

PANEVĖŽIO STATYBOS TRESTAS AB

Consolidated Interim Financial Statement and Consolidated Interim Report for Six Months of 2009

25 August 2009

Panevėžys

1. Reporting period

The consolidated annual report has been prepared for six months of the year 2009 that expired on 30 June 2009.

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 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 the premises and machinery, resells utilities and communication services.

As of 30 June 2009 the Company Group of *Panevėžio statybos trestas* AB consists of the following companies:

Subsidiaries	Type of activities	Share controlled (per cent)	Domicile 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
<i>Vekada</i> UAB	Electrical installation activities	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	Air conditioning equipment	100	Dubysos Str. 31, Klaipėda Tel.: +370 46 340363
PS Trests SIA	Construction	100	Vietalvas Str. 5, Riga
OOO Baltlitstroij	Construction	100	Sovetskij Ave. 43, Kaliningrad Tel.: 0074012350435
<i>PST Investicijos</i> UAB	Real estate development	67	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	Konstitucijos Ave. 7, Vilnius
<i>Sakališkės</i> UAB	Real estate development and sales	100	Konstitucijos Ave. 7, Vilnius
<i>Kauno erdvė</i> UAB	Real estate development and sales	100	Konstitucijos Ave. 7, Vilnius
<i>Gėlužės projektai</i> UAB	Real estate development and sales	100	Konstitucijos Ave. 7, Vilnius
<i>Verkių projektas</i> UAB	Real estate development and sales	100	Konstitucijos Ave. 7, Vilnius
OOO ISK Baltevro market	Construction investment company	100	Sovetskij Lane 43, Kaliningrad
<i>Smiltynių kalvos</i> UAB	Real estate development and sales	100	Konstitucijos Ave. 7, Vilnius

4. Contracts with intermediaries in security public turnover

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.

5. Data of 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 2009



Last price 31 Dec. 2008	Highest price for the first half	Lowest price for the first half	Last price 30 June 2009
1.5	2.29	1.16	2.25

6. Authorized capital of the company and its structure

As of 30 June 2009, 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 2009 the total number of the shareholders was 1813 who under the property right held or controlled more than 5 percents of the authorized capital of the Company:

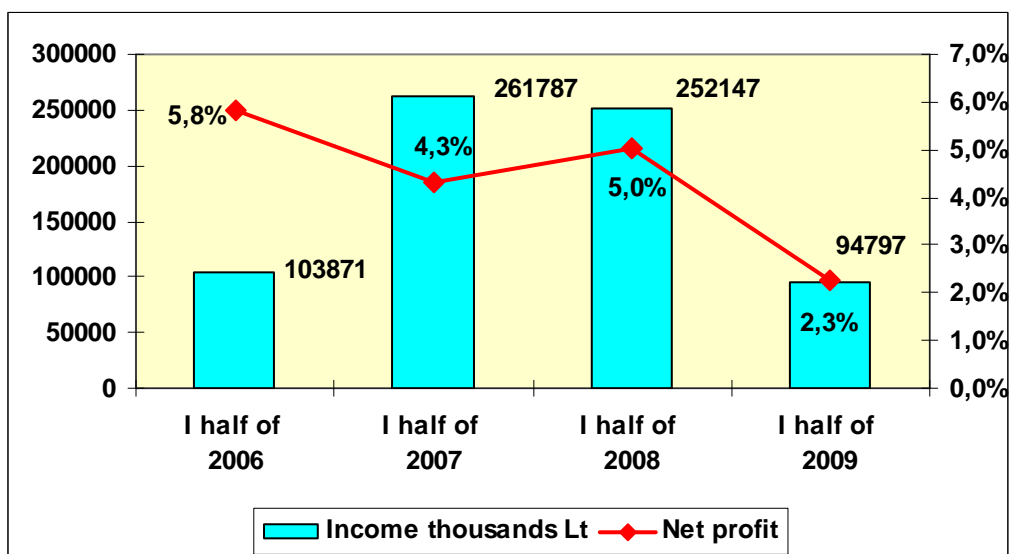
Name, surname of a shareholder (company name, type, headquarter address, company code)	Number of ordinary registered shares held by a shareholder under ownership right (pcs.)	Share of the authorized capital held (%)	Part of votes granted by the shares held under the ownership right (%)	Part of votes 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	---
Bank of New York as custodian or trustee for ING B One Wall Street, New York, NY 10286, USA GSP181305	1 410 740	8.63	8.63	---
Skandinaviska Enskilda Banken clients Sergels Torg 2, Stockholm, Sweden 502032-9091	1 249 559	7.64	7,4	---

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 favour and using the means of the Company, has purchased any shares of the Company.

