



SAKU ÕLLETEHASE AS
INTERIM FINANCIAL STATEMENTS
FIRST NINE MONTHS OF 2006

Principal activities	production, whole- and retail sale, and import and export of alcoholic and non-alcoholic beverages
Beginning of financial year	1 January 2006
End of financial year	31 December 2006
Auditors	Andris Jegers KPMG Baltics AS
Status of financial statements	unaudited
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Saku Õlletehase AS is managed by a two-member management board. The Chairman of the Management Board is Ireneusz Piotr Smaga.

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1. Interim financial statements

BALANCE SHEET

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
ASSETS						
Cash and cash equivalents	86,312	35,789	71,407	5,516	2,287	4,563
Trade receivables (Note 2)	67,939	59,034	57,918	4,342	3,773	3,701
Other receivables and prepayments (Note 3)	10,538	5,923	4,968	674	379	317
Inventories (Note 4)	59,140	117,027	76,751	3,780	7,479	4,904
TOTAL CURRENT ASSETS	223,929	217,773	211,044	14,312	13,918	13,485
Non-current assets						
Long-term financial investments (Note 5)	8,380	10,120	9,380	537	648	602
Property, plant and equipment (Note 6)	286,280	239,852	255,133	18,296	15,328	16,305
Intangible assets (Note 7)	824	410	1,175	52	27	76
TOTAL NON-CURRENT ASSETS	295,484	250,382	265,688	18,885	16,003	16,983
TOTAL ASSETS	519,413	468,155	476,732	33,197	29,921	30,468
LIABILITIES AND EQUITY						
Current liabilities						
Loans and lease liabilities (Note 8)	131	95		8	6	
Trade payables	21,667	19,837	15,976	1,385	1,268	1,021
Other payables (Note 9)	60,923	39,959	41,728	3,894	2,554	2,666
Provisions (Note 10)	23,536	24,569	23,929	1,505	1,570	1,530
TOTAL CURRENT LIABILITIES	106,257	84,460	81,633	6,792	5,398	5,217
Non-current liabilities						
Lease liabilities (Note 8)	415			27		
Equity (Note 11)						
Share capital	80,000	80,000	80,000	5,113	5,113	5,113
Statutory capital reserve	8,000	8,000	8,000	511	511	511
Other reserves		44,070	44,070		2,817	2,817
Retained earnings	227,099	188,070	188,070	14,514	12,020	12,020
Profit for the period	97,642	63,555	74,959	6,240	4,062	4,790
TOTAL EQUITY	412,741	383,695	395,099	26,378	24,523	25,251
TOTAL LIABILITIES AND EQUITY	519,413	468,155	476,732	33,197	29,921	30,468

INCOME STATEMENT

(In thousands)	EEK			€		
	January- September 2006	January- September 2005	2005	January- September 2006	January- September 2005	2005
Revenue						
Sales revenue (Note 12)	595,068	498,464	644,836	38,032	31,858	41,212
Other revenue	535	137	149	34	9	10
Total revenue	595,603	498,601	644,985	38,066	31,867	41,222
Expenses						
Changes in work in progress and finished goods inventories	-3,724	-1,565	3,129	-238	-100	200
Cost of materials, consumables and services used (Note 14)	236,188	215,808	274,842	15,095	13,793	17,566
Other operating expenses (Note 14)	133,886	113,463	153,073	8,557	7,252	9,783
Labour costs (Note 14)	62,513	53,764	72,474	3,996	3,436	4,632
Depreciation and amortisation charges (Notes 6, 7)	43,874	34,413	46,317	2,804	2,199	2,960
Other expenses (Note 14)	2,871	1,780	3,119	184	114	200
Total expenses	475,608	417,663	552,954	30,398	26,694	35,341
OPERATING PROFIT	119,995	80,938	92,031	7,668	5,173	5,881
Net financing items (Note 15)	1,543	301	612	99	19	39
PROFIT BEFORE TAX	121,538	81,239	92,643	7,767	5,192	5,920
Income tax expense (Note 17)	23,896	17,684	17,684	1,527	1,130	1,130
PROFIT FOR THE PERIOD	97,642	63,555	74,959	6,240	4,062	4,790
Basic earnings per share (Note 16)	12.21	7.94	9.36	0.78	0.51	0.60
Diluted earnings per share (Note 16)	12.21	7.94	9.36	0.78	0.51	0.60

