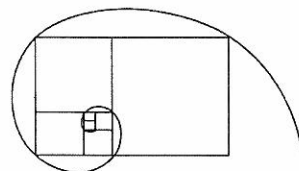


PANEVĖŽIO STATYBOS TREŠTAS AB

Consolidated Interim Financial Statement and Consolidated Interim Report for Six Months of 2013

**30 August 2013
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 2013 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 interim report has been prepared for six months of the year 2013 that expired on 30 June 2013.

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.

4. Information on the Company Group

As of 30 June 2013, the Group of *Panevėžio statybos trestas AB* consists of the following companies:

Subsidiary companies	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.: +370 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, Latvia
<i>BALTILSTROIJ</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>Subsidiary companies 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 *DNB bankas AB* 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

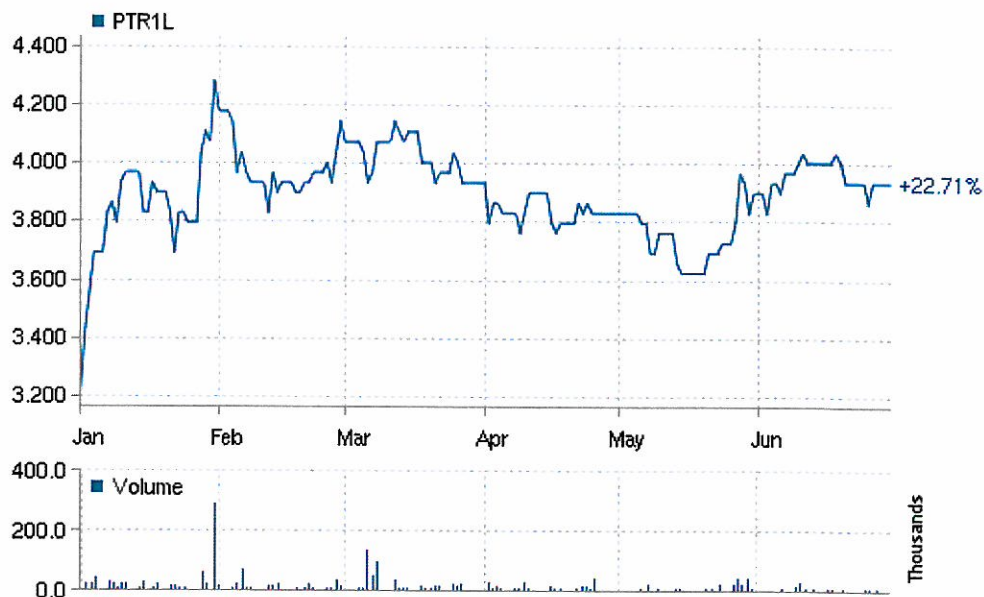
The ordinary registered shares of *Panevėžio statybos trestas AB*, 16,350,000 pcs., the par value of each being one Litas, have been included in the official list of the Vilnius Stock Exchange (VSE) since 13 July 2006.

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

Changes in Panevėžio statybos trestas AB and OMX Baltic Benchmark GI indexes for the first half of 2013



Variation in the price of the company shares at the Stock Exchange for the first half of 2013 (Litas)

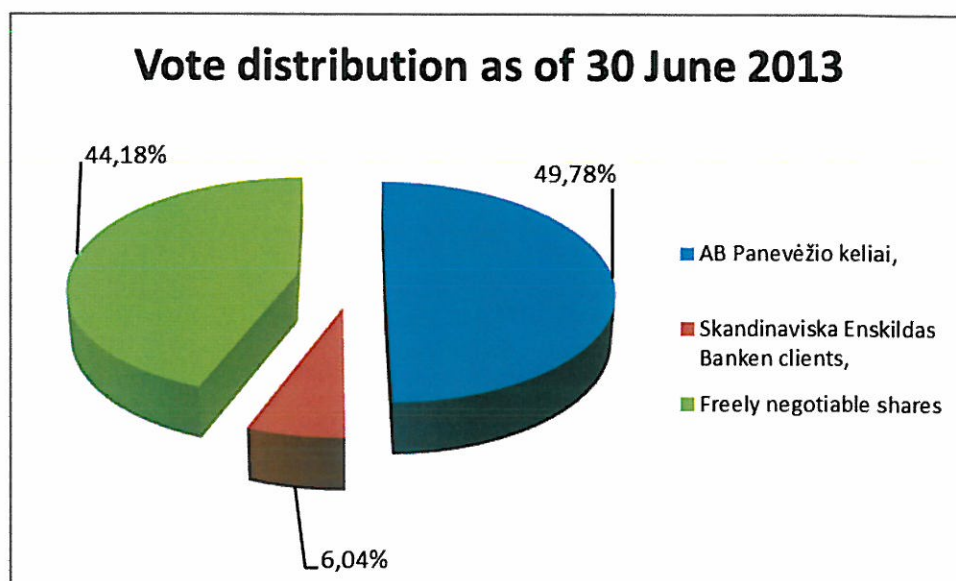


<i>Last price 30 June 2012</i>	<i>Average price for first half of 2013</i>	<i>Highest price for first half of 2013</i>	<i>Lowest price for first half of 2013</i>	<i>Last price 30 June 2013</i>
3.76 Litas	3.93 Litas	4.28 Litas	3.27 Litas	3.94 Litas

7. Authorized capital of the company and its structure

As of 30 June 2013, the authorized capital of the Company is 16,350,000 Litas, it is divided into 16,350,000 ordinary registered shares (hereinafter referred to as ORS), the par value of one share being 1.00 Litas. 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 2013 the total number of the shareholders who under the ownership right held or controlled more than 5 per cents of the authorized capital of the Company was 2226:

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	986,957	6.04	6.04	---
Freely negotiable shares	7,224,111	44.18	44.18	---



