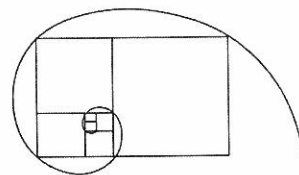


PANEVĖŽIO STATYBOS TREŠTAS AB

Consolidated Interim Financial Statement and Consolidated Interim Report for Six Months of 2012

31 August 2012

Panevėžys



STATEMENT OF EXECUTIVE OFFICERS OF THE COMPANY

Hereby we confirm that based on the information available to us, the interim financial statement of the company and the group provided for the six months of the year 2012 made in accordance with the International Financial Reporting Standards is true and shows the assets, liabilities, financial state, profit or loss and cash flows of *Panevėžio statybos trestas* AB and the Company Group of *Panevėžio statybos trestas* AB in a correct manner, and that the review of business development and performance is indicated correctly in the interim report.

Dalius Gesevičius
Managing Director
Panevėžio statybos trestas AB

Dalė Bernotaitienė
Finance Director
Panevėžio statybos trestas AB

1. Reporting period

The consolidated annual report has been prepared for six months of the year 2012 that expired on 30 June 2012.

2. 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

3. Character of the main activity of the issuer

The main area of activity of the Company and its subsidiaries (the Group) is designing and construction of buildings, constructions, installations and communications of various purposes both in and outside Lithuania, real estate development. In addition to the mentioned activities, the Company rents premises and machinery.

4. Information on the Company Group

As of 30 June 2012 the Group of *Panevėžio statybos trestas* AB consists of the following companies:

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 condition systems in buildings	100	Dubysos Str. 31, Klaipėda Tel.: +370 46 340363
KINGSBUD Sp.zo.o.	Wholesale in construction materials	100	A.Patli 16-400 Suwalki, Poland
<i>PS TRESTS</i> SIA	Construction	100	VIETALVAS STR. 5, RIGA
<i>BALTILSTROLJ</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

5. Contracts with intermediaries in security public circulation

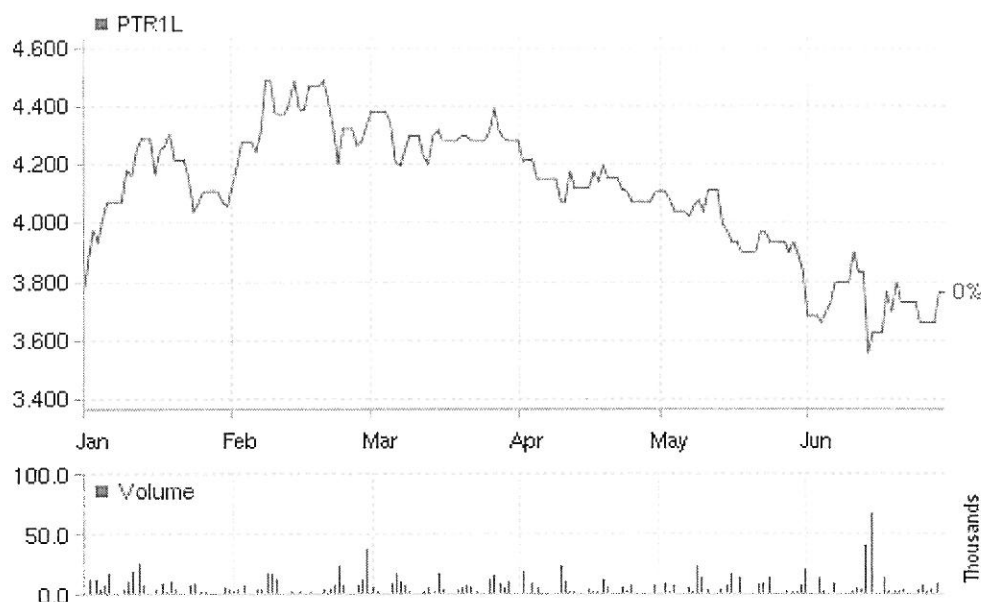
On 7 February 2006 the contract No.3792 was signed with the public limited liability company *NORD/LB bankas* located at Basanavičiaus Str. 26 in Vilnius. This company was authorized to perform accounting of securities issued and transferred to it, and management of personal security accounts.

6. Data on trade in the securities of the issuer at the regulated markets

The ordinary registered shares of *Panevėžio statybos trestas* AB, 16,350,000 pcs., the par value of each being one Litas, have been included in the official list of the Vilnius Stock Exchange (VSE) since 13 July 2006.

Share type	Number of shares (pcs.)	Par value (Litas)	Total par value (Litas)	Emission code
Ordinary registered shares (ORS)	16,350,000	1	16,350,000	101446

Variation in the price of the company shares at the Stock Exchange for the first half of 2012 (EUR)