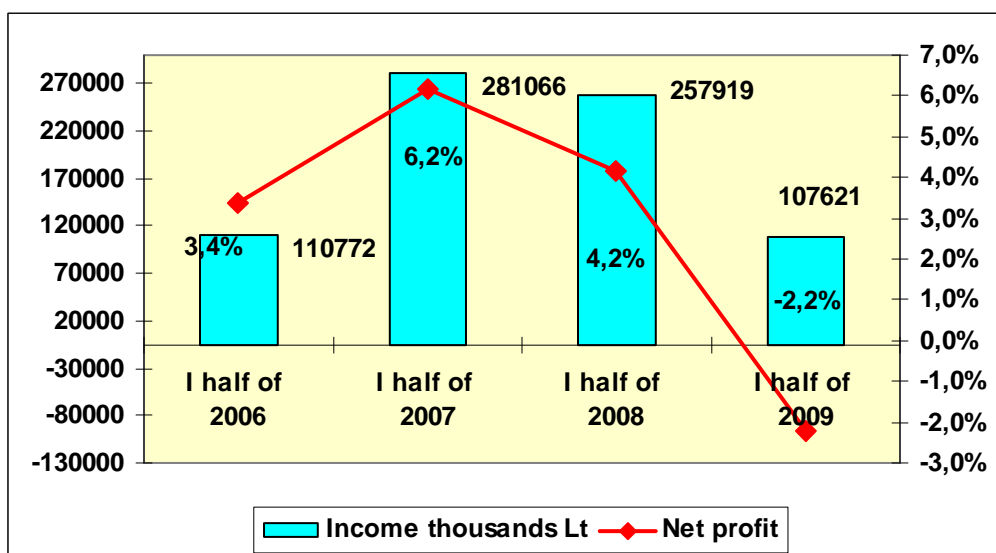
7. Information on the activity results of the issuer

Referring to the unaudited data, during the first half of 2009 the Company Group earned the income in the amount of 107.6 mln. Litass which is by 2.4 times less than for the same period last year and incurred loss in the amount of 2.4 mln. Litass. The Company was on the income of 95 mln. Litass and the net profit amounted to 2.1 mln. Litass.

Income and net profit variation for the Company:

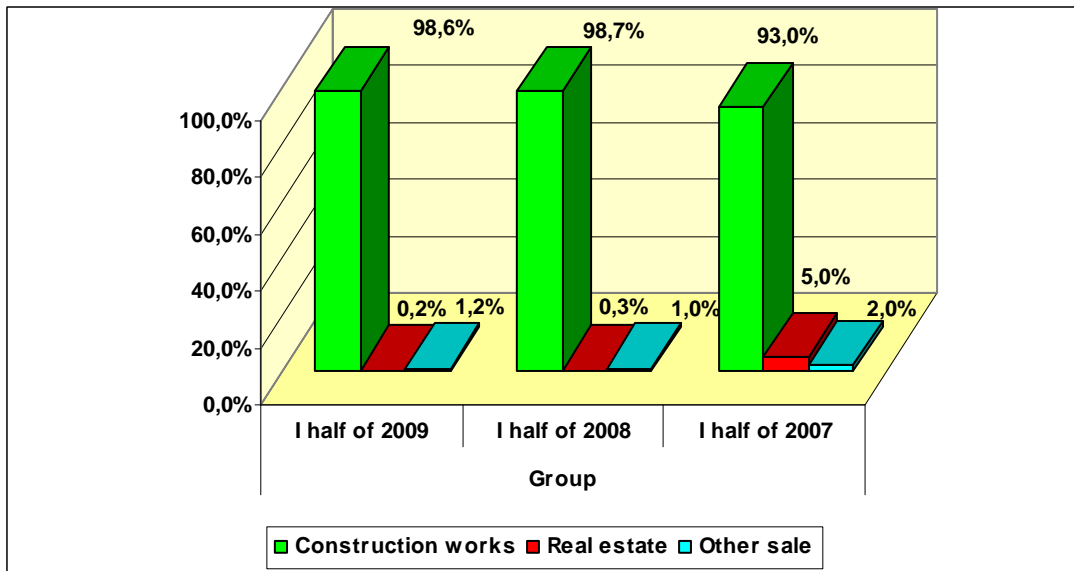


Income and net profit variation for the Group:



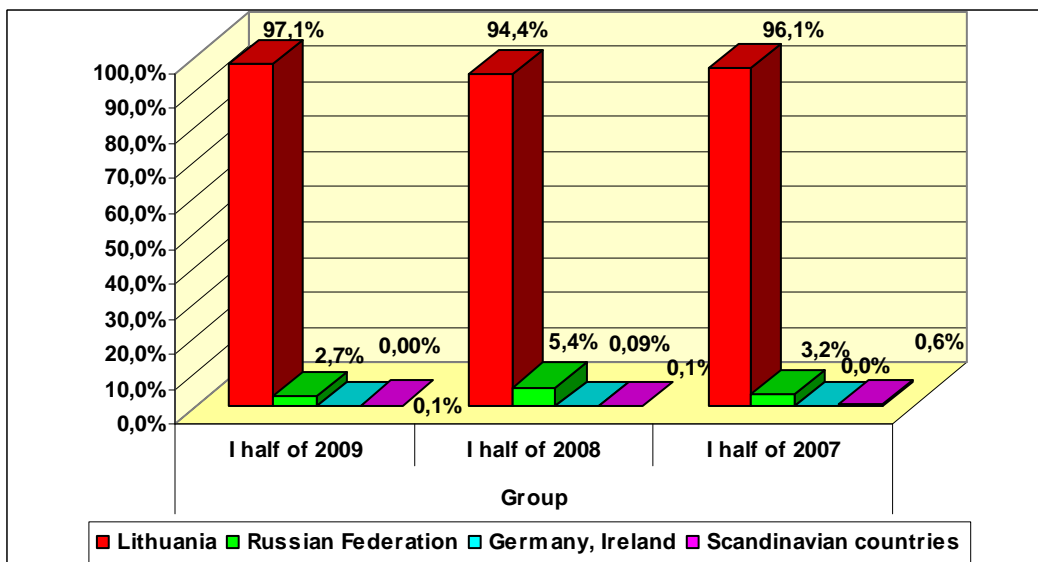
Income for the first half of 2009 by business segments:

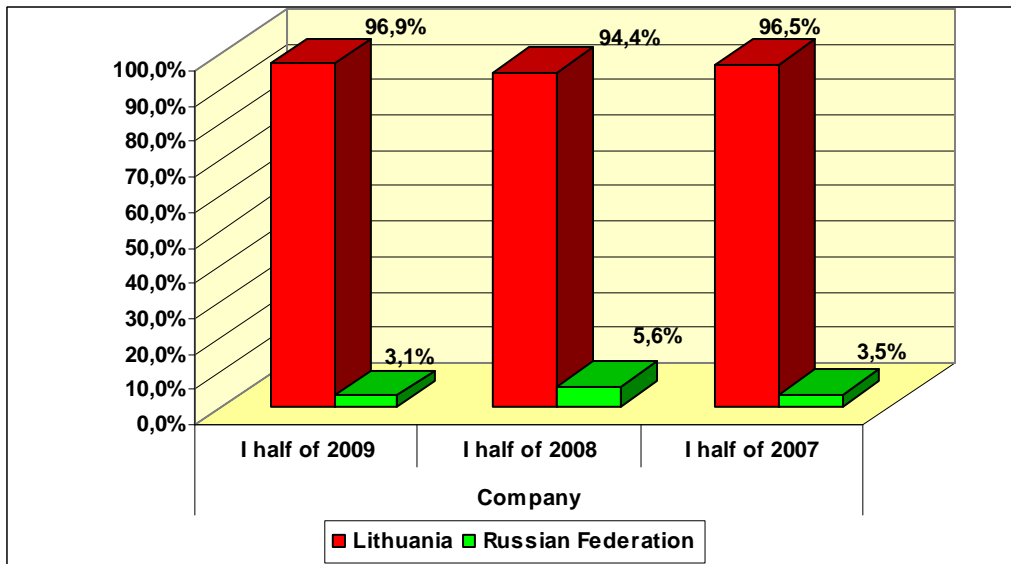
(thousands Lt)	Group			Company		
	I half of 2009	I half of 2008	I half of 2007	I half of 2009	I half of 2008	I half of 2007
Construction works	106.09	254.49	261.31	94.30	251.36	258.87
Real estate	0.27	0.86	14.01			
Other sale	1.26	2.58	5.75			



Geographical distribution of income:

(thousands Lt)	Group			Company		
	I half of 2009	I half of 2008	I half of 2007	I half of 2009	I half of 2008	I half of 2007
Lithuania	104.55	243.47	270.15	91.86	238.13	252.66
Russian Federation	2.93	14.01	9.12	2.93	14.01	9.12
Germany, Ireland	0.00	0.22	0.00			
Scandinavian countries	0.14	0.21	1.80			

