

PANEVĖŽIO STATYBOS TREŠTAS AB

CONSOLIDATED INTERIM FINANCIAL STATEMENT
for three months of 2013

21 May 2013

Panevėžys

PANEVĖŽIO STATYBOS TREŠTAS AB

Consolidated and Company Financial Statements for the Quarter Ending 31 March 2013

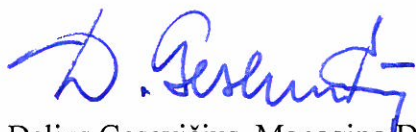
Unaudited

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 2013 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 2013	31 Dec. 2012
Non-current assets	62,540,319	62,361,676
Intangible assets	172,904	189,483
Tangible assets	14,482,126	15,057,724
Investment and amounts receivable in one year	47,480,431	46,700,848
Deferred tax assets	404,858	413,621
Current assets	133,525,684	138,197,334
Inventories	4,198,709	9,022,609
Advance payments	9,356,446	10,466,093
Amounts receivable	79,261,877	75,698,974
Other current assets	23,503,305	25,117,408
Cash and cash equivalents	17,205,347	17,892,250
TOTAL ASSETS	196,066,003	200,559,010

EQUITY AND LIABILITIES	31 March 2013	31 Dec. 2012
Equity	130,569,819	131,868,420
Share capital	16,350,000	16,350,000
Reserves	6,896,770	6,963,400
Retained profit (loss)	107,323,049	108,555,020
Translation reserve		
Minority share		
Amounts payable and liabilities	65,496,184	68,690,590
Amounts payable in one year and long term liabilities	2,229,686	2,135,733
Loans and borrowings	0	0
Warranty provision	1,301,144	1,195,432
Deferred tax liabilities	928,542	940,301
Amounts payable in one year and short term liabilities	63,266,498	66,554,857
Loans and borrowings	243,867	539,517
Trade payables	33,262,865	42,547,398
Prepayments received	8,655,203	2,624,945
Current tax payable	58,073	19,858
Other liabilities	21,046,490	20,823,139
TOTAL EQUITY AND LIABILITIES:	196,066,003	200,559,010

Consolidated statement of financial position

In Litas

ASSETS	31 March 2013	31 Dec. 2012
Non-current assets	40,697,561	41,012,038
Intangible assets	348,479	363,992
Tangible non-current assets	20,937,771	21,366,152
Investment assets	16,947,042	16,947,042
Other investment and amounts receivable in one year	134,856	148,777
Other intangible assets	2,329,413	2,186,075
Current assets	185,628,279	194,686,519
Inventories	53,846,946	59,167,530
Advance payments	11,320,032	15,276,564
Amounts receivable	81,814,962	82,899,886
Other assets	13,695,996	13,768,039
Cash and cash equivalents	24,950,343	23,574,500
TOTAL ASSETS:	226,325,840	235,698,557

EQUITY AND LIABILITIES	31 March 2013	31 Dec. 2012
Equity	114,572,355	116,020,464
Share capital	16,350,000	16,350,000
Reserves	7,880,152	7,959,110
Retained profit (loss)	90,316,213	91,510,925
Translation reserve	25,990	200,429
Minority share	4,679,058	4,940,669
Amounts payable and liabilities	107,074,427	114,737,424
Amounts payable in one year and long term liabilities	15,757,749	13,823,282
Loans and borrowings	11,185,167	9,452,719
Provisions	2,230,762	2,122,089
Deferred tax liabilities	1,963,144	2,018,831
Grants and subsidies	36,338	38,250
Other payable amounts	342,338	191,393
Amounts payable in one year and short term liabilities	91,316,678	100,914,142
Loans and borrowings	14,310,339	14,376,391
Trade payables	43,339,917	50,152,221
Prepayments received	10,368,070	10,882,524
Current tax payable	144,468	68,275
Other liabilities	23,153,884	25,434,731
TOTAL EQUITY AND LIABILITIES:	226,325,840	235,698,557

Separate statement of comprehensive income

In Litas

ITEM	31 March 2013	31 March 2012
SALE	45,350,879	40,466,236
COST OF SALE	44,159,020	38,094,126
GROSS PROFIT (LOSS)	1,191,859	2,372,110
OPERATING EXPENSES	2,781,360	2,803,616
Sale	65,158	108,612
General and administration	2,716,202	2,695,004
TYPICAL OPERATING PROFIT (LOSS)	-1,589,501	-431,506
OTHER ACTIVITIES	143,448	15,193
Income	441,756	368,901
Expenses	298,308	353,708
FINANCIAL AND INVESTMENT ACTIVITIES	647,553	1,116,908
Income	719,566	1,226,667
Expenses	72,013	109,759
USUAL ACTIVITY PROFIT (LOSS)	-798,500	700,595
WINDFALL PROFIT		
LOSSES		
PROFIT (LOSS) BEFORE TAXATION	-798,500	700,595
PROFIT TAX	500,101	426,980
NET PROFIT (LOSS)	-1,298,601	273,615

