



*Consolidated and Parent Company
Annual Accounts of
AS Eesti Telekom
2004*

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

ANNUAL REPORT

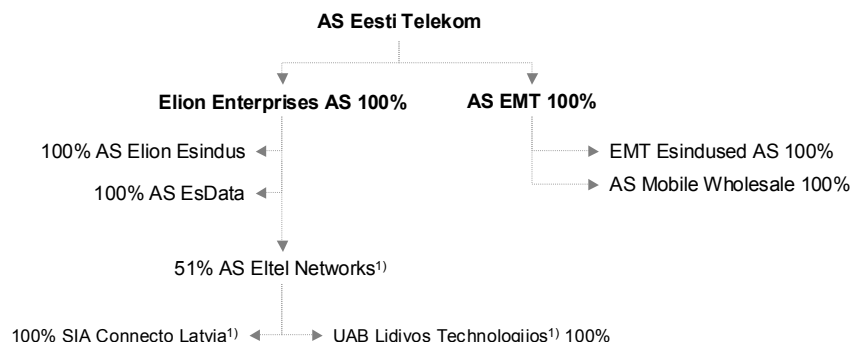
<i>Beginning of the financial year</i>	1 January 2004
<i>End of the financial year</i>	31 December 2004
<i>Name of the enterprise</i>	AS Eesti Telekom
<i>Registration number</i>	10234957
<i>Address</i>	Roosikrantsi 2, 10119 Tallinn Estonia
<i>Telephone</i>	+ 372 631 12 12
<i>Facsimile</i>	+ 372 631 12 24
<i>E-mail</i>	mailbox@telekom.ee
<i>Web-page</i>	www.telekom.ee
<i>Field of activity</i>	Investments into other companies operating in the field of telecommunications and management and administration of such investments
<i>Auditors</i>	AS Deloitte & Touche Audit
<i>Documents enclosed with the annual accounts</i>	Independent Auditor's Report

CONTENTS

MANAGEMENT REPORT	4
BOARD DECLARATION	11
FINANCIAL STATEMENTS	12
INCOME STATEMENT	12
BALANCE SHEETS	13
STATEMENTS OF CHANGES IN OWNERS' EQUITY	14
CASH FLOW STATEMENTS	15
NOTES TO THE FINANCIAL STATEMENTS	16
1. Significant accounting policies	16
2. Segment information	24
3. Discontinuing operations	27
4. Disposal of subsidiaries	28
5. Additional information on the income statement	28
6. Taxation	29
7. Property, plant and equipment	30
8. Leased plant and equipment	32
9. Intangible assets	33
10. Investments in subsidiaries	34
11. Acquisition of subsidiaries	35
12. Investments in associates	35
13. Non-current securities	36
14. Long-term receivables	36
15. Inventories	37
16. Trade and other receivables	37
17. Current securities	37
18. Cash and cash equivalents	38
19. Lease receivables	38
20. Capital and reserves	38
21. Interest-bearing loans and borrowings	42
22. Loan information	42
23. Convertible debt	43
24. Trade and other payables	43
25. Operating and finance leases	43
26. Provisions	44
27. Financial instruments	44
28. Related party transactions	45
29. Contingencies	47
30. Employees	47
31. Parent of the Group	47
INDEPENDENT AUDITOR'S REPORT	48

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
MANAGEMENT REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

The consolidated statements of AS Eesti Telekom in 2004 cover the financial results of the following companies:



¹⁾ Consolidated until 30 November 2004

Changes in the corporate structure of the Eesti Telekom Group

Majority of the changes in the corporate structure of the Eesti Telekom Group that took place in 2004 were related to the construction segment.

On 12 January 2004, AS Connecto signed an agreement for the purchase of 100% of the shares of the Lithuanian company UAB Lidivos Technologijos. The primary activity of the acquired company is the installation and maintenance of low-current and security systems. The concluded transaction reinforces the expansion of the AS Connecto's activities in the Baltic region.

In 2004, the merger process of the Connecto Group companies, which was started in December 2003, was completed, as a result of which, on 8 June 2004, AS Connecto and AS Eltel Networks were merged. The merged company continued operations as AS Eltel Networks. On 8 December 2004, AS Reveko Telekom and AS Eltel Networks were also merged.

In December 2004, Elion Enterprises AS sold its 51% stake in the subsidiary AS Eltel Networks to the Finnish network construction company Eltel Networks Corporation, which already possessed a 49% holding in the company. Price of the deal was approximately 3.8 million EUR. Capital gain, approximately 2.7 million EUR is recognised as financial income in the income statement for 2004.

On 30 December 2004, Elion Enterprises AS acquired Viru Net OÜ, a leading Internet service provider in Ida-Viru County, in order to strengthen Elion's market position in that county and consolidate the Estonian Internet market. In 2003, the net sales of Viru Net OÜ were 0.2 million EUR, and it earned profits of 0.03 million EUR. The company employs 17 people. The results of Viru Net OÜ will be included in the Elion Group's consolidated financial results from January 2005.

On 23 December 2004, TeliaSonera AB, through its subsidiary Baltic Tele AB, carried out transactions for the acquisition of 100 AS Eesti Telekom shares from public investors, as a result of which TeliaSonera AB's holding in AS Eesti Telekom raised to 50.00004%. When the holding surpassed 50%, TeliaSonera AB made a bid for all of the shares of AS Eesti Telekom, as required by Estonian Securities Market Act. The value of the bid is 7.02 EUR per share. The acceptance period of the bid is from 13 January 2005 until 23 February 2005. At 14 February 2005, the ownership structure of AS Eesti Telekom is as follows:

Baltic Tele AB	68,977,314 shares	50.00%
Republic of Estonia	37,485,100 shares	27.17%
Public investors	31,492,114 shares	22.83%

Since TeliaSonera AB's holding exceeds the 50 percent limit, AS Eesti Telekom will be consolidated into the TeliaSonera Group.

**MANAGEMENT REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Eesti Telekom Group

Revenues, expenses and profits

In 2004 the development of the Estonian telecommunications market was very rapid in the area of both mobile and fixed-line communications. The year 2003 ended with a mobile penetration of 77% in Estonia. By the end of 2004 mobile penetration had reached 94%. The rapid growth in customer base has undoubtedly been supported by the reduction in call rates. Although mobile number portability only started on 1 January 2005, operators, including the Eesti Telekom Group's mobile communications operator AS EMT, already began to make preparations for this in 2004. Rates were adjusted and many discount packages were offered to customers, with the aim to attract customer groups (families, groups of friends, colleagues) to join EMT. In November 2004 the so-called discount service provider *Diil*, which targets price-sensitive mobile phone users, entered the market. Alongside voice communications, mobile data communications are acquiring increasing popularity. In this area, AS EMT was the first operator in Estonia to launch the EDGE technology in 2004. Despite the competition, which has become increasingly strong, AS EMT maintained its 47% market share.

The keywords in fixed-line communications in 2004 were the Internet, data communications and IT. The number of broadband connections provided by Elion Enterprises AS increased 52% during the year. During the year, the company broke several computer sales records with its subsidiaries. Elion Enterprises AS has become one of Estonia's leading IT companies. In fixed-line communications, the growth in the Internet and data communications in Estonia has been, as elsewhere in Europe, overshadowed by the decline in the area of voice communications. Customers increasingly use mobile phones for communication, and are terminating their fixed-line telephone subscriptions. In order to remain in step with global developments, i.e. offers where voice and Internet connections are an integral package and for a single monthly fee, Elion launched new *Kodulahendus* packages in October. The first months have shown that the offer has gained customers' approval. In January 2005, Elion began to offer business customers *Äriolahendus* packages, which are similar to *Kodulahendus*. Revenue from new spheres of business has helped compensate for the decline in the area of voice communications. The launching of combined communications solutions has helped curb the decline in the number of fixed-line customers.

The Eesti Telekom Group's total revenues for 2004 were 328.7 million EUR (2003: 307.3 million EUR), which is an increase of 7% or by 21.4 million EUR in comparison with 2003. The majority of the increase in revenue came from the area of mobile communications. The significant increase in retail subsidiaries' sales of telecommunications devices helped towards the growth of revenues in the area of both mobile and fixed-line communications.

The Group's operating costs for 2004 increased 12%, reaching 193.0 million EUR (2003: 172.0 million EUR). Operating costs were influenced by larger customer base and fast growth of the retail subsidiaries' sales. EBITDA amounted to 135.6 million EUR, remained at the same level as for 2003. Depreciation and amortisation was 52.2 million EUR (2003: 56.3 million EUR), down by 4.1 million EUR during the year. The lower amortisation expenses of Elion Enterprises AS mainly caused this reduction.

The net financial income fell by 0.8 million EUR. Total revenues for 2003 included the 3.8 million EUR in profits earned from the sale of 49% of the shares of AS Eitel Networks. The profits earned from the sale of 51% of the shares of AS Eitel Networks in 2004 amounted to 2.7 million EUR. The price per share was the same in the case of the sale of the minority and majority shareholdings.

The Eesti Telekom Group's profit before income tax was 88.3 million EUR (2003: 84.7 million EUR), which is 4% more than in 2003. Whereas in 2003 the company paid its shareholders 0.38 EUR in dividends per A-share, in 2004 the value of the dividend was 0.51 EUR per A-share. As a result, the amount of income tax paid on the dividends also increased by 6.2 million EUR. AS Eesti Telekom, the parent company, earned a net profit of 63.5 million EUR in 2004 (2003: 66.2 million EUR). The revenue earned per share was 0.46 EUR in 2004.

Balance sheet and cash flows

As of the end of December 2004, the total assets of the Eesti Telekom Group amounted to 289.2 million EUR (293.9 million EUR in December 2003). During the year, non-current assets fell by 18.0 million EUR, and current assets increased 13.2 million EUR. The decrease in non-current assets resulted from the relatively small volume of investments in recent years. The growth in current assets was mainly the result of the increase in cash and cash equivalents (8.7 million EUR). Trade receivables increased by 5.8 million EUR, of which 4.5 million EUR is the increase in the receivables of retail chains in connection with the increase in the volume of sales by instalment.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

The Eesti Telekom Group's equity decreased 5.1 million EUR during the year, as a result of the payment of 70.4 million EUR in dividends. As of the end of December 2004, the Group had 0.04 million EUR in long-term debt and 1.2 million EUR in short-term debt (at the end of December 2003 these figures were 0.2 million EUR and 0.5 million EUR respectively). The Group's net debt at the end of 2004 was -93.5 million EUR, and net gearing was -36%. The Group's other short-term liabilities increased 0.8 million EUR during 2004.

The Eesti Telekom Group's cash flows from operating activities were 105.2 million EUR in 2004 (109.2 million EUR in 2003). The most significant factor leading to the decrease in cash flows from operating activities was the increase in the income tax paid on dividends. Cash flows into investing activities decreased in comparison with 2003 – 27.6 million EUR in 2003 (including the 4.3 million EUR earned from the sale of the minority share in AS Eltel Networks), 26.9 million EUR in 2004 (including the 3.3 million EUR earned from the sale of the majority share in AS Eltel Networks). Cash flows into financing activities were 69.6 million EUR in 2004, including 70.4 million EUR paid out in dividends (in 2003: 53.6 million EUR, including 52.7 million EUR paid as dividends).

Return on assets (ROA) and return on equity (ROE) continued to be very high. ROE increased from the previous year's 34.1% to 35.0%. ROA decreased from 23.1% to 22.1%, mostly due to the large portion of cash and cash equivalents in total assets.

Management and personnel

As of 31 December 2004, there were 1,959 employees in the Eesti Telekom Group (31 December 2003: 2,452). The number of employees decreased primarily in connection with the sale of AS Eltel Networks (in November 2004 there were 594 employees). The total amount of employees' salaries paid in 2004 was 27.2 million EUR.

The number of employees of AS Eesti Telekom, the parent company of the Eesti Telekom Group, as of 31 December 2004, was 7 (31 December 2003: 8). The overall amount of employees' salaries paid in 2004 was 0.5 million EUR.

Elion Group

The Elion Group consists of Elion Enterprises AS, AS Elion Esindus, and AS EsData. Until 30 November 2004 AS Eltel Networks, SIA Connecto Latvia and UAB Lidivos Technologijos also belonged to the Elion Group.

The Elion Group's total revenues for 2004 were 171.2 million EUR, which is an increase of 4% in comparison with 2003 or an absolute increase of 6.5 million EUR.

Of the Elion Group's core activities, the most rapid increases in revenue were in data communications and IT. In 2004 as a whole, the Elion Group's revenues from data communications and IT services increased 19%. During 2004, Elion specialists mapped the IT systems of approximately 200 firms, and began to service the computer terminals of more than 1,000 other firms. Also, the product portfolio of Elion Enterprises AS was expanded by a new complex server service, with a fixed monthly fee, designed for smaller firms. The company signed a co-operation contract with Columbus IT Partners to start offering Microsoft Business Solutions business information systems. Connecting Tallinn's school computers with a high-speed fiber-optic network completed the public tender of the Tallinn Educational Authority that Elion Enterprises AS won a year ago. The construction of an extensive private network for AS Eesti Post, which connected 42 larger post offices across Estonia, ended in August. In September Elion signed an agreement to provide nearly 500 computer worksites on the basis of operating lease to schools, the public library and the government of Tartu.

The second important revenue growth area for the Elion Group was Internet. In 2004, the Group's revenues from the Internet grew 10%. During 2004, the number of permanent connections provided by Elion grew by 26,000, reaching 76.8 thousand by the end of December. The price of services, however, has fallen. In order to remain in step with global developments, i.e. offers where voice and Internet connections are an integral package and for a single monthly fee, Elion launched new *Kodulahendus* packages in October. *Kodulahendus* offers individuals the opportunity to use a permanent Internet connection, a telephone connection and 20 hours of free calls within the network for one monthly fee. Customers can choose the package that best suits them from among the three *Kodulahendus* packages. The monthly fee for *Kodulahendus* is less than the sum of the fees for the individual services it comprises. By the end of 2004, over 22.3 thousand customers had subscribed to the *Kodulahendus* packages. In January 2005 Elion began to offer business customers *Äriahendus* packages, which are similar to *Kodulahendus*.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

The Elion Group's revenues from voice communications in 2004 were 5% less than the results for 2003. At the end of December 2004, Elion had 426,000 main lines at its disposal. During the year, the number of main lines decreased by 18.5 thousand. The decrease slowed down significantly during the second half of 2004. The stabilisation of the number of main lines has been supported by the launch of the above-mentioned *Kodulahendus* packages which promote the use of fixed-line telephones in addition to offering Internet connections, and also by Elion's campaigns for free subscription of telephone connections. During the latest of the campaigns of the kind, which lasted from July to December, 16 thousand customers were added to the Elion network.