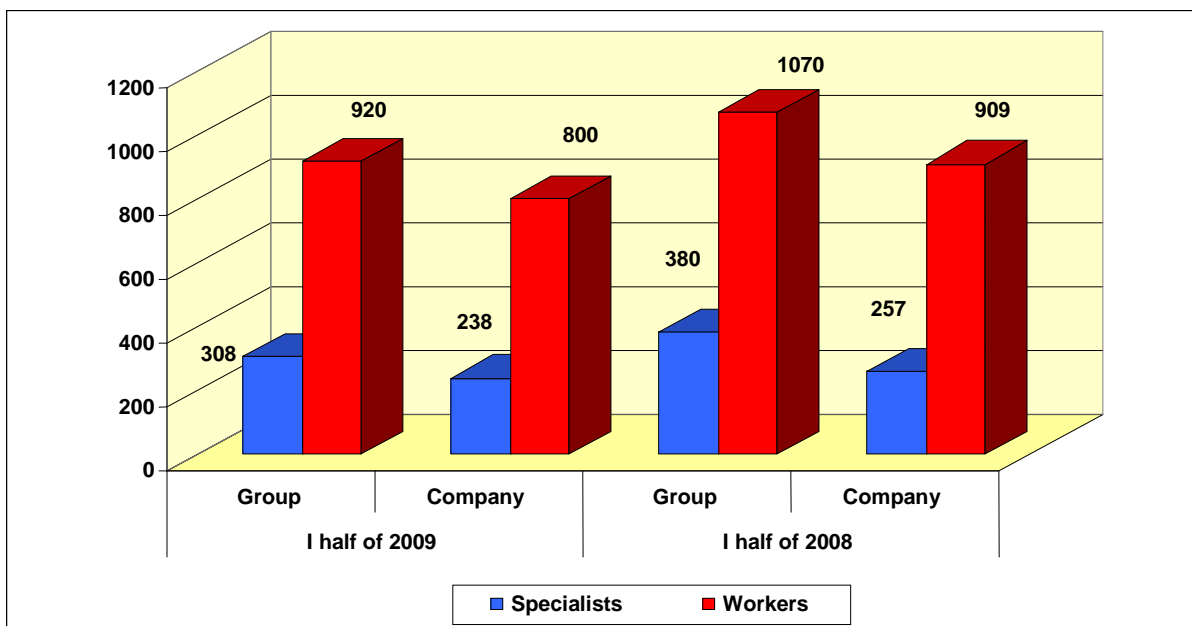




8. Employees

During the first half of 2009, the average number of employees in *Panevėžio statybos trestas AB* Group was 1228, whereas in the Company – 1038 employees.

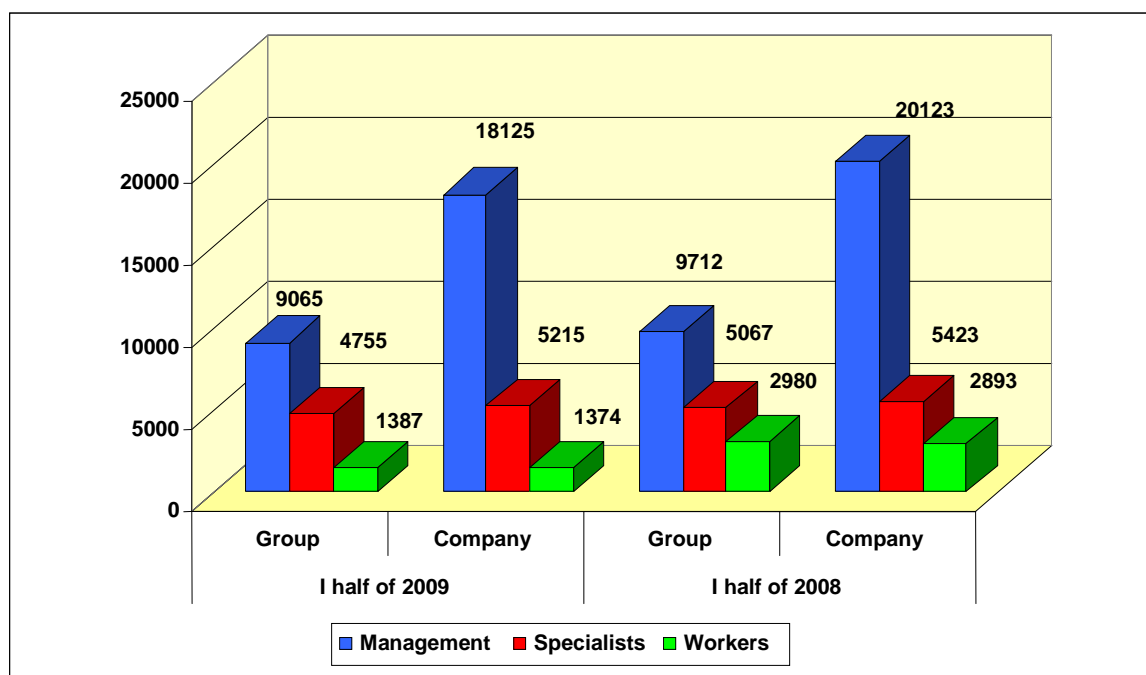
Number of employees	I half of 2009		I half of 2008	
	Group	Company	Group	Company
Specialists	308	238	380	257
Workers	920	800	1070	909



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	27	0	5	0	0
Specialists	266	194	10	52	9	1
Workers	864	14	6	139	552	153

Average pay	I half of 2009		I half of 2008	
	Group	Company	Group	Company
Management	9065	18125	9712	20123
Specialists	4755	5215	5067	5423
Workers	1387	1374	2980	2893



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

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

	Group		Company	
	<i>I half of 2009</i>	<i>I half of 2008</i>	<i>I half of 2009</i>	<i>I half of 2008</i>
Income	10621	257919	94797	252147
Net profit	-2.4	10.7	2.1	12.6
Net profit margin (percents)	-2.2	4.15	2.3	5.01
Profit per share (Litas)	-0.05	0.70	0.13	0.77
Return on equity (percents) (ROE)	-2.15	12.83	1.75	16.07
Return on assets or asset profitability (ROA)	-0.98	3.35	1.10	5.11
Return on investments (ROI)	-1.77	6.89	1.63	14.03
Current liquidity ratio	1.88	1.74	2.14	1.25
Current liquidity ratio	1.32	1.64	2.07	1.18
General liquidity ratio	0.85	0.37	1.68	0.46
Book value per share	6.99	5.85	7.47	4.79
Share price / earnings ratio (P/E)	-42.7	13.3	17.2	11.2

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

The Articles of Association of the Company can be amended by the General Meeting of the Shareholders by the qualified majority of votes that cannot 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.