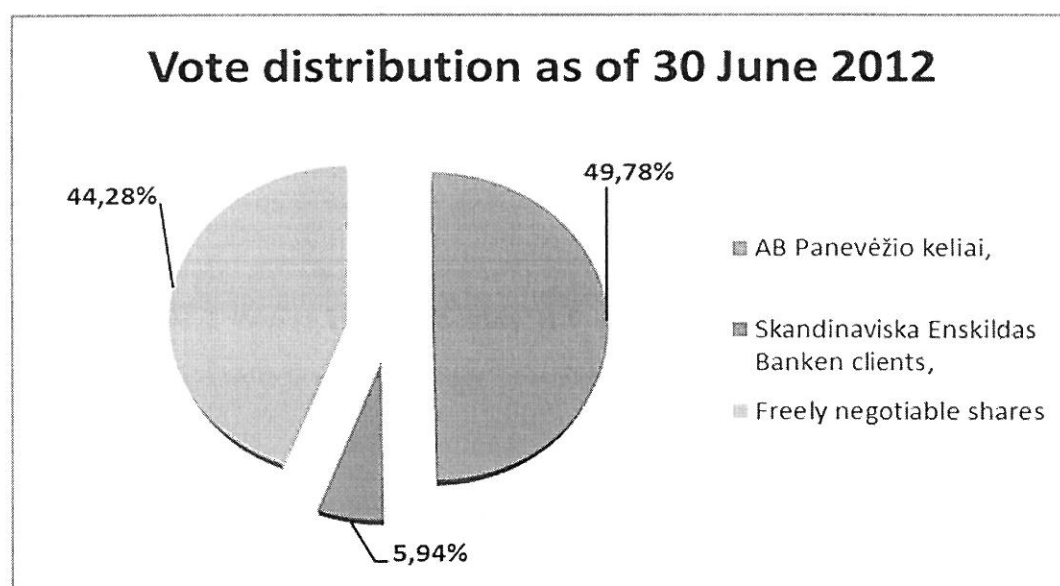


Last price 31 Dec. 2011	Average share price for I Half of 2012	Highest price for I Half of 2012	Lowest price for I Half of 2012	Last price 30 June 2012
3.764 Litas	4.068 Litas	4.554 Litas	3.522 Litas	3.764 Litas

7. Authorized capital of the company and its structure

As of 30 June 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 30 June 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 2368:

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 AB</i> 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	---



The Company has not purchased its own shares, any of its subsidiaries has not purchased any shares of the Company and no other person who would act in his/her own name but in the favor and using the means of the Company, has purchased any shares of the Company.

8. Information on the performance results of the issuer

Referring to the unaudited data, during the first half of 2012 *Panevėžio statybos trestas AB* Group was on the income of 111.4 mln. Litas, that is by 12.2 percents more than compared to the same period last year when the income of the Group amounted 99.4 mln. Litas. The first half of the year 2012 was loss-making for the Group. The before tax loss amounted to 5.6 mln. Litas for the six months of the year.

Referring to the unaudited data, the income of *Panevėžio statybos trestas AB* Group for the first half of 2012 was 102.5 mln. Litas, that is 45.6 percents more than in the same period last year and made the before tax profit in the amount of 0.89 mln. Litas.

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 and maintenance costs of the real estate development company.

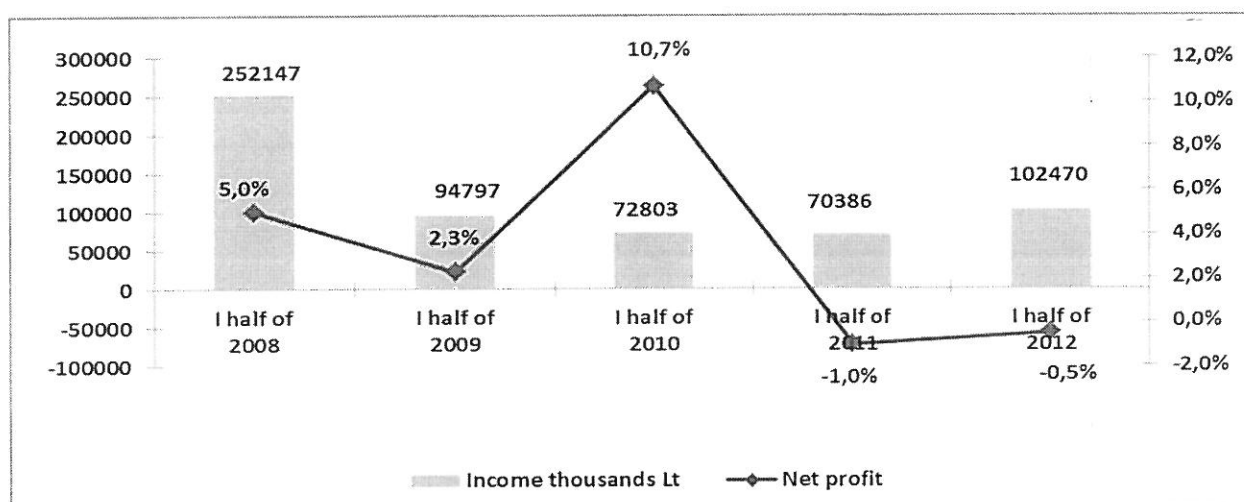
In addition to that, increasing prices for fuel and building materials (referring to the data provided by the Department of Statistics, the yearly increase in prices of concrete and reinforced concrete products was 6.7 percents, that of concrete and mixes – 7.4 percents, metal – 4 percents, common building materials – 5.2 percents) did not allow the parent company to get the planned profit in Lithuania and partially compensate the loss incurred in Russia.

The performance results of Panevėžio statybos trestas AB Group and the Company are as follows (in thousands Lt):

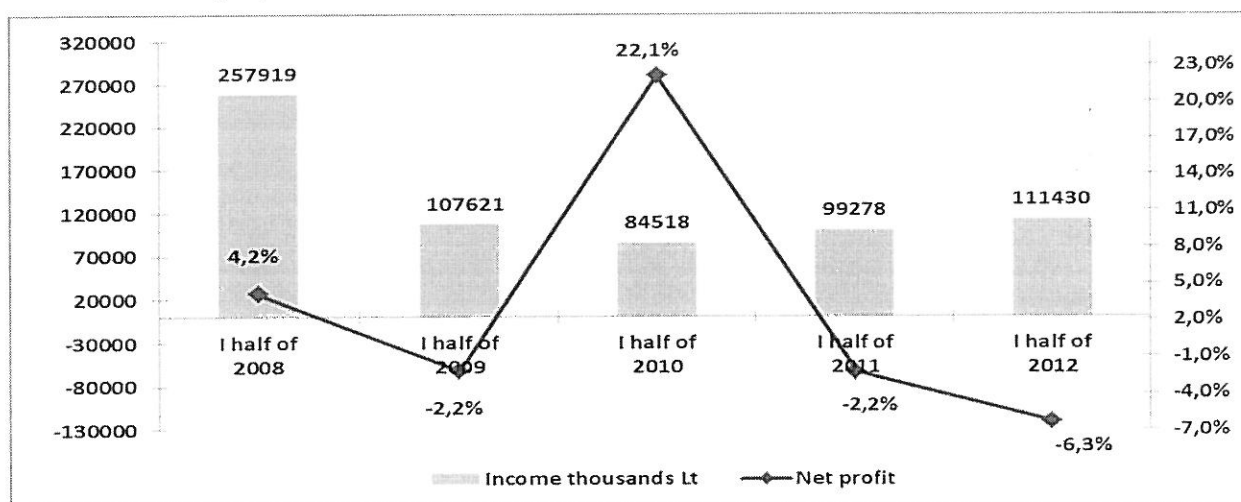
	Group			Company		
	<i>I half of 2010</i>	<i>I half of 2011</i>	<i>I half of 2012</i>	<i>I half of 2010</i>	<i>I half of 2011</i>	<i>I half of 2012</i>
<i>Income</i>	84,518	99,278	111,430	72,803	70,386	102,470
<i>Gross profit</i>	13,861	6,009	2,483	10,645	3,296	6,093
<i>Gross profit margin (per cent)</i>	16.4	6.05	2.23	14.62	4.68	5.95
<i>Net profit</i>	18,711	-2,233	-7,032	7,792	-734	-522
<i>Nets profit margin (per cent)</i>	22.14	-2.25	-6.31	10.7	-1.04	-0.51
<i>Profit per share (Litas)</i>	0.94	-0.11	-0.41	0.48	-0.04	-0.03