The fall in mobile communications rates and the rapid increase in the number of mobile phone users in 2004 led to a reduction in the number of local call minutes made from fixed-line telephones. As a result, revenue from local calls was 18% lower than the corresponding figure for 2003. Revenues from international calls were up by 1%, compared to 2003. Revenues from calls made to the mobile telephone network decreased 4% over 2004.

Elion Enterprises AS estimates its market share in the area of call minutes initiated from the fixed-line network to be 86% (87% in December 2003). Market share from local call minutes was 87% in December 2004 (87% in December 2003), 75% of calls to mobile phones (76% in December 2003), 69% of international call minutes (67% in December 2003), and 95% of Internet dial-up minutes (95% in December 2003).

Revenues from network services increased 18% during 2004. This growth is the result of increased international traffic and income from the leased lines.

A significant contribution to the growth of the Elion Group's total revenues was made by AS Elion Esindus, which is involved with the retail sale of telephones and computing equipment. The company's revenues increased 33% over 2004. In December 2004 another computer sales record was set – over 1,500 computers sold in a one-month period. During 2004, nearly three times more computers were sold at Elion Esindus than in 2003. About 60 percent of computers are paid for by instalment. Computers are generally purchased with the ADSL start-up package, and a permanent Internet connection is also usually ordered.

The results of the part of the Elion Group that is involved with network construction, the Eltel Group, were only consolidated into the Elion Group until November 2004. As a result of the sale of the Eltel Group, the revenues of the Elion Group decreased by roughly 1.5 million EUR in 2004.

In 2004, the Elion Group's operating costs amounted to 116.2 million EUR, having increased 6% during the year. The increase in the revenues of AS Elion Esindus also led to an extensive increase in operating costs. The company's operating costs for 2004 exceeded the figure for 2003 by 35%. The operating costs of the group's parent company Elion Enterprises AS grew 1%. During the year, several categories of direct sales expenses have decreased, and marketing and sub-contracting expenses have also fallen. The growth in the number of call minutes made to the networks of foreign operators has led to a certain increase in interconnection expenses.

In 2004 the Elion Group's EBITDA was 55.0 million EUR, which is 1% less than the corresponding result for 2003. The group's depreciation charges decreased 13% over the year, and amounted to 29.8 million EUR. The Elion Group's EBIT was 25.2 million EUR, which is 20% greater than the result for 2003.

The Elion Group's consolidated net profit for 2004 was 21.9 million EUR, which is 1.5 million EUR less than in 2003. The result for 2003 includes the 3.8 million EUR in profit earned from the sale of the minority shareholding in AS Eltel Networks. The result for 2004, however, includes the 2.7 million EUR in profit earned from the sale of the majority shareholding in AS Eltel Networks. In addition to this, Elion Enterprises AS paid AS Eesti Telekom 6.4 million EUR more in dividends in 2004 than it did in 2003, which led to increased income tax on dividends of 2.2 million EUR in comparison with 2003.

The Elion Group invested a total of 15.5 million EUR in 2004 (2003: 14.3 million EUR). The majority of investments were targeted to the satisfaction of customers' needs and the development of the network. The most significant investment projects were the development of IT infrastructure, the expansion of the DSL network, the creation of a data warehouse for AS Hansapank.

The Elion Group had 1,452 employees at the end of December 2004 (2,014 in December 2003). The decrease was mainly the result of the sale of the Eltel Group. The overall sum of the Elion Group employees' salaries was 20.0 million EUR.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

EMT Group

The EMT Group consists of AS EMT, EMT Esindused AS and AS Mobile Wholesale.

The total revenues of the EMT Group in 2004 were 191.9 million EUR, having increased 10% in comparison with 2003. The majority of the growth in total revenues came from the operations of the parent company. A significant factor that influenced the growth in total revenues was the increase in customer base.

The EMT Group has been able to maintain its 47% market share successfully in conditions of tough competition. As of the end of December 2004, the operator had 595.4 thousand customers (491.4 thousand in December 2003). During the year 2004, the company's customer base has increased by 104 thousand customers. The numbers of both contractual customers and users of pre-paid cards have increased. At the end of December, AS EMT had 363.4 thousand contractual customers (306.6 thousand in December 2003). The number of pre-paid cards at the end of December was 232.0 thousand (184.8 thousand in December 2003). The increase in the number of pre-paid cards is partly the result of changes in the terms and conditions of use of the Sempel pre-paid call card, which came into effect from 21 September 2004. Up to September 2004, call card users were able to use their call time to make calls within a maximum of five months from the last loading, which was supplemented with the possibility of receiving calls for 1 more month. As of September, loaded calling time can be used to make calls for up to six months, and calls can be received for up to one month, as before. The purpose of this change was to harmonise the conditions of use of AS EMT's call cards with those of call cards offered by other operators.

In November 2004, the first virtual operator entered the Estonian mobile telephone market. A couple of weeks later, AS EMT launched the so-called discount service provider, *Diiil*. *Diiil* is an independent unit within the structure of EMT that operates with a small workforce and low fixed costs, in order to offer the most price-sensitive customers simple and inexpensive services. At the end of 2004, the discount service provider *Diiil* had 7,100 customers.

The growth in the number of customers has led to an increase in call minutes, the number of messages sent and data volume. At the same time, 2004 was also characterised by a significant decrease in rates, which became intensified in the final months of the year in connection with operators' preparations for the transferability of mobile phone numbers, which was launched as of 1 January 2005. The reduced rates have had the strongest influence on the revenues earned by AS EMT from SMSs. At the end of the third quarter, the Tudengipakett (Student Package), which has low charges for sending SMSs, was launched on the market. Users of personal short numbers and the EMT self-service office can also send SMSs at the discount rate. The lower rates have increased the number of SMSs sent, although AS EMT's fourth quarter revenues from SMSs increased just 1% in comparison with the fourth quarter of 2003. In 2004 as a whole, revenues from this category increased 11%.

AS EMT's revenues from voice communication increased 11% during 2004. The cause of the increase in revenue from voice communication is both the growth in customer base, the increase in the number of call minutes per customer and increased revenue from *roaming*. The other revenues of AS EMT grew by 5% during 2004. This growth is mainly the result of the increase in the number of call minutes made to EMT's customers from other networks.

In December 2004 AS EMT earned ARPU of 22.8 EUR (26.2 EUR in December 2003).

The revenues of EMT Esindused AS, the subsidiary of the EMT Group that is involved with retail sales, increased 30% in 2004, and the revenues of AS Mobile Wholesale, the subsidiary involved with wholesale, increased 17%. At the end of 2003, EMT Esindused AS began to offer customers the possibility of paying for mobile phones by instalment, and as a result indicators pertaining to the retail sale (and also the related wholesale) of telephones remained high through all four quarters in 2004.

The EMT Group's operating costs increased 14%, reaching 109.5 million EUR. The majority of the growth in operating costs comes from the expansion of customer base and the direct costs connected with the increase in the number of call minutes. The increase in operating costs has also been significantly influenced by the growth in the operating volume of retail and wholesale sales of telecommunications devices, which have low margins.

The EMT Group's EBITDA was 82.3 million EUR, which represents an increase of 1% over the year. The Group earned net profits of 42.5 million EUR, which is 4.6 million EUR less than in 2003. Whereas in 2003 AS EMT paid AS Eesti Telekom 38.3 million EUR in dividends, in 2004 dividends amounted to 51.1 million EUR. As a result of the larger volume of dividends, AS EMT's income tax expenditure from the dividends also increased 4.5 million EUR in comparison with 2003.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

In 2004, the EMT invested 17.4 million EUR (2003: 21.7 million EUR). The majority of investments have been made in order to guarantee the quality of the technological infrastructure. On 28 June 2004, AS EMT, the first Estonian operator to do so, started the development of EDGE, which will make possible fast data communications. Data communications are gaining popularity and customers' demands are increasing. To keep pace with these developments, EMT decided to start offering fast data communications by EDGE before the 3G becomes widely available. During the first year, EMT plans to invest approximately 1 million EUR into the development of EDGE. EMT's new mobile Internet environment, called EMT Go!, which has rapidly gained in popularity, 'opened its doors' at the end of June 2004.

On 31 December 2004, 498 people were employed by the EMT Group (31 December 2003: 430). The overall sum of the EMT Group employees' salaries was 6.6 million EUR.

Relations with state regulators

Litigation with the Estonian Competition Board

The court case between Elion Enterprises AS and the Competition Board over the justification of rates, which became effective 1 April 2001, for calls inside the network, has been concluded in 2004. On 19 January 2004, Tallinn City Court approved the Agreement reached by the Estonian Competition Board and Elion Enterprises AS to end litigation over the minute rates charged in Elion's fixed telephone network. The Competition Board no longer seeks to have the voice service charges of Elion Enterprises AS changed.

Litigation with the Communications Board

The Estonian National Communications Board (ENCB) issued a precept on 5 September 2003, obligating Elion Enterprises AS to provide AS Uninet with special access to Elion's network at the location and in a manner stipulated in AS Uninet suit. By now, the ENCB has annulled the precept.

Precept of the Communications Board to Elion Enterprises AS regarding the calculation of the domestic interconnection service charges

On 22 June 2004, the ENCB issued a precept to Elion Enterprises AS, whereby the firm has to decrease domestic interconnection service charges in its telephone network. Pursuant to the precept, Elion has to apply charges, which were determined by the ENCB on the basis Regulation no. 313 of the Government of the Republic of 11.12.2003, entitled "Cost Accounting Methodology for Leased Line and Interconnection Service Charges". Elion filed an objection regarding the ENCB's precept, as a result of which the ENCB changed its earlier precept. Pursuant to the ENCB's new precept, Elion was required to lower its domestic interconnection charges by an average of 17 percent by 1 October. Elion Enterprises AS has performed the precept.

Being recognised as a SMP enterprise

On 29 November 2004, the ENCB declared Elion Enterprises AS to be an operator with significant market power (SMP) in the fixed-line telephone services market, the leased line services market and the interconnection services market. Based on the analysis of the 2003 financial results, Elion Enterprises AS possessed a market share of 82.68% in the telephone services market, 76.20% in the leased line services market and 34.02% in the interconnection services market. Elion Enterprises AS was also declared an operator with significant market power for the years 2001 to 2004. The company was not surprised by the ENCB's intention to declare Elion Enterprises AS an SMP in the three above-mentioned markets for 2005 also.

At the same day, the ENCB declared AS EMT to be an SMP in the mobile telephone services market for 2005. EMT was an SMP also in 2002 to 2004. Based on the analysis of the financial results for 2003, AS EMT possessed a market share of 59.39% in the mobile telephone services market. AS EMT submitted a complaint to the Tallinn Administrative Court concerning the decision made by the ENCB. The first hearing in the matter is set to take place on 19 April 2005.

According to the Telecommunications Act, the ENCB shall recognise in 2004 for the last time an undertaking with significant market power. As of 2005, procedures shall be changed according to the new regulatory framework of the European Union, which is implemented in the Electronic Communication Act. As of the following year, undertaking with significant market power shall be designated on sector specific markets, and their obligations resulting from the new act shall be determined.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Annual General Meeting of Shareholders

The Annual General Meeting of the Shareholders of AS Eesti Telekom, that took place on 18 May 2004, approved the 2003 Annual Report and proposal for profit distribution. It was decided to increase the statutory legal reserve of the company by 0.02 million EUR, so that the legal reserve would meet the legal requirements, which applied after the increasing of share capital in June 2003. It was decided, that a dividend of 0.51 EUR per share shall be paid to the holders of A-shares, and 639 EUR per share to the holder of B-share. It was decided, that total of 70.4 million EUR shall be paid to the shareholders. The list of shareholders, on the basis of which dividends were to be paid, was set on 8 June 2004 at 08:00. The dividends were paid out on 17 June 2004.

The Annual General Meeting decided to authorise AS Eesti Telekom to acquire, within one year (i.e. until 18 May 2005), AS Eesti Telekom A-shares, so that the total nominal value of AS Eesti Telekom shares held by AS Eesti Telekom would not exceed the statutory limit, and that the price payable per share would not exceed the highest price paid for A-shares of AS Eesti Telekom on the Tallinn Stock Exchange on the day of acquiring the shares. The amount of shares to be acquired shall be determined, on each individual occasion, by a resolution of the AS Eesti Telekom's Supervisory Board.

A new Supervisory Board with seven members (instead of ten members as in previous years) was elected. Annika Christiansson, Erik Hallberg, Alo Kelder, Tarmo Porgand, Kennet Rådne, Mats Salomonsson, and Raivo Vare were elected to be members of the Supervisory Board.

AS Deloitte & Touche Audit was appointed to audit AS Eesti Telekom in 2004.

The General Meeting decided to amend the Articles of Association of AS Eesti Telekom so that it wouldn't be necessary, in the future, to notify the shareholders about the Annual General Meeting by publishing a notice in the Financial Times. It was also decided to amend the Articles so as to make it possible to convert the state owned B-share into one hundred A-shares of AS Eesti Telekom in connection with the termination of the 1998 Shareholders Agreement concluded in May 2004.

Perspectives for 2005

The "Electronic Communications Act" came into force on 1 January 2005. This Act prescribes the requirements for public communications networks, the provision of services using such networks, the operation of radio communications and the management of radio frequencies and numeration. The purpose of the Act is to bring the regulation concerning this area into compliance with the changes that have taken place in Estonian regulations.

Another significant change in the Eesti Telekom Group's operating environment is the transferability of mobile telephone numbers from one operator to another, which for customers means the possibility to subscribe to another mobile services provider, taking their mobile telephone number with them. The first month under the new system proved successful for the Eesti Telekom Group. 2,200 customers subscribed to AS EMT more than left the company. The process launched in January will, however, definitely influence developments in the mobile telephone services market throughout the whole of 2005.

The transferability of numbers is not the only factor influencing the development of the mobile communications market in 2005. In 2004, AS EMT became the first operator in Estonia to offer services based on the EDGE technology. The second half of 2004 was characterised by a rapid increase in the number and volume of mobile data communications customers. We see data communications as a significant factor for growth in the area of mobile communications in 2005.

In fixed-line communications, we foresee continued rapid growth in the number of broadband Internet connections in 2005. At the same time, we hope to stop the fall in the number of voice communications customers in 2005, by offering package solutions.