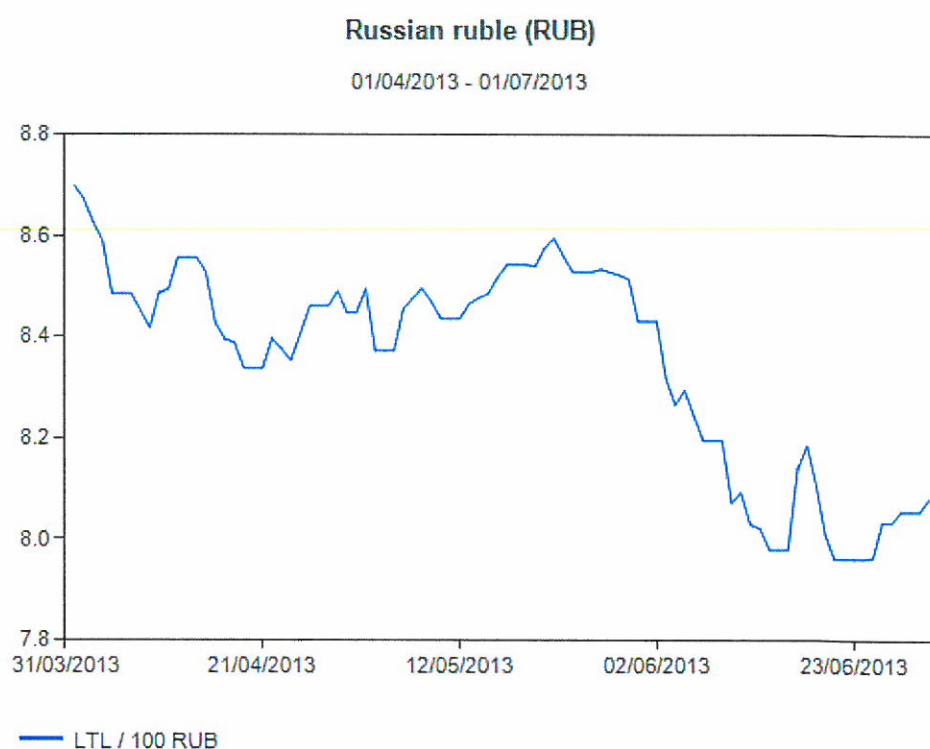
Neither the Company nor any of its subsidiary companies or any other person who would act in his/her own name but in the favor and using the means of the Company has purchased any shares of the Company.

8. Information on the performance results of the issuer

Referring to the unaudited data, during the first half of 2013 *Panevėžio statybos trestas* AB (PST) Group was on the income of 147.6 mln. Lit, i.e. by 32.5 per cents more than during the same period last year when the income of the Group amounted to 111.4 mln. Lit. The first half of the year 2013 was loss-making for the Group. The loss for six months of the 2013 amounted to 2.94 mln. Lit, whereas the loss of the Group during the first half of 2012 amounted to 7.03 mln. Lit.

Panevėžio statybos trestas AB was on the income of 112 mln. Litas, i.e. by 9.3 per cents more than during the same period last year. *Panevėžio statybos trestas* AB incurred the loss in the amount of 1.1 mln. Litas (0.299 mln. Euros) for the first half of the year. The loss of the Company for the first half of 2012 amounted to 0.5 mln. Litas.

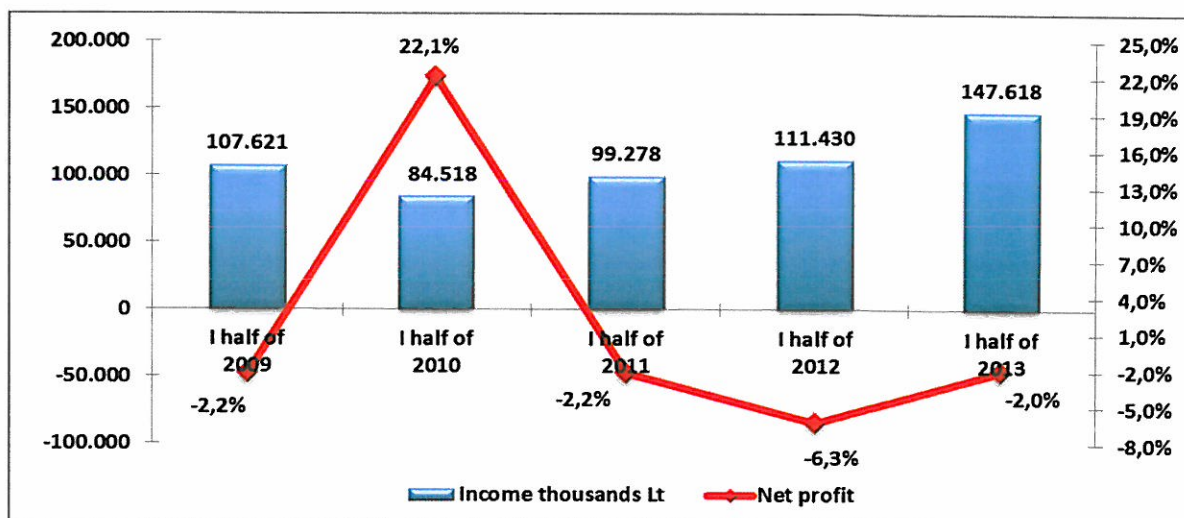
The results of the Group were mainly conditioned by conversion of Rubles to Litas in the balance sheets of the branch, representative office, subsidiary company of *PST* AB, *Baltlitstroj* OOO, and subsidiary company of *PST investicijos* UAB, *Baltevromarket* ZAO ISK, operating in Russia. The loss in financial activities incurred in the second quarter due to the significant devaluation of Russian Ruble amounted to 4.1 mln. Litas.