10. 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 competence of the General Meeting of the Shareholders has no difference from the competence 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>	Member of the Board	531,675	28.47	28.47
<i>LAUKTUVĖS JUMS UAB</i>	Member of the Board	11,069	50.15	50.15
<i>POKŠTAS UAB</i>		261	50	50
<i>KLOVAINIŲ SKALDA AB</i>	Member of the Board	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	18,027	49.04	49.04
<i>SPECIALIZUOTA KOMPLEKTAVIMO VALDYBA AB</i>		21,490	9,29	9,29
<i>IGNALINOS STATYBA UAB</i>	Member of the Board	91,351	37.93	37.93
<i>TAMSUMA UAB</i>	Chairman of the Board	1,467	33.34	33.34
<i>NAUJASIS UŽUPIS UAB</i>	Chairman of the Board			
<i>PANEVĖŽYS UAB</i>	Member of the Board	157,191	49.98	49.98
<i>PANEVĖŽIO STATYBOS TRESTAS AB</i>	Chairman of the Board	0	0	0
<i>PANODEN UAB</i>	Member of the Board			
<i>PST INVESTICIJOS UAB</i>	Member of the Board	16,407	4.4	4.4
<i>PAKNOVUS UAB</i>	Member of the Board	35	35	35
<i>KIRTIMŲ AUTOTRANSPORTAS AB</i>	Member of the Board	-		
<i>CONSTRUCTUS UAB</i>	Member of the Board	1,669	4.5	4.5
<i>VILNIAUS VAIZDAS UAB</i>	Member of the Board	50	50	50
<i>CONVESTUS UAB</i>	Vice-president, Chairman of the Board	50,000	50	50
<i>UPĖS SLĖNIS UAB</i>		810 1969 bonds	18	18
<i>ALPROKA UAB</i>	Chairman of the Board			

Terms of office: October 2006 through October 2010

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
KELTECHA UAB		340	17.0	17.0
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	Member of the Board	91,351	37.93	37.93
TAMSUMA UAB	Member of the Board	1,467	33.34	33.34
PANEVĖŽIO STATYBOS TRESTAS 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
PAKNOVUS UAB	Member of the Board			
CONSTRUCTUS UAB	Chairman of the Board	1,669	4.5	4.5
NAUJASIS UŽUPIS UAB	Member of the Board			
VILNIAUS VAIZDAS UAB	Chairman of the Board	50	50	50
CONVESTUS UAB	President, Member of the Board	50,000	50	50
Shares of UPĖS SLĖNIS UAB		810 1969 bonds of Upės slėnis UAB	18	18
ALPROKA UAB	Member of the Board			
RYTŲ SKIRSTOMIEJI TINKLAI AB		5,000		

Terms of office: October 2006 through October 2010

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: April 2008 through October 2010

No previous convictions

VILIUS GRAŽYS – the Member of the Board. Participates in the activities of the following companies:

NAME OF COMPANY	POSITION	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	101735	5.45	5.45

Terms of office: October 2006 through October 2010

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>	Share holder	356		
<i>AB „PANEVĖŽIO KELIAI“</i>	Member of the Board			

Terms of office: October 2006 through October 2010

No previous convictions.

Administration:

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

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

11. Information announced in public

Since the beginning of the year 2009 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
Extraordinary General Meeting of Shareholders	Notification on material event	Lt, En	7 Aug. 2009
<i>Panevėžio statybos trestas</i> AB will install water supply and waste water network in Šiauliai	Notification on material event	Lt, En	29 May 2009
Financial statement of <i>Panevėžio statybos trestas</i> AB for the first quarter of 2009	Interim information	Lt, En	28 May 2009
Performance Results for the First Quarter of 2009	Notification on material event	Lt, En	28 May 2009
Resolutions of the reconvened general meeting of the shareholders	Notification on material event	Lt, En	15 May 2009
Reconvening of annual general meeting of shareholders	Notification on material event	Lt, En	27 April 2009
The general meeting did not take place at AB PST	Notification on material event	Lt, En	24 April 2009
Audited company and consolidated financial statement for 2008	Annual information	Lt, En	24 April 2009
Draft resolution of the annual general meeting of the shareholders	Notification on material event	Lt, En	14 April 2009
The shareholder of <i>Panevėžio statybos trestas</i> AB, <i>Panevėžio keliai</i> AB, and other legal persons are supposed to present a formal offer	Notification on material event	Lt, En	7 April 2009
<i>Panevėžio statybos trestas</i> AB Will Build Waste Water Treatment Plant in Tauragė	Notification on material event	Lt, En	26 March 2009
Annual general meeting of shareholders	Notification on material event	Lt, En	26 March 2009
Unaudited Financial Statements of <i>Panevėžio statybos trestas</i> AB for the year 2008	Notification on material event	Lt, En	9 March 2009
Income of PST Group Increased by 13.4 Percents in 2008	Notification on material event	Lt, En	27 Feb. 2009

The content of the above listed announcements can 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>

12. 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.