Profit before taxes, interest, depreciation and amortization EBITDA	24,430	1,595	-2,675	11,834	2,258	3,207
EBITDA margin (per cent)	28.91	1.61	-2.40	16.25	3.21	3.13
Return on equity (percents) (ROE)	16.26	-2.00	-6.69	5.93	-0.56	-0.40
Return on assets or asset profitability (ROA)	9.52	-1.01	-3.05	4.21	-0.35	-0.25
Return on investments (ROI)	13.26	-1.82	-6.07	5.68	-0.55	-0.40
Current liquidity ratio	2.99	1.88	1.73	2.5	1.85	1.95
Current liquidity ratio	2.28	1.43	1.19	2.41	1.75	1.64
General liquidity ratio	1.46	1.07	0.86	2.45	1.69	1.74
Asset to equity ratio	0.59	0.51	0.46	0.71	0.63	0.63
Book value per share	7.2	6.82	6.43	8.04	7.99	7.94
Ratio of share price and book value (P/BV)	0.54	0.92	0.59	0.47	0.78	0.47

Income and net profit variation for the Company:



Income and net profit variation for the Group:



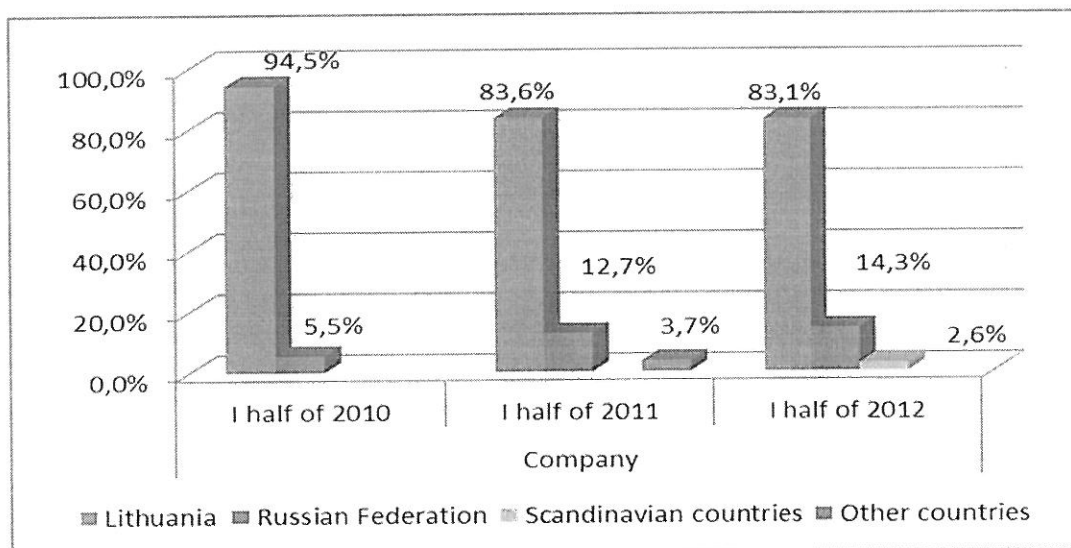
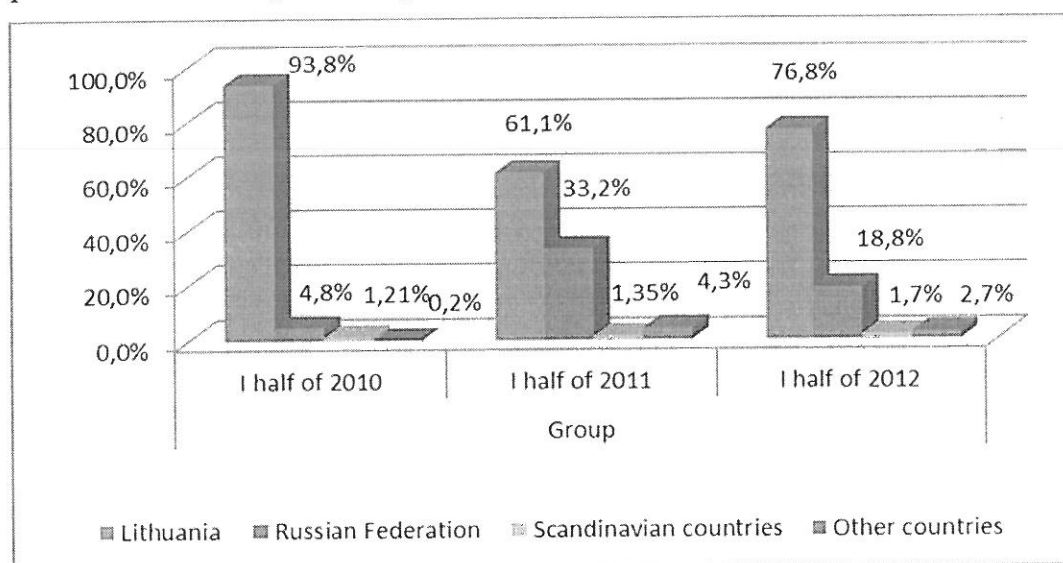
Information on segments

No segment reporting is provided in the financial statements as the Company and Group have one reportable operating segment that would account for 90% or more of the Company and Group income and assets.

