

SAKU BREWERY GROUP
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THE FIRST THREE MONTHS OF 2002

The group comprises Saku Brewery Ltd, the parent, and its wholly owned subsidiary Saku Keldri OÜ. Only the parent conducts active business operations.

The parent company's financial statements do not contain significant additional information. Therefore, only the consolidated accounts are issued.

The core activities of Saku Brewery Ltd:
production, sale, import and export of low-alcohol beverages,
mineral water and soft drinks

| | |
|--------------------------------|-------------|
| Beginning of financial year: | 1 January |
| End of financial year: | 31 December |
| Beginning of reporting period: | 1 January |
| End of reporting period: | 31 March |

| | |
|------------------------|--|
| Auditors of the group: | Andres Root, Andris Jegers KPMG Estonia |
|------------------------|--|

| | |
|---------|-----------|
| Status: | unaudited |
|---------|-----------|

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The operation of Saku Brewery Ltd is managed by a seven-member management board.
The company's CEO is Cardo Rimmel

SAKU BREWERY LTD
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THE FIRST THREE MONTHS OF 2002

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1. Financial statements

CONSOLIDATED BALANCE SHEET

(In thousands)

| | EEK | | | EUR | | |
|--|----------------|-------------------------|-------------------------|---------------|-------------------------|-------------------------|
| | 31.3.2002 | 31.3.2001 Adjusted** | 31.12.2001 Adjusted* | 31.3.2002 | 31.3.2001 Adjusted** | 31.12.2001 Adjusted* |
| ASSETS | | | | | | |
| Cash and bank | 3 227 | 4 400 | 20 199 | 206 | 281 | 1 291 |
| Shares and other securities | | 3 908 | 3 907 | | 250 | 250 |
| Trade receivables (Note 2) | 30 422 | 24 561 | 29 157 | 1 944 | 1 570 | 1 863 |
| Other receivables and prepayments (Note 3) | 3 794 | 1 386 | 2 100 | 243 | 88 | 134 |
| Inventories (Note 4) | 92 283 | 95 087 | 77 441 | 5 898 | 6 077 | 4 949 |
| TOTAL CURRENT ASSETS | 129 726 | 129 342 | 132 804 | 8 291 | 8 266 | 8 487 |
| Non-current assets | | | | | | |
| Long-term financial investments (Note 5) | 16 718 | 13 800 | 17 300 | 1 068 | 882 | 1 106 |
| Long-term receivables (Note 6) | 164 | 335 | 186 | 10 | 21 | 12 |
| Intangible assets (Note 7) | 674 | 184 | 747 | 43 | 12 | 48 |
| Tangible assets (Notes 7, 8) | 254 176 | 243 284 | 249 142 | 16 245 | 15 549 | 15 923 |
| TOTAL NON-CURRENT ASSETS | 271 732 | 257 603 | 267 375 | 17 366 | 16 464 | 17 089 |
| TOTAL ASSETS | 401 458 | 386 945 | 400 179 | 25 657 | 24 730 | 25 576 |
| LIABILITIES AND EQUITY | | | | | | |
| Current liabilities | | | | | | |
| Debt obligations (Note 8) | 1 580 | 1 557 | 1 714 | 101 | 100 | 110 |
| Trade payables | 23 585 | 17 279 | 22 314 | 1 507 | 1 104 | 1 426 |
| Payables to the parent | 563 | 818 | | 36 | 52 | |
| Tax liabilities (Note 9) | 11 426 | 13 308 | 12 123 | 730 | 851 | 775 |
| Payables to employees | 2 590 | 2 446 | 3 329 | 165 | 156 | 213 |
| Other accrued expenses | 41 028 | 1 879 | 379 | 2 622 | 120 | 24 |
| TOTAL CURRENT LIABILITIES | 80 772 | 37 287 | 39 859 | 5 161 | 2 383 | 2 548 |
| Non-current liabilities | | | | | | |
| Non-convertible debt (Note 8) | 3 106 | 3 885 | 3 412 | 199 | 248 | 218 |
| Equity | | | | | | |
| Share capital | 80 000 | 80 000 | 80 000 | 5 113 | 5 113 | 5 113 |
| Capital reserve | 8 000 | 8 000 | 8 000 | 511 | 511 | 511 |
| Other reserves | 44 070 | 44 070 | 44 070 | 2 817 | 2 817 | 2 817 |
| Accumulated profits | 184 838 | 214 362 | 169 786 | 11 813 | 13 700 | 10 851 |
| Profit for the period | 672 | -659 | 55 052 | 43 | -42 | 3 518 |
| TOTAL EQUITY | 317 580 | 345 773 | 356 908 | 20 297 | 22 099 | 22 810 |
| TOTAL LIABILITIES AND EQUITY | 401 458 | 386 945 | 400 179 | 25 657 | 24 730 | 25 576 |