Consolidated statement of comprehensive income

In Litas

ITEM	31 March 2013	31 March 2012
SALE	64,244,215	44,876,085
COST OF SALE	60,661,359	45,699,815
GROSS PROFIT (LOSS)	3,582,856	-823,730
OPERATING EXPENSES	5,303,705	4,394,709
Sale	230,194	247,783
General and administration	5,073,511	4,146,926
TYPICAL OPERATING PROFIT (LOSS)	-1,720,849	-5,218,439
OTHER ACTIVITIES	82,839	-76,105
Income	416,720	318,469
Expenses	333,881	394,574
FINANCIAL AND INVESTMENT ACTIVITIES	568,559	1,952,280
Income from other financial activities	747,937	2,463,457
Other expenses of financial activities	179,378	511,177
USUAL ACTIVITY PROFIT (LOSS)	-1,069,451	-3,342,264
WINDFALL PROFIT		
LOSSES		
PROFIT (LOSS) BEFORE TAXATION	-1,069,451	-3,342,264
PROFIT TAX	437,477	701,703
NET PROFIT (LOSS)	-1,506,928	-4,043,967
ATTRIBUTABLE TO SHAREHOLDERS	-1,273,670	-4,193,054
ATTRIBUTABLE TO MINORITY INTEREST	-233,258	149,087

Separate statement of changes in equity

In Litas

	Authorized capital	FA revaluation	Legal reserve	Deferred result	Total
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
Unrecognised 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
Balance as of 31 December 2012	16,350,000	5,328,370	1,635,030	108,555,020	131,868,420
Revaluation of fixed assets					0
Related deferred tax liability					0
Deferred profit tax liability related to annual asset revaluation					0
Unrecognized net profit (loss) for 2013		-66,630		66,630	0
Net profit (loss) for 2013				-1,298,601	-1,298,601
Dividend					0
Balance as of 31 March 2013	16,350,000	5,261,740	1,635,030	107,323,049	130,569,819

Consolidated statement of changes in equity

In Lit

	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 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			-4,193,054	-14,425	149,090	-14,425
Net profit (loss) for 2012						-4,193,054		-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
Balance as of 31 December 2012	16,350,000	5,909,097	2,050,013	200,429	91,510,925	116,020,464	4,940,669	120,961,133
Decrease in revaluation reserve		-78,958			78,958	0		0
Net profit (loss) for 2013					-1,273,670	-1,273,670	-233,258	-1,506,928
Currency rate change				-174,439		-174,439	-28,353	-202,792
Balance as of 31 March 2013	16,350,000	5,830,139	2,050,013	25,990	90,316,213	114,572,355	4,679,058	119,251,413

Separate statement of cash flows

In Litas

	Jan. through March 2013	Jan. through March 2012
Cash flow from operating activities		
Net profit (loss)	-1,298,601	273,615
Depreciation and amortization costs	730,680	1,106,751
(Profit) loss from transfer of long term assets	-141,582	-71,294
Income tax expense	500,101	426,980
	-209,402	1,736,052
Change in inventories	4,823,900	-9,328,691
Changes in trade receivables	-3,562,903	6,634,411
Change in prepayments	1,109,647	801,746
Change in amounts receivable after one year	-779,583	-30,585
Change in other assets	92,521	-3,924,809
Change in trade payables	-9,284,533	-5,938,679
Change in prepayments received	6,030,258	-1,265,121
Change in provisions and other liabilities	-25,100	0
	-1,805,195	-11,315,676
Income tax paid	-163,666	-1,833,516
Net cash from operating activities	-1,968,861	-13,149,192
Cash flow from investing activities		
Acquisition of long term assets (excl. investment)	-165,337	-100,363
Transfer of long term assets (excl. investment)	168,416	73,273
Acquisition of investments	0	0
Loans issued	663,019	-3,349,559
Loans recovered	983,204	202,605
Dividends and interest received	0	391,979
Net cash used in investing activities	1,649,302	-2,782,065
Cash flow from financial activities		
Dividends paid	0	-6,725
Getting loans and borrowings	0	0
Repayments from loans and borrowings	0	0
Payment of finance lease liabilities	-295,650	-477,726
Interest paid	-71,694	-109,332
Net cash from (used in) financing activities	-367,344	-593,783
Increase (decrease) in net cash flow	-686,903	-25,166,555
Cash and its equivalent at the beginning of the period	17,892,250	43,686,824
Cash and its equivalent at the end of the period	17,205,347	18,520,269