In the area of fixed-line communications, our main objective for 2005 regarding our corporate clients is to secure our positions in the provision of data communications and IT services.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

BOARD DECLARATION



The Management Board has prepared AS Eesti Telekom (hereinafter also "Parent") and AS Eesti Telekom and its subsidiaries (hereinafter also "Group") management report and the annual accounts for the financial year ended on 31 December 2004.

The annual accounts have been prepared according to the Accounting Law of Estonia and International Financial Reporting Standards (IFRS), and present a true and fair view of the financial position, economic performance and cash flows of the Parent and the Group.

Preparation of the annual accounts according to the IFRS involves estimates made by the Management Board on the Parent's and Group's assets and liabilities as of the balance sheet date, and on income and expenses during the financial year. These estimates are based on the up-to-date information about the state of the Parent and the Group and consider the plans and risks as at the date of the financial statements' preparation. The actual results of the business transactions recorded may differ from those estimates.

The significant circumstances that have effect on the valuation of assets and liabilities until preparation of the annual accounts on 14 February 2005 are taken into consideration.

The Management Board considers AS Eesti Telekom and its subsidiaries to carry their activities as going concerns.

<i>Name</i>	<i>Position</i>	<i>Signature</i>	<i>Date</i>
Jaan Männik	Chairman of the Board		14 February 2005
Hille Võrk	Member of the Board		14 February 2005

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

**INCOME STATEMENTS
FOR THE FINANCIAL YEARS 2004 AND 2003**

Financial statements are prepared in thousands of EUR

	Notes	CONSOLIDATED		PARENT COMPANY	
		2004	2003	2004	2003
Revenues					
Revenue	2 (a, b), 3, 5 (a)	326,980	305,360	4	2
Other operating income	3, 5 (b)	1,709	1,942	5	2
Total revenues		328,689	307,302	9	4
Operating expenses					
Materials, consumables, supplies and services	2 (a), 3	(121,201)	(106,226)	-	-
Other operating expenses	2 (a), 3	(33,245)	(29,224)	(745)	(736)
Personnel expenses	2 (a), 3, 5 (c)	(37,025)	(34,010)	(872)	(899)
Other expenses	2 (a), 3, 5 (d)	(1,573)	(2,503)	(45)	(114)
Total operating expenses		(193,044)	(171,963)	(1,662)	(1,749)
Profit / (loss) from operations before depreciation					
		135,645	135,339	(1,653)	(1,745)
Depreciation, amortisation and impairment of fixed and intangible assets	2 (a), 3, 5 (e), 7, 9	(52,182)	(56,302)	(44)	(77)
Profit / (loss) from operations					
		83,463	79,037	(1,697)	(1,822)
Net income/(expenses) from subsidiaries and associates	2 (a), 3	2,888	3,545	64,419	67,498
Other net financing items	2 (a), 3, 5 (f)	1,937	2,140	781	1,079
Profit before tax					
		88,288	84,722	63,503	66,755
Income tax on dividends	2 (a), 3, 6	(24,473)	(18,280)	(26)	(546)
Profit after tax					
		63,815	66,442	63,477	66,209
Minority interest	2 (a), 3	(313)	(259)	-	-
Net profit for the period					
		63,502	66,183	63,477	66,209
Earnings per share					
20 (e)					
<u>Including discontinuing operations:</u>					
Basic earnings per share (in EUR)		0.46	0.48	0.46	0.48
Diluted earnings per share (in EUR)		0.46	0.48	0.46	0.48
<u>Excluding discontinuing operations:</u>					
Basic earnings per share (in EUR)		0.46	0.48	0.46	0.48
Diluted earnings per share (in EUR)		0.46	0.48	0.46	0.48

The notes presented on pages 16 to 47 form an integral part of the consolidated and Parent Company financial statements.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

BALANCE SHEETS AS OF 31 DECEMBER 2004 AND 2003

Financial statements are prepared in thousands of EUR

	Notes	CONSOLIDATED		PARENT COMPANY	
		2004	2003	2004	2003
ASSETS					
Non-current assets					
Fixed assets	7	128,776	145,454	16	68
Intangible assets	9	5,828	7,931	3	13
Investments in subsidiaries and associates	10 - 12	1,202	1,063	220,186	226,069
Non-current securities	13	-	172	-	77
Other non-current receivables	14	1,277	439	262	262
Total non-current assets		137,083	155,059	220,467	226,489
Current assets					
Inventories	15	7,949	6,226	-	-
Trade and other receivables	16	49,221	45,116	8,624	3,694
Current securities	17	1,845	3,113	1,845	3,101
Cash and cash equivalents	18	93,070	84,414	28,782	31,610
Total current assets		152,085	138,869	39,251	38,405
TOTAL ASSETS		289,168	293,928	259,718	264,894
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	20	88,169	87,971	88,169	87,971
Reserves		31,550	29,937	31,550	29,937
Translation reserve		-	(1)	-	-
Accumulated profit		139,478	146,370	139,478	146,394
Total capital and reserves		259,197	264,277	259,197	264,302
Minority interest		-	865	-	-
Non-current liabilities					
Interest-bearing loans and borrowings	21 (a)	38	236	-	-
Provisions	26 (a)	512	561	119	113
Total non-current liabilities		550	797	119	113
Current liabilities					
Trade and other payables	24	27,924	27,071	402	451
Interest-bearing loans and borrowings	21 (b)	1,212	533	-	28
Provisions	26 (b)	285	385	-	-
Total current liabilities		29,421	27,989	402	479
TOTAL EQUITY AND LIABILITIES		289,168	293,928	259,718	264,894

The notes presented on pages 16 to 47 form an integral part of the consolidated and Parent Company financial statements.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

**STATEMENTS OF CHANGES IN OWNERS' EQUITY
FOR THE FINANCIAL YEARS 2004 AND 2003
(CONSOLIDATED)**

Financial statements are prepared in thousands of EUR

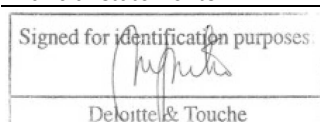
	Notes	Issued capital	Reserves		Translation reserve	Accumulated profit	Total
			Share premium	Statutory legal reserve			
31 December 2002		87,804	19,810	8,781	(2)	132,870	249,263
Exchange differences arising from translation of foreign operations		-	-	-	1	-	1
Share issuance		167	1,346	-	-	-	1,513
Dividends declared	20 (c)	-	-	-	-	(52,683)	(52,683)
Net profit for the period		-	-	-	-	66,183	66,183
31 December 2003		87,971	21,156	8,781	(1)	146,370	264,277
Increase in statutory legal reserve	20 (b)	-	-	16	-	(16)	-
Exchange differences arising from translation of foreign operations		-	-	-	1	(1)	-
Share issuance	20 (a)	198	1,597	-	-	-	1,795
Dividends declared	20 (c)	-	-	-	-	(70,377)	(70,377)
Net profit for the period		-	-	-	-	63,502	63,502
31 December 2004		88,169	22,753	8,797	-	139,478	259,197

**STATEMENTS OF CHANGES IN OWNERS' EQUITY
FOR THE FINANCIAL YEARS 2004 AND 2003
(PARENT COMPANY)**

Financial statements are prepared in thousands of EUR

	Notes	Issued capital	Reserves		Accumulated profit	Total
			Share premium	Statutory legal reserve		
31 December 2002		87,804	19,810	8,781	132,868	249,263
Share issuance		167	1,346	-	-	1,513
Dividends declared	20 (c)	-	-	-	(52,683)	(52,683)
Net profit for the period		-	-	-	66,209	66,209
31 December 2003		87,971	21,156	8,781	146,394	264,302
Increase in statutory legal reserve	20 (b)	-	-	16	(16)	-
Share issuance	20 (a)	198	1,597	-	-	1,795
Dividends declared	20 (c)	-	-	-	(70,377)	(70,377)
Net profit for the period		-	-	-	63,477	63,477
31 December 2004		88,169	22,753	8,797	139,478	259,197

The notes presented on pages 16 to 47 form an integral part of the consolidated and Parent Company financial statements.



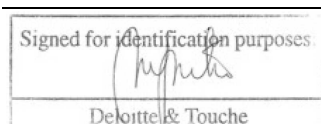
AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

CASH FLOW STATEMENTS FOR THE FINANCIAL YEARS 2004 AND 2003

Financial statements are prepared in thousands of EUR

	Notes	CONSOLIDATED		PARENT COMPANY	
		2004	2003	2004	2003
Operating activities					
Profit / (loss) from operations		83,463	79,037	(1,697)	(1,822)
Adjustments for:					
Depreciation, amortization and impairment of fixed and intangible assets	5 (e), 7, 9	52,182	56,302	44	77
(Profit) / loss from sales and write-off of fixed assets	5 (b, d)	(658)	(399)	(5)	-
Creating of retirement benefit provisions		-	145	-	145
Operating cash flows before changes in working capital		134,987	135,085	(1,658)	(1,600)
Change in current receivables		(6,299)	(2,762)	(149)	(176)
Change in inventories		(2,196)	(192)	-	-
Change in current liabilities		3,204	(4,506)	(50)	94
Cash generated by operations		129,696	127,625	(1,857)	(1,682)
Interest paid		(58)	(119)	(75)	(15)
Income tax on dividends paid	6	(24,473)	(18,280)	(26)	(546)
Net cash from / (used in) operating activities		105,165	109,226	(1,958)	(2,243)
Investing activities					
Purchase of property, plant and equipment	7	(32,121)	(30,241)	-	(31)
Purchase of licences	9	(793)	(5,769)	-	-
Proceeds from sales of fixed assets		1,181	1,959	18	10
Net cash outflow from acquisition of subsidiaries	11	(247)	(1,573)	-	-
Net cash inflow from sales of subsidiaries	4	3,341	4,355	-	-
Repayment of long-term promissory note		-	-	-	19,129
Purchase of short-term securities	17	(2,384)	(3,113)	(2,384)	(3,101)
Proceeds on disposal of short-term investments		3,788	5,054	3,776	5,029
Loans granted		(2,317)	(144)	(12,083)	(3,904)
Repayments of loans granted		245	4	7,000	2,994
Dividends received		-	1	70,303	51,129
Interest received		2,430	1,850	1,121	1,494
Net cash from / (used in) investing activities		(26,877)	(27,617)	67,751	72,749
Financing activities					
Repayments of convertible debts	23	(3)	(14)	(3)	(14)
Proceeds from non-convertible debts		86	23	-	-
Repayments of non-convertible debts		(471)	(852)	-	-
Repayments of long-term borrowings		-	(1,487)	-	-
Repayments of finance lease liabilities	8	(579)	(68)	-	-
Repayments of short-term borrowings		(11)	(52)	-	-
Shares issuance	20 (a)	1,775	1,496	1,775	1,496
Dividends paid	20 (c)	(70,377)	(52,683)	(70,377)	(52,683)
Net cash used in financing activities		(69,580)	(53,637)	(68,605)	(51,201)
Net change in cash and cash equivalents		8,708	27,972	(2,812)	19,305
Cash and cash equivalents at beginning of year	18	84,414	56,497	31,610	12,315
Effect of foreign exchange rate changes		(52)	(55)	(16)	(10)
Cash and cash equivalents at end of year	18	93,070	84,414	28,782	31,610

The notes presented on pages 16 to 47 form an integral part of the consolidated and Parent Company financial statements.



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

1. Significant accounting policies

Significant accounting policies adopted in the preparation of the financial statements of AS Eesti Telekom (the parent company) and its subsidiary companies (together referred as "the Group") are set out below.

Statement of compliance

The consolidated financial statements of the Group and the financial statements of the parent company are prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The financial statements present fairly the financial position, financial performance and cash flows of the Group and the parent company.

The preparation of the annual financial statements involves estimates made by the Management Board of the parent company about circumstances that influence the Group's and the parent company's assets and liabilities as of the balance sheet date, and about income received and expenses incurred during the financial year. These estimates are based upon up-to-date information about the state of the Group and take into consideration the Group's plans and risks as they stand at the date of the financial statements' preparation. The actual results may differ from the estimates.

Basis of preparation

The financial statements are presented in thousands of euros (EUR), unless indicated otherwise. AS Eesti Telekom measurement currency is Estonian kroon. Estonian kroon's exchange rate is fixed at 15.64660 EEK per euro.

The financial statements are prepared on the historical cost basis except for certain financial instruments that are stated at their fair value.

The main accounting policies applied in preparation of the financial statements are presented below.

Principles of consolidation

The consolidated financial statements include all significant subsidiaries that are controlled by the parent company. When an entity began or ceased to be controlled during the year, the results are included only from the date control commenced to the date control ceased. Control is presumed to exist where more than one half of the subsidiary's voting power is controlled by the parent company, or the parent company is able to govern the financial and operation policies of the subsidiary, or control the removal or appointment of a majority of the subsidiary's supervisory council.

Group companies use in all material aspects the same accounting principles. In case the accounting principles are changed, the comparative data from previous periods is also changed retrospectively.

All inter-company transactions and balances, also unearned profits and losses have been eliminated.

Minority interests in the equity and financial results of subsidiaries are shown as a separate line item in the consolidated financial statements.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange quoted by the Bank of Estonia on the transaction date. On the balance sheet date, monetary assets and liabilities denominated in foreign currencies are recorded at the rate of exchange quoted by the Bank of Estonia on that date. Respective exchange differences are recognised in the income statement for the year.

The financial statements of foreign subsidiaries are recorded at the Bank of Estonia (*Eesti Pank*) effective exchange rates. Upon the acquisition of a foreign subsidiary, the parent company's share of the net assets of the subsidiary is established and recorded, using the exchange rate prevailing on the date of acquisition. These parts of the equity of the subsidiary will maintain their acquisition value even after the rest of the subsidiary's balance sheet has been retranslated. If a foreign subsidiary issues shares, these shares are recorded, using the exchange rate on the day of the issuance. Concerning the following consolidation of the balance sheet of a foreign subsidiary, the assets and liabilities are recorded, using the exchange rates prevailing on the balance sheet date. Income and expense items are recorded, using the average exchange rates for the period. Exchange differences, which arise, are charged to equity and transferred to the Group's recorded reserve. Such recording

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

differences are recognised as income from, or as expenses of, subsidiaries in the period in which the operation has taken place. A recorded reserve in consolidated equity is considered in the calculation of the results of sales of shares of a subsidiary.