BALANCE SHEET

In Litas	Group		Company	
	30 June 2009	2008	30 June 2009	2008
ASSETS				
Non-current assets	38667814	42500612	59731631	61757462
Intangible assets	404785	486123	210475	287261
Tangible non-current assets	35778843	39265580	31872011	34786471
Investment and amounts receivable in one year	103573	78166	26278044	24795793
Deferred tax assets	2380613	2670743	1371101	1887937
Current assets	206009526	243080438	135084630	171959074
Inventories	61600808	65309702	4243666	8385119
Advance payments	5658632	5979085	3586876	3412379
Accounts receivable in one year	75326828	108447300	69127034	103871477
Other current assets	3252472	6200945	1821409	1519462
Cash and cash equivalents	60170786	57143406	56305645	54770637
TOTAL ASSETS:	244677340	285581050	194816261	233716536

In Litas	Group		Company	
	30 June 2009	2008	30 June 2009	2008
EQUITY AND LIABILITIES				
Equity	111288200	112331982	122059132	121062113
Share capital	16350000	16350000	16350000	16350000
Reserves	12182485	12456137	10989472	11340058
Retained profit (loss)	81111036	82844071	94719660	93372055
Translation reserve	1644679	681774		
<i>Minority share</i>	3019688	4545502		
Amounts payable and liabilities	130369452	168703566	72757129	112654423
Amounts payable in one year and long term liabilities	20632091	21997805	9645415	11379016
Loans and borrowings	15010847	16135788	5681817	7148115
Warranty provision	1678800	1861300	1607458	1804644
Deferred tax liability	2649364	2719481	2356140	2426257
Other liabilities	1293080	1281236		
Amounts payable in one year and short term liabilities	109737361	146705761	63111714	101275407
Loans and borrowings	45070462	45554215	3025513	3522594
Trade payables	32647593	59886914	31494848	60489169
Prepayments received	7298744	8477483	6682196	7525256
Current tax payable	6654968	5554439	6486281	5372137
Other liabilities	18065594	27232710	15422876	24366251
TOTAL EQUITY AND LIABILITIES:	244677340	285581050	194816261	233716536

PROFIT (LOSS) STATEMENT

In Litas ITEM	Group			
	Jan. through June 2009	Jan. through June 2008	April through June 2009	April through June 2008
SALE	107621299	257918745	57150481	164701453
COST OF SALE	92341647	224627882	49689447	142719194
GROSS PROFIT (LOSS)	15279652	33290863	7461034	21982259
OPERATING EXPENSES	14262597	18595304	8709632	11213429
Sale	256748	369089	128514	196727
General and administration	14005849	18226215	8581118	11016702
TYPICAL OPERATING PROFIT (LOSS)	1017055	14695559	-1248598	10768830
OTHER ACTIVITIES	-155500	-60593	-68811	-9244
Income	187094	101538	113507	54718
Expenses	342594	162131	182318	63962
FINANCIAL AND INVESTMENT ACTIVITIES	-1661067	-1130224	989481	-691820
Income	1404761	1071839	987440	338051
Expenses	3065828	2202063	-2041	1029871
USUAL ACTIVITY PROFIT (LOSS)	-799512	13504742	-327928	10067766
WINDFALL PROFIT				
LOSSES				
PROFIT (LOSS) BEFORE TAXATION	-799512	13504742	-327928	10067766
PROFIT TAX	1588222	2800313	1272885	2395836
NET PROFIT (LOSS)	-2387734	10704429	-1600813	7671930
ATTRIBUTABLE TO SHAREHOLDERS	-862187	11514338	-967900	8116592
ATTRIBUTABLE TO MINORITY INTEREST	-1525547	-809909	-632913	-444662

In Litas ITEM	Company			
	Jan. through June 2009	Jan. through June 2008	April through June 2009	April through June 2008
SALE	94796756	252146804	50338664	161943033
COST OF SALE	80384195	221956945	42505838	141920863
GROSS PROFIT (LOSS)	14412561	30189859	7832826	20022170
OPERATING EXPENSES	11328419	14629406	7093705	9076556
Sale	212175	341773	94281	184118
General and administration	11116244	14287633	6999424	8892438
TYPICAL OPERATING PROFIT (LOSS)	3084142	15560453	739121	10945614
OTHER ACTIVITIES	-95982	154937	-85552	57432
Income	181184	255153	77904	105211
Expenses	277166	100216	163456	47779
FINANCIAL AND INVESTMENT ACTIVITIES	940832	-37413	1118782	30289
Income	1335664	424076	963655	187964
Expenses	394832	461489	-155127	157675
USUAL ACTIVITY PROFIT (LOSS)	3928992	15677977	1772351	11033335
WINDFALL PROFIT				
LOSSES				
PROFIT (LOSS) BEFORE TAXATION	3928992	15677977	1772351	11033335
PROFIT TAX	1787474	3036731	1245662	2354351
NET PROFIT (LOSS)	2141518	12641246	526689	8678984