INCOME STATEMENT, Q3

(In thousands)	EEK		€	
	2006	2005	2006	2005
Revenue				
Sales revenue (Note 12)	245,172	194,356	15,670	12,422
Other revenue	409	19	26	1
Total revenue	245,581	194,375	15,696	12,423
Expenses				
Changes in work in progress and finished goods inventories	-777	3,540	-50	226
Cost of materials, consumables and services used (Note 14)	97,526	78,035	6,233	4,988
Other operating expenses (Note 14)	47,455	39,546	3,033	2,528
Labour costs (Note 14)	22,580	17,592	1,444	1,124
Depreciation and amortisation charges (Notes 6, 7)	15,796	10,913	1,010	697
Other expenses (Note 14)	643	610	42	39
Total expenses	183,223	150,236	11,712	9,602
OPERATING PROFIT, Q3	62,358	44,139	3,984	2,821
Net financing items (Note 15)	430	108	28	7
PROFIT BEFORE TAX, Q3	62,788	44,247	4,012	2,828
Basic earnings per share (Note 16)	7.85	5.53	0.50	0.35
Diluted earnings per share (Note 16)	7.85	5.53	0.50	0.35

CASH FLOW STATEMENT

(In thousands)	EEK			€		
	January- September 2006	January- September 2005	2005	January- September 2006	January- September 2005	2005
Cash flows from operating activities						
Operating profit	119,995	80,938	92,031	7,668	5,173	5,881
Adjustments for						
Depreciation and amortisation charges (Notes 6, 7)	43,874	34,413	46,317	2,804	2,199	2,960
Result of non-current asset sales and write-off	-188	-8	24	-12	-1	1
Transformation of a long-term receivable into a short-term one		9	9		1	
Non-cash expenses (Note 19)	1,288	900	1,844	82	58	118
Change in inventories	17,611	-7,353	32,923	1,124	-470	2,105
Change in receivables	-15,591	-14,872	-12,801	-998	-952	-818
Change in current liabilities	24,493	13,505	10,773	1,567	864	689
Finance lease	546			35		
Transfer of reusable glass bottles from inventories to property, plant and equipment	-33,612		-21,796	-2,148		-1,393
Interest paid	-184	-412	-233	-10	-26	-15
Corporate income tax paid	-23,896	-17,684	-17,684	-1,527	-1,130	-1,130
Net cash from operating activities	134,336	89,436	131,407	8,585	5,716	8,398
Cash flows from investing activities						
Acquisition of property, plant and equipment and intangibles	-41,523	-34,784	-40,970	-2,654	-2,223	-2,619
Proceeds from sale of property, plant and equipment	788	8	8	51	1	1
Interest received	1,442	757	685	92	48	44
Net cash used in investing activities	-39,293	-34,019	-40,277	-2,511	-2,174	-2,574
Cash flows from financing activities						
Dividends paid (Note 11)	-80,000	-56,000	-56,000	-5,113	-3,579	-3,579
Payment of finance lease principal (Note 8)	-135	-140	-140	-8	-9	-9
Proceeds from loans received (Note 13)		62,586	62,586		4,000	4,000
Repayment of loans received (Note 13)		-62,491	-62,586		-3,994	-4,000
Net cash used in financing activities	-80,135	-56,045	-56,140	-5,121	-3,582	-3,588
Increase / decrease in cash and cash equivalents	14,908	-628	34,990	953	-40	2,236
Effect of exchange rate fluctuations	-3	-44	-44		-3	-3
Net increase / decrease in cash and cash equivalents	14,905	-672	34,946	953	-43	2,233
Cash and cash equivalents at beginning of period	71,407	36,461	36,461	4,563	2,330	2,330
Cash and cash equivalents at end of period	86,312	35,789	71,407	5,516	2,287	4,563
Net increase / decrease in cash and cash equivalents	14,905	-672	34,946	953	-43	2,233

STATEMENT OF CHANGES IN EQUITY

(In thousands of EEK)	Share capital	Statutory capital reserve	Other reserves	Retained earnings	Profit for the period	Total equity
1 January 2005	80,000	8,000	44,070	244,070		376,140
Dividend distribution				-56,000		-56,000
Profit for the period					63,555	63,555
30 September 2005	80,000	8,000	44,070	188,070	63,555	383,695
1 January 2006	80,000	8,000	44,070	263,029		395,099
Dividend distribution				-80,000		-80,000
Transfer of other reserves			-44,070	44,070		0
Profit for the period					97,642	97,642
30 September 2006	80,000	8,000	0	227,099	97,642	412,741