The exchange rates used in the financial statements were the following:

Currency	Exchange rate in 2004		Exchange rate in 2003	
	As of 31 December	Average	As of 31 December	Average
EEK	0.06391	0.06391	0.06391	0.06391
USD	0.73314	0.80457	0.79312	0.88578
SEK	0.11085	0.10961	0.11006	0.10962
LTL	0.28962	0.28962	0.28962	0.28962
LVL	1.43303	1.50335	1.48691	1.56170

Hedging

Foreign exchange contracts are considered to be a hedge when the contracts are entered into with the intention to hedge other transactions with a high degree of correlation with the hedging instruments.

The Group uses derivative financial instruments (forward, SWAP and currency option contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such derivatives are initially recorded at cost, if any, and are remeasured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognised in the income statement as they arise. Gain or loss arising from the settlement of the contracts will be recognised as income or expense when the transaction being hedged is realised. The quotations of credit institutions are used for the determination of the fair value of the derivatives as of the balance sheet date.

Property, plant and equipment

Fixed assets with useful life of over one year and a minimum value of 639 EUR (parent company: 320 EUR) are considered fixed assets. Fixed assets are recorded at acquisition cost, which consists of the purchase price, non-refundable taxes, and other expenditures directly related to taking the fixed asset object into use. The cost of self-constructed fixed assets includes the cost of materials and direct labour.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the assets are presented at their estimated recoverable value. Recoverable value is equivalent to the higher of a particular asset's sale price or value in use. The anticipated future cash flows are used as the basis for determining value in use. Impairment losses in fixed assets are expressed as an increase in accumulated depreciation and are recognised as an expense in the income statement line "Depreciation, amortisation and impairment of fixed and intangible assets". A recovery in value in use is recognised as a reversal of impairment loss.

Depreciation is calculated on the straight-line method. Depreciation rates are set separately to each asset depending on its estimated useful life as follows:

- Buildings 3 - 8% per annum;
- Telecommunication network equipment 10 - 20% per annum;
- Plant and equipment 15 - 40% per annum;
- Furniture, fixtures and fittings 10 - 50% per annum.

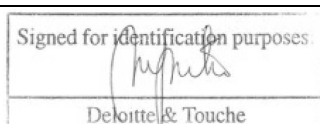
Freehold land is not depreciated.

Assets are depreciated from the date of acquisition or, in the case of self-constructed assets, from the time an asset is completed and ready for use.

The improvements to fixed assets are capitalized if the asset is improved to a qualitatively new level, or if it is possible to prove that the revenue resulting from the expenditure made will be generated to a significant extent in future periods. Maintenance and repairs are recognised as period expenses.

Leases

Leases of plant and equipment under which the Group assumes substantially all risks and rewards incidental to ownership are classified as finance leases. Other leases are classified as operating leases.



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease, irrespectively from collection of relevant receivables.

Assets leased under operating lease are recorded on the balance sheet in conventional rules similarly to that for other Group's assets.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recorded in income statement on accrual basis of accounting, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs.

Finance assets are depreciated in accordance with the depreciation policy described above, with the depreciation period being the estimated useful life of the asset.

Rentals payable under operating leases are charged to expense on straight-line basis over the term of the relevant lease, irrespectively from disbursements for relevant payables. Assets leased under operating lease are not recorded on the balance sheet.

Intangible assets

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable net assets acquired. Goodwill is recognised as an intangible asset in the Group's consolidated financial statements and is amortised on a straight-line basis. Amortisation of goodwill is recorded in the income statement line "Depreciation, amortisation and impairment of fixed and intangible assets". The period of amortisation is the period of time during which benefits are expected to flow into the Group and does not exceed five years.

Licenses, patents, and trademarks are stated at the lower of the historical cost or recoverable amount, and are amortised on the straight-line method over their estimated useful lives (five years, as a rule). Amortisation expenses are recorded in the income statement line "Depreciation, amortisation and impairment of fixed and intangible assets". Recoverable value is equivalent to the higher of a particular asset's sale price or value in use. The anticipated cash flows for the coming year are used as the basis for determining value in use.

Amortisation of the third generation mobile communications license acquired by AS EMT started in August 2003 and will continue for ten years.

Research and development expenditure

Research and development costs are charged as an expense in the income statement for the period during which they incurred. Exceptions to this are development costs that are identifiable, verifiable and will generate future economic benefits; the resources needed to complete the development project and the estimated timing of income streams is disclosed. Capitalised development costs are amortised over five years using the straight-line method.

Financial assets and liabilities

Cash, shares and other securities, trade receivables, accrued income, other short and long-term receivables and derivatives with positive market value are considered to be financial assets. Supplier payables, accrued expenses, other short and long-term payables, bonds issued and derivatives with negative market value are considered to be financial liabilities.

Financial assets and liabilities are initially measured at cost, which is the fair value of consideration given or received to acquire the financial asset or liability. All costs directly connected with the financial asset or obligations are included in the acquisition price.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

Financial assets and liabilities are recognised on the balance sheet when the ownership title is transferred to the Group in accordance with the terms of the contract for the financial asset or liability.

Shares of subsidiaries and associates

A subsidiary is deemed to be under the control of the parent company when more than one half of the subsidiary's voting power is controlled by the parent company, or the parent company is able to govern the operating and financial policies of the subsidiary, or control the appointment or removal of a majority of the subsidiary's supervisory council.

An associate is an enterprise in which the Group holds, directly or indirectly, 20% - 50% of the voting power, or where the Group exercises significant influence over the enterprise but is not controlled it.

Purchase of investments in subsidiaries and associates are reported in accordance with the acquisition method.

At the acquisition of an associate or a subsidiary, an acquisition analysis is performed. In the acquisition analysis, the investment is adjusted with positive goodwill determined as the difference between the acquisition cost and fair value of the net assets acquire. Goodwill is amortised using the straight-line method over the period of time during which the asset is anticipated to be profitable, which shall not exceed five years.

Shares of subsidiaries and associates made for a longer period than one year are recorded as long-term financial investments. Investments in subsidiaries and associates are presented in the parent company's financial statements and accounted for under the equity method, in accordance with which the original investment value is adjusted to take into consideration the profit/loss arising from the company and the dividends received. Under the equity method, unearned profits and losses from the transactions between the parent and subsidiaries and associates are eliminated.

The list of the Group's subsidiaries is disclosed in Note 10 to the financial statements, and the list of associates in Note 12.

Financial investments

Shares and securities are recognised on the balance sheet using the trade date accounting method and are initially recognised at cost, which is the fair value of consideration given to acquire the financial assets. All costs directly connected with the given financial asset are included in the initial acquisition price.

The following principles are applied to the recording of shares and securities:

- Shares and securities, whose fair value can be reliably measured, are recorded on the balance sheet at fair value. The change in the fair value of short-term shares and other securities is recorded in the income statement.
- Bonds that the Group does not intend to hold to maturity are recorded on the balance sheet using the fair value method. The change in the fair value of short-term bonds is recorded in the income statement.
- Shares and securities whose fair value cannot be reliably measured are recorded on the balance sheet at amortized cost, which consists of its initial recognition cost minus any write-down for impairment or uncollectability. Write-down is recorded in the income statement.
- Bonds that the Group intends to hold to maturity are recorded on the balance sheet at amortized cost, applying the effective interest rate method minus any write-down for impairment or uncollectability. The change in the carrying value of short-term bonds is recorded in the income statement. In calculating the write-down, the net present value of the future cash receipts of the financial instrument is considered, applying the internal rate of return as the discount rate. The interest income and write-down of held-to-maturity securities are recorded in the income statement.

Shares and securities that are held for disposal during the following financial year are recorded on the balance sheet as "Current securities". Long-term shares and securities are recorded on the balance sheet as "Non-current securities".

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to income for the financial year.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

Inventories

Raw materials and goods for resale are recorded at cost, which comprises purchase price, non-refundable taxes as well as transportation and other direct acquisition expenditures, less discounts.

Inventories are carried at the lower of acquisition cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Cost is based on the weighted average cost principle in AS EMT and on the first-in, first-out principle in Elion Enterprises AS, and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

Taxation

a) Corporate income tax

The Income Tax Law that became effective in Estonia on 1 January 2000 replaces the taxation of earnings with the taxation of dividend distributions and other disbursements that have the characteristics of profit distribution. The corporate income tax arising from the payment of dividends is accounted for as an expense in the period when dividends are declared, regardless of the actual payment date or the period for which the dividends are paid for.

Because of the principles of taxation, the term *tax base of assets and liabilities* does not meet the criteria of recognition and deferred income tax assets and liabilities as defined in IAS 12 (Income Taxes) do not arise.

b) Other taxes

Other taxes, that are affected the Group's results, and tax rates are the following:

- Social tax - 33% of the paid payroll to the employees and of the fringe benefits;
- Unemployment tax - 0,5% of the paid payroll to the employees;
- Income tax on fringe benefits - 26/74 of the fringe benefits to the employees;
- Income tax on expenses not related to business activities - 26/74 of the expenses not related to business activities;
- Land tax - 0,5-2% of the taxable value of the land per annum.

Receivables

Trade receivables are recorded at amortised cost. Receivables that are considered to be either partially or completely unlikely to be collected are expensed and reported in the income statement as "Other operating expenses". Receivables whose collection is not feasible or economically justified are considered to be non-collectible, and are written-off from the balance sheet. Previously expensed receivables collected during the financial year are recorded on the same expense account as a reverse entry.

Long-term receivables and long-term loans granted are recognised at their net present value, from which doubtful accounts are deducted. The difference between the nominal value and the net present value of the receivable until the due date is reported in the income statement as "Other financial income and expenses" by applying the internal interest rate upon return of the receivable.

Loans without interest or loans with an interest rate different to market rates are initially recognized at their net present value, applying the market interest rate, and the difference between the nominal value and the net present value of the receivable is amortized during the period remaining until the due date. The initial revaluation to the net present value and the subsequent amortisation of the receivable's nominal value and net present value is reported in the income statement as "Other financial income and expenses".

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

Liabilities

Liabilities with payment terms over one year from the balance sheet date are considered to be long-term liabilities. Other liabilities are reported as short-term.

Liabilities that have arisen during the financial year or prior periods, which have a legal or contractual basis, which are expected to result in the outflow of resources, and which can be reliably measured, but for which the actual payment amount and payment date has not been definitely determined, are recorded as **provisions** on the balance sheet. Provisions are measured according to the Management Board's estimates and previous experience, and when necessary also the assessments of independent experts.

Potential liabilities, guarantees and warranties are disclosed in the Notes to the financial statements as contingent liabilities.

The calculation of **retirement benefit provisions** is based on the corresponding agreements that have been concluded. These provisions are recorded in the balance sheet at their present value as they committed. The interest rates of bonds issued by long-term high quality companies are used as the discount rate. The retirement benefit charges have been included in the income statement as "Personnel expenses" at their nominal value as they committed. The difference between the nominal value and the net present value of the liability is amortized over the period remaining until the maturity date. Initial revaluation into the net present value and the subsequent amortisation of the difference between the nominal value and the net present value of the liability is recorded in the income statement as "Other financial income and expenses".

Termination (redundancy) compensations are recognised as liabilities and as expenses when, and only when, the company has clearly and unequivocally expressed its intention to terminate the employment relationship in the ordinary manner, in accordance with an accord between employer and employee, or before the employee's legally stipulated retirement date. An enterprise is demonstrably committed to a termination only when the enterprise has a detailed formal plan for the termination, and has no other realistic option for solving the situation.

Vacation expenses are recorded in the period the vacation was earned, i.e. when the right to claim the vacation by an employee occurs. Vacation payment earned, or changes made to it, is recorded in the income statement as an expense and on the balance sheet as a short-term liability.

Interest bearing bank loans, credit lines, other loans and bonds issued are initially recognized at the consideration received, less paid transaction costs. These financial liabilities are subsequently measured at amortized cost, in accordance to which the liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between the initial amount and the maturity amount (only for bonds). The amortized cost is determined by applying the internal rate of return, which is calculated by discounting the future net cash flows to the balance sheet value. Amortization of the transaction costs is recorded in the income statement together with the interest expense. The interest expense and borrowing costs are recorded as "Other financial income and expenses" in the income statement in the period in which they arise.

Interest non-bearing loans without interest or loans with an interest rate different from the market one are initially recognized at net present value by applying the market interest rate, and the difference between the nominal value and the net present value of the liability is amortized over the period remaining until the due date. Initial revaluation into the net present value and the subsequent amortisation of the difference between the nominal value and the net present value of the liability is recorded in the income statement as "Other financial income and expenses".

Factoring of receivables

The factoring of receivables is the sale of receivables. Depending on the type of factoring contract, the buyer acquires the right to sell the receivable back to the seller (factoring with recourse) or there is no right to resell and all the risks and rewards of the receivable are transferred from the seller to the buyer (factoring without recourse).

Factoring with recourse is considered as a financing transaction (i.e. a financing raised on the collateral of a receivable): the receivable is recorded on the balance sheet until the receivable is collected or the right of recourse expires.

Factoring without recourse is considered as the sale of a receivable. The expense related to the sale of the receivable is recorded as a financial expense or allowance depending on whether the transaction was made for managing the cash flows or for decreasing the risk of doubtful receivables.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

Revenue recognition

Sales revenue is recorded on the accrual basis of accounting, in accordance with the revenue principle.

In relation to the rendering of services, revenue is recognised when no significant uncertainties remain concerning the derivation of consideration or associated costs.

In relation to the sale of goods, revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, and no significant uncertainties remain regarding the derivation of that consideration, associated costs, or the possible return of goods.

Construction contracts are accounted for at percentage of completion method: revenue and profits obtained from construction contracts are recorded proportionally in the same periods as respective expenses incurred. In order to ensure the accuracy of the year-end financial results, an assessment of all unfinished contracts is made of the expenses to be incurred until the completion of the project, and the assessment is compared to the project's total budgetary costs. In the event of significant differences, the project's anticipated profit margin is adjusted, and correspondingly, the revenue calculation. If, on the balance sheet date, the sum of the interim invoices presented to the client exceeds the project's total expenditures and the corresponding income share, the difference is recorded on the balance sheet under short-term liabilities as "Trade and other payables". In the event the sum of the interim invoices presented to the client is less than the project's total expenditures and the corresponding income share, the difference is recorded on the balance sheet as "Trade and other receivables".

Interest, royalties and dividends are recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the revenue can be measured reliably. Interest income is recognised as it accrues, unless collectibility is in doubt. Royalty income is recognised on the accrual basis in accordance with the substance of the relevant agreement. Dividend income is recognised when the shareholder's right to receive payment is established.