CASH FLOW STATEMENT

	Company	
	Jan. through June 2009	Jan. through June 2008
Cash flow from operating activities		
Net profit (loss)	2,141,518	12,641,246
Depreciation and amortization costs	3,313,434	2,663,088
Profit (loss) from transfer of non-current assets	3,363	-56,233
Income tax expense	1,340,755	3,036,731
	6,799,070	1,284,832
Change in inventories	4,141,453	-443,228
Change in amounts receivable	35,532,154	-47,325,266
Change in prepayments	-174,497	-1,397,454
Change in amounts receivable after one year	-22,407	55,405
Change in other assets	-304,948	465,758
Change in trade payables	-28,994,321	30,417,295
Change in prepayments received	-843,060	-8,108,805
Change in provisions and other liabilities	-8,023,690	-2,091,433
	8,109,754	-10,142,896
Profit tax paid	-275,771	-1,739,928
Net cash from operating activities	7,833,983	-11,882,824
Cash flow from investing activities		
Acquisition of long term assets (excl. investment)	-371,303	-1,207,248
Transfer of long term assets (excl. investment)	44,100	56,239
Acquisition of investments	0	0
Loans issued	-2,389,957	-6,000
Loans recovered	137,544	0
Dividends and interest received	868,726	417,066
Net cash used in investing activities	-1,710,890	-739,943
Cash flow from financial activities		
Cash paid by minority interest	0	0
Dividends, bonuses paid	-2,254,147	-4,069,079
Proceeds from loans and borrowings	0	0
Repayments from loans and borrowings	0	-506,732
Payment of finance lease liabilities	-1,963,379	-1,974,571
Interest paid	-370,559	-296,251
Net cash used in financing activities	-4,588,085	-6,846,633
Increase (decrease) in net cash flow	1,535,008	-19,469,400
Cash and its equivalent at the beginning of the period	54,770,637	39,040,718
Cash and its equivalents at the end of the period	56,305,645	19,571,318

CASH FLOW STATEMENT

	Group	
	Jan. through June 2009	Jan. through June 2008
Cash flow from operating activities		
Net profit (loss)	-2,387,734	10,704,429
Elimination of other non-monetary items		
Depreciation and amortization costs	3,849,953	3,151,332
Other non-monetary items	278,983	-506,473
	<u>1,741,202</u>	<u>13,349,288</u>
Change in inventories	3,708,894	-749,259
Change in amounts receivable	33,120,472	-46,061,521
Change in prepayments	320,453	-3,143,039
Change in other assets	2,735,520	-2,103,266
Change in trade payables	-27,283,700	30,447,891
Change in prepayments received	-1,178,739	-7,425,997
Change in provisions and other liabilities	-7,127,595	544,796
	<u>6,036,507</u>	<u>-15,141,107</u>
Elimination of results from financial and investing activities	2,438,653	766,128
Net cash from operating activities	8,475,160	-14,374,979
Cash flow from investing activities		
Acquisition of non-current assets (except investments)	-454,521	-1,541,764
Transfer of non-current assets (except investments)	113,405	105,740
Investment assignment		9,999
Loans issued	-2,396,817	-297,092
Loans recovered	187,546	
Dividends and interest received	922,136	543,677
Net cash used in investing activities	-1,628,251	-1,179,440
Cash flow from financial activities		
Cash paid by minority interest		5,249,400
Dividends and bonuses paid	-2,254,147	-4,069,078
Proceeds from loans and borrowings	2,969,081	4,617,004
Repayments from loans and borrowings	11,966	-1,015,689
Payment of finance lease liabilities	-2,193,834	-2,369,773
Interest paid	-2,352,595	-1,969,723
Net cash from (used in) financing activities	-3,819,529	442,141
Increase (decrease) in net cash flow	3,027,380	-15,112,278
Cash and its equivalent at the end of the period	57,143,406	44,609,512
Cash and its equivalent at the end of the period	60,170,786	29,497,234

STATEMENT OF CHANGES IN EQUITY

Group

In Litas	Authorised capital	Share bonus	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 2008	16,350,000		3,636,299	1,642,718	122,291	53,820,670	75,571,978	7,869,553	83,441,531
Decrease in value of revaluated assets			-106,090			106,090		-1,222	-1,222
Decrease in reappraisal reserve									0
Paid up capital								5,249,400	5,249,400
Net profit (loss) for 2008						11,514,338	11,514,338	-808,686	10,705,652
Dividend						-3,760,500	-3,760,500		-3,760,500
Legal reserves formed				23,317		-23,317			0
Currency rate change					78,089		78,089		78,089
Balance as of 30 June 2008	16,350,000	0	3,530,209	1,666,035	200,380	61,657,281	83,403,905	12,309,045	95,712,950
Balance as of 31 December 2008	16,350,000	0	10,452,776	2,003,361	681,774	82,844,071	112,331,982	4,545,502	116,877,484
Decrease in reappraisal reserve			-388,784			388,784		-1,758	-1,758
Fixed assets revaluation									0
Postponed tax related liability									0
Paid up capital									0
Net profit (loss) for 2009						-862,187	-862,187	-1,524,056	-2,386,243
Dividend						-1,144,500	-1,144,500		-1,144,500
Influence of currency rate change					962,905		962,905		962,905
Reserves formed				115,132		-115,132			0
Company transfer									0
Balance as of 30 June 2009	16,350,000	0	10,063,992	2,118,493	1,644,679	81,111,036	111,288,200	3,019,688	114,307,888