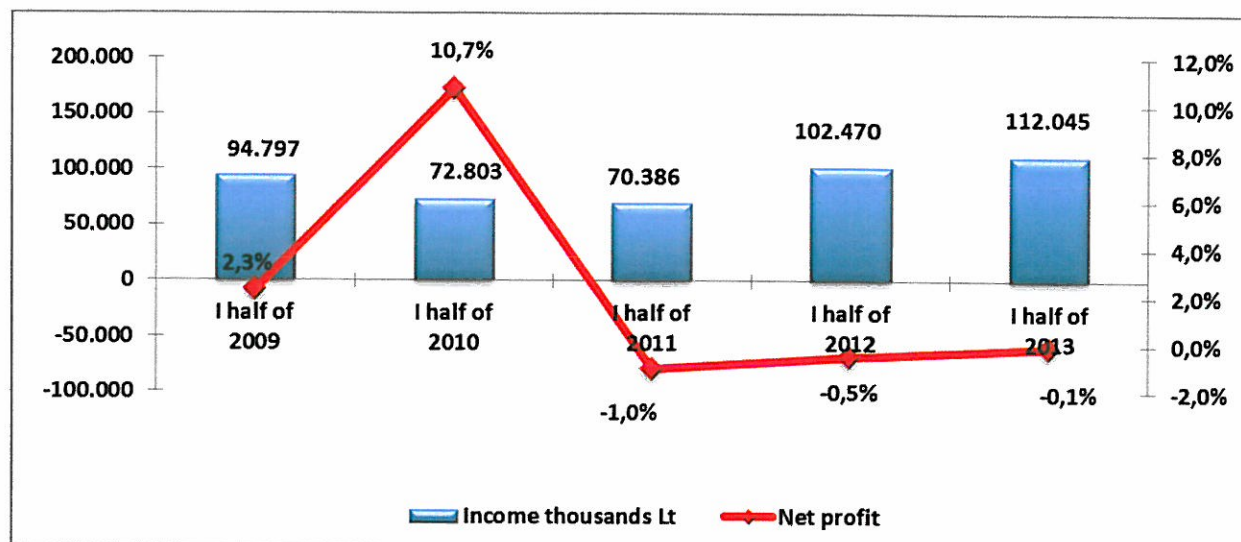
The performance results of Panevėžio statybos trestas AB Group and the Company are as follows (thousands Litas):

	Group			Company		
	I half of 2011	I half of 2012	I half of 2013	I half of 2011	I half of 2012	I half of 2013
Income	99,278	111,430	147,618	70,386	102,470	112,045
Gross profit	6,009	2,483	10,537	3,296	6,093	6,018
Gross profit margin (per cent)	6.05	2.23	7.14	4.68	5.95	5.37
Net profit	-2,233	-7,032	-2,940	-734	-522	-1,119
Nets profit margin (per cent)	-2.25	-6.31	-1.99	-1.04	-0.51	-1.00
Profit per share (Litas)	-0.11	-0.41	-0.18	-0.04	-0.03	-0.07
Profit before taxes, interest, depreciation and amortization EBITDA	1,595	-2,675	-1,330	2,258	3,207	0,458
EBITDA margin (per cent)	1.61	-2.40	-0.9	3.21	3.13	0.41
Return on equity (per cent) (ROE)	-2.00	-6.69	-2.58	-0.56	-0.40	-0.86
Return on assets or asset profitability (ROA)	-1.01	-3.05	-1.37	-0.35	-0.25	-0.60
Return on investments (ROI)	-1.82	-6.07	-2.16	-0.55	-0.40	-0.84
Current liquidity ratio	1.88	1.73	2.17	1.85	1.95	2.27
Current liquidity ratio	1.43	1.19	1.61	1.75	1.64	2.23
General liquidity ratio	1.07	0.86	1.19	1.69	1.74	2.28
Asset to equity ratio	0.51	0.46	0.53	0.63	0.63	0.70
Book value per share	6.82	6.43	6.98	7.99	7.94	7.97
Ratio of share price and book value (P/BV)	0.92	0.59	0.56	0.78	0.47	0.49

Income and net profit variation for the Group:



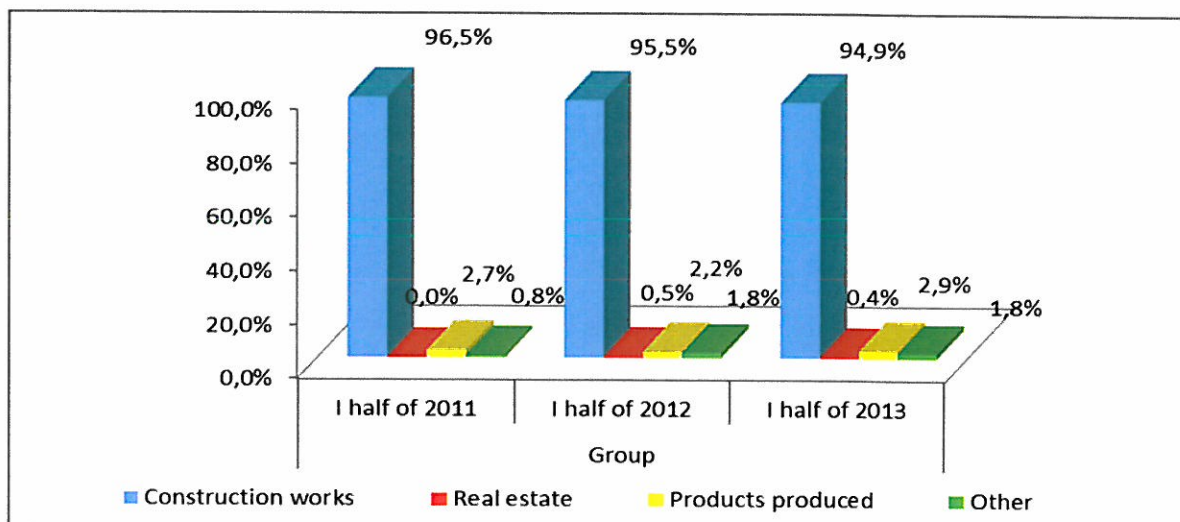
Income and net profit variation for the Company:



Information on segments

The operating income of the Company based on business segments is from building and erection activities. In the first half of 2013 the income from building and construction activities totalled 94.9%, the income from real estate amounted to 0.4%, made products amounted to 2.9% and other income amounted to 1.8%. In the first half of 2012 the income from building and construction activities totalled 95.5%, the income from real estate amounted to 0.5%, made products amounted to 2.24% and other income amounted to 1.8 %.