Cash and cash flows

The balance sheet line "Cash and cash equivalents" and the same line listed in the cash flow statement consist of cash in hand, bank accounts, short-term bank deposits and shares of money-market funds.

Cash flows from operating activities are reported under the indirect method. Cash flows from investing and financing activities are reported based on gross receipts and disbursements made during the accounting period.

Subsequent events

Significant events that occurred during the preparation of the annual accounts and are related to transactions that took place during the financial year, and confirm the conditions that existed at the date of the financial statement, are considered in the valuation of assets and liabilities.

Significant events that occurred during the preparation of the annual accounts and are not considered in the valuation of assets and liabilities, but significantly influence the results of the next financial year, are disclosed in the notes to the annual accounts.

Segment reporting

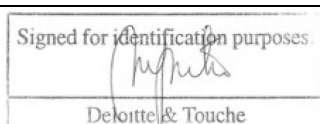
The report provides information about the Group's segments, and this information is organised by both business segments (the main format for segment reporting) and geographic segments (an additional format for segment reporting).

A business segment is a distinguishable component of the Group that is engaged in providing a group of related services or products and that is subject to risks and returns that are different from those of other business segments.

Geographic segment is a part of the Group that provides services in a specific economic environment whereof risks and profitability differ from its other parts that act in other different economic environments. The majority of the Group's revenues are generated in Estonia.

Four major segments, fixed network telecommunications, mobile telecommunications, construction services and other activities are distinguished in the consolidated financial statements.

Segment expense is expense resulting from the operating activities and is directly attributable to the segment.



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

Segment gross profit is segment revenue less segment expense. Segment gross profit is determined before any adjustments for minority interest.

Segment assets are those operating assets that are operatively employed and that are directly attributable to the segment. Segment liabilities are those directly attributable to the segment.

Capital expenditure represents total cost incurred during the period to acquire segment assets that are expected to be used during more than one period (property, plant and equipment, and intangible assets).

Changes in accounting principles in 2005

New IFRS standards and several changes in existing standard texts will be implemented from 1 January 2005. The group has not applied the new IFRS standards in advance of the prescribed time, i.e. in the preparation of these financial statements.

The Group's accounting system and reporting for 2005 are expected to be influenced above all by the following IFRS standards:

IFRS 3 Business combinations

- The acquirer shall measure goodwill acquired in a business combination at cost less any accumulated impairment losses. Goodwill shall not be amortised. Instead the acquirer shall test it for impairment annually, or more frequently. Refer to Note 9.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

- Non-current assets (including fixed and intangible assets and long-term financial investments) that have been earmarked for sale or abandonment shall be classified as "held for sale", they shall not be depreciated, and shall be presented on a separate line on the balance sheet, at the lower of its carrying amount and fair value less costs to sell.

IAS 16 Property, plant and equipment

- The cost of an item of property, plant and equipment comprises its purchase price and other direct costs necessary to keep the asset in working order or for the replacement of its parts, as well as estimates of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item.
- In determining the depreciation method for an item of property, plant and equipment, the useful life of the individual parts of an item shall be assessed separately.
- In the accounting of property, plant and equipment, the item's depreciable amount and residual value shall be determined. The residual value is equivalent to the amount the company could obtain from the sale of the item in the condition in which it will presumably be at the end of its useful life.

IAS 27 Consolidated Financial Statements and Accounting for Investments in Subsidiaries

- The accounting principles applied in consolidated units must be uniform.
- In unconsolidated financial statements, the use of the equity method shall cease, and investments in subsidiaries shall be accounted for at cost or in accordance with IAS 39, at fair value.

IAS 36 Impairment of Assets

- Testing of the value of an asset against impairment shall be performed once a year for intangible assets that have an unlimited useful life or are not yet usable, and for goodwill. IAS 36, which was in force before, required the performance of a value test only in case there was an indication that the assets might have impaired. Refer to Note 9.

IAS 39 Financial Instruments. Recognition and Measurement

- Write-offs of financial assets are estimated individually at the moment the detrimental factors and circumstances are identified. The standard also offers guidelines, how accounting shall be performed when it is not possible to apply the individual assessment of the impairment of financial assets.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

2. Segment information

Four major segments, fixed network telecommunications, mobile telecommunications, construction services and other activities are distinguished in the consolidated financial statements.

Fixed network telecommunications – this segment operates the national telecommunications network, with providing fixed telecommunication services and related value-added services as well as provision, production, marketing and sales of other related services. The companies belonging to this business segment are Elion Enterprises AS, AS Elion Esindus and AS EsData.

Mobile telecommunications – this segment operates mobile networks and systems, and deals with the producing, marketing and selling of services related thereto. The companies belonging to this business segment are AS EMT, EMT Esindused AS and AS Mobile Wholesale.

Construction services – these segment activities are construction and maintenance of telecommunication networks. The companies belonging to this business segment are AS Eltel Networks, AS Reveko Telekom, SIA Connecto Latvia and UAB Lidivos Technologijos.

Other activities – this segment covers the activities of the parent company AS Eesti Telekom.

Segment turnover represent inter-company income and expenses of the four above-mentioned segments. The inter-company turnovers between the companies belonging to the same segment are eliminated in this report.

Inter-company transactions were conducted on an arms-length basis.

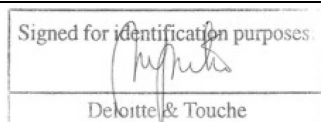
AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

(a) Main format - business segments

	Fixed network telecommunications		Mobile telecommunications		Construction services		Other activities		Eliminations		Consolidated	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Revenues												
Revenue	148,643	143,795	168,458	152,706	9,879	8,859	-	-	-	-	326,980	305,360
Other operating income	748	1,263	900	627	56	51	5	1	-	-	1,709	1,942
Inter-segment revenue	11,894	11,101	22,484	21,165	9,577	11,245	4	3	(43,959)	(43,514)	-	-
Total revenues	161,285	156,159	191,842	174,498	19,512	20,155	9	4	(43,959)	(43,514)	328,689	307,302
Operating expenses												
Materials, consumables, supplies and services	(36,038)	(31,996)	(78,743)	(66,483)	(6,420)	(7,747)	-	-	-	-	(121,201)	(106,226)
Other operating expenses	(19,944)	(19,954)	(9,935)	(6,518)	(2,651)	(2,039)	(715)	(713)	-	-	(33,245)	(29,224)
Personnel expenses	(22,091)	(21,015)	(8,904)	(7,913)	(5,158)	(4,183)	(872)	(899)	-	-	(37,025)	(34,010)
Other expenses	(873)	(734)	(484)	(1,371)	(171)	(284)	(45)	(114)	-	-	(1,573)	(2,503)
Inter-segment expenses	(28,162)	(27,969)	(11,484)	(10,441)	(3,842)	(4,547)	(30)	(23)	43,518	42,980	-	-
Total operating expenses	(107,108)	(101,668)	(109,550)	(92,726)	(18,242)	(18,800)	(1,662)	(1,749)	43,518	42,980	(193,044)	(171,963)
EBITDA	54,177	54,491	82,292	81,772	1,270	1,355	(1,653)	(1,745)	(441)	(534)	135,645	135,339
Depreciation and amortisation	(29,594)	(34,218)	(22,339)	(21,931)	(547)	(316)	(44)	(77)	342	240	(52,182)	(56,302)
EBIT	24,583	20,273	59,953	59,841	723	1,039	(1,697)	(1,822)	(99)	(294)	83,463	79,037
Income / (expenses) from subsidiaries and associates	3,124	4,121	(38)	(75)	-	-	64,419	67,498	(64,617)	(67,999)	2,888	3,545
Foreign exchange gain	(39)	(41)	(6)	(4)	(2)	(1)	(16)	(10)	-	-	(63)	(56)
Other net financing items	658	248	563	822	(18)	37	797	1,089	-	-	2,000	2,196
Income tax on dividends	(6,483)	(4,261)	(17,964)	(13,473)	-	-	(26)	(546)	-	-	(24,473)	(18,280)
Minority interest	-	-	-	-	(313)	(259)	-	-	-	-	(313)	(259)
Net profit for the period	21,843	20,340	42,508	47,111	390	816	63,477	66,209	(64,716)	(68,293)	63,502	66,183



Handwritten signature

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

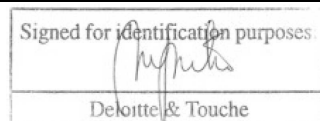
Other information by business segments

	Fixed network telecommunications		Mobile telecommunications		Construction services		Other activities		Eliminations		Consolidated	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Non-current assets (except investments in subsidiaries and associates)	72,322	86,496	63,304	66,906	-	1,390	281	420	(26)	(1,216)	135,881	153,996
Investments in subsidiaries and associates	1,032	1,889	170	208	-	-	220,186	226,069	(220,186)	(227,103)	1,202	1,063
Current assets	66,004	47,918	57,288	53,738	-	5,399	39,251	38,405	(10,458)	(6,591)	152,085	138,869
Total assets	139,358	136,303	120,762	120,852	-	6,789	259,718	264,894	(230,670)	(234,910)	289,168	293,928
Owners' equity	121,576	119,029	98,637	107,261	-	2,869	259,197	264,302	(220,213)	(229,184)	259,197	264,277
Minority interest	-	-	-	-	-	-	-	-	-	865	-	865
Non-current liabilities	39	236	393	448	-	-	119	113	(1)	-	550	797
Current liabilities	17,743	17,038	21,732	13,143	-	3,920	402	479	(10,456)	(6,591)	29,421	27,989
Total equity and liabilities	139,358	136,303	120,762	120,852	-	6,789	259,718	264,894	(230,670)	(234,910)	289,168	293,928
Net cash from/(used in) operating activities	43,915	43,908	62,970	66,310	500	804	(1,958)	(2,243)	(262)	447	105,165	109,226
Net cash from/(used in) investing activities	3,378	6,138	919	979	(301)	(661)	67,751	72,780	(65,710)	(70,843)	6,037	8,393
Capital expenditure	(15,026)	(14,795)	(17,433)	(21,725)	(909)	(508)	-	(31)	454	1,049	(32,914)	(36,010)
Net cash from/(used in) financing activities	(17,910)	(35,705)	(47,950)	(36,084)	(116)	6	(68,605)	(51,201)	65,001	69,347	(69,580)	(53,637)
Foreign exchange rate differences	(39)	(40)	(6)	(4)	9	(1)	(16)	(10)	-	-	(52)	(55)
Net increase/(decrease) in cash and cash equivalents	14,318	(494)	(1,500)	9,476	(817)	(360)	(2,828)	19,295	(517)	-	8,656	27,917

b) Additional format - geographic segments

The components of revenues by geographic segments are as follows:

	Fixed network telecommunications		Mobile telecommunications		Construction services		Consolidated	
	2004	2003	2004	2003	2004	2003	2004	2003
Revenue from customers in Estonia	130,443	129,047	159,482	145,713	7,446	6,595	297,371	281,355
Revenue from customers outside Estonia	18,200	14,748	8,976	6,993	2,433	2,264	29,609	24,005
	148,643	143,795	168,458	152,706	9,879	8,859	326,980	305,360



Handwritten signature

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

3. Discontinuing operations

On 10 December 2004, Elion Enterprises AS and Finnish Eltel Networks Corporation entered into a sale agreement of 51% majority interest in AS Eltel Networks with the price 3.9 million EUR. Eltel Networks Corporation already owns 49% interest in AS Eltel Networks. The disposal was completed on 15 December 2004.

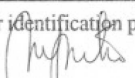
As for the turnover AS Eltel Networks is one of the largest company in the Baltics, offering design, installation, construction and maintenance services for telecommunication and electrical systems. The company has subsidiaries in Latvia and Lithuania.

The consolidated results of AS Eltel Networks and its subsidiaries for the period from 1 January 2004 to 30 November 2004, which have been included in AS Eesti Telekom Group's consolidated financial statements, are as follows:

	CONTINUING OPERATIONS		DISCONTINUING OPERATIONS		GROUP AS A WHOLE	
	2004	2003	2004	2003	2004	2003
Revenues						
Revenue	307,509	285,254	19,471	20,106	326,980	305,360
Other operating income	1,668	1,893	41	49	1,709	1,942
Total revenues	309,177	287,147	19,512	20,155	328,689	307,302
Operating expenses						
Materials, consumables, supplies and services	(112,432)	(95,715)	(8,769)	(10,511)	(121,201)	(106,226)
Other operating expenses	(29,592)	(26,011)	(3,653)	(3,213)	(33,245)	(29,224)
Personnel expenses	(31,381)	(29,237)	(5,644)	(4,773)	(37,025)	(34,010)
Other expenses	(1,397)	(2,200)	(176)	(303)	(1,573)	(2,503)
Total operating expenses	(174,802)	(153,163)	(18,242)	(18,800)	(193,044)	(171,963)
Profit from operations before depreciation	134,375	133,984	1,270	1,355	135,645	135,339
Depreciation, amortisation and impairment of fixed and intangible assets	(51,635)	(55,986)	(547)	(316)	(52,182)	(56,302)
Profit from operations	82,740	77,998	723	1,039	83,463	79,037
Net income/(expenses) from subsidiaries and associates	2,888	3,545	-	-	2,888	3,545
Other net financing items	1,957	2,104	(20)	36	1,937	2,140
Profit before tax	87,585	83,647	703	1,075	88,288	84,722
Income tax on dividends	(24,473)	(18,280)	-	-	(24,473)	(18,280)
Profit after tax	63,112	65,367	703	1,075	63,815	66,442
Minority interest	-	-	(313)	(259)	(313)	(259)
Net profit for the period	63,112	65,367	390	816	63,502	66,183

Cash flow information:

	CONTINUING OPERATIONS		DISCONTINUING OPERATIONS		GROUP AS A WHOLE	
	2004	2003	2004	2003	2004	2003
Net cash from / (used in) operating activities	104,665	108,422	500	804	105,165	109,226
Net cash from / (used in) investing activities	(25,667)	(26,448)	(1,210)	(1,169)	(26,877)	(27,617)
Net cash from / used in financing activities	(69,464)	(53,643)	(116)	6	(69,580)	(53,637)
Effect of foreign exchange rate changes	(61)	(54)	9	(1)	(52)	(55)
Net change in cash and cash equivalents	9,473	28,277	(817)	(360)	8,656	27,917

Signed for identification purposes

 Deloitte & Touche



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

4. Disposal of subsidiaries

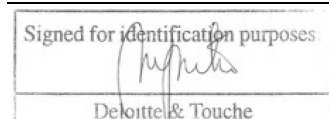
As referred to in note 3 Elion Enterprises AS, a 100%-owned subsidiary of AS Eesti Telekom, sold 51% majority interest in AS Eltel Networks.