Geographical distribution of income (thousands Litas):

	Group			Company		
	I half of 2010	I half of 2011	I half of 2012	I half of 2010	I half of 2011	I half of 2012
Lithuania	79.30	60.69	85.54	68.77	58.60	85.16
Russian Federation	4.04	32.98	20.94	4.04	8.89	14.62
Scandinavian countries	1.02	1.34	1.92			2.70
Other countries	0.16	4.27	3.03		2.59	

Geographical distribution of income (percents):



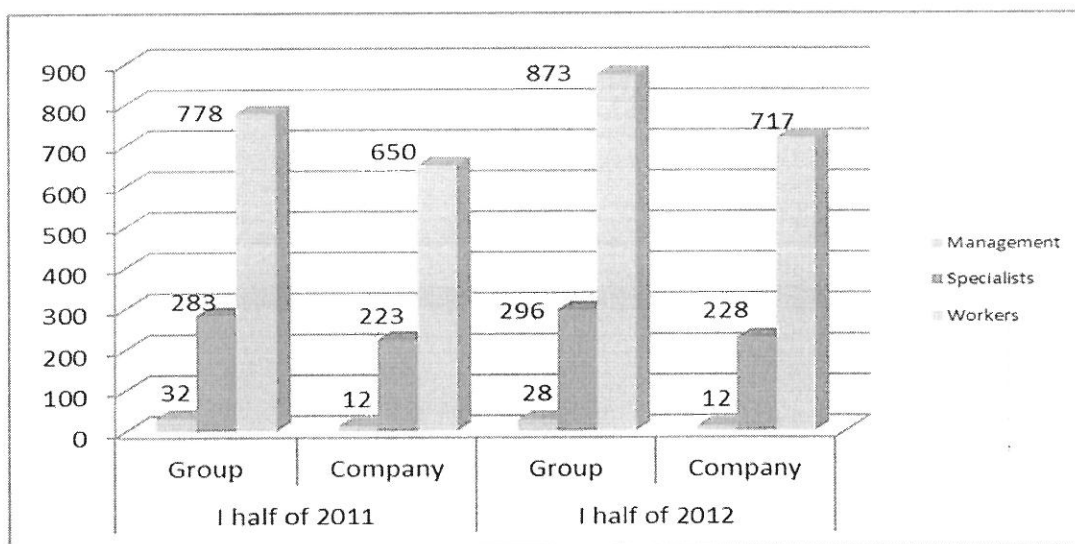
9. Essential events having taken place during the first six financial months of the year

On 9 May 2012 AB Panevėžio statybos trestas has signed the contract with UAB Baltic Fish Export for construction of a new factory. The total project cost is more than 26 mln. Lit. Completion of works is scheduled for February 2013.

10. Employees

During the first half of 2012, the average number of employees in *Panevėžio statybos trestas* AB Group was 1171, whereas in the Company – 934 employees.

Number of employees on payroll	I half of 2011		I half of 2012	
	Group	Company	Group	Company
Management	32	12	28	12
Specialists	283	223	296	228
Workers	778	650	873	717

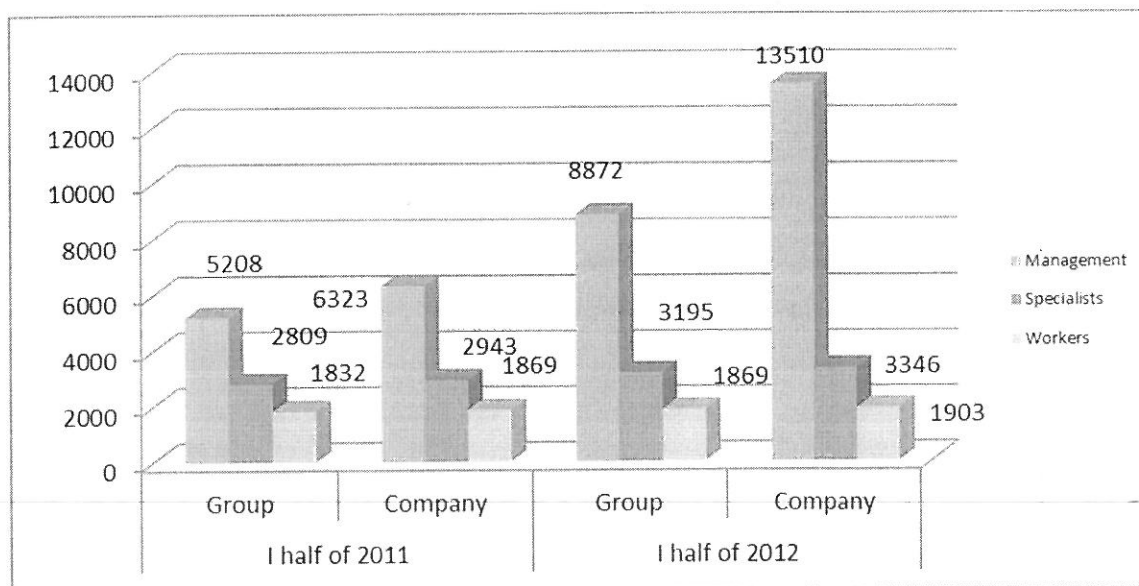


Employee grouping by education in *Panevėžio statybos trestas* AB Group:

Groups of employees	Payroll number	Higher university level education	Higher non-university education	Community college education	Secondary education	Incomplete secondary education
Management	32	28	0	3	1	0
Specialists	295	212	10	56	16	1
Workers	875	19	18	145	542	151

Average gross wages:

Average salary/wage	I half of 2011		I half of 2012	
	Group	Company	Group	Company
Management	5208	6323	8872	13510
Specialists	2809	2943	3195	3346
Workers	1832	1869	1869	1903



Employment agreements do not include any specific rights and obligations for employees or a part thereof.