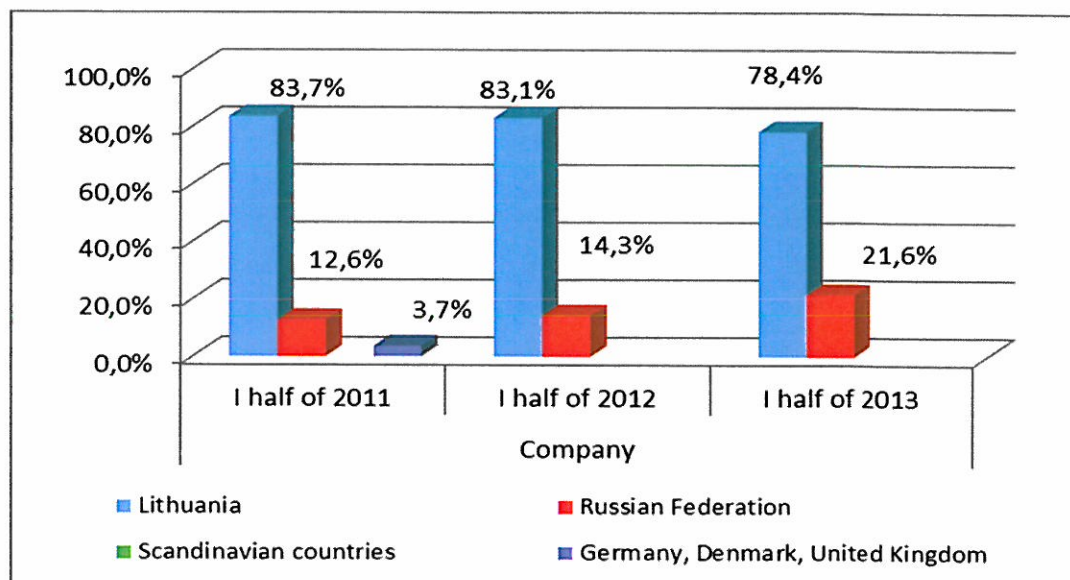
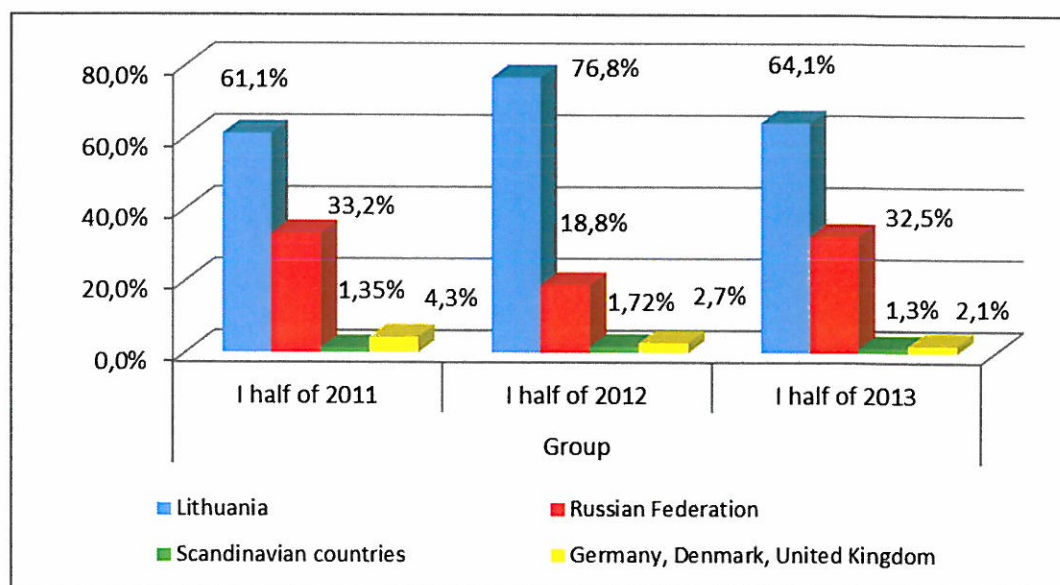
(thousands Lt)	Group			Company		
	I half of 2011	I half of 2012	I half of 2013	I half of 2011	I half of 2012	I half of 2013
Construction works	95,80	106,40	140,06	70,39	104,47	112,04
Real estate	0,04	0,52	0,65			
Products produced	2,68	2,47	4,22			
Other sale	0,77	2,03	2,69			



Geographical distribution of income (thousands Litas):

	Group			Company		
	I half of 2011	I half of 2012	I half of 2013	I half of 2011	I half of 2012	I half of 2013
Lithuania	60,69	85,54	94,69	58,90	85,16	87,83
Russian Federation	32,98	20,94	47,98	8,89	14,62	24,22
Scandinavian countries	1,34	1,92	1,92		2,70	
Germany, Denmark, United Kingdom	4,27	3,03	3,03	2,59		

In the first half of 2013 the main activity of the Company was performed in Lithuania and made 78.4% of all works carried out by the Company (83.1% in the first half of 2012). The income of the Group from the works performed inside the country made 64.1% of the income whereas in the first half of 2012 it was 76.8%.



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

On 22 March 2013 *Panevėžio statybos trestas AB* has signed the contract with the State Institution the Directorate of the Vilnius Castles for re-erection of Part B of the Palace of the Grand Dukes for the amount of 61.3 mln. Litas. The preliminary date for work completion is planned for 31 December 2017.

On 22 March 2013 *Panevėžio statybos trestas AB* has signed the contract with *Turto bankas VĮ* for construction of the main and auxiliary buildings of Klaipėda City Police Headquarters. The total value of the contract, including VAT, amounts to 61 million Litas. The total duration of the project is 18 months.

On 23 May 2013 *Panevėžio statybos trestas AB* has signed the contract with State Service for Protected Areas under the Ministry of Environment for establishment of visitors' centre in Žagarė Regional Park. The total value of the contract, including VAT, amounts to 9.8 million Litas. The total duration of the project is 6 months with a possibility to extend the contract for 8 more months.

On 11 June 2013 *Panevėžio statybos trestas AB* has signed the contract with Vilnius University for construction of the Joint Centre for Life Sciences. The total value of the contract, including VAT, amounts to 106.46 mln. Litas. The total duration of the project is 21 months.

