that took place on 26 April 2012 made the decision to pay no dividends for the year 2011.

Significant changes in the interim financial statement during the reporting period

Referring to the unaudited data, during three months of this year the Group of *Panevėžio statybos trestas* AB (PST) was on the income of 44.9 mln. Litas, that is by 10 per cents more than last year. The first quarter of 2012 was loss-making for the PST Company Group. The loss of the Group amounted to 4.04 mln. Litas for three months. The loss of the Group was conditioned by the additional expenses born by the subsidiary company *Baltlitstroj* OOO in Kaliningrad related to the project acceptance.

The company of PST made net profit in the amount of 0.274 mln. Litas and was on the income of 40.5 mln. Litas (11.7 mln. EUR).

However, there was a significant decrease in cash flow of the company. Money was spent for purchase of steel required for construction of a new clinker production line in *Akmenės cementas* AB.

The performance results of Panevėžio statybos trestas AB Group and the Company (in thousands Litās):

	Group			Company		
	31 March 2010	31 March 2011	31 March 2012	31 March 2010	31 March 2011	31 March 2012
<i>Income</i>	26,150	40,744	44,876	20,232	27,923	40,466
<i>Gross profit</i>	3,378	5,358	-824	2,024	3,457	2,372
<i>Gross profit margin (per cent)</i>	12.92	13.15	-1.84	10.00	12.38	5.86
<i>Net profit</i>	423	777	-4,044	473	648	274
<i>Nets profit margin (per cent)</i>	1.62	1.91	-9.01	2.34	2.32	0.68
<i>Profit per share (Litās)</i>	0.04	0.06	-0.26	0.03	0.04	0.02
<i>Profit before taxes, interest, depreciation and amortization EBITDA</i>	3,572	2,721	-1,840	2,242	2,183	1,917
<i>EBITDA margin (per cent)</i>	13.66	6.68	-4.10	11.08	7.82	4.74
<i>Return on equity (percents) (ROE)</i>	0.42	0.68	-3.78	0.38	0.49	0.21
<i>Return on assets or asset profitability (ROA)</i>	0.21	0.40	-1.95	0.28	0.36	0.14
<i>Return on investments (ROI)</i>	0.38	0.56	-3.43	0.36	0.47	0.21
<i>Current liquidity ratio</i>	1.82	2.89	1.87	2.53	2.33	1.91
<i>Acid test (Quick) ratio</i>	1.18	2.14	1.20	2.41	2.24	1.59
<i>General liquidity ratio</i>	1.02	1.58	1.12	2.78	2.71	2.14
<i>Asset to equity ratio</i>	0.51	0.60	0.52	0.74	0.73	0.68
<i>Book value per share</i>	6.20	7.01	6.55	7.66	8.15	7.99
<i>Ratio of share price and profit (P/E)</i>	110.6	106.1	-16.7	141.8	163.5	255.8
<i>Ratio of share price and book value (P/BV)</i>	0.66	0.92	0.65	0.54	0.79	0.54