** - Adjusted for the change in the accounting for kegs.

* - Adjusted for the change in the valuation of finished goods and the accounting for kegs.

CONSOLIDATED INCOME STATEMENT

(In thousands)

| | EEK | | | EUR | | |
|--|---------------------------|--|-------------------|---------------------------|---|-------------------|
| | January- March 2002 | January- March 2001 Adjusted**Adjusted* | 2001 Adjusted* | January- March 2002 | January- March 2001 Adjusted** | 2001 Adjusted* |
| Revenue | | | | | | |
| Net sales (Note 10) | 136 148 | 127 128 | 745 937 | 8 701 | 8 125 | 47 674 |
| Change in work in progress and finished goods inventories | 1 142 | 2 449 | 555 | 73 | 156 | 35 |
| Other revenue (Note 12) | 340 | 176 | 660 | 22 | 11 | 42 |
| Total revenue | 137 630 | 129 753 | 747 152 | 8 796 | 8 292 | 47 751 |
| Expenses (Note 13) | | | | | | |
| Materials, consumables and supplies | 89 038 | 84 385 | 477 494 | 5 690 | 5 393 | 30 517 |
| Other operating expenses | 24 014 | 22 752 | 115 920 | 1 535 | 1 454 | 7 409 |
| Personnel expenses | 12 131 | 11 330 | 48 097 | 775 | 724 | 3 074 |
| Depreciation | 10 514 | 10 504 | 42 831 | 672 | 671 | 2 738 |
| Other expenses | 1 203 | 1 287 | 6 761 | 77 | 82 | 432 |
| Total expenses | 136 900 | 130 258 | 691 103 | 8 749 | 8 324 | 44 170 |
| OPERATING PROFIT/LOSS | 730 | -505 | 56 049 | 47 | -32 | 3 581 |
| Financial income (Note 14) | 98 | 75 | 433 | 6 | 5 | 28 |
| Financial expenses (Note 14) | 156 | 229 | 1 430 | 10 | 15 | 91 |
| PROFIT BEFORE TAXES | 672 | -659 | 55 052 | 43 | -42 | 3 518 |
| Income tax expense | | | | | | |
| PROFIT FOR THE PERIOD | 672 | -659 | 55 052 | 43 | -42 | 3 518 |
| Basic earnings per share (Note 15) | 0,08 | 0,00 | 6,88 | 0,01 | 0,00 | 0,44 |
| Diluted earnings per share (Note 15) | 0,08 | 0,00 | 6,88 | 0,01 | 0,00 | 0,44 |

** - Adjusted for the change in the accounting for kegs.

* - Adjusted for the change in the valuation of finished goods and the accounting for kegs.

CONSOLIDATED CASH FLOW STATEMENT

(In thousands)