11. Procedure for amendment of the Articles of Association of the issuer

The Articles of Association of the Company may be amended only by the General Meeting of the Shareholders by the qualified majority of votes that may not be less than 2/3 of all votes conferred by the shares held by the shareholders attending the meeting. The decision of the General Meeting of the shareholders regarding the amendment of the Articles of Association shall be adopted in accordance with the procedure set forth in Article 27 or 30 of the Law on Companies of the Republic of Lithuania.

12. Bodies of the issuer

Referring to the Articles of Association of *Panevėžio statybos trestas AB*, the management bodies of the Company are the General Meeting of the Shareholders, the Board and the Managing Director. No Supervisory Board is formed in the company.

The power of the General Meeting of the Shareholders has no difference from the power of the General Meeting of the Shareholders set forth by the Law on Companies.

The Board of the Company consisting of five persons is elected by the General Meeting of the Shareholders for a period not longer than 4 years. At present the Board of the company consists of four members. The procedure for election and withdrawal of a member of the Board has no difference from the procedure set forth by the Law on Companies.

The activities of the Board are managed by the Chairman of the Board. The Chairman of the Board is elected by the Board from the members of the Board.

The Board elects and removes from the office the manager of the Company – the Managing Director, fixes his salary, sets other terms of the employment contract, approves his job description, gives incentives and imposes penalties.

The manager of the company is a single-person management body of the Company who organizes the current economic activities based on the authority granted.

The Board:

REMIGIJUS JUODVIRŠIS – the Chairman of the Board. No membership in the capital of the company. Membership in the activities or capital of the companies below:

COMPANY NAME	CAPACITY	NUMBER OF SHARES	CAPITAL, %	VOTES, %
TERTIUS UAB		704,638	80	80
PANEVĖŽIO KELIAI AB	Member of the Board	531,675	28.47	28.47
LAUKTUVĖS JUMS UAB	Member of the Board	11,069	50.15	50.15
POKŠTAS UAB		261	50	50
KLOVAINIŲ SKALDA AB		203,526	3.78	3.78
GELBERA UAB	Member of the Board	34	34	34
KELTECHA UAB	Member of the Board			
EMULTEKA UAB		14	14.0	14.0
GUSTONIŲ ŽŪT UAB	Member of the Board	18,027	49.04	49.04
SPECIALIZUOTA KOMPLEKTAVIMO VALDYBA AB		21,490	9.29	9.29
IGNALINOS STATYBA UAB	Member of the Board	91,351	37.93	37.93
NAUJASIS UŽUPIS UAB	Chairman of the Board			
PANEVĖŽYS UAB	Member of the Board	157,191	49.98	49.98
PANEVĖŽIO STATYBOS TRESTAS AB	Chairman of the Board	0	0	0
PANODEN UAB	Member of the Board			
PST INVESTICIJOS UAB	Member of the Board	16,407	4.4	4.4
KIRTIMŲ AUTOTRANSPORTAS AB	Member of the Board	-		
CONVESTUS UAB	Vice-President, Chairman of the Board	50,000	50	50
ALPROKA UAB	Chairman of the Board			
KAUNO TILTAI UAB		492	0.31	0.31

Term of office: November 2010 through November 2014

No previous convictions.

GVIDAS DROBUŽAS – the Member of the Board member. No membership in the capital of the company. Membership in the activities or capital of the companies below:

COMPANY NAME	CAPACITY	NUMBER OF SHARES	CAPITAL, %	VOTES, %
PANEVĖŽIO KELIAI AB	Chairman of the Board	529,861	28.33	28.33
LAUKTUVĖS JUMS UAB	Member of the Board	11,001	49.85	49.85
POKŠTAS UAB	Director	261	50.0	50.0
KLOVAINIŲ SKALDA AB		203,129	3.77	3.77
GELBERA UAB	Member of the Board	34	34	34
EMULTEKA UAB		12	12.0	12.0
GUSTONIŲ ŽŪT UAB	Member of the Board	18,028	49.04	49.04
IGNALINOS STATYBA UAB				
PANEVĖŽIO STATYBOS TREŠTAS AB	Member of the Board	-	-	-
PANEVĖŽYS UAB	Member of the Board	157,225	49.98	49.98
SPECIALIZUOTA KOMPLEKTAVIMO VALDYBA AB		21,470	9.28	9.28
PST INVESTICIJOS UAB	Chairman of the Board, Director	12,644	2.9	2.9
NAUJASIS UŽUPIS UAB	Member of the Board			
CONVESTUS UAB	President, Member of the Board	50,000	50	50
ALPROKA UAB	Member of the Board			
KAUNO TILTAI UAB		492	0.31	0.31
MEINORA UAB	Director	100	100	100
SERANA UAB	Director	100	100	100

Term of office: November 2010 through November 2014

No previous convictions

IRMA ABRAMAVIČIENĖ – the Member of the Board. Membership in the capital of the company below:

COMPANY NAME	CAPACITY	NUMBER OF SHARES	CAPITAL, %	VOTES, %
CONVESTUS UAB	Internal auditor	-	-	-

Terms of office: November 2010 through November 2014

No previous convictions

VILIUS GRAŽYS – the Member of the Board. No membership in the capital of the company. Membership in the activities or capital of the companies below:

COMPANY NAME	CAPACITY	NUMBER OF SHARES	CAPITAL, %	VOTES, %
AKVALDA UAB		500	33.33	33.33
EMULTEKA UAB		11	11	11
BASS UAB		40	40	40
PANEVĖŽIO STATYBOS TREŠTAS AB	Member of the Board			
PANEVĖŽIO KELIAI AB	Member of the Board	101,735	5.45	5.45

Terms of office: November 2010 through November 2014

No previous convictions

ARTŪRAS BUČAS – the Member of the Board. No membership in the capital of the company.