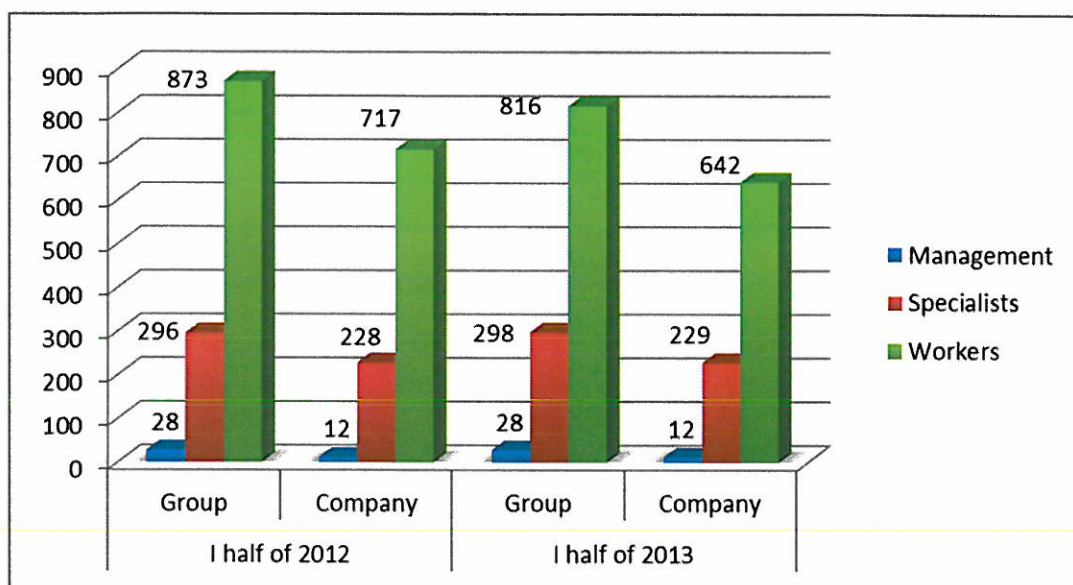
On 8 July 2013 *Panevėžio statybos trestas AB* has signed the contract with the Ministry of National Defence of the Republic of Lithuania for construction of the Aviation Fuel Base (engineering infrastructure facilities, transportation lines – access roads, railway) at the Air Force Base of the Lithuanian Armed Forces in Šiauliai. Duration of the project is 18 months. The beginning of works is scheduled for July 15.

On 24 July 2013 *Panevėžio statybos trestas AB* has signed the contract with *Klaipėdos profesinio mokymo ir reabilitacijos centras VŠĮ* (Klaipėda Vocational Training and Rehabilitation Centre) for construction of new buildings. The newly built office building will be equipped with driver education classes and storage for visual aid exhibits, whereas practical training of drivers of various categories will take place on a new training track by creating artificial obstacles for driving (wet road, rain, sliding road surface). The total value of the contract including VAT amounts to 15 mln. Litas.

10. Employees

During the first half of 2013, the average number of employees in *Panevėžio statybos trestas AB* Group was 1145 with 877 employees working for the Company.

Number of employees on payroll	I half of 2012		I half of 2013	
	Group	Company	Group	Company
Management	28	12	28	12
Specialists	296	228	298	229
Workers	873	717	816	642

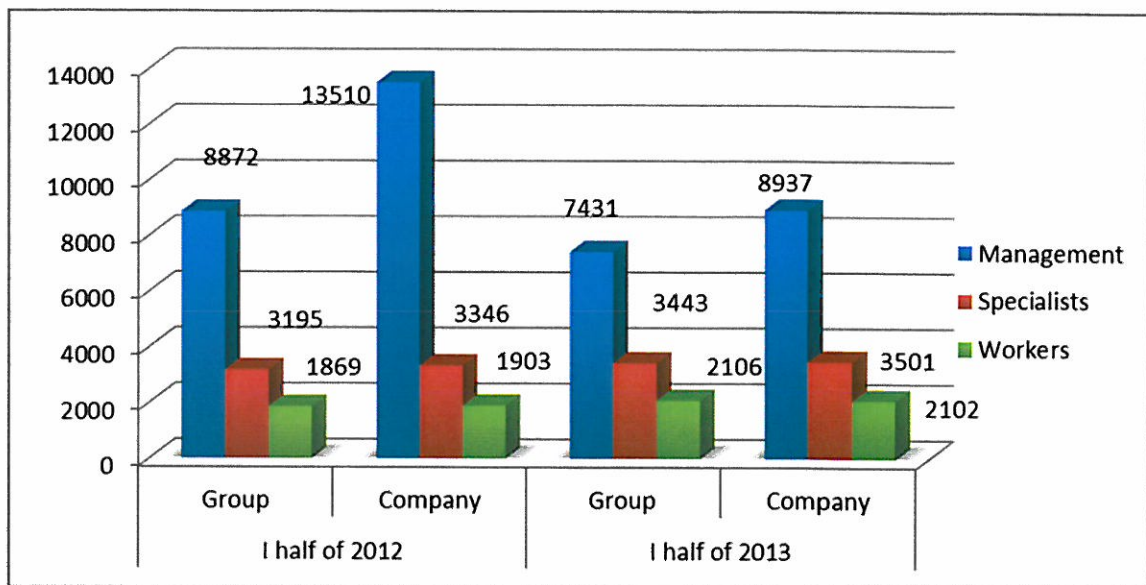


Employee grouping by education in *Panevėžio statybos trestas* AB Group:

Groups of employees	Payroll number	Higher university level education	Higher non-university education	Community college education	Secondary education	Incomplete secondary education
Management	29	25	1	2	1	0
Specialists	297	227	9	49	11	1
Workers	819	26	16	155	516	106

Average gross wages:

Average salary/wage Litas	I half of 2012		I half of 2013	
	Group	Company	Group	Company
Management	8872	13510	7431	8937
Specialists	3195	3346	3443	3501
Workers	1869	1903	2106	2102



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, %
<i>TERTIUS UAB</i>		704,638	80	80
<i>PANEVĖŽIO KELIAI AB</i>	Chairman of the Board	531,675	28.47	28.47
<i>LAUKTUVĖS JUMS UAB</i>	Chairman of the Board	11,069	50.15	50.15
<i>POKŠTAS UAB</i>		111	50	50
<i>KLOVAINIŲ SKALDA AB</i>		203,526	3.78	3.78
<i>GELBERA UAB</i>	Member of the Board	34	34	34
<i>KELTECHA UAB</i>	Member of the Board			
<i>EMULTEKA UAB</i>		14	14.0	14.0
<i>GUSTONIŲ ŽŪT UAB</i>	Member of the Board	1,057	48.98	48.49
<i>SPECIALIZUOTA KOMPLEKTAVIMO VALDYBA AB</i>		21,490	9.29	9.29
<i>NAUJASIS UŽUPIS UAB</i>	Chairman of the Board			
<i>PANEVĖŽYS UAB</i>	Member of the Board	157,191	49.98	49.98
<i>PST INVESTICIJOS UAB</i>	Member of the Board	16,407	4.4	4.4
<i>KIRTIMŲ AUTOTRANSPORTAS AB</i>	Chairman of the Board			
<i>CONVESTUS UAB</i>	Vice-President, Chairman of the Board	50,000	50	50
<i>ALPROKA UAB</i>	Chairman of the Board			
<i>KAUNO TILTAI UAB</i>		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, %
<i>PANEVĖŽIO KELIAI AB</i>	Member of the Board	529,861	28.33	28.33
<i>LAUKTUVĖS JUMS UAB</i>	Member of the Board	11,001	49.85	49.85
<i>POKŠTAS UAB</i>	Director	111	50.0	50.0