Consolidated statement of cash flows

In Litas

	Jan. through March 2013	Jan. through March 2012
Cash flow from operating activities		
Net profit (loss)	-1,506,928	-4,043,967
Elimination of other non-monetary items		
Depreciation and amortization costs	935,644	1,296,133
Other non-monetary items	-523,603	2,504
	-1,094,887	-2,745,330
Change in inventories	5,320,584	-9,578,249
Change in amounts receivable	1,084,924	12,977,983
Change in prepayments	3,956,532	-5,050,587
Change in other assets	81,835	-4,562,009
Change in trade payables	-6,812,304	-6,785,528
Change in prepayments received	-514,454	3,158,323
Change in provisions and other liabilities	-1,946,948	-11,274,498
	75,282	-23,859,895
Elimination of results from financial and investing activities	-37,934	-540,824
Net cash from operating activities	37,348	-24,400,719
Cash flow from investing activities		
Acquisition of non-current assets (except investments)	-361,904	-2,462,488
Transfer of non-current assets (except investments)	170,378	74,245
Loans issued	0	0
Loans recovered	4,129	1,657
Dividends and interest received	27,616	119,921
Net cash used in investing activities	-159,781	-2,266,665
Cash flow from financial activities		
Dividends paid	0	-6,725
Proceeds from loans and borrowings	1,774,399	512,033
Repayments from loans and borrowings	0	0
Payment of finance lease liabilities	-108,003	-529,799
Interest paid	-168,120	-206,296
Net cash from (used in) financing activities	1,498,276	-230,787
Increase (decrease) in net cash flow	1,375,843	-26,898,171
Cash and cash equivalent in the beginning of the period	23,574,500	50,063,071
Cash and cash equivalent at the end of the period	24,950,343	23,164,900

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 permanent establishments in the United Kingdom of Great Britain and Northern Ireland, and the Kingdom of Sweden. 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 2013, the Group includes the parent company and 9 subsidiaries:

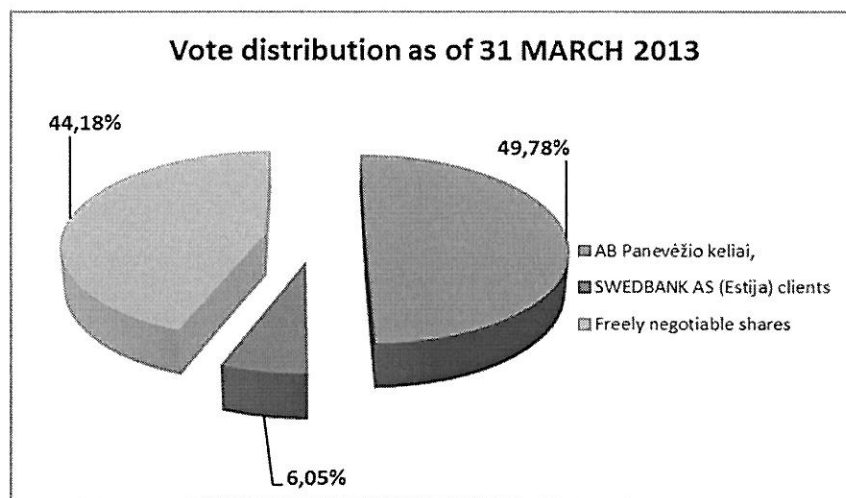
Subsidiaries	Type of activities	Share controlled (per cent)	Registered address
<i>Skydmedis</i> UAB	Production of wood constructions	100	Pramonės Str. 5, Panevėžys Tel.: +370 45 583341
<i>Metalo meistrai</i> UAB	Production of metal constructions	100	Tinklų Str. 7, Panevėžys, Tel. 8 45 464677
<i>Vekada</i> UAB	Electrical installation works	96	Marijonų Str. 36, Panevėžys Tel.: +370 45 461311
<i>Vilniaus papėdė</i> TŪB	Construction works	69	Naugarduko Str.100, 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 TRESTS</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	Verkių Str.25C, 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	Verkių Str.25C, Vilnius
<i>Šeškinės projektai</i> UAB	Real estate development and sales	100	Verkių Str.25C, Vilnius
<i>Sakališkės</i> UAB	Real estate development and sales	100	Verkių Str.25C, Vilnius
<i>Kauno erdvė</i> UAB	Real estate development and sales	100	Verkių Str.25C, Vilnius
<i>Verkių projektas</i> UAB	Real estate development and sales	100	Verkių Str.25C, Vilnius
<i>ISK Baltevro</i> market ZAO	Construction investment company	100	Chernyakhovsk Str. 6, Kaliningrad