COMPANY NAME	CAPACITY	NUMBER OF SHARES	CAPITAL, %	VOTES, %
DVARČIONIŲ KERAMIKA AB	Shareholder	356	0.0036	0.0036
PANEVĖŽIO KELIAI AB	Member of the Board			

Terms of office: November 2010 through November 2014

No previous convictions

Administration:

DALIUS GESEVIČIUS – Head of the Company Administration, Managing Director. Holds 15 shares of the company. University education (1984, Vilnius Civil Engineering Institute), construction engineer. No previous convictions.

DANGUOLĖ ŠIRVINSKIENĖ – Chief Accountant of the Company. Holds no shares of the company. University education (1983, Lithuanian Agricultural Academy), qualification of accountant-economist. No previous convictions.

Audit committee:

Following Article 52 of the Law on Audit of the Republic of Lithuania, the General Meeting of Shareholders of *Panevėžio statybos trestas AB* elects the audit committee. The audit committee consists of three members one of them being independent. The term of office of the audit committee is one year. The continuous term of office of a committee member cannot exceed 12 years.

The following members make the audit committee at *Panevėžio statybos trestas AB* – Roma Morozovienė (*Panevėžio statybos trestas AB*), Regina Sukarevičienė (*Panevėžio statybos trestas AB*) and Irena Kriaučiūnienė – an independent auditor.

13. Information announced in public

Since the beginning of the year 2010 up to the day of this report presentation the Company announced the following information in public through the system of OMX Client News Service:

Title of announcement	Category of announcement	Language	Date
Unaudited performance results of <i>Panevėžio statybos trestas</i> AB and the Group for the first quarter of 2012	Interim information	Lt, En	31 May 2012
<i>Panevėžio statybos trestas</i> AB has signed the contract with <i>Baltic Fish Export</i> UAB	Notification on material event	Lt, En	9 May 2012
Resolutions of Annual General Meeting of Shareholders	Notification on material event	Lt, En	26 April 2012
Change in announced preliminary consolidated result	Notification on material event	Lt, En	5 April 2012
Draft resolutions of annual general meeting of the shareholders	Notification on material event	Lt, En	5 April 2012
Convening of Annual General Meeting of the Shareholders	Notification on material event	Lt, En	26 March 2012
Revised Interim Financial Statement for 2011	Interim information	Lt, En	1 March 2012
Unaudited performance results of <i>Panevėžio statybos trestas</i> AB and the Company Group for 2011	Interim information	Lt, En	29 Feb. 2012

The content of the above listed announcements may be found on the website of the Vilnius Stock Exchange

<http://www.baltic.omxgroup.com/market/?currency=0&pg=details&instrument=LT0000101446&list=2>

and on the Company website <http://www.pst.lt>

14. Information on compliance with the Governance Code

The Company complies with the procedure of company management set forth by the Law on Companies of the Republic of Lithuania. The Company partially complies with the Governance Code applicable to the companies that are on the list of the Vilnius Stock Exchange. In accordance with the Articles of Association of the Company the bodies of the Company are the General Meeting of the Shareholders, the Board and the Managing Directors. No Supervisory Board is formed in the Company. The annual report of the Company will include the more detailed explanation of how the Company complies with the recommendations of the Governance Code.

15. Financial statements

Separate statement of financial position

In Litas

ASSETS	30 June 2012	31 Dec. 2011
Non-current assets	62,992,010	71,258,514
Intangible assets	12,958	21,105
Tangible non-current assets	16,086,640	17,340,459
Investment and amounts receivable in one year	46,585,710	53,423,459
Deferred tax assets	306,702	473,491
Current assets	141,627,420	137,341,907
Inventories	22,335,718	9,769,019
Advance payments	9,302,226	6,245,330
Amounts receivable	77,224,533	60,206,979
Other current assets	25,281,551	17,433,755
Cash and cash equivalents	7,483,392	43,686,824
TOTAL ASSETS	204,619,430	208,600,421

EQUITY AND LIABILITIES	30 June 2012	31 Dec. 2011
Equity	129,898,616	130,434,694
Share capital	16,350,000	16,350,000
Reserves	7,241,248	7,553,805
Retained profit (loss)	106,307,368	106,530,889
Translation reserve		
<i>Minority share</i>		
Amounts payable and liabilities	74,720,814	78,165,727
Amounts payable in one year and long term liabilities	1,966,853	2,642,945
Loans and borrowings	87,578	537,785
Warranty provision	889,943	1,060,670
Deferred tax liabilities	989,332	1,044,490
Amounts payable in one year and short term liabilities	72,753,961	75,522,782
Loans and borrowings	1,125,243	1,582,227
Trade payables	39,273,387	35,536,154
Prepayments received	11,331,791	16,523,170
Current tax payable	985,564	2,060,324
Other liabilities	20,037,976	19,820,907
TOTAL EQUITY AND LIABILITIES:	204,619,430	208,600,421

Consolidated statement of financial position

In Lit

ASSETS	30 June 2012	31 Dec. 2011
Non-current assets	31,876,817	39,699,308
Intangible assets	206,288	179,792
Tangible non-current assets	25,991,435	22,833,766
Other investment and amounts receivable in one year	3,783,356	14,632,296
Other intangible assets	1,895,738	2,053,454
Current assets	199,002,209	187,212,768
Inventories	62,653,250	50,023,833
Advance payments	20,179,649	8,624,496
Amounts receivable	80,964,909	71,635,644
Other assets	17,873,873	6,865,724
Cash and cash equivalents	17,330,528	50,063,071
TOTAL ASSETS:	230,879,026	226,912,076

EQUITY AND LIABILITIES	30 June 2012	31 Dec. 2011
Equity	105,060,524	112,181,933
Share capital	16,350,000	16,350,000
Reserves	8,248,363	8,572,753
Retained profit (loss)	80,083,223	86,400,093
Translation reserve	378,938	859,087
Minority share	4,087,810	4,247,232
Amounts payable and liabilities	121,730,692	110,482,911
Amounts payable in one year and long term liabilities	6,724,917	5,099,692
Loans and borrowings		
Provisions	3,481,309	1,663,643
Deferred tax liabilities	1,799,354	1,981,768
Grants and subsidies	1,294,837	1,349,995
Other payable amounts	42,075	45,900
Amounts payable in one year and short term liabilities	115,005,775	105,383,219
Loans and borrowings	20,367,476	16,333,899
Trade payables	42,601,026	39,590,984
Prepayments received	27,261,132	22,486,770
Current tax payable	1,033,242	2,093,659
Other liabilities	23,742,899	24,877,907
TOTAL EQUITY AND LIABILITIES:	230,879,026	226,912,076