The influence of the sale of AS Eltel Networks with its subsidiaries on the assets and liabilities of Eesti Telekom Group on the referred date and in the year 2003 was as follows:

	30 November 2004 51%	31 December 2003 51%	30 June 2003 49%
Property, plant and equipment	2,265	1,390	501
Inventories	660	384	257
Trade receivables	1,589	1,797	326
Other receivables	1,662	1,884	767
Cash and cash equivalents	517	1,334	1,336
Liabilities	(3,119)	(3,920)	(1,186)
Net identifiable assets and liabilities	3,574	2,869	2,001
Elion Enterprises AS interest 51%	1,823		1,021
Intra-group unearned profit	(714)		(414)
Investment carrying amount	1,109		607
Gain on disposal	2,749		3,748
Total consideration	3,858		4,355
Satisfied by:			
Cash	3,858		4,355
Cash and cash equivalents disposed of	(517)		-
Net cash in flow	3,341		4,355

5. Additional information on the income statement

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
(a) Revenue				
Telecommunication services	278,068	265,014	-	-
Goods	34,326	27,610	-	-
Construction contracts	9,879	8,859	-	-
Other services	2,600	1,904	4	2
Other	2,107	1,973	-	-
	326,980	305,360	4	2
(b) Other operating income				
Profit from sales of fixed assets	800	1,110	5	-
Foreign exchange gain	152	272	-	-
Interest on arrears and penalties	144	183	-	-
Other	613	377	-	2
	1,709	1,942	5	2
(c) Personnel expenses				
Wages and salaries	(27,192)	(24,842)	(603)	(533)
Social charges	(9,347)	(8,584)	(251)	(209)
Pension expenses	-	(145)	-	(145)
Unemployment insurance charges	(133)	(130)	(3)	(2)
Other	(353)	(309)	(15)	(10)
	(37,025)	(34,010)	(872)	(899)



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
(d) Other expenses				
Loss from sales of fixed assets	(11)	(5)	-	-
Retirement of fixed assets	(131)	(706)	-	-
Foreign exchange loss	(270)	(346)	(1)	(1)
Sponsorship	(636)	(691)	(38)	(106)
Local taxes	(9)	(27)	-	-
Other	(516)	(728)	(6)	(7)
	(1,573)	(2,503)	(45)	(114)
(e) Depreciation and amortisation				
Depreciation	(49,756)	(54,603)	(35)	(45)
Amortisation	(2,119)	(1,697)	(9)	(32)
Impairment of intangible assets	(307)	(2)	-	-
	(52,182)	(56,302)	(44)	(77)
(f) Other net financing items				
Interest income	2,408	2,414	1,110	1,230
Interest expense	(67)	(91)	(71)	(12)
Net foreign exchange gain / (loss)	(65)	(55)	(16)	(10)
Net gain / (loss) from other financial investments	(171)	1	(77)	-
Other financial income	-	33	-	33
Other financial expenses	(168)	(162)	(165)	(162)
	1,937	2,140	781	1,079

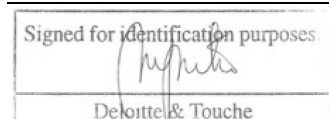
6. Taxation

According to the Estonian Income Tax Act the accrued profit of a resident legal entity is not subject to corporate income tax, instead the tax is due on the dividend distribution. The tax rate applicable in 2004 was 26/74 on the dividends paid.

In case dividends are paid from the retained earnings for the period 1994-1999, it is possible to discount the income tax paid earlier on the part of the retained earnings and prepayments of the tax on dividends made before 2000 from the amount of income tax to be paid on the respective amount of distribution.

Reconciliation of current tax change

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
Dividends paid	70,377	52,683	70,377	52,683
Dividends attracting income tax	70,377	52,683	70,377	52,683
Income tax 26/74 from dividends (35.14%)	(24,727)	(18,510)	(24,727)	(18,510)
Reduction of the income tax paid on 1994 to 1999 earned profit	254	230	-	-
Reduction of the income tax paid by Group subsidiaries	-	-	24,701	17,964
Current tax expense	(24,473)	(18,280)	(26)	(546)
Effective income tax rate	34.77%	34.70%	0.04%	1.04%



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

7. Property, plant and equipment**(a) Consolidated**

	Land and buildings	Machinery and equipment	Other equipment and fixtures	Properties under construction	Prepayments for non-current assets	Total
At cost						
At 31 December 2002	49,494	401,091	32,831	2,201	50	485,667
Additions	35	3,296	3,453	22,997	460	30,241
Acquired on business combination	-	723	690	-	-	1,413
Disposals and write-offs (-)	(3,257)	(10,544)	(2,047)	(28)	-	(15,876)
Reclassification	356	18,354	3,437	(21,758)	(389)	-
At 31 December 2003	46,628	412,920	38,364	3,412	121	501,445
Additions	50	3,056	3,572	23,421	2,022	32,121
Acquired by finance leases	-	1,662	-	-	-	1,662
Acquired on business combination	-	108	26	-	-	134
Disposals and write-offs (-)	(3,643)	(12,340)	(2,659)	(7)	(93)	(18,742)
Reclassification	1,097	23,016	2,372	(24,435)	(2,050)	-
At 31 December 2004	44,132	428,422	41,675	2,391	-	516,620
Accumulated depreciation						
At 31 December 2002	28,292	268,793	17,703	-	-	314,788
Charge for the year	2,017	45,586	7,000	-	-	54,603
Acquired on business combination	-	335	528	-	-	863
Disposals and write-offs (-)	(2,837)	(9,791)	(1,635)	-	-	(14,263)
At 31 December 2003	27,472	304,923	23,596	-	-	355,991
Charge for the year	1,900	41,219	6,637	-	-	49,756
Acquired on business combination	-	49	45	-	-	94
Disposals and write-offs (-)	(3,224)	(12,385)	(2,388)	-	-	(17,997)
At 31 December 2004	26,148	333,806	27,890	-	-	387,844
Carrying amount						
At 31 December 2003	19,156	107,997	14,768	3,412	121	145,454
At 31 December 2004	17,984	94,616	13,785	2,391	-	128,776

Foreign subsidiary SIA Connecto Latvia's share of the Group's total fixed assets was 0.03%. In connection with this and on the basis of the principle of materiality, the influence of unrealised appreciation on components of capital finance is not individually specified in the information on tangible fixed assets.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

(b) Parent company

	Machinery and equipment	Other equipment and fixtures	Total
At cost			
At 31 December 2002	63	170	233
Additions	29	2	31
Disposals and write-offs (-)	(19)	(9)	(28)
At 31 December 2003	73	163	236
Disposals and write-offs (-)	(28)	(3)	(31)
At 31 December 2004	45	160	205
Accumulated depreciation			
At 31 December 2002	34	108	142
Charge for the year	16	29	45
Disposals and write-offs (-)	(9)	(10)	(19)
At 31 December 2003	41	127	168
Charge for the year	15	19	34
Disposals and write-offs (-)	(11)	(2)	(13)
At 31 December 2004	45	144	189
Carrying amount			
At 31 December 2003	32	36	68
At 31 December 2004	-	16	16

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

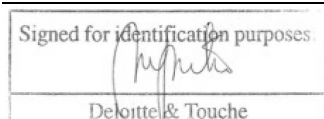
8. Leased plant and equipment

	Machinery and equipment
At cost	
At 31 December 2002	1,201
Acquired on business combination	52
Disposals and write-offs (-)	(52)
Termination of lease	(1,201)
At 31 December 2003	-
Additions	1,662
Acquired on business combination	100
Disposals and write-offs (-)	(312)
At 31 December 2004	1,450
Accumulated depreciation	
At 31 December 2002	120
Charge for the year	160
Acquired on business combination	15
Disposals and write-offs (-)	(295)
At 31 December 2003	-
Charge for the year	189
Acquired on business combination	29
Disposals and write-offs (-)	(73)
At 31 December 2004	145
Carrying amount	
At 31 December 2003	-
At 31 December 2004	1,305

Finance lease liability

	2004	2003
At 31 December	940	-
Principal payments during the financial year	579	68
Interest expenses during the financial year	25	4
Average annual interest rate	4%	7%

The parent company does not have any finance lease agreement.



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

9. Intangible assets

	CONSOLIDATED			PARENT COMPANY	
	Goodwill	Licenses, patents and trademarks	Total	Licenses, patents and trademarks	Total
At cost					
At 31 December 2002	2,804	8,699	11,503	103	103
Additions	654	5,769	6,423	-	-
Acquired on business combination	-	520	520	-	-
Disposals and write-offs (-)	(2,311)	(612)	(2,923)	-	-
At 31 December 2003	1,147	14,376	15,523	103	103
Additions	115	793	908	-	-
Acquired on business combination	-	11	11	-	-
Disposals and write-offs (-)	(1,262)	(397)	(1,659)	-	-
At 31 December 2004	-	14,783	14,783	103	103
Accumulated amortisation					
At 31 December 2002	2,568	6,216	8,784	58	58
Charge for the year	232	1,465	1,697	32	32
Acquired on business combination	-	6	6	-	-
Disposals and write-offs (-)	(2,310)	(587)	(2,897)	-	-
Impairment loss	-	2	2	-	-
At 31 December 2003	490	7,102	7,592	90	90
Charge for the year	204	1,915	2,119	10	10
Acquired on business combination	-	5	5	-	-
Disposals and write-offs (-)	(694)	(374)	(1,068)	-	-
Impairment loss	-	307	307	-	-
At 31 December 2004	-	8,955	8,955	100	100
Carrying amount					
At 31 December 2003	657	7,274	7,931	13	13
At 31 December 2004	-	5,828	5,828	3	3

Foreign subsidiary SIA Connecto Latvia's share of the Group's total intangible assets was 0.02%. In connection with this and on the basis of the principle of materiality, the influence of unrealised appreciation on components of capital finance is not individually specified in the information on intangible assets.

AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

10. Investments in subsidiaries

	Notes	Country of incorporation	Ownership interest		Principal activity	Owner
			2004	2003		
Elion Enterprises AS		Estonia	100%	100%	Network services for operators, data communication and Internet products, voice communication solutions and Internet content services for business and residential customers	AS Eesti Telekom
AS Elion Esindus		Estonia	100%	100%	Retail sales of telecommunication products and services	Elion Enterprises AS
AS EsData		Estonia	100%	100%	Internet and data communication services, VoIP long distance calls and equipment hosting services	Elion Enterprises AS
Viru Net OÜ ¹⁾		Estonia	100%	-	Internet services	Elion Enterprises AS
AS Eltel Networks (previously AS Connecto) ^{2,3)}	3, 4	Estonia	-	51%	Construction and maintenance of telecommunication networks	Elion Enterprises AS
SIA Connecto Latvia ²⁾		Latvia	-	100%	Construction and maintenance of telecommunication networks	AS Eltel Networks (previously AS Connecto)
AS Reveko Telekom ³⁾		Estonia	-	100%	Installation of telephone exchanges and communications systems	AS Eltel Networks (previously AS Connecto)
AS Eltel Networks ^{2,3)}		Estonia	-	100%	Construction of electrical and mobile communications networks	AS Eltel Networks (previously AS Connecto)
UAB Lidivos Tehnologijos ²⁾	11	Lithuania	-	-	Construction and maintenance of telecommunication networks	AS Eltel Networks (previously AS Connecto)
AS EMT		Estonia	100%	100%	Construction and operating of mobile networks, providing mobile communication services	AS Eesti Telekom
EMT Esindused AS		Estonia	100%	100%	Retail sales of telecommunication products and services	AS EMT
AS Mobile Wholesale		Estonia	100%	100%	Wholesale of mobile phones	AS EMT

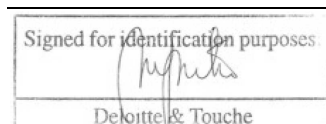
¹⁾ Elion Enterprises AS purchased 100% of the shares of Viru Net OÜ on 30 December 2004. The acquisition cost was 0.4 million EUR. Viru Net OÜ is one of the leading Internet service providers to business in the county of Ida-Virumaa. The enterprise was established in 1997. The turnover of Viru Net OÜ in 2003 was 0.2 million EUR with a net profit of 0.03 million EUR. The company currently has 17 employees. In terms of AS Eesti Telekom Group financial results, the deal has insignificant impact; therefore the financial results of Viru Net OÜ are consolidated from 1 January 2005 onwards.

²⁾ On 15 December 2004, Elion Enterprises AS sold 51% of AS Eltel Networks' shares to the Finnish network construction company Eltel Networks Corporation.

³⁾ AS Connecto, AS Eltel Networks and AS Reveko Telekom were merged during 2004. The acquiring company was AS Connecto. After the merger the acquiring company continued its operations under the corporate name AS Eltel Networks.

The parent company's investments into the subsidiaries are the following:

	2004	2003
Cost of investments	80,769	80,769
Share of post-acquisition gain, net of dividends received	139,417	145,300
	220,186	226,069



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

11. Acquisition of subsidiaries

On 1 January 2004, AS Eitel Networks (previously AS Connecto) acquired 100% of the shares of UAB Lidivos Technologijos. The value of the transaction was 0.3 million EUR.

The primary activity of the company purchased is the installation and maintenance of low-current and security systems.

The effect of the acquisition of subsidiaries on goodwill and cash flows in 2004 and 2003 was the following:

	Note	2004		2003	
		UAB Lidivos Technologijos +100%	AS Reveko Telekom +100%	AS Eitel Networks +100%	AS EsData +70%
Fixed assets		95	636	286	84
Inventories		153	31	112	6
Trade receivables		146	314	258	48
Other receivables		2	29	152	58
Cash and cash equivalents		43	42	8	309
Liabilities		(264)	(347)	(540)	(76)
Net identifiable assets and liabilities		175	705	276	429
Goodwill	9	115	190	460	4
Total consideration		(290)	(895)	(736)	(433)
Cash and cash equivalents		43	42	8	441
Net cash in / (out) flow		(247)	(853)	(728)	8

12. Investments in associates

	2004	2003
Cost of investments	2,270	2,315
Reclassification to the subsidiary	-	(184)
Share of post-acquisition loss, net of dividends received	(1,068)	(1,068)
	1,202	1,063

Details of the Group's associates, as of 31 December 2004 and 2003, are as follows:

	Country of incorporation	Ownership interest		Principal activity	Owner
		2004	2003		
AS Intergate	Estonia	50%	50%	Venture capital investments into companies with innovative technologies	Elion Enterprises AS
AS Sertifitseerimiskeskus	Estonia	50%	50%	Providing certification and related services	Elion Enterprises AS – 25% AS EMT – 25%
OÜ Voicecom	Estonia	26%	26%	Designing and providing software for mobile related services	AS EMT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

13. Non-current securities

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
Non-current securities available for sale				
AS Rocca al Mare Suurhall	-	172	-	77
	-	172	-	77

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
Movement in non-current securities available for sale				
Opening balance	172	173	77	77
Change in fair value	(172)	(1)	(77)	-
	-	172	-	77

In the opinion of the Management Board of AS Eesti Telekom, the net realisation value of the shares in AS Rocca al Mare Suurhall is close to nil, as a result of which the decision has been made to recognise impairment loss in full.