(In thousands of €)	Share capital	Statutory capital reserve	Other reserves	Retained earnings	Profit for the period	Total equity
1 January 2005	5,113	511	2,817	15,599		24,040
Dividend distribution				-3,579		-3,579
Profit for the period					4,062	4,062
30 September 2005	5,113	511	2,817	12,020	4,062	24,523
1 January 2006	5,113	511	2,817	16,810		25,251
Dividend distribution				-5,113		-5,113
Transfer of other reserves			-2,817	2,817		0
Profit for the period					6,240	6,240
30 September 2006	5,113	511	0	14,514	6,240	26,378

Notes to the interim financial statements

Note 1. Significant accounting policies

The interim financial statements for the first nine months of 2006 have been prepared in accordance with the same accounting policies that were applied on the preparation of the annual financial statements for 2005.

The financial statements of Saku Õlletehase AS have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The standards have been consistently applied.

Note 2. Trade receivables

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Due from customers	68,117	59,121	58,278	4,353	3,778	3,724
Allowance for doubtful receivables	-225	-240		-14	-15	
Write-off of irrecoverable receivables	56	155	-361	4	10	-23
Recovery of items previously written off	-9	-2	1	-1		
Total	67,939	59,034	57,918	4,342	3,773	3,701

The ratio of irrecoverable receivables written off in the first nine months of 2006 to sales revenue is 0.01 per cent. Expenses incurred on the write-off of receivables are recognised in the income statement in *Other operating expenses*.

Note 3. Other receivables and prepayments

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Receivables from group companies (Note 13)	5,118	2,255	1,765	327	144	113
Miscellaneous receivables	1,942	447	116	124	29	8
Prepaid VAT		60			4	
Prepaid expenses	2,078	1,761	1,687	134	113	107
Bonds issued by AS Rocca al Mare Suurhall (Note 5)	1,400	1,400	1,400	89	89	89
Total	10,538	5,923	4,968	674	379	317

Note 4. Inventories

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Raw and other materials	38,760	30,037	21,014	2,477	1,920	1,343
Work in progress	8,375	8,018	7,440	535	512	476
Finished goods	10,889	12,216	8,100	696	781	517
Goods purchased for resale	889	44,277	31,574	57	2,830	2,017
Prepayments to suppliers	227	429	93,	15	27	6
Returnable packaging not subject to a deposit		22,050	8,530		1,409	545
Total	59,140	117,027	76,751	3,780,	7,479	4,904

Write-off and write-down of inventories

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Raw and other materials	653	624	1,827	41	40	117
Finished goods	123	508	899	8	32	57
Returnable packaging not subject to a deposit	902	701	7,170	58	45	458
Total	1,678	1,833	9,896	107	117	632

From 1 June 2006, returnable packaging not subject to a deposit is recognised in *Property, plant and equipment*.

Note 5. Financial instruments

(In thousands)	AS Rocca al Mare Suurhall B shares EEK (€)	AS Rocca al Mare Suurhall bonds EEK (€)	Long-term receivable EEK (€)	Total EEK (€)
Number of instruments at 31.12.2004	22	96		
Balance at 31.12.2004	2,820 (181)	9,600 (614)	9(1)	12,429 (796)
Including current portion		1,400 (89)		1,400 (89)
Including non-current portion	2,820 (181)	8,200 (525)	9(1)	11,029 (707)
Redemption / change in value in 2005		-900 (-58)	-9(-1)	-909 (-59)
Ownership interest in 2005	0.006			
Number of instruments at 30.9.2005	22	87		
Balance at 30.9.2005	2,820 (181)	8,700 (556)		11,520 (737)
Including current portion		1,400 (89)		1,400 (89)
Including non-current portion	2,820 (181)	7,300 (467)		10,120 (648)
Number of instruments at 31.12.2005	22	82		
Balance at 31.12.2005	2,580 (166)	8,200 (525)		10,780 (691)
Including current portion		1,400 (89)		1,400 (89)
Including non-current portion	2,580 (166)	6,800 (436)		9,380 (602)
Redemption / change in value in 2006		-1000 (-65)		-1000 (-65)
Ownership interest in 2006	0.006			
Number of instruments at 30.9.2006	22	72		
Balance at 30.9.2006	2,580(166)	7,200 (460)		9,780 (626)
Including current portion		1,400 (89)		1,400 (89)
Including non-current portion	2,580(166)	5,800 (371)		8,380 (537)

Saku Õlletehase AS has 22 B shares in and 72 bonds issued by AS Rocca al Mare Suurhall. The shares and the bonds are part of a 10-year co-operation agreement (expiring in October 2011) according to which the recreational complex bears the name Saku Suurhall and grants Saku Õlletehase AS a number of significant sales and advertising rights.