Company

In Litas	Authorised capital	Share premium	FA revaluation	Financial reserve	Legal reserve	Other reserves	Deferred result	Total
Balance as for December 31, 2007	16,350,000		3,296,761		1,635,030		48,195,936	69,477,727
Revaluation of fixed assets								0
Postponed tax related liability							79,530	0
Other unrecognized profit (loss) 2008			-79,530				12,641,246	12,641,246
Net profit (loss) 2008							-3,760,500	-3,760,500
Dividend								0
Increase (decrease) of authorised capital								0
Balance as for June 30, 2008	16,350,000	0	3,217,231	0	1,635,030	0	57,156,212	78,358,473
Balance as for December 31, 2008	16,350,000	0	9,705,028	0	1,635,030	0	93,372,055	121,062,113
Revaluation of fixed assets								0
Related postponed tax liability								0
Postponed profit tax related to revaluation of FA							350,586	0
Net profit (loss) 2009 unrecognized			-350,586				2,141,518	2,141,518
Net profit (loss) 2009							-1,144,499	-1,144,499
Dividend								0
Reserves formed								0
Reserves used								0
Increase (decrease) of authorized capital								0
Balance as of June 30 2009	16,350,000	0	9,354,442	0	1,635,030	0	94,719,660	122,059,132

EXPLANATORY NOTE

General information

Panevėžio statybos trestas AB (hereinafter „the Company“) was established in 1957 and for a long time was known as 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 Nr. 013732, issued on 27 September 2004 by the State Register Centre Panevėžys Branch.

During the first half of the year 2009, the Company had the following subdivisions: *Gerbusta*, *Pastatų apdaila* and *Genranga*. These subdivisions have accounting independent of the parent company but their assets, liabilities and financial results are included in the financial statement of the Company. The Company has its representative office in Cherepovets, and a subdivision in Kaliningrad. The financial year of the Company is the calendar year. The anticipated period of commercial-economic activities is unlimited.

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 the interim financial statement as to the annual financial statement.

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

Currency	June 2009	Dec. 2008	June 2008
1 EUR	3.4528	3.4528	3.4528
10 RUB	0.78771	0.83337	0.93536

Principles of consolidation

The consolidated financial statement incorporates the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activity.

The financial results of the subsidiary companies, acquired or sold during the year, are included in the consolidated profit (loss) statement covering the period from the subsidiary company

acquisition date till the subsidiary company selling date. The financial statements of the subsidiary companies are revised so that they comply with the accounting policies applicable by the group in case they were different.

For consolidation purposes, all significant balance, dealings and unrealized profit (loss) of the operations between the companies the companies of the Group were eliminated from the financial statement.

Investments in non-current assets

In the first half of 2009 the investments of the Group in acquisition of non-current assets amounted to 444,094 Litas: *Panevėžio statybos trestas AB* acquired non-current assets for 371,302 Litas.

Loans

As of 30 June 2009 the short term and long-term bank credits of the Company Group of *PST investicijos UAB* amounted to 51,968,778 Litas including bank credits totaling 49,896,000 Litas. For using credits the interest rate 6 months VILIBOR + 1.05 – 1.55 %, for other loans the interest rate is 3 months VILIBOR and the interest margin is 1.9%.

Guarantees, sureties

As of 30 June 2009 liabilities of the Company granted by credit institutions amounted to 32,042,142 Litas, including 27,499,841 Litas for the Environmental Project Management Agency of the Ministry of Environment of the Republic of Lithuania.

On the basis of Surety Contract on 21 July 2009 *Panevėžio statybos trestas AB* paid 4,172, 721 USD and 234,092 EUR to *DnB NORD AB* for fulfillment of liabilities of *PST investicijos UAB* in accordance with Credit Contract.

Transactions with associated parties

The Board of *Panevėžio statybos trestas AB* adopted the resolution to give a target loan to *PST investicijos UAB* to cover administration costs, interest payable to banks, and land and real estate of *PST investicijos UAB*, to finance technical design of real estate project under development by OOO ISK Baltevro market on April through December 2009. The amount of the given loan is up to 5.84 mln. Litas. During the reporting period *PST investicijos UAB* was given the loan in the amount of 1.6 mln. Litas.

The Board of *Panevėžio statybos trestas AB* adopted the resolution to give a target loan of up to 10 mln. Litas to *Panevėžio keliai AB* for the period expiring on 2 January 2009. 6.2 mln. Litas were paid in July 2009.

Dividends

The annual General Meeting of the Shareholders of *Panevėžio statybos trestas AB* that took place on 15 May 2009 took the decision to pay dividends in the amount of 1,144,500 Litas (0.07 Litas per share) and bonuses in the amount of 1,144,500 Litas.

Bonuses were paid during the first half of the year. Dividends are paid by DnB NORD bank in accordance with the contract.

Significant changes in the interim financial statement during the reporting period

There are no essential changes in the Financial Statement for the first half of 2009.