14. Long-term receivables

The interest rates and repayment terms of the Group's long-term receivables are as follows:

Note	Interest rate	Maturity date	CONSOLIDATED		PARENT COMPANY	
			2004	2003	2004	2003
(a) Long-term receivables from associated company						
Loan to AS Sertifitseerimiskeskus	28	6.50%	2006	262	262	262
Non-current portion of receivables				262	262	262
(b) Non-current trade receivables						
Factoring receivables				76	35	-
Non-current trade receivables				50	63	-
				126	98	-
Current portion of receivables (-)				(51)	(47)	-
Non-current portion of receivables				75	51	-
(c) Other long-term receivables						
Instalment receivables	2% - 16%	2006 - 2010		1,811	82	-
Finance lease receivables	8% - 16%	2004 - 2005		63	52	-
Advances for operating leases		2007		61	55	-
Deposits	2.5%	2005		-	5	-
Other advances				1	1	-
				1,936	195	-
Current portion of receivables (-)				(996)	(69)	-
Non-current portion of receivables				940	126	-
Total other non-current receivables				1,277	439	262

Expected repayments of the referred long-term receivables:

	CONSOLIDATED	PARENT COMPANY
Within one year	1,047	-
Later than one year and not later than five years incl.	1,268	262
After five years	9	-
	2,324	262

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

15. Inventories

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
Raw materials and consumables	3,076	2,278	-	-
Goods for resale	4,870	3,902	-	-
Advance to suppliers	3	46	-	-
	7,949	6,226	-	-

In 2004, the inventories were retired in the total amount of 457 thousand EUR (2003: 630 thousand EUR) based on the estimated decline of the net realisation value below their acquisition cost.

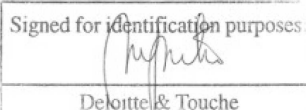
16. Trade and other receivables

	Note	CONSOLIDATED		PARENT COMPANY	
		2004	2003	2004	2003
Trade receivables					
Accounts receivable		38,250	31,934	-	-
Allowance for doubtful receivables		(1,342)	(871)	-	-
		36,908	31,063	-	-
Other receivables					
Receivables from subsidiaries and associates	28	64	5	7,689	2,594
International settlements		4,999	6,411	-	-
Accrued interest		887	1,046	889	1,045
Accrued revenue from construction contracts in progress		-	413	-	-
Other accrued income		2	45	-	-
Prepaid value-added tax		214	1,733	-	-
Prepaid other taxes		-	29	-	-
Prepaid expenses		3,821	3,480	46	54
Other receivables		2,326	891	-	1
		12,313	14,053	8,624	3,694
		49,221	45,116	8,624	3,694

17. Current securities

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
a) Current securities held to maturity (maturity date within 1 year)				
Sampo Pank, commercial papers	-	3,101	-	3,101
Eesti Ühispank, bonds	1,335	-	1,335	-
Eurohypo, bonds	510	-	510	-
	1,845	3,101	1,845	3,101
b) Shares available for sale				
AS EGCC	-	12	-	-
	-	12	-	-
	1,845	3,113	1,845	3,101

Signed for identification purposes


 Deloitte & Touche



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

Movements in shares and other securities (short-term investments):

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
a) Current securities held to maturity (maturity date within 1 year)				
Opening balance	3,101	5,029	3,101	5,029
Acquisitions (at cost)	2,384	3,101	2,384	3,101
Disposals (at carrying value)	(3,776)	(5,029)	(3,776)	(5,029)
Amortisation of the difference between the nominal value and the cost of the securities	136	-	136	-
	1,845	3,101	1,845	3,101
b) Shares available for sale				
Opening balance	12	23	-	-
Acquisitions (at cost)	-	12	-	-
Disposals (at carrying value)	(12)	(23)	-	-
	-	12	-	-

18. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and shares of money-market funds:

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
Bank accounts	2,844	2,487	(61,420)	(50,279)
Deposits	90,201	81,826	90,201	81,825
Cash on hand	25	37	1	-
Money-market fund shares	-	64	-	64
	93,070	84,414	28,782	31,610

The effective interest rates on term deposits were between 2.43% - 2.73% (2003: 2.7% - 3.43%). Accrued interest on bank deposits is disclosed in Note 16.

Negative balances of parent company bank accounts are related with Group account management. All the Group account settlements and investments are done through the parent company bank accounts.

19. Lease receivables

Operating lease receivables

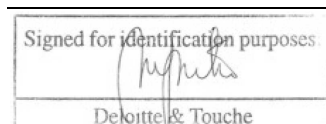
The Group leases office space and IT equipment and solutions under the terms of operating lease. Income from such leases amounts to 245 thousand EUR and 123 thousand EUR in 2004 and 2003, respectively.

The parent company does not have any operating lease agreement.

20. Capital and reserves

a) Issued capital

	2004	2003
Shares issued		
Ordinary shares, par value 0.64 EUR per share, fully paid		
At beginning of year	137,644,428	137,383,178
Share issuance	310,000	261,250
Converted preference share	100	-
	137,954,528	137,644,428
Preference share, par value 63.91 EUR per share, fully paid	-	1



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

Monetary contributions in connection with the shares issued in 2004 are presented in the following table:

	Note	2004	2003
Share capital issued			
At beginning of year		87,971	87,804
Share capital issuance			
Denominational value of bonds (amounts transferred from convertible bonds)	23	20	17
Additional payments in cash		178	150
		88,169	87,971
Share premium			
Opening balance		21,156	19,810
Premium on ordinary shares issued		1,597	1,346
		22,753	21,156

The extraordinary general meeting of shareholders of AS Eesti Telekom held on 15 December 2000 approved the issuance of up to 85,000 convertible bonds, including the issuing of up to 42,500 A-series and 42,500 B-series bonds within the framework of the Eesti Telekom Group's employee incentive program. A resolution passed at the same meeting ruled out AS Eesti Telekom shareholders' pre-emptive right to subscribe such convertible bonds.

During the subscription period of 2 May – 2 June 2003 26,125 A-series bonds were converted into 261,250 AS Eesti Telekom A-shares.

The total number of bonds outstanding as of 1 May 2004 was 34,125 B-series bonds.

In accordance with the "AS Eesti Telekom terms for the issue of convertible bonds", an owner of B-series bond was entitled to

- (i) Redeem a bond and exchange it for 10 AS Eesti Telekom ordinary shares, which have a nominal value of 0.64 EUR each and a subscription price of 5.79 EUR, or
- (ii) Redeem a bond and exchange it for a sum of money (the bond's nominal value 0.64 EUR plus accumulated interest of 7% per annum).

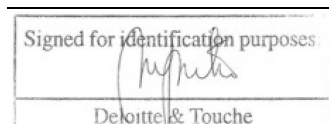
On 4 June 2004, the Management Board of AS Eesti Telekom approved the results of the subscription period that lasted from 2 May to 2 June 2004. During the said period, applications were received for the exchange of 31,000 bonds for 310,000 AS Eesti Telekom ordinary shares. The Management Board of AS Eesti Telekom approved the subscription list, and submit an application to the registry department of the Tallinn City Court for the registration of 310,000 ordinary shares with a nominal value of 0.64 EUR and an issue price of 5.79 EUR, i.e. an issue premium of 5.15 EUR. The shares issued are in all respects equivalent to the existing AS Eesti Telekom A-series shares. The new shares entitle shareholders to dividends as of the 2004 financial year.

Pursuant to the Shareholders' Agreement and in accordance with the decision of the Shareholders' Annual General Meeting on 18 May 2004, one preference share was converted into one hundred ordinary shares, which have a nominal value of 0.64 EUR each.

The total number of AS Eesti Telekom ordinary shares after the share issuance of the new shares is 137,954,528 and share capital 88,169 thousand EUR.

A-shares are distributed between the main groups of shareholders as follows:

	2004		2003	
	Number of shares	Ownership interest %	Number of shares	Ownership interest %
Republic of Estonia	37,485,100	27,17	37,485,000	27,23
Public investors	31,492,114	22,83	32,841,672	23,86
TeliaSonera AB (Baltic Tele AB)	68,977,314	50,00	67,317,756	48,91
	137,954,528	100,00	137,644,428	100,00



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

The holders of ordinary shares are entitled to receive dividends as declared by the general meeting, and are entitled to one vote per share at general meetings of the shareholders of the parent company.

Non-monetary contribution has been made for 63,883,178 shares in the total value of 56,923 thousand EUR.

b) Reserves

Reserves include:

- Statutory legal reserve required by the Commercial Code. Subject to the approval of the general meeting, the reserve may be used for covering cumulated losses, if the latter cannot be covered with other unrestricted equity, and for increasing share capital.
- Share premium – the positive difference between the issue price and nominal value of issued shares (issue premium).

16 thousand EUR from 2003 net profit were transferred to the legal reserve in May 2004.

c) Dividends

Dividends in the total amount of 70,377 thousand EUR (2003: 52,683 thousand EUR) or 0.51 EUR (2003: 0.38 EUR) per ordinary share and 639.11 EUR (2003: 639.11 EUR) per preference share were disbursed in 2004.

d) Treasury shares

The Annual General Meeting of Shareholders, on 18 May 2004, authorized AS Eesti Telekom Management Board to acquire within one year from the adoption of this resolution, i.e. until 18 May 2005 (the same authority, which was obtained from last Annual General Meeting on 22 May 2003, terminated on 22 May 2004) AS Eesti Telekom shares of A-series so that the total of nominal values of treasury shares held by AS Eesti Telekom would not exceed the limit set by statutory regulations, and that the price payable per share would not exceed the highest price paid for the ordinary shares of AS Eesti Telekom on the Tallinn Stock Exchange on the day of acquiring the shares. AS Eesti Telekom has to pay for the shares from the Group's assets in excess of its share capital, legal reserve and share premium. The amount of shares to be acquired each time shall be determined on each occasion separately by a resolution of AS Eesti Telekom's Supervisory Council.

AS Eesti Telekom has acquired no treasury shares during 2004.

e) Earnings per share

Basic earnings per share have been calculated as follows:

- Consolidated:

1) Including discontinuing operations:

2004 year: EUR 0.46 = 63,502,000 : 137,825,320

2003 year: EUR 0.48 = (66,183,000 - 639.11) : 137,535,574

2) Excluding discontinuing operations:

2004 year: EUR 0.46 = 63,112,000 : 137,825,320

2003 year: EUR 0.48 = (65,367,000 - 639.11) : 137,535,574

- Parent Company:

1) Including discontinuing operations:

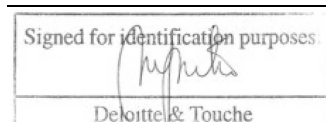
2004 year: EUR 0.46 = 63,477,000 : 137,825,320

2003 year: EUR 0.48 = (66,209,000 - 639.11) : 137,535,574

2) Excluding discontinuing operations:

2004 year: EUR 0.46 = 63,087,000 : 137,825,320

2003 year: EUR 0.48 = (65,393,000 - 639.11) : 137,535,574



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

Diluted earnings per share have been calculated as follows:

2004 year: in view of the fact that the Group has not any dealings with a dilutive effect of earnings per share, diluted earnings per share equal basic earnings per share.

2003 year:

- Consolidated:

1) Including discontinuing operations:

$$EUR\ 0.48 = (66,183,000 - 639.11) : (137,535,574 + ((216,250 - (261,250 \times 5.79/6.44)) \times 5/12) + ((357,500 - (357,500 \times 5.79/6.44)) \times 12/12))$$

2) Excluding discontinuing operations:

$$EUR\ 0.48 = (65,367,000 - 639.11) : (137,535,574 + ((216,250 - (261,250 \times 5.79/6.44)) \times 5/12) + ((357,500 - (357,500 \times 5.79/6.44)) \times 12/12))$$

- Parent Company:

1) Including discontinuing operations:

$$EUR\ 0.48 = (66,209,000 - 639.11) : (137,535,574 + ((216,250 - (261,250 \times 5.79/6.44)) \times 5/12) + ((357,500 - (357,500 \times 5.79/6.44)) \times 12/12))$$

2) Excluding discontinuing operations:

$$EUR\ 0.48 = (65,393,000 - 639.11) : (137,535,574 + ((216,250 - (261,250 \times 5.79/6.44)) \times 5/12) + ((357,500 - (357,500 \times 5.79/6.44)) \times 12/12))$$

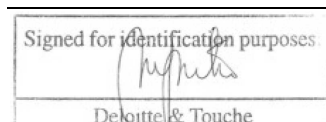
The following data has been used in the ascertainment of basic and diluted earnings per share at the time of calculation of the indicator:

	2004	2003
Consolidated net profit for the period (EUR)	63,502,000	66,183,000
Parent Company net profit for the period (EUR)	63,477,000	66,209,000
Discontinuing operations net profit for the period (EUR)	390,000	816,000
Dividends on preferred share (EUR)	-	639.11
The number of ordinary shares before issuance (up to 31 May)	137,644,428	137,383,178
The number of ordinary shares after issuance of the shares	137,954,528	137,644,428
The average number of ordinary shares	137,825,320	137,535,574
The number of A-series shares covered by options, until the moment of conversion (up to 31 May)	-	261,250
The number of B-series shares covered by options, as of 31 December	-	357,500
The subscription price of shares, as stated in the option agreement (EUR)	-	5.79
The average market value of shares during the financial year (EUR)	-	6.44

f) Share information

AS Eesti Telekom shares are quoted in the main list of the HEX Tallinn Stock Exchange and in the main list of GDR-s on the London Stock Exchange. Each GDR (Global Depositary Receipts) represents three ordinary shares.