The shares were acquired with a premium of EEK 149,900 (€9,580) per share and grant the company the right to use and dispose of one box in the complex, subject to agreed terms and conditions. The shares do not entitle the holder to a dividend. They are linked to a cooperation agreement and do not have an active aftermarket.

Therefore, they are amortised at the rate of EEK 240,000 (€15,000) per year to reflect the decrease in the carrying amount of the benefits provided by the cooperation agreement that occurs over time. Amortisation expenses are recognised in the income statement in *Financial expenses*.

The par value of a bond issued by AS Rocca al Mare Suurhall is EEK 100,000 (€6,000). The bonds were issued for a designated purpose and bear interest at 5 per cent of the outstanding balance per year. The bonds are to be redeemed over the term of the cooperation agreement. The period's interest income on the bonds (EEK 288,000 (€18,000)) has been recognised in the income statement in *Financial income*.

(In thousands of EEK)	Bonds issued by AS Rocca al Mare Suurhall				
	Effective interest rate	Redemption			Total
		Up to 1 year	Between 1 and 5 years	Over 5 years	
31.12.2004	5.00	1,400	5,600	2,600	9,600
30.9.2005	5.00	1,400	5,600	1,700	8,700
31.12.2005	5.00	1,400	5,600	1,200	8,200
30.9.2006	5.00	1,400	5,600	200	7,200

(In thousands of €)	Bonds issued by AS Rocca al Mare Suurhall				
	Effective interest rate	Redemption			Total
		Up to 1 year	Between 1 and 5 years	Over 5 years	
31.12.2004	5.00	89	358	167	614
30.9.2005	5.00	89	358	109	556
31.12.2005	5.00	89	358	78	525
30.9.2006	5.00	89	358	13	460

Financial risks

Exposure to credit risk, interest rate risk and foreign currency risk arises in the normal course of the company's business.

Credit risk

The company has an effective credit policy in place and the exposure to credit risks is monitored on an ongoing basis. Credit evaluations are performed systematically and all customers are assigned credit limits and settlement terms.

Short-term financial investments are made in liquid local and foreign money market instruments that have an investment rating. Long-term financial investments are made when it is required for the development of the core activity, considering the conditions prevailing in the case.

At the balance sheet date, the most significant concentration of credit risk was related to the shares and bonds issued by AS Rocca al Mare Suurhall. To reduce the credit risk, all agreements relating to the investment include a clause that if ownership of the recreational complex changes, the agreements will transfer to the new owner under the same terms and conditions.

Interest rate risk

As a rule, the activities of Saku Õlletehase AS are financed with equity instruments. Owing to the seasonal nature of the business, however, from time to time short-term external financial instruments such as bank overdrafts, short-term loans, etc, are used. Interest rates may be fixed or floating. Since 2003, the Baltic companies of the BBH Group have actively cooperated in managing their short-term liquidity.

External financing (finance lease) is used for the purchase of motor vehicles. As a rule, the base currency of lease agreements is the Estonian kroon or euro and interest rates are fixed for the whole lease term. Since the share of external financing in the total capital structure is minimal, related risks are minimal and have not been hedged.

Foreign currency risk

Nearly all purchase and sales transactions are performed in Estonian kroons, euro or currencies pegged to the latter. Therefore the currency risk is not significant.

Fair values

The fair values of financial instruments do not differ significantly from their carrying amounts.