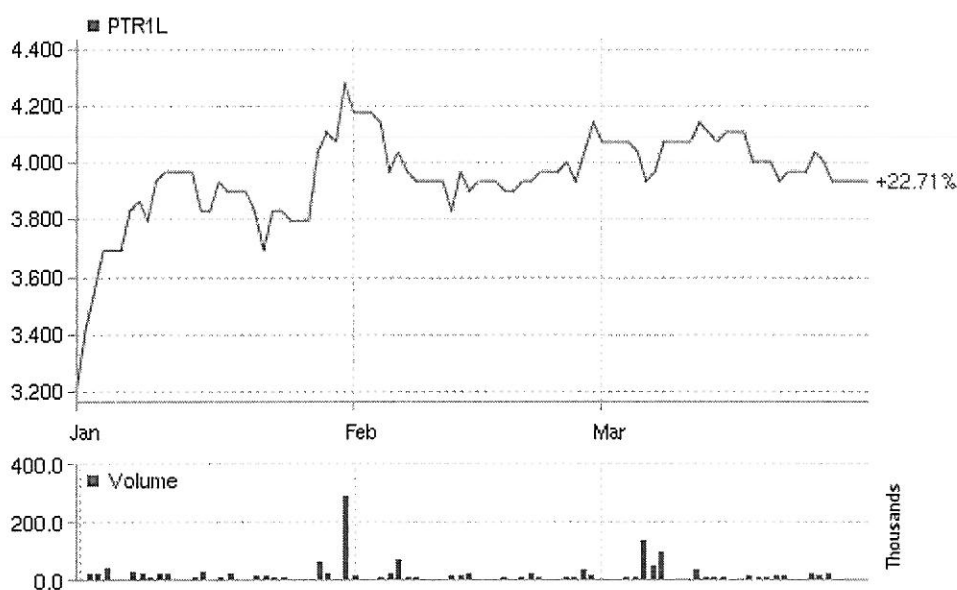
Authorized capital of the company and its structure

As of 31 March 2013, 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 2013 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 2249:

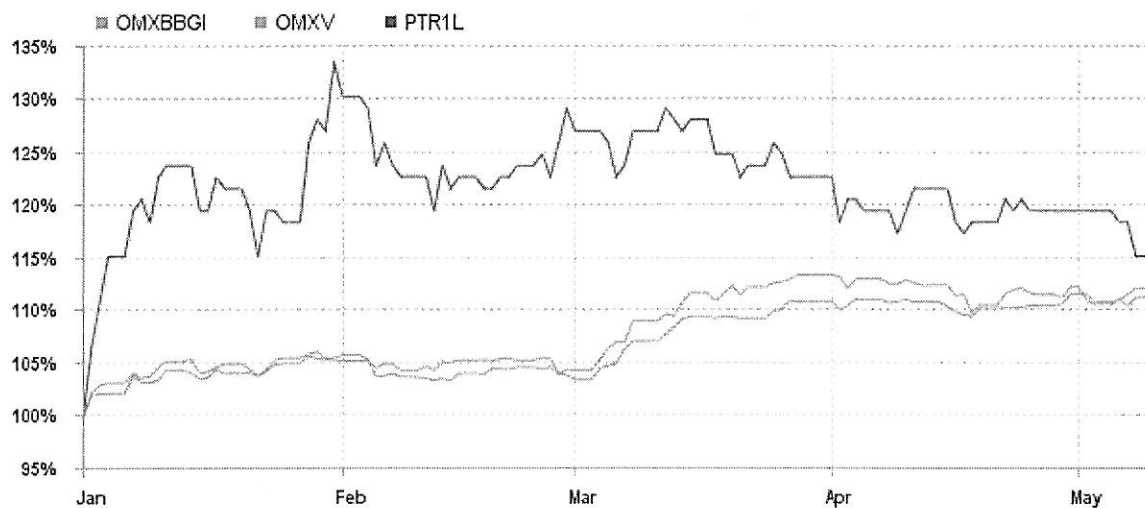
Name, surname of a shareholder (company name, type, headquarter address, company code)	Number of ordinary registered shares held by a shareholder under ownership right (pcs.)	Share of the authorized capital held (%)	Portion of votes granted by the shares held under the ownership right (%)	Portion of 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	---
SWEDBANK AS (Estonia) CLIENTS Liivalaia 8, Tallin Estonia 10060701	988,423	6.05	6.05	---
Freely negotiable shares	7,222,645	44.18	44.18	---