| | EEK | | | EUR | | |
|---|---------------------------|---|-------------------|---------------------------|---|-------------------|
| | January- March 2002 | January- March 2001 Adjusted** | 2001 Adjusted* | January- March 2002 | January- March 2001 Adjusted** | 2001 Adjusted* |
| Profit before taxes | 672 | -659 | 55 052 | 43 | -42 | 3 518 |
| Income tax expense | | | | | | |
| Depreciation | 10 514 | 10 504 | 42 831 | 672 | 671 | 2 738 |
| Non-current asset sales and write-off | -28 | -2 | -186 | -2 | | -12 |
| Total | 11 158 | 9 843 | 97 697 | 713 | 629 | 6 244 |
| Change in short-term financial investment | 3 907 | 24 | 25 | 250 | 1 | 1 |
| Change in inventories | -14 842 | -10 177 | 7 469 | -949 | -650 | 478 |
| Change in receivables | -2 959 | 7 776 | 2 466 | -190 | 497 | 158 |
| Change in current liabilities | 41 047 | 3 292 | 5 707 | 2 622 | 210 | 365 |
| Total | 27 153 | 915 | 15 667 | 1 733 | 58 | 1 002 |
| Net cash from operating activities | 38 311 | 10 758 | 113 364 | 2 446 | 687 | 7 246 |
| Investing activities | | | | | | |
| Acquisition of non-current assets | -15 586 | -14 102 | -51 985 | -995 | -901 | -3 323 |
| Sales of non-current assets at sales price | 139 | 21 | 493 | 9 | 1 | 32 |
| Acquisition of land | | | | | | |
| Acquisition of shares | | -1 350 | -1350 | | -86 | -86 |
| Change in long-term receivables | 22 | 174 | 323 | 2 | 11 | 20 |
| Acquisition of bonds | 582 | -1 900 | -5400 | 38 | -121 | -345 |
| Collection of loans given | | | | | | |
| Net cash used in investing activities | -14 843 | -17 157 | -57 919 | -946 | -1 096 | -3 702 |
| Financing activities | | | | | | |
| Distribution of dividends | -40 000 | | -40 000 | -2 557 | | -2 557 |
| Income tax paid on dividends | | | -4 576 | | | -292 |
| Settlement of finance lease liabilities | -595 | -557 | -2 548 | -38 | -36 | -163 |
| Incl. Finance charges | 155 | 169 | 691 | 10 | 11 | 44 |
| Net cash used in financing activities | -40 440 | -388 | -46 433 | -2 585 | -25 | -2 968 |
| Net decrease/increase in cash | -16 972 | -6 787 | 9 012 | -1 085 | -434 | 576 |
| Cash at beginning of period | 20 199 | 11 187 | 11 187 | 1 291 | 715 | 715 |
| Cash at end of period | 3 227 | 4 400 | 20 199 | 206 | 281 | 1 291 |
| Net decrease/increase in cash | -16 972 | -6 787 | 9 012 | -1 085 | -434 | 576 |

*- Adjusted for the change in the accounting for kegs

**Adjusted for the change in the valuation of finished goods
and the accounting for kegs.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In thousands)

| | EEK | | | EUR | | |
|---|---------------------------|---|-------------------|---------------------------|---|-------------------|
| | January- March 2002 | January- March 2001 Adjusted** | 2001 Adjusted* | January- March 2002 | January- March 2001 Adjusted** | 2001 Adjusted* |
| Share capital | 80 000 | 80 000 | 80 000 | 5 113 | 5 113 | 5 113 |
| Capital reserve | 8 000 | 8 000 | 8 000 | 511 | 511 | 511 |
| Other reserves | 44 070 | 44 070 | 44 070 | 2 817 | 2 817 | 2 817 |
| Accumulated profits at beginning of period | 224 838 | 214 362 | 214 362 | 14 370 | 13 700 | 13 700 |
| Dividend distribution | -40 000 | | -40 000 | -2 557 | | -2 557 |
| Dividend tax | | | -4 576 | | | -292 |
| Accumulated profits at end of period | 184 838 | 214 362 | 169 786 | 11 813 | 13 700 | 10 851 |
| Profit for the period | 672 | -659 | 55 052 | 43 | -42 | 3 518 |
| Total equity | 317 580 | 345 773 | 356 908 | 20 297 | 22 099 | 22 810 |

** - Adjusted for the change in the accounting for kegs.

* - Adjusted for the change in the valuation of finished goods and the accounting for kegs.

Notes to the consolidated financial statements

Note 1. Accounting policies

The interim financial statements for the first three months of 2002 have been prepared, in general, in accordance with the accounting policies and measurement bases applied at the preparation of the annual financial statements for 2001.

Change in accounting policies

Based on the Accounting Act, which states that assets whose useful lives extend beyond one year are to be treated as non-current assets, and the useful life of kegs, which is 10 years, from 1 January 2002 the kegs owned by the parent are recognised as non-current assets. The kegs have been recognised as non-current assets based on their labelling as of 31 March 2002. The kegs were acquired before 2000. Therefore, their recognition as non-current assets increased depreciation expense and affected accumulated profits. Regrouping of items reduced inventories and receivables relating to kegs deposited with customers and increased tangible assets (by the net book value of the kegs) and payables relating to kegs deposited with customers. The change in accounting policies reduced the profit for 2000 by EEK 512,000 (EUR 33,000), the profit for 2001 by EEK 557,000 (EUR 36,000) and the profit for the first three months of 2001 by EEK 140,000 (EUR 9,000).