The highest price of an AS Eesti Telekom share on the HEX Tallinn Stock Exchange during 2004, was 8.10 EUR; the lowest price was 6.50 EUR (2003: 7.90 EUR and 5.14 EUR respectively), and the average price was 7.16 EUR per share (2003: 6.44 EUR per share).



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

21. Interest-bearing loans and borrowings

	Notes	CONSOLIDATED		PARENT COMPANY	
		2004	2003	2004	2003
(a) Non-current					
Non-convertible long-term debts	22	38	236	-	-
(b) Current					
Non-convertible debts	22	272	505	-	-
Convertible loan – current portion	23	-	28	-	28
Finance lease liability	8, 25 (b)	940	-	-	-
		1,212	533	-	28

22. Loan information

The Group does not have any contingencies from outstanding bank loans as of 31 December 2004.

On 18 January 2001, AS Eesti Telekom entered into a loan facility agreement with a syndicate of international banks for the purpose of raising a 40 million EURO debt. The maturity date of the loan is 5 years and the annual interest rate is EURIBOR+0.775%. The syndicate consists of Bankgesellschaft Berlin AG, the Dai-ichi Kangio Bank Ltd, Landesbank Schleswig Holstein Girozentrale, Sampo Bank plc, AB Swedbank and AS Hansapank.

As of 31 December 2004 and 2003, the loan has not been used.

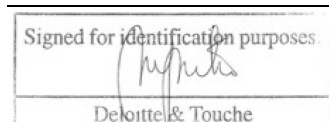
The details of the Group's non-convertible long-term debts are as follows:

	Interest rate	Notes	CONSOLIDATED		PARENT COMPANY	
			2004	2003	2004	2003
EUR (with floating interest) *)	3 months EURIBOR+3,5%		235	706	-	-
Factoring			75	35	-	-
			310	741	-	-
Current portion of non-convertible long-term debts (-)		21 (b)	(272)	(505)	-	-
Non-convertible long-term debts		21 (a)	38	236	-	-

*) Elion Enterprises AS has an outstanding liability in the form of a non-convertible long-term loan. It was taken from Telia Finans AB in the amount of 34 million SEK on 30 December 1994. On 20 February 2002, the loan agreement was changed in a way that an annuity, denominated in SEK and interest payments at the beginning of each period (interest rate K1+margin) became a EUR denominated fixed repayment schedule loan with an interest payment at the end of each period (interest rate 3 months EURIBOR+3.5%). Consequently, the Group eliminated the foreign exchange rate risk between SEK and EEK. The last repayment will be made on 30 June 2005.

Expected repayments of the referred long-term debt:

	Non-convertible long-term debt
Within one year	272
Later than one year and not later than five years incl.	38
	310



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

23. Convertible debt**Employees' share option**

	Notes	CONSOLIDATED	
		2004	2003
Nominal value of convertible loan bonds issued at the year beginning		23	54
Repayment of convertible loan bonds in nominal value		(3)	(14)
Exchange of convertible loan bonds for ordinary shares		(20)	(17)
Nominal value of convertible loan bonds issued at the year ending		-	23
Convertible loan bonds premium at the year beginning		-	1
Discount of convertible loan bonds premium		-	(1)
Interest charged at the year beginning		5	3
Interest charged		1	7
Interest paid		(6)	(5)
		-	5
Current portion of convertible long-term loan bonds	21 (b)	-	28

Additional information concerning the B-series convertible bonds transaction in 2004 is provided in Note 20, section (a).

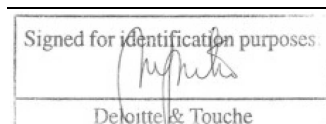
24. Trade and other payables

	Note	CONSOLIDATED		PARENT COMPANY	
		2004	2003	2004	2003
Trade payables		16,918	14,447	47	47
Customer advances		364	446	-	-
Payables to subsidiaries and associates	28	24	-	154	149
Value-added tax payable		582	410	-	-
Social insurance tax payable		848	972	13	16
Income tax fringe benefits payable		134	169	-	1
Unemployment contribution payable		32	40	-	1
Employee withholding tax payable		491	668	9	11
Other taxes payable		24	22	-	-
Payable to employees		4,182	4,206	170	220
International settlements		3,204	4,629	-	-
Clients advance payments for construction contracts to projects		-	29	-	-
Other accrued expenses		1,083	990	9	6
Other prepaid revenue		38	43	-	-
		27,924	27,071	402	451

25. Operating and finance leases**a) Operating lease payments**

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
Minimum lease payments under non-cancellable operating leases, not provided for:				
Within one year	1,345	1,823	-	-
Later than one year and not later than five years incl.	2,553	2,329	-	-
	3,898	4,152	-	-

The operating lease expenses for 2004 and 2003 were 3,200 thousand EUR and 2,936 thousand EUR, respectively.



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

b) Finance lease payments

	Note	CONSOLIDATED		PARENT COMPANY	
		2004	2003	2004	2003
Finance lease payments, both principal and interest charge, are payable as follows:					
Within one year		959	-	-	-
Interest charge (-)		(19)	-	-	-
Current portion of finance lease liability	21 (b)	940	-	-	-

26. Provisions

a) Non-current retirement benefit provisions

	CONSOLIDATED	PARENT COMPANY
Opening balance at 31 December 2003	561	113
Revaluated provisions	6	6
Additional amount transferred to the current portion of provision	(13)	-
	554	119
Current portion of retirement benefit provisions (-)	(42)	-
Non-current retirement benefit provisions	512	119

b) Current provisions

	Termination benefits provision	Current portion of retirement benefit provisions	Other provisions	Total
At 31 December 2003	342	42	1	385
Additional provisions	403	55	-	458
Unused amounts reversed	(95)	-	-	(95)
Used provisions during year	(407)	(55)	(1)	(463)
At 31 December 2004	243	42	-	285

27. Financial instruments

The Group's activities expose it to a variety of financial risks: interest rate risk, credit risk, liquidity risk, currency risk and fair value risk. The Group's risk management is focused on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Funding the Group as well as managing Group's excess liquidity and financial risks are the responsibilities of the Treasury Department that fulfils its obligations in accordance with the rules approved by the Supervisory Council of AS Eesti Telekom.

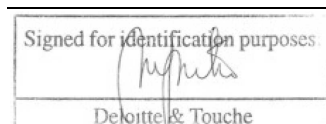
The Group manages its excess liquidity and financial risks only with and through Estonian banks, which have at least a Baa3 credit rating, and foreign banks, which have at least an A2 credit rating. To manage the Group's liquid assets more efficiently the Group has group account systems in Hansapank, Eesti Ühispank, Sampo Pank and in Estonian branch of Nordea Bank Finland. The group accounts are also used for funding the subsidiaries.

(a) Interest rate risk

The financial assets and liabilities bearing interest rate risk have long-term maturities, which are sensitive to movements in interest rates. The Group does not have long-term interest rate sensitive financial assets.

Interest rate risk for financial liabilities represents the volatility of interest rates, which may result the difficulties in forecasting exact amounts of debt repayments. In worst case scenario, if the company has large amounts of debt on its balance sheet and the interest rates rise sharply, the solvency of the company becomes under threat.

The Group has hedged one liability through IRS (Interest Rate Swap) against the volatility of interest rates (3 months Euribor). The deal is made with Nordea Bank Estonia and the hedged loan agreement is signed between Elion Enterprises AS and Telia Finans AB. Interest rate in loan agreement is 3 months Euribor + 3.5%.



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

According to the IRS, signed in February 2002, Elion Enterprises AS is obliged to pay fixed rate of 4.45%. The effective interest rate for Elion Enterprises AS is 7.95%.

The interest rates and repayment terms of the Group's loans are disclosed in note 22 in the financial statements.

(b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed to perform as contracted. The Group does not have significant exposure to credit risk to any individual customer or counter party. To reduce exposure to credit risk, the Group performs ongoing customer performance evaluations. The management does not expect the failure of customers in meeting their obligations.

The Group has policies that limit the amount of credit exposure to any financial institution or other counterparty.

(c) Currency risk

Currency risk is the potential loss of unfavourable movements in currency exchange rates against Estonian kroon. To hedge the currency risk arising from liabilities denominated in foreign currencies, the Group may conclude currency forward, option and swap transactions; also the Group's group accounts include foreign currency assets.

Group Treasury manages currency risk so that in any time the movement of currency exchange rates more than 5% has not bigger effect to open currency positions than 0.2 million EUR.

Main operating currencies for the Group, other than Estonian kroon, are euro and American dollar. In 2004 approximately 10% of settlements were in EUR and less than 5% of settlements in USD. Other foreign currencies contributed less than 1% of the total settlements.

As of 31 December 2004 the Group did not have any outstanding derivative contracts related to hedge currency risks.

(d) Liquidity risk

Liquidity risk relates to the availability of sufficient funds for debt service, dividend payment, and capital expenditure and/or working capital requirement.

Minimum required liquidity position (MRLP) should at any time exceed the level of 5% of planned annual turnover. MRLP is calculated as follows:

MRLP = current assets + unused committed credit facilities – debt repayable within 12 months.

(e) Fair value

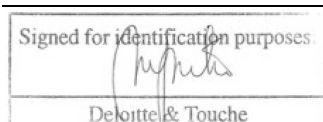
The fair values of cash, trade payables, loans and borrowings are not materially different from their carrying amounts.

28. Related party transactions

Transactions with related parties are transactions with parent, subsidiaries and associates, shareholders, members of the Supervisory Council and the Management Board, employees, their relatives and the companies in which they hold majority interest.

a) Name and relationship of related party

Name	Relationship with AS Eesti Telekom Group
Members of the Management Board and the Supervisory Council	
Employees of AS Eesti Telekom Group	
List of subsidiaries is shown in Note 10	
List of associates is shown in Note 12	
Enterprises of TeliaSonera AB Group	Parent company, shareholder
Eitel Networks Corporation (up to 30 November 2004)	Minority shareholder of AS Eitel Networks



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004**

Financial statements are prepared in thousands of EUR

b) Directors' and executives' remuneration

The remuneration of directors and executives during the year were as follows:

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
Remunerations	1,631	1,475	365	258

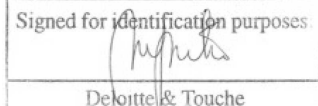
c) Trading transactions

Transactions with related parties were conducted under market terms.

During the year, Group companies entered into the following transactions with related parties:

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
Telecommunication services provided				
Subsidiaries	54	298	-	-
Shareholders	14,022	10,433	-	-
Companies where Supervisory Council members of the Group have significant influence	15	29	-	-
	14,091	10,760	-	-
Other sales				
Subsidiaries	-	-	4	3
Associated companies	90	3	-	-
Shareholders	185	20	-	-
	275	23	4	3
Telecommunication services purchased				
Subsidiaries	-	-	30	23
Associated companies	72	119	-	-
Shareholders	9,210	7,588	-	-
	9,282	7,707	30	23
Other services purchased				
Associated companies	1	4	-	-
Shareholders	274	137	-	-
Companies where Supervisory Council members of the Group have significant influence	4	145	-	14
	279	286	-	14
Financial income				
Subsidiaries	-	-	136	133
Associated companies	9	17	-	17
	9	17	136	150
Financial expenses				
Subsidiaries	-	-	69	10
Shareholders	30	60	-	-
	30	60	69	10
Amounts owed by related parties				
Subsidiaries	-	-	7,685	2,590
Associated companies	326	267	266	266
Shareholders	3,395	3,564	-	-
Companies where Supervisory Council members of the Group have significant influence	-	2	-	-
	3,721	3,833	7,951	2,856
Amounts owed to related parties				
Subsidiaries	-	-	154	149
Associated companies	24	-	-	-
Shareholders	1,618	2,245	-	-
Employees of AS Eesti Telekom Group (convertible loan)	-	28	-	28
	1,642	2,273	154	177

Signed for identification purposes



AS EESTI TELEKOM AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

Financial statements are prepared in thousands of EUR

29. Contingencies

Contingent income tax liability

According to the Estonian Income Tax Law in force from 1 January 2003, resident legal entities pay income tax on dividends and on other distribution of profit irrespective of the recipient. The maximum amount of the contingent income tax occurring at the distribution of profits as dividends (139,478 thousand EUR) is up to 44,046 thousand EUR. The tax rate applicable in 2005 is 24/76 on the dividends paid. The income tax payable can be decreased by the income tax paid by the subsidiary and associated company at their dividend distribution.

Other contingent liabilities

	CONSOLIDATED		PARENT COMPANY	
	2004	2003	2004	2003
Guarantees to former employees	13	13	13	13
Guarantees to subsidiary	-	-	-	192
Guarantees to other companies	52	114	-	-

Construction guarantees given to AS Eltel Networks during the period from 1 January up to 30 November 2004, i. e. date of sale, were not realised.

AS EMT acquired a third generation mobile communications license in 2003. By acquiring the license, AS EMT accepted an obligation to establish, within seven years of the issuance of the license (17 July 2003), a third generation network, covering at least 30% of the Estonian population and having a data transmission speed of at least 144 Kb/sec in urban areas and 64 Kb/sec elsewhere in Estonia.

30. Employees

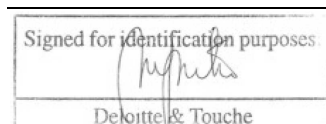
The average number of employees during 2004 was 2,447; and during 2003, 2,426.

31. Parent of the Group

The parent company of the Group is AS Eesti Telekom, situated at Roosikrantsi St. 2, 10119 Tallinn, Estonia.

The immediate parent company of AS Eesti Telekom Group is Baltic Tele AB, a 100%-owned subsidiary of TeliaSonera AB. Address: Box 7754, SE-103 96, Stockholm, Sweden.

AS Eesti Telekom Group consolidated financial statements are consolidated into TeliaSonera AB, the ultimate parent company, situated at Sturegatan 1, SE-106 63 Stockholm, Sweden.



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AS Eesti Telekom:

We have audited the annual accounts of AS Eesti Telekom ("the Parent") and of AS Eesti Telekom and its subsidiaries ("the Group") for the year ended 31 December 2004. These annual accounts are the responsibility of the Parent's Management Board. Our responsibility is to express an opinion on these annual accounts based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the annual accounts. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the annual accounts present fairly, in all material respects, the financial position of the Parent and the Group as of 31 December 2004, the results of their operations and their cash flows for the year then ended, in accordance with Estonian Accounting Law and International Financial Reporting Standards.



Villu Vaino
Certified Auditor
4 March 2005



AS Deloitte & Touche Audit