Note 6. Property, plant and equipment

Movements in property, plant and equipment in the first 9 months of 2006

(In thousands of EEK)	Land	Buildings and constructions	Plant and equipment	IT equipment and fixtures and fittings	Returnable packaging subject to a deposit	Returnable packaging not subject to a deposit	Assets leased out (Note 8)	Finance lease (Note 8)	Prepayments and investments in progress	Total
Cost at 31.12.2004	3,186	135,307	297,670	67,614	6,058		7,271	1,226	2,890	521,222
Accumulated depreciation at 31.12.2004		37,634	181,457	54,448	3,936		3,334	1,118		281,927
Carrying amount at 31.12.2004	3,186	97,673	116,213	13,166	2,122		3,937	108	2,890	239,295
Addition in 2005			5,287	4,842			3,205		12,885	26,219
Reclassification			852						-852	
Sales, termination of lease			-333					-1,069		-1,402
Depreciation for 2005		3,223	13,739	4,468	303		1,448	105		23,286
Cost at 30.9.2005	3,186	135,307	306,372	72,589	6,058		10,515	0	20,301	554,328
Accumulated depreciation at 30.9.2005		42,477	201,846	60,469	4,387		5,297	0		314,476
Carrying amount at 30.9.2005	3,186	92,830	104,526	12,120	1,671		5,218	0	20,301	239,852
Cost at 31.12.2005	3,186	135,151	328,298	63,422	27,791		10,765		1,407	570,020
Accumulated depreciation at 31.12.2005		43,964	206,509	52,906	5,534		5,974			314,887
Carrying amount at 31.12.2005	3,186	91,187	121,789	10,516	22,257		4,791		1,407	255,133
Addition in 2006			2,529	5,036	13,717	237	1,609	757	8,135	32,020
Reclassification						33,692				33,692
Sales			-490							-490
Depreciation for 2006		3,226	13,598	3,513	2,893	3,116	1,386	108		27,840
Cost at 30.9.2006	3,186	135,151	328,794	68,812	46,064	33,953	12,851	681	10,226	639,718
Accumulated depreciation at 30.9.2006		48,803	223,266	57,131	10,509	5,501	8,075	153		353,438
Carrying amount at 30.9.2006	3,186	86,348	105,528	11,681	35,555	28,452	4,776	528	10,226	286,280

(In thousands of €)	Land	Buildings and constructions	Plant and equipment	IT equipment and fixtures and fittings	Returnable packaging subject to a deposit	Returnable packaging not subject to a deposit	Assets leased out (Note 8)	Finance lease (Note 8)	Prepayments and investments in progress	Total
Cost at 31.12.2004	204	8,646	19,025	4,321	387		465	79	185	33,312
Accumulated depreciation at 31.12.2004		2,405	11,599	3,479	251		213	72		18,019
Carrying amount at 31.12.2004	204	6,241	7,426	842	136		252	7	185	15,293
Addition in 2005			337	309			205		824	1,675
Reclassification			54						-54	
Sales, termination of lease			-21					-68		-89
Depreciation for 2005		206	878	286	19		92	7		1,488
Cost at 30.9.2005	204	8,646	19,581	4,639	387		672	0	1,298	35,427
Accumulated depreciation at 30.9.2005		2,715	12,902	3,864	280		338	0		20,099
Carrying amount at 30.9.2005	204	5,931	6,679	775	107		334	0	1,298	15,328
Cost at 31.12.2005	204	8,636	20,982	4,054	1,776		688		90	36,430
Accumulated depreciation at 31.12.2005		2,810	13,199	3,381	353		382			20,125
Carrying amount at 31.12.2005	204	5,826	7,783	673	1,423		306		90	16,305
Addition in 2006			162	322	876	15	103	48	520	2,046
Reclassification						2,153				2,153
Sales			-31							-31
Depreciation for 2006		206	869	225	185	199	88	7		1,779
Cost at 30.9.2006	204	8,636	21,014	4,398	2,944	2,170	821	44	654	40,885
Accumulated depreciation at 30.9.2006		3,119	14,271	3,652	671	351	516	9		22,589
Carrying amount at 30.9.2006	204	5,517	6,743	746	2,273	1,819	305	35	654	18,296

The provision requiring the implementation of packaging deposits imposed by the Packaging Act, which was adopted in 2004, entered into effect on 1 October 2005. Since that date, returnable glass bottles subject to a deposit (both those in stock and those in the possession of customers) have been recognised as items of property, plant and equipment. At the end of the reporting period, their total cost amounted to EEK 39,786,000 (€2,543,000).

Since 1 June 2006, returnable packaging not subject to a deposit (crates and pallets; both those in stock and those in the possession of customers) have been recognised as items of property, plant and equipment. At the end of the reporting period, their cost amounted to EEK 33,953,000 (€2,170,000).

Assets leased out comprise bar furniture, which is leased under the terms of operating lease to support HoReCa sales (sales to hotels, restaurants and catering services providers). At 30 September 2006, the carrying amount of the furniture was EEK 4,776,000 (€305,000). At 30 September 2005, the corresponding figure was EEK 5,218,000 (€334,000). Information on operating lease income is

presented in Note 8. In determining the value in use of the assets, future cash flows are identified on the basis of estimated lease income and the profit earned on the products sold to the lessee.