<i>KLOVAINIŲ SKALDA AB</i>		203,129	3.77	3.77
<i>GELBERA UAB</i>	Member of the Board	34	34	34
<i>EMULTEKA UAB</i>		12	12.0	12.0
<i>GUSTONIŲ ŽŪT UAB</i>	Member of the Board	1,057	48.98	48.98
<i>PANEVĖŽYS UAB</i>	Member of the Board	157,225	49.98	49.98
<i>SPECIALIZUOTA KOMPLEKTAVIMO VALDYBA AB</i>		21,470	9.28	9.28
<i>PST INVESTICIJOS UAB</i>	Chairman of the Board, Director	12,644	2.9	2.9
<i>NAUJASIS UŽUPIS UAB</i>	Member of the Board			
<i>CONVESTUS UAB</i>	President, Member of the Board	50,000	50	50
<i>ALPROKA UAB</i>	Member of the Board			
<i>KAUNO TILTAI UAB</i>		492	0.31	0.31
<i>MEINORA UAB</i>	Director	100	100	100
<i>SERANA UAB</i>	Director	950	95	95
<i>TETRIUS UAB</i>		176,159	20	20
<i>PANODEN UAB</i>	Member of the Board			

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, %
<i>CONVESTUS UAB</i>	Internal auditor	-	-	-
<i>PANEVĖŽIO KELIAI AB</i>	Member of the Board			
<i>UKMERGĖS KELIAI UAB</i>	Member of the Board			

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, %
<i>AKVALDA UAB</i>		500	33.33	33.33
<i>EMULTEKA UAB</i>		11	11	11
<i>BASS UAB</i>		40	40	40
<i>PANEVĖŽIO STATYBOS TRESTAS AB</i>	Member of the Board			
<i>PANEVĖŽIO KELIAI AB</i>	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, %
<i>DVARČIONIŲ KERAMIKA AB</i>	Shareholder	356	0.0036	0.0036
<i>PANEVĖŽIO KELIAI AB</i>	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 duties of the audit committee are as follows:

- 1) to monitor the financial reporting process;
- 2) to monitor the effectiveness of the company's internal control, internal audit where applicable, and risk management systems;
- 3) to monitor the carrying out of audit;
- 4) to monitor the independence and objectivity of the auditor or audit firm.

The audit committee at *Panevėžio statybos trestas AB* consists of the following members:

Lina Ragelienė – Deputy Chief Accountant of *Panevėžio statybos trestas AB*. Holds no shares of the Company.

Regina Sukarevičienė – Economist of *Panevėžio statybos trestas AB*. Holds no shares of the Company.

Irena Kriauciūnienė – Independent Auditor. Auditor of *IDG auditoriai* UAB. Holds no shares of the Company.

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
<i>Panevėžio statybos trestas</i> AB has signed the contract with Ministry of National Defence of the Republic of Lithuania	Notification on material event	Lt, En	8 July 2013
<i>Panevėžio statybos trestas</i> AB has signed the contract with Vilnius University	Notification on material event	Lt, En	11 June 2013
<i>Panevėžio statybos trestas</i> AB has signed the contract with State Service for Protected Areas under the Ministry of Environment	Notification on material event	Lt, En	23 May 2013
<i>Panevėžio statybos trestas</i> AB has signed a contract with <i>Turto bankas VĮ</i>	Notification on material event	Lt, En	23 May 2013
<i>Panevėžio statybos trestas</i> AB will sign a contract with <i>Turto bankas VĮ</i>	Notification on material event	Lt, En	23 May 2013
Unaudited Performance Results of <i>Panevėžio statybos trestas</i> AB and the Group for the First Quarter of 2013	Notification on material event	Lt, En	21 May 2013
Annual Information Approved by Annual General Shareholders Meeting of <i>Panevėžio statybos trestas</i> AB	Annual information	Lt, En	25 Apr. 2013
Resolutions of Annual General Meeting of Shareholders	Notification on material event	Lt, En	25 Apr. 2013
Postponed Hearing	Notification on material event	Lt, En	9 Apr. 2013
Draft Resolutions of General Meeting of Shareholders	Notification on material event	Lt, En	4 Apr. 2013
Convening of Annual General Meeting of Shareholders	Notification on material event	Lt, En	25 March 2013
<i>Panevėžio statybos trestas</i> AB Has Signed the Contract with the Directorate of the Vilnius Castles for Re-Erection of the Palace of the Grand Dukes, Part B	Notification on material event	Lt, En	22 March 2013
PST Won the Tender for Re-Erection of the Palace of the Grand Dukes, Part B, Announced by the Vilnius Castles Directorate	Notification on material event	Lt, En	8 March 2013
Unaudited Performance Results of <i>Panevėžio statybos trestas</i> AB and the Group for 2012	Notification on material event	Lt, En	27 Feb. 2013
<i>Panevėžio statybos trestas</i> AB Information	Notification on material event	Lt, En	13 Feb. 2013
Temporary Measures of Protection Reversed	Notification on material event	Lt, En	2 Jan. 2013

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

<http://www.baltic.omxgroup.com/market/?currencyv=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 2013	31 Dec. 2012
Non-current assets	62,996,784	62,361,676
Intangible assets	161,978	189,483
Tangible non-current assets	14,241,160	15,057,724
Investment and amounts receivable in one year	48,221,070	46,700,848
Deferred tax assets	372,576	413,621
Current assets	124,454,217	138,197,334
Inventories	2,223,531	9,022,609
Advance payments	7,766,568	10,466,093
Amounts receivable	79,338,711	75,698,974
Other current assets	18,109,521	25,117,408
Cash and cash equivalents	17,015,886	17,892,250
TOTAL ASSETS	187,451,001	200,559,010