Separate statement of comprehensive income

In Litas

ITEM	Jan. through June 2012	Jan. through June 2011	April through June 2012	April through June 2011
SALE	102,470,192	70,386,095	62,003,956	42,463,340
COST OF SALE	96,377,056	67,090,226	58,282,930	42,624,575
GROSS PROFIT (LOSS)	6,093,136	3,295,869	3,721,026	-161,235
OPERATING EXPENSES	5,465,384	4,190,061	2,661,768	1,304,737
Sale	175,059	159,519	66,447	79,309
Recovery of doubtful debts	-68,056	-1,717,080	0	-1,534,551
General and administration	5,358,381	5,747,622	2,595,321	2,759,979
TYPICAL OPERATING PROFIT (LOSS)	627,752	-894,192	1,059,258	-1,465,972
OTHER ACTIVITIES	3,696	-32,579	-11,497	46,354
Income	580,578	505,922	211,677	248,931
Expenses	576,882	538,501	223,174	202,577
FINANCIAL AND INVESTMENT ACTIVITIES	258,931	394,439	-857,977	80,989
Income	799,406	656,095	-427,261	261,820
Expenses	540,475	261,656	430,716	180,831
USUAL ACTIVITY PROFIT (LOSS)	890,379	-532,332	189,784	-1,338,629
WINDFALL PROFIT			0	
LOSSES			0	
PROFIT (LOSS) BEFORE TAXATION	890,379	-532,332	189,784	-1,338,629
PROFIT TAX	1,412,034	201,549	985,054	712,712
NET PROFIT (LOSS)	-521,655	-733,881	-795,270	-2,051,341

Consolidated statement of comprehensive income

In Litas

ITEM	Jan. through June 2012	Jan. through June 2011	April through June 2012	April through June 2011
SALE	111,429,692	99,278,035	66,553,607	58,534,251
COST OF SALE	108,947,192	93,269,119	63,247,377	57,883,438
GROSS PROFIT (LOSS)	2,482,500	6,008,916	3,306,230	650,813
OPERATING EXPENSES	8,733,665	7,330,315	4,338,956	2,927,893
Sale	434,053	323,461	186,270	170,698
Recovery of doubtful debts	-68,056	-1,717,080	0	-1,534,551
General and administration	8,367,668	8,723,934	4,152,686	4,291,746
TYPICAL OPERATING PROFIT (LOSS)	-6,251,165	-1,321,399	-1,032,726	-2,277,080
OTHER ACTIVITIES	-169,372	-243,700	-93,267	-121,307
Income	493,186	362,824	174,717	112,981
Expenses	662,558	606,524	267,984	234,288
FINANCIAL AND INVESTMENT ACTIVITIES	850,872	-217,106	-1,101,408	-433,951
Income from other financial activities	2,011,200	269,113	-452,257	-118,900
Other financial expenses	1,160,328	486,219	649,151	315,051
USUAL ACTIVITY PROFIT (LOSS)	-5,569,665	-1,782,205	-2,227,401	-2,832,338
WINDFALL PROFIT				
LOSSES				
PROFIT (LOSS) BEFORE TAXATION	-5,569,665	-1,782,205	-2,227,401	-2,832,338
PROFIT TAX	1,462,116	451,068	760,413	177,635
NET PROFIT (LOSS)	-7,031,781	-2,233,273	-2,987,814	-3,009,973
ATTRIBUTABLE TO SHAREHOLDERS	-6,626,836	-1,772,329	-2,433,782	-2,769,625
ATTRIBUTABLE TO MINORITY INTEREST	-404,945	-460,944	-554,032	-240,348

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
Revaluation of fixed assets					0
Deferred tax related liability					0
Unrecognized profit (loss) for 2011		-350,587		350,587	0
Net profit (loss) for 2011				-733,881	-733,881
Dividend				-1,144,500	-1,144,500
Increase (decrease) of authorized capital					0
Balance as of 30 June 2011	16,350,000	8,769,010	1,635,030	103,955,655	130,709,695
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 postponed tax liability					0
Deferred profit tax related to revaluation of FA					0
Unrecognized net profit (loss) for 2012		-298,134		298,134	0
Net profit (loss) for 2012				-521,655	-521,655
Dividend					0
Reserves formed					0
Reserves used					0
Increase (decrease) of authorized capital					0
Balance as of 30 June 2012	16,350,000	5,606,218	1,635,030	106,307,368	129,898,616

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		-388,785			388,784	-1	1	0
Deferred tax liability								0
Net profit (loss) for 2011					-1,772,329	-1,772,329	-460,944	-2,233,273
Dividend					-1,144,500	-1,144,500		-1,144,500
Currency rate change				419,020		419,020		419,020
Reserves formed			11,124		-11,124	0		0
Balance as of 30 June 2011	16,350,000	9,395,423	2,031,336	853,680	82,910,638	111,541,077	4,359,764	115,900,841
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		-322,790			322,790	0		0
Revaluation of fixed assets		-14,423				-14,423		-14,423
Net profit (loss) for 2012					-6,626,836	-6,626,836	-404,945	-7,031,781
Dividend						0		0
Influence of currency rate change				-193,236		-193,236	-41,391	-234,627
Reserves formed			12,824		-12,824	0		0
Balance as of 30 June 2012	16,350,000	6,204,203	2,044,160	378,938	80,083,223	105,060,524	4,087,810	109,148,334