The adjustments made because of the change in accounting policies affect the accounts of the group to the same extent as the accounts of the parent.

| (In thousands) | Adjustment of the balance sheet | | | |
|------------------------|---------------------------------|------------|-----------|------------|
| | EEK | | EUR | |
| | 31.3.2001 | 31.12.2001 | 31.3.2001 | 31.12.2001 |
| Trade receivables | -798 | -1029 | -51 | -66 |
| Inventories | -3557 | -3326 | -227 | -213 |
| Tangible assets | 3901 | 3 484 | 249 | 223 |
| ASSETS | -454 | -871 | -29 | -56 |
| Trade payables | 1259 | 1259 | 80 | 80 |
| Profit for the period | -140 | -557 | -9 | -36 |
| Accumulated profits | -1573 | -1573 | -100 | -100 |
| LIABILITIES AND EQUITY | -454 | -871 | -29 | -56 |

The balance sheet as of 31 March 2001 was also adjusted on account of a change in the valuation of finished goods inventories, which was introduced at the end of 2001. The adjustment reduced the balance of inventories and the profit for the period by EEK 195,000 (EUR 12,000).

Note 2. Trade receivables

| (In thousands) | EEK | | EUR | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Group 31.3.2002 | Group 31.3.2001 | Group 31.3.2002 | Group 31.3.2001 |
| Due from customers | 30,441 | 24,734 | 1,946 | 1,581 |
| Allowance for doubtful items | -486 | -177 | -31 | -11 |
| Write-off of irrecoverable items | 487 | 19 | 31 | 1 |
| Collection of formerly expensed items | -20 | -15 | -2 | -1 |
| Total | 30,422 | 24,561 | 1,944 | 1,570 |

The ratio of irrecoverable receivables expensed within the first three months to net sales amounts to 0.36 percent. The largest items relate to amounts due from Baltic Food Eesti AS and Dagab Baltic Eesti AS.

Note 3. Other receivables and prepayments

| (In thousands) | EEK | | EUR | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Group 31.3.2002 | Group 31.3.2001 | Group 31.3.2002 | Group 31.3.2001 |
| Prepaid taxes | 2,149 | | 137 | |
| Other short-term receivables | 1,152 | 445 | 74 | 28 |
| Other prepaid expenses | 493 | 941 | 32 | 60 |
| Total | 3,794 | 1,386 | 243 | 88 |

Note 4. Inventories

Only the parent company has inventories.

| (In thousands) | EEK | | EUR | |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Group 31.3.2002 | Group 31.3.2001 | Group 31.3.2002 | Group 31.3.2001 |
| Materials | 34,953 | 36,776 | 2,234 | 2,350 |
| Work in progress | 8,819 | 7,730 | 564 | 494 |
| Finished goods | 6,305 | 8,145 | 403 | 521 |
| Merchandise purchased for resale | 39,069 | 40,902 | 2,497 | 2,614 |
| Prepayments to suppliers | 3,137 | 1,534 | 200 | 98 |
| Total | 92,283 | 95,087 | 5,898 | 6,077 |

Note 5. Long-term financial investments

Only the parent company has long-term financial investments..

| (In thousands) | EEK | | EUR | |
|---|--------------------|--------------------|--------------------|--------------------|
| | Group 31.3.2002 | Group 31.3.2001 | Group 31.3.2002 | Group 31.3.2001 |
| Shares in AS Rocca al Mare Suurhall | 3,300 | 3,300 | 211 | 211 |
| Bonds issued by AS Rocca al Mare Suurhall | 13,418 | 10,500 | 857 | 671 |
| Total | 16,718 | 13,800 | 1,068 | 882 |

Note 6. Long-term receivables

The balance of EEK 164,000 (EUR 10,000) is made up of the parent's receivables from two companies for sale of assets under an instalment plan.

Note 7. Tangible and intangible assets

Only the parent company has non-current assets.

The structure and movements in non-current assets are outlined in the following tables.