EQUITY AND LIABILITIES	30 June 2013	31 Dec. 2012
Equity	130,340,343	131,868,420
Share capital	16,350,000	16,350,000
Reserves	6,828,000	6,963,400
Retained profit (loss)	107,162,343	108,555,020
Translation reserve		
<i>Minority share</i>		
Amounts payable and liabilities	57,110,658	68,690,590
Amounts payable in one year and long term liabilities	2,294,420	2,135,733
Loans and borrowings	0	0
Warranty provision	1,378,013	1,195,432
Deferred tax liabilities	916,407	940,301
Amounts payable in one year and short term liabilities	54,816,238	66,554,857
Loans and borrowings	60,599	539,517
Trade payables	34,396,879	42,547,398
Prepayments received	7,111,363	2,624,945
Current tax payable	0	19,858
Other liabilities	13,247,397	20,823,139
TOTAL EQUITY AND LIABILITIES:	187,451,001	200,559,010

Consolidated statement of financial position

In Litas

ASSETS	30 June 2013	31 Dec. 2012
Non-current assets	43,189,646	41,012,038
Intangible assets	493,655	363,992
Tangible non-current assets	20,700,137	21,366,152
Investment property	18,800,413	16,947,042
Other investment and amounts receivable in one year	289,631	148,777
Other intangible assets	2,905,810	2,186,075
Current assets	171,785,903	194,686,519
Inventories	44,539,372	59,167,530
Advance payments	8,198,927	15,276,564
Amounts receivable	90,550,987	82,899,886
Other assets	6,918,790	13,768,039
Cash and cash equivalents	21,577,827	23,574,500
TOTAL ASSETS:	214,975,549	235,698,557

EQUITY AND LIABILITIES	30 June 2013	31 Dec. 2012
Equity	114,145,192	116,020,464
Share capital	16,350,000	16,350,000
Reserves	7,815,431	7,959,110
Retained profit (loss)	88,910,122	91,510,925
Translation reserve	1,069,639	200,429
Minority share	4,548,924	4,940,669
Amounts payable and liabilities	96,281,433	114,737,424
Amounts payable in one year and long term liabilities	17,128,797	13,823,282
Loans and borrowings	12,444,582	9,452,719
Provisions	2,268,464	2,122,089
Deferred tax liabilities	1,951,009	2,018,831
Grants and subsidies	34,425	38,250
Other payable amounts	430,317	191,393
Amounts payable in one year and short term liabilities	79,152,636	100,914,142
Loans and borrowings	14,177,582	14,376,391
Trade payables	40,885,548	50,152,221
Prepayments received	8,364,660	10,882,524
Current tax payable	209,979	68,275
Other liabilities	15,514,867	25,434,731
TOTAL EQUITY AND LIABILITIES:	214,975,549	235,698,557

Separate statement of comprehensive income

In Litas

ITEM	January through June 2013	January through June 2012	January through June 2013	January through June 2012
SALE	112,045,320	102,470,192	66,694,441	62,003,956
COST OF SALE	106,027,603	96,377,056	61,868,583	58,282,930
GROSS PROFIT (LOSS)	6,017,717	6,093,136	4,825,858	3,721,026
OPERATING EXPENSES	7,538,154	5,465,384	4,756,794	2,661,768
Sale	169,540	175,059	104,382	66,447
General and administration	7,368,614	5,290,325	4,652,412	2,595,321
TYPICAL OPERATING PROFIT (LOSS)	-1,520,437	627,752	69,064	1,059,258
OTHER ACTIVITIES	1,179,112	3,696	1,035,664	-11,497
Income	1,904,911	580,578	1,463,155	211,677
Expenses	725,799	576,882	427,491	223,174
FINANCIAL AND INVESTMENT ACTIVITIES	-692,741	258,931	-1,340,294	-857,977
Income	1,246,199	799,406	526,633	-427,261
Expenses	1,938,940	540,475	1,866,927	430,716
USUAL ACTIVITY PROFIT (LOSS)	-1,034,066	890,379	-235,566	189,784
WINDFALL PROFIT				
LOSSES				
PROFIT (LOSS) BEFORE TAXATION	-1,034,066	890,379	-235,566	189,784
PROFIT TAX	85,261	1,412,034	-414,840	985,054
NET PROFIT (LOSS)	-1,119,327	-521,655	179,274	-795,270

Consolidated statement of comprehensive income

In Lit

ITEM	January through June 2013	January through June 2012	January through June 2013	January through June 2012
SALE	147,618,251	111,429,692	83,374,036	66,553,607
COST OF SALE	137,081,503	108,947,192	76,420,144	63,247,377
GROSS PROFIT (LOSS)	10,536,748	2,482,500	6,953,892	3,306,230
OPERATING EXPENSES	11,485,902	8,733,665	6,182,197	4,338,956
Sale	515,656	434,053	285,462	186,270
General and administration	10,970,246	8,299,612	5,896,735	4,152,686
TYPICAL OPERATING PROFIT (LOSS)	-949,154	-6,251,165	771,695	-1,032,726
OTHER ACTIVITIES	1,073,583	-169,372	990,744	-93,267
Income	1,870,997	493,186	1,454,277	174,717
Expenses	797,414	662,558	463,533	267,984
FINANCIAL AND INVESTMENT ACTIVITIES	-3,553,555	850,872	-4,122,114	-1,101,408
Income from other financial activities	230,994	2,011,200	-516,943	-452,257
Other financial expenses	3,784,549	1,160,328	3,605,171	649,151
USUAL ACTIVITY PROFIT (LOSS)	-3,429,126	-5,569,665	-2,359,675	-2,227,401
WINDFALL PROFIT				
LOSSES				
PROFIT (LOSS) BEFORE TAXATION	-3,429,126	-5,569,665	-2,359,675	-2,227,401
PROFIT TAX	-488,865	1,462,116	-926,342	760,413
NET PROFIT (LOSS)	-2,940,261	-7,031,781	-1,433,333	-2,987,814
ATTRIBUTABLE TO SHAREHOLDERS	-2,335,732	-6,626,836	-1,062,062	-2,433,782
ATTRIBUTABLE TO MINORITY INTEREST	-604,529	-404,945	-371,271	-554,032