Separate statement of cash flows

In Lit

	Jan. through June 2012	Jan. through June 2011
Cash flow from operating activities		
Net profit (loss)	-521,655	-733,881
Depreciation and amortization costs	2,065,894	2,589,614
Profit (loss) from transfer of non-current assets	-78,102	-127,429
Income tax expense	1,340,865	201,549
	<u>2,807,002</u>	<u>1,929,853</u>
Change in inventories	-12,566,699	-5,394,340
Change in amounts receivable	-17,017,554	-19,731,610
Change in prepayments	-3,056,896	-7,694,205
Change in amounts receivable after one year	10,207,308	-98,719
Change in other assets	-8,851,362	23,875,549
Change in trade payables	3,737,233	10,948,688
Change in prepayments received	-5,191,379	16,960,178
Change in provisions and other liabilities	852,529	-3,812,985
	<u>-29,079,818</u>	<u>16,982,409</u>
Income tax paid	-3,010,279	-1,270,197
Net cash from operating activities	<u>-32,090,097</u>	<u>15,712,212</u>
Cash flow from investing activities		
Acquisition of long term assets (excl. investment)	-806,154	-690,833
Transfer of long term assets (excl. investment)	80,087	144,904
Loans issued	-3,987,456	-10,688,504
Loans recovered	1,558,718	4,908,445
Dividends and interest received	207,998	655,771
Net cash used in investing activities	<u>-2,946,807</u>	<u>-5,670,217</u>
Cash flow from financial activities		
Dividends, share of profit paid	-8,603	-1,129,922
Proceeds from loans and borrowings		
Repayments from loans and borrowings	-907,191	-1,183,282
Payment of finance lease liabilities	-250,734	-200,272
Interest paid		
Net cash from (used in) financing activities	<u>-1,166,528</u>	<u>-2,513,476</u>
Increase (decrease) in net cash flow	-36,203,432	7,528,519
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>7,483,392</u></u>	<u><u>48,376,039</u></u>

Consolidated statement of cash flows

In Litas

	Jan. through June 2012	Jan. through June 2011
Cash flow from operating activities		
Net profit (loss)	-7,031,781	-2,233,273
Elimination of other non-monetary items		
Depreciation and amortization costs	2,457,103	2,994,431
Other non-monetary items	-72,798	-100,225
	-4,647,476	660,933
Change in inventories	-12,629,417	-5,422,618
Change in amounts receivable	-9,329,265	-28,603,284
Change in prepayments	-11,555,153	-6,610,892
Change in other assets	-142,971	23,441,335
Change in trade payables	3,010,042	13,488,428
Change in prepayments received	4,774,362	14,905,119
Change in provisions and other liabilities	-2,324,105	-2,617,827
	-32,843,983	9,241,194
Elimination of results from financial and investing activities	33,613	536,529
Net cash from operating activities	-32,810,370	9,777,723
Cash flow from investing activities		
Acquisition of non-current assets (except investments)	-1,492,151	-827,594
Acquisition of long-term investments	-4,110,272	0
Transfer of non-current assets (except investments)	81,359	10,413
Loans issued	-20,000	-2,575,380
Loans recovered	3,762	1,211,920
Dividends and interest received	210,471	268,196
Net cash used in investing activities	-5,326,831	-1,912,445
Cash flow from financial activities		
Dividends and share of profit paid	-8,603	-1,129,922
Proceeds from loans and borrowings	6,862,450	363,495
Repayments from loans and borrowings		
Payment of finance lease liabilities	-1,011,207	-1,291,902
Interest paid	-437,982	-382,853
Net cash from (used in) financing activities	5,404,658	-2,441,182
Increase (decrease) in net cash flow	-32,732,543	5,424,096
Cash and cash equivalent in the beginning of the period	50,063,071	49,159,690
Cash and cash equivalent at the end of the period	17,330,528	54,583,786

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 subsidiaries 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 subsidiary in Kaliningrad and a permanent establishment in the United Kingdom of Great Britain and Northern Ireland and a permanent establishment registered in the Kingdom of Sweden this year. 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.

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 to the annual financial statement.

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

Currency	30 June 2012	31 Dec. 2011
1 EUR	3.4528	3.4528
100 RUB	8.3657	8.3334
1 LV	4.9567	4.9408
10 PLN	8,1007	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 half of the year 2012, the investments of the Group in acquisition of non-current assets amounted to 5,502,423 Litai: *Panevėžio statybos trestas AB* acquired non-current assets for 806,154 Litai and *Verkių projektas UAB* invested 4,110,272 Litai in construction of the business centre *Ulonų verslo centras*. During the first half of year 2012 the costs related to depreciation and amortization of assets of the Group amounted to 2,457,103 Litai, including 2,065,894 Litai accounted for in the Financial Statement of *Panevėžio statybos trestas AB*.

Loans

As of 30 June 2012, the Group had the loans in the amount of 22,451,722 Litai: including *PST investicijos UAB* Group – 16,101,305 Litai (13,526,734 Litai of short-term bank credits), *Baltlitstroj AOO* – 67,221,782 Roubles (the loan was taken out as a pledge for participation in the tender of construction works).

On 14 May 2012 *Panevėžio statybos trestas AB* signed the one-year Credit Agreement in the amount of 10,000,000 Litai with *UniCredit Bank AS* for the working capital.

On 27 August 2012 *Panevėžio statybos trestas AB* signed the eight-month Credit Agreement in the amount of 10,000,000 Litai with *SEB bankas AB* for financing of metal products for the construction project in *Akmenės cementas AB*.

Guarantees, sureties

As of 30 June 2012, the guarantees issued by credit institutions for liabilities of *Panevėžio statybos trestas AB* amounted to 23,049,780 Litai, including 20,188,731 Litai for issued Performance Guarantees.

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

On 21 May 2012 *Panevėžio statybos trestas AB* signed the Surety Agreement in the amount of 3,559,140 EUR for financial liabilities of *Verkių projektas UAB* to *DNB AB* for financing of construction of business centre *Ulonų verslo centras*.

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

There was significant reduction in cash flows of the company. The money was spent for purchase of metal products for construction of a new clinker production line in *Akmenės cementas AB*, furthermore, reduction of cash flows is conditioned by longer payment terms from customers' side.