Structure of tangible assets

| (In thousands) | EEK | | EUR | |
|-----------------------------------|----------------|----------------|---------------|---------------|
| | 31.3.2002 | 31.3.2001 | 31.3.2002 | 31.3.2001 |
| Net book value of tangible assets | 221,096 | 211,234 | 14,131 | 13,500 |
| Leased assets | 4,516 | 5,308 | 289 | 339 |
| Prepayments for tangible assets | 12,277 | 2,352 | 784 | 151 |
| Investments in progress | 16,287 | 24,390 | 1,041 | 1,559 |
| Total | 254,176 | 243,284 | 16,245 | 15,549 |

Prepayments for tangible assets include a claim of EEK 196,000 (EUR 13,000) relating to the land of the liquidated AS Saku Linnas. The claim is under consideration.

Movements in non-current assets in the first three months of 2002
(In EEK, thousands)

| Asset group | 31.12.2001 | | 2002 | | | | 31.3.2002 | | Net book value |
|-----------------------------|------------------|----------------|--------------------------------|--|-----------------------------|------------------|----------------|----------------|----------------|
| | Acquisition cost | Depreciation | Recognised at acquisition cost | Acquisition cost of items sold, written down and written off | Depreciation for the period | Acquisition cost | Depreciation | | |
| Tangible assets | | | | | | | | | |
| Buildings and constructions | 117,857 | 23,864 | | | 1,154 | 117,857 | 25,018 | 92,839 | |
| Plant and equipment | 211,017 | 121,630 | 186 | | 6,514 | 211,203 | 128,144 | 83,059 | |
| Motor vehicles | 9,177 | 4,830 | 801 | 267 | 128 | 9,711 | 4,803 | 4,908 | |
| IT equipment | 3,171 | 2,035 | 357 | 66 | 143 | 3,462 | 2,112 | 1,350 | |
| Other equipment | 61,178 | 27,276 | 577 | | 1,880 | 61,755 | 29,156 | 32,599 | |
| Kegs | 5,614 | 2,130 | | | 140 | 5,614 | 2,270 | 3,344 | |
| Land | 2,997 | | | | | 2,997 | | 2,997 | |
| Total | 411,011 | 181,765 | 1,921 | 333 | 9,959 | 412,599 | 191,503 | 221,096 | |
| Intangible assets | | | | | | | | | |
| | 877 | 130 | | | 73 | 877 | 203 | 674 | |

Movements in non-current assets in the first three months of 2002
(In EUR, thousands)

| Asset group | 31.12.2001 | | 2002 | | | | 31.3.2002 | | |
|-----------------------------|------------------|---------------|--------------------------------|--|-----------------------------|------------------|---------------|----------------|--|
| | Acquisition cost | Depreciation | Recognised at acquisition cost | Acquisition cost of items sold, written down and written off | Depreciation for the period | Acquisition cost | Depreciation | Net book value | |
| Tangible assets | | | | | | | | | |
| Buildings and constructions | 7,532 | 1,525 | | | 74 | 7,532 | 1,599 | 5,933 | |
| Plant and equipment | 13,486 | 7,774 | 12 | | 416 | 13,498 | 8,190 | 5,308 | |
| Motor vehicles | 587 | 309 | 51 | 17 | 8 | 621 | 307 | 314 | |
| IT equipment | 203 | 130 | 23 | 4 | 9 | 222 | 136 | 86 | |
| Other equipment | 3,910 | 1,743 | 37 | | 120 | 3,947 | 1,863 | 2,084 | |
| Kegs | 359 | 136 | | | 9 | 359 | 145 | 214 | |
| Land | 192 | | | | | 192 | | 192 | |
| Total | 26,269 | 11,617 | 123 | 21 | 636 | 26,371 | 12,240 | 14,131 | |
| Intangible assets | 56 | 8 | | | 5 | 56 | 13 | 43 | |

Note 8. Debt obligations

Only the parent company has finance and operating lease agreements. The period's operating lease payments totalled EEK 338,000 (EUR 22,000). The payments were made under nine agreements and were recognised as expenses on own motor vehicles.