Separate statement of changes in equity

In Litai	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
Deferred tax related liability					0
Unrecognized profit (loss) for 2012		-298,134		298,134	0
Net profit (loss) for 2012				-521,655	-521,655
Dividend					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
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 postponed tax liability					0
Deferred profit tax related to revaluation of FA					0
Unrecognized net profit (loss) for 2013		-135,400		135,400	0
Net profit (loss) for 2013				-1,119,327	-1,119,327
Dividend				-408,750	-408,750
Reserves formed					0
Reserves used					0
Increase (decrease) of authorized capital					0
Balance as of 30 June 2013	16,350,000	5,192,970	1,635,030	107,162,343	130,340,343

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 2012	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 2011					-6,626,836	-6,626,836	-404,945	-7,031,781
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
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		-160,055			160,055	0		0
Net profit (loss) for 2013					-2,335,732	-2,335,732	-604,529	-2,940,261
Dividend					-408,750	-408,750	-12,034	-420,784
Influence of currency rate change				869,210		869,210	224,818	1,094,028
Reserves formed			16,376		-16,376	0		0
Balance as of 30 June 2013	16,350,000	5,749,042	2,066,389	1,069,639	88,910,122	114,145,192	4,548,924	118,694,116

Separate statement of cash flows

In Litas

	January through June 2013	January through June 2012
Cash flow from operating activities		
Net profit (loss)	-1,119,327	-521,655
Depreciation and amortization costs	1,343,893	2,065,894
Profit (loss) from transfer of non-current assets	-141,573	-78,102
Income tax expense	85,261	1,340,865
	168,254	2,807,002
Change in inventories	6,799,078	-12,566,699
Change in amounts receivable	-3,639,737	-17,017,554
Change in prepayments	2,699,525	-3,056,896
Change in amounts receivable after one year	-390,461	10,207,308
Change in other assets	4,012,292	-8,851,362
Change in trade payables	-8,150,519	3,737,233
Change in prepayments received	4,486,418	-5,191,379
Change in provisions and other liabilities	-7,185,303	852,529
	-1,200,453	-29,079,818
Income tax paid	-249,542	-3,010,279
Net cash from operating activities	-1,449,995	-32,090,097
Cash flow from investing activities		
Acquisition of long term assets (excl, investment)	-526,667	-806,154
Transfer of long term assets (excl, investment)	168,416	80,087
Loans issued	-1,138,019	-3,987,456
Loans recovered	2,505,831	1,558,718
Dividends and interest received	589,506	207,998
Net cash used in investing activities	1,599,067	-2,946,807
Cash flow from financial activities		
Dividends, share of profit paid	-398,145	-8,603
Proceeds from loans and borrowings		
Repayments from loans and borrowings		
Payment of finance lease liabilities	-478,918	-907,191
Interest paid	-148,373	-250,734
Net cash from (used in) financing activities	-1,025,436	-1,166,528
Increase (decrease) in net cash flow	-876,364	-36,203,432
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	17,015,886	7,483,392

Consolidated statement of cash flows

In Litas

	January through June 2013	January through June 2012
Cash flow from operating activities		
Net profit (loss)	-2,940,261	-7,031,781
Elimination of other non-monetary items		
Depreciation and amortization costs	1,759,080	2,457,103
Other non-monetary items	-1,061,915	-72,798
	-2,243,096	-4,647,476
Change in inventories	14,628,158	-12,629,417
Change in amounts receivable	-7,651,101	-9,329,265
Change in prepayments	7,077,637	-11,555,153
Change in other assets	6,700,137	-142,971
Change in trade payables	-9,266,673	3,010,042
Change in prepayments received	-2,517,864	4,774,362
Change in provisions and other liabilities	-9,407,291	-2,324,105
	-2,680,093	-32,843,983
Elimination of results from financial and investing activities	1,066,667	33,613
Net cash from operating activities	-1,613,426	-32,810,370
Cash flow from investing activities		
Acquisition of non-current assets (except investments)	-1,055,511	-1,492,151
Acquisition of long-term investments	-1,853,371	-4,110,272
Transfer of non-current assets (except investments)	320,436	81,359
Loans issued	0	-20,000
Loans recovered	8,258	3,762
Dividends and interest received	153,604	210,471
Net cash used in investing activities	-2,426,584	-5,326,831
Cash flow from financial activities		
Dividends and share of profit paid	-410,179	-8,603
Proceeds from loans and borrowings	3,101,992	6,862,450
Repayments from loans and borrowings	0	0
Payment of finance lease liabilities	-308,938	-1,011,207
Interest paid	-339,538	-437,982
Net cash from (used in) financing activities	2,043,337	5,404,658
Increase (decrease) in net cash flow	-1,996,673	-32,732,543
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	21,577,827	17,330,528

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 office in Cherepovets, a branch in Kaliningrad and permanent establishments in the United Kingdom of Great Britain and Northern Ireland, and the Kingdom of Sweden. The financial year of the Company is considered the 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.

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 2013	31 Dec. 2012
1 EUR	3.4528	3.4528
100 RUB	8.0559	8.5879
1 LV	4.9185	4.9520
10 PLN	7.9771	8.4739

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 2013, the investments of the Group in acquisition of non-current assets amounted to 1,055,511 Litas: *Panevėžio statybos trestas AB* acquired non-current assets for 526,667 Litas. *Verkių projektai UAB* made investments in the amount of 1,853,371 Litas in adapting the premises at Ulonai Business Centre for rent. During the first half of year 2013 the costs related to depreciation and amortization of assets of the Group amounted to 1,759,080 Litas, including 1,343,893 Litas accounted for in the Financial Statement of *Panevėžio statybos trestas AB*.

Loans

As of 30 June 2013, the loans of the Company Group of *PST investicijos UAB* amounted to 26,299,593 Litas including short and long term bank credits totaling 22,181,763, Litas.

Guarantees, sureties

As of 30 June 2013, the guarantees of the liabilities of *Panevėžio statybos trestas AB* Group by credit institutions amounted to 75,287,127 Litas, including 48,222,270 Litas for performance guarantees issued for *Baltlitstroj OOO*.

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. Bonuses were paid during the first half of the year. Dividends are paid by *DNB bankas AB* in accordance with the contract. As of 30 June 2013, 97 per cents of dividends have been paid.

Significant changes in the interim financial statement during the reporting period

Due to reduction of stock available in the projects close to completion, during the first half of this year the balance item *Current Assets* is lower by 14.6 mln. Litas. Therefore, there is a significant decrease in trade payables and amounts received.