Variation in price of the company shares at the Stock Exchange for January through March 2013 (in Litas)



Changes in Panevėžio statybos trestas AB and OMX Baltic Benchmark GI indexes for January through March 2013



<i>Last price 31 Dec. 2012</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 2013</i>
4.281 Litas	3.957 Litas	4.281 Litas	3.266 Litas	3.936 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 2013	31 March 2012
1 EUR	3.4528	3.4528
10 RUB	8.6984	8.8433
1 LV	4.9224	4.9297
10 PLN	8.2451	8.3000

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 2013, the investments of the Group in acquisition of non-current assets amounted to 361,904 Litas: *Panevėžio statybos trestas* AB acquired non-current assets for 165,337 Litas. During the first quarter of year 2013 the costs related to depreciation and amortization of assets of the Group amounted to 935,644 Litas, including 730,680 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 25,495,506 Litas including short and long term bank credits totaling 20,933,042 Litas.

Guarantees, sureties

As of 31 March 2013 the guarantees of the liabilities of *Panevėžio statybos trestas AB* by credit institutions amounted to 20,456,223 Litas, 16,217,641 Litas of which were issued performance guarantees.

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 25 April 2013 made the decision to pay dividends for the year 2012 in the amount of 408,705 Litas.

Significant changes in the interim financial statement during the reporting period

Referring to the unaudited data, during three months of 2013 *Panevėžio statybos trestas AB* (PST) Group was on the income of 64.2 mln. Litas (18.6 mln. EUR), that is by 43 per cents more than last year, however the PST Group had a loss for the first quarter of 2013: the loss of the Group amounted to 1.5 mln. Litas for three months, whereas for the first quarter of 2012 the loss of the Group amounted to 4 mln. Litas. The loss of the parent company amounted to 1.3 mln. Litas for the first quarter of 2013. The loss of the Company was conditioned by delay in spring related work season

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

	Group			Company		
	31 March 2011	31 March 2012	31 March 2013	31 March 2011	31 March 2012	31 March 2013
<i>Income</i>	40,744	44,876	64,244	27,923	40,466	45,351
<i>Gross profit</i>	5,358	-824	3,583	3,457	2,372	1,192
<i>Gross profit margin (per cent)</i>	13.15	-1.84	5.58	12.38	5.86	2.63
<i>Net profit</i>	777	-4,044	-1,507	648	274	-1,299
<i>Nets profit margin (per cent)</i>	1.91	-9.01	-2.35	2.32	0.68	2.86
<i>Profit per share (Litas)</i>	0.06	-0.26	-0.09	0.04	0.02	-0.08
<i>Profit before taxes, interest, depreciation and amortization EBITDA</i>	2.721	-1.840	34	2.183	1.917	4
<i>EBITDA margin (per cent)</i>	6.68	-4.10	0.05	7.82	4.74	0.01
<i>Return on equity (percents) (ROE)</i>	0.68	-3.78	-0.67	0.49	0.21	-0.66
<i>Return on assets or asset profitability (ROA)</i>	0.40	-1.95	-1.32	0.36	0.14	-0.99
<i>Return on investments (ROI)</i>	0.56	-3.43	-1.12	0.47	0.21	-0.98
<i>Current liquidity ratio</i>	2.89	1.87	2.03	2.33	1.91	2.11
<i>Acid test (Quick) ratio</i>	2.14	1.20	1.44	2.24	1.59	2.04
<i>General liquidity ratio</i>	1.58	1.12	1.07	2.71	2.14	1.99
<i>Asset to equity ratio</i>	0.60	0.52	0.51	0.73	0.68	0.67
<i>Book value per share</i>	7.01	6.55	7.01	8.15	7.99	7.99
<i>Ratio of share price and profit (P/E)</i>	106.1	-16.7	-42.7	163.5	255.8	-49.6
<i>Ratio of share price and book value (P/BV)</i>	0.92	0.65	0.56	0.79	0.54	0.49