In addition, the company uses motor vehicles under 48 finance lease agreements. Finance lease liabilities and payments break down as follows:

| (In thousands) | EEK | | EUR | |
|---------------------------------|-----------|-----------|-----------|-----------|
| | 31.3.2002 | 31.3.2001 | 31.3.2002 | 31.3.2001 |
| Acquisition cost | 7,722 | 7,509 | 494 | 480 |
| Accumulated depreciation | 3,206 | 2,201 | 205 | 141 |
| Finance lease liability | 4,686 | 5,442 | 300 | 348 |
| incl. payable within a year | 1,580 | 1,557 | 101 | 100 |
| payable within more than a year | 3,106 | 3,885 | 199 | 248 |

Due to termination of agreements in the first three months of 2002, the acquisition cost and accumulated depreciation of leased vehicles have decreased by EEK 107,000 (EUR 7,000). Three months' depreciation amounts to EEK 482,000 (EUR 31,000). The reporting period's finance lease payments totalled EEK 595,000 (EUR 38,000), including interest payments of EEK 155,000 (EUR 10,000). The interest rates range from 7.0 - 13.1 percent.

Note 9. Tax liabilities

Only the parent company has tax liabilities.

| (In thousands) | EEK | | EUR | |
|--|---------------|---------------|------------|------------|
| | Group | Group | Group | Group |
| | 31.3.2002 | 31.3.2001 | 31.3.2002 | 31.3.2001 |
| Alcohol excise tax | 8,855 | 8,592 | 566 | 549 |
| Value-added tax | 39 | 2,088 | 2 | 134 |
| Social tax | 1,356 | 1,471 | 87 | 94 |
| Personal income tax | 944 | 1,028 | 60 | 66 |
| Income tax on fringe benefits, non-business and entertainment expenses | 174 | 129 | 11 | 8 |
| Unemployment insurance tax | 58 | | 4 | |
| Total | 11,426 | 13,308 | 730 | 851 |

Note 10. Net sales

| (In thousands) Products and services | EEK | | EUR | |
|---|----------------|----------------|--------------|--------------|
| | 31.3.2002 | 31.3.2001 | 31.3.2002 | 31.3.2001 |
| Saku beers | 65,048 | 61,010 | 4,157 | 3,899 |
| Imported beers | 1,249 | 1,196 | 80 | 75 |
| Saku mineral water | 358 | 420 | 23 | 27 |
| Imported mineral water | 3,318 | 4,064 | 212 | 260 |
| Other Saku alcoholic beverages | 901 | 678 | 57 | 44 |
| Imported soft drinks | 3,206 | 3,111 | 205 | 199 |
| Other imported alcoholic beverages | | 237 | | 15 |
| Bottles, crates, pallets | 60,586 | 55,941 | 3,872 | 3,576 |
| By-products | 228 | 251 | 15 | 16 |
| Services | 867 | 105 | 55 | 7 |
| Other goods | 387 | 115 | 25 | 7 |
| Total | 136,148 | 127,128 | 8,701 | 8,125 |

Markets

| | Group | Group | Group | Group |
|--|----------------|----------------|--------------|--------------|
| | 31.3.2002 | 31.3.2001 | 31.3.2002 | 31.3.2001 |
| Estonia | 129,529 | 118,689 | 8,278 | 7,586 |
| Exports (Lithuania, Latvia, Finland, the USA, Japan) | 6,619 | 8,439 | 423 | 539 |
| Total | 136,148 | 127,128 | 8,701 | 8,125 |

Note 11. Transactions with related parties

Purchases by Saku Brewery Ltd from:

(In thousands)

| | EEK | | EUR | |
|-----------------------------|------------------------|------------------------|------------------------|------------------------|
| | First 3 months of 2002 | First 3 months of 2001 | First 3 months of 2002 | First 3 months of 2001 |
| A/O Aldaris | 3,036 | 3,157 | 194 | 202 |
| AB Svyturys-Utenos Alus | 216 | | 14 | |
| Baltic Beverages Holding AB | 845 | 900 | 54 | 58 |
| Baltic Beverages Eesti AS | 3 | | | |
| Total | 4,100 | 4,057 | 262 | 260 |

Sales by Saku Brewery Ltd to:

(In thousands)

| | EEK | | EUR | |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | First 3 months of 2002 | First 3 months of 2001 | First 3 months of 2002 | First 3 months of 2001 |
| A/O Aldaris | 85 | 480 | 5 | 31 |
| AB Svyturys-Utenos Alus | 3,467 | 4,666 | 222 | 298 |
| Baltic Beverages Eesti AS | 24 | 27 | 2 | 2 |
| Total | 3,576 | 5,173 | 229 | 331 |

Related parties include companies of Baltic Beverages Holding AB group (BBH). Transactions with related parties were effected at the group's transfer prices. The sales of Saku Brewery Ltd comprised sales of finished goods and bottles and letting of premises. Purchases comprised purchase of goods, bottles, and management and consulting services.

Note 12. Other revenue

(In thousands)

| | EEK | | EUR | |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Group 31.3.2002 | Group 31.3.2001 | Group 31.3.2002 | Group 31.3.2001 |
| Gains on sale of non-current assets | 28 | 3 | 2 | |
| Income of receivables | 5 | | | |
| Receipt of interest on arrears | 2 | 11 | | 1 |
| Receipt of insurance indemnification | 278 | 94 | 18 | 6 |
| Exchange gain | 27 | 68 | 2 | 4 |
| Total | 340 | 176 | 22 | 11 |

Note 13. Expenses

(In thousands)

| | EEK | | EUR | |
|--|--------------------|--------------------|--------------------|--------------------|
| | Group 31.3.2002 | Group 31.3.2001 | Group 31.3.2002 | Group 31.3.2001 |
| Materials | 10,154 | 8,842 | 649 | 565 |
| Ancillary materials | 9,262 | 9,271 | 592 | 592 |
| Bottles, crates, pallets | 60,912 | 56,182 | 3,893 | 3,591 |
| Imported beverages | 4,016 | 4,831 | 256 | 309 |
| Other | 4,694 | 5,259 | 300 | 336 |
| Total materials, consumables and supplies | 89,038 | 84,385 | 5,690 | 5,393 |
| Advertising | 7,141 | 7,049 | 456 | 451 |
| Transportation and vehicle expenses | 6,986 | 5,984 | 447 | 382 |

| | | | | |
|---|---------------|---------------|--------------|--------------|
| Waste disposal | 1,349 | 1,099 | 86 | 70 |
| Renovation of buildings and equipment | 2,301 | 2,579 | 147 | 165 |
| Other services | 3,780 | 3,606 | 242 | 230 |
| Other expenses | 2,457 | 2,435 | 157 | 156 |
| Total other operating expenses | 24,014 | 22,752 | 1,535 | 1,454 |
| Wages and salaries | 9,033 | 8,470 | 577 | 541 |
| Social tax | 3,056 | 2,860 | 195 | 183 |
| Unemployment insurance tax | 42 | | 3 | |
| Total personnel expenses | 12,131 | 11,330 | 775 | 724 |
| Sponsoring, entertainment expenses, expenses not related to primary production | 1,150 | 1,130 | 74 | 72 |
| Interest on arrears paid | 4 | 11 | | 1 |
| Exchange loss | 49 | 146 | 3 | 9 |
| Total other expenses | 1,203 | 1,287 | 77 | 82 |

Note 14. Financial income and expenses

(In thousands)

| | EEK | | EUR | |
|---|------------|------------|-----------|-----------|
| | Group | Group | Group | Group |
| | 31.3.2002 | 31.3.2001 | 31.3.2002 | 31.3.2001 |
| Interest income | 98 | 75 | 6 | 5 |
| Total financial income | 98 | 75 | 6 | 5 |
| Interest expense | 156 | 205 | 10 | 13 |
| Expenses relating to shares in the subsidiary | | 24 | | 2 |
| Total financial expenses | 156 | 229 | 10 | 15 |

Note 15. Earnings per share

(In thousands)

| | EEK | | EUR | |
|-----------------------------------|-------------|-----------|--------------|-----------|
| | Group | Group | Group | Group |
| | 31.3.2002 | 31.3.2001 | 31.3.2001 | 31.3.2001 |
| Net profit | 672 | -659 | 43 | -42 |
| Number of shares | 8,000,000 | 8,000,000 | 8,000,000 | 8,000,000 |
| Basic earnings per share | 0.08 | 0 | 0.005 | 0 |
| Diluted earnings per share | 0.08 | 0 | 0.005 | 0 |

Note 16. Statement of management responsibility

The management board acknowledges its responsibility for the preparation, integrity and fair presentation of the financial statements of Saku Brewery Ltd for the first three months of 2002 as set out on pages 1 to 17 of this report, and confirms that to the best of its knowledge, information and belief:

- the accounting policies applied at the preparation of the interim financial statements comply with generally accepted accounting principles;
- the interim financial statements give a true and fair view of the financial position of Saku Brewery Ltd and the results of its operations;
- all significant events that occurred between the balance sheet date and the date on which the financial statements were authorised for issue (18 May 2002) have been properly recognised and disclosed;
- Saku Brewery Ltd is a going concern.

Note 17. Review of operations and results

Saku Brewery Group ended the first quarter with net sales of EEK 136.1m (EUR 8.7m), a 7 percent increase on the same period of 2001. The contribution of self-produced beers, cider and returnable bottles increased. In the local market, sales of canned products and multipacks continued climbing.

Operating profit for the first quarter amounted to EEK 730,000 (EUR 47,000), an improvement of EEK 1.2m as the first quarter of 2001 ended with an operating loss of EEK 505,000 (EUR 32,000). Profitability improved because sales strategies were adjusted to seasonal fluctuations in the sales of different product groups.

In quantitative terms, sales amounted to 9.6 m litres, a 3.4 percent increase on the first quarter of 2001. Exports accounted for 8 percent of the total. The main export markets were Finland, Latvia and Lithuania. Smaller quantities were exported to the USA and Japan. Results improved, above all, on account of an increase in the sales of the Rock line and soft drinks.

In April, sales of self-produced beers shot up in connection with the renewal of the Brewery's primary brand Saku Originaal, and the month ended with sales of 4.7m litres. Revitalisation of the brand led to a more than two-fold increase in Saku Originaal bottles product sales, compared to March, and a 42 percent increase on the figure attained a year ago. The upgrading of Saku Originaal allowed Saku beers to increase their share in the segment of premium beers to almost 70 percent.

In the first quarter of 2002, Saku Brewery increased its market share to 45 percent, an increase of a percentage point on the same period of 2001. In April the company's market share increased by a further 3 percentage points to 48 percent, an improvement of a percentage point on the corresponding period of 2001.

In the Estonian beer market, demand varies by season. In the first quarter the best sales results are attained in the sector of extra strong and low price beers, in the second and third quarters in the sector of premium beers and in the fourth quarter also in the sector of extra strong and low price products including seasonal groups of wintertime as porters and dark beers. Saku Brewery has positioned itself, above all, as a producer of premium beers. Therefore, the largest sales are always attained and market share always increases in the second and third quarters, which are high season for premium beers, and in the fourth quarter when porters and dark beers rise. The segment of premium beers is going to be a growing market in Estonia and a product group is profitable.

Saku Brewery's expenses for the first quarter amounted to EEK 136.9m (EUR 8.7m), 5 percent up on a year ago. Expenses grew mostly on account of an increase in input costs such as materials, power and services. Personnel expenses increased in connection with a scheduled adjustment of wages and salaries, which was conducted at the beginning of 2002 with a view to ensuring their competitiveness.

On 31 March 2002, the Brewery's total assets stood at EEK 401,458,000 (EUR 25,657,000), a figure comparable to the one of a year ago.

The main financial ratios were the following:

| | 2002 | 2001 |
|----------------------------------|---------|---------|
| | first 3 | first 3 |
| | months | months |
| Operating profit to net sales | 0.5 % | -0.4 % |
| Net profit to net sales | 0.5 % | -0.5 % |
| Average debtors' days | 20 | 19 |
| Average creditors' days | 15 | 12 |
| Inventory turnover ratio | 1.6 | 1.4 |
| Current ratio | 3.3 | 3.7 |
| Quick ratio | 1.1 | 1.1 |
| Debt ratio | 12.2 % | 11.3 % |
| Return on assets | 0.17 % | -0.17 % |
| Return on equity | 0.19 % | -0.19% |
| Non-current asset turnover ratio | 0.5 | 0.5 |
| Total asset turnover ratio | 0.3 | 0.3 |

In 2002 Saku Brewery will continue investing in production facilities and development of the organisation. At the end of the first quarter, additions to non-current assets, investments in progress and prepayments for non-current assets totalled EEK 15.6m (EUR 995,000). All investments were internally funded. To date, the company has invested in additional lab equipment, new bottle filling equipment and fermenting tanks (April) and development of the can filling line (May). The objective of investment is to ensure sufficient output for the summer season and stable quality in combination with high operating efficiency.