In addition, customers have in their possession and are liable for sales support equipment belonging to the company. At 30 September 2006, the carrying amount of such equipment was EEK 10,681,000 (€683,000). At 30 September 2005, the corresponding figure was EEK 15,282,000 (€977,000). At 30 September 2006, the carrying amount of returnable packaging subject to a deposit that was in the possession of customers was EEK 15,970,000 (€1,021,000). At 30 September 2005, the corresponding figure was EEK 816,000 (€52,000). At 30 September 2006, the carrying amount of returnable packaging not subject to a deposit that was in the possession of customers was EEK 2,469,000 (€157,000).

Note 7. Intangible assets

Movements in intangible assets in the first 9 months of 2006

(In thousands)	EEK	€
Cost at 31.12.2004	2,113	135
Accumulated amortisation at 31.12.2004	1,517	97
Carrying amount at 31.12.2004	596	38
Addition in 2005	119	8
Amortisation for 2005	305	19
Cost at 30.9.2005	2,232	143
Accumulated amortisation at 30.9.2005	1,822	116
Carrying amount at 30.9.2005	410	27
Cost at 31.12.2005	2,541	163
Accumulated amortisation at 31.12.2005	1,366	87
Carrying amount at 31.12.2005	1,175	76
Amortisation for 2006	351	24
Cost at 30.9.2006	2,541	163
Accumulated amortisation at 30.9.2006	1,717	111
Carrying amount at 30.9.2006	824	52

Intangible assets comprise computer software that has long-term significance for the company's business and has been specially adjusted to its needs. Amortisation expense is recognised in the income statement together with depreciation expense.

Note 8. Leases

The company as a lessor

To support HoReCa sales, Saku Õlletehase AS leases out bar furniture. Further information on this is presented in the *Assets leased out* column of Note 6.

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Lease income on assets leased out	58	70	93	4	4	6
Lease income receivable within 1 year	61	70	61	4	4	4
Lease income receivable between 1 and 5 years	5	91	56		6	4

The company as a lessee

Finance lease

The company holds production equipment under finance lease. The cost, accumulated depreciation and carrying amount of such equipment is presented in the *Finance lease* column of Note 6.

The base currency of the leases is euro. Interest rates range from 4.0-4.75 per cent and are fixed for the terms of the lease contracts. The contracts do not impose restrictions on the company's dividend or financing policies. At the end of the lease term, title to the leased assets transfers to the company. Assets held under finance lease have not been subleased

FINANCE LEASE

(In thousands)	EEK		€	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Principal payments made during the period	135	140	-8	9
Interest payments made during the period	4	13		1
Minimum amount of lease payments due	546		35	
within 1 year	131		8	
between 1 and 4 years	415		27	
... including principal payments due	546		35	
within 1 year	131		8	
between 1 and 4 years	415		27	

The depreciation charge for the first nine months of 2006 amounted to EEK 153,000 (€9,000) and has been recognised in the income statement in *Depreciation and amortization charges*.

Operating lease

During the reporting period, the company had 74 operating lease contracts on motor vehicles and 3 on production plant and equipment. Operating lease payments for motor vehicles amounted to EEK 3,109,000 (€199,000) and those for production plant and equipment to EEK 132,000 (€8,000). Payments made for additional warehouse space totalled EEK 527,000 (€34,000).

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Lease payments made during the period	3,768	3,686	3,398	241	235	217
Including contingent lease payments for plant and equipment		108	108		7	7
Minimum lease liabilities	6,741	5,355	7,221	431	342	462
Including payable within 1 year	3,161	2,599	3,188	202	342	204
Including payable between 1 and 5 years	3,580	2,756	4,033	229	176	258

The base currency of all contracts on the lease of motor vehicles is the Estonian kroon and the one of contracts on the lease of production plant and equipment is euro. The contracts do not impose restrictions on the company's dividend or financing policies and leased assets have not been subleased.

Note 9. Other payables

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Alcohol excise duty	18,762	16,421	16,699	1,199	1,050	1,067
Value-added tax	9,477	8,238	9,606	606	526	614
Social tax	1,627	1,404	2,044	104	90	131
Income tax on fringe benefits, non-business and entertainment expenses	95	132	252	6	8	16
Personal income tax	856	819	1,232	55	52	79
Unemployment insurance premiums	40	57	80	3	4	5
Funded pension premiums	61	43	71	4	3	4
Payables to employees	4,968	3,392	3,508	317	217	224
Payables to group companies (Note 13)	6,131	2,094	2,708	392	134	173
Other accrued expenses	18,906	7,359	5,528	1,208	470	353
Total	60,923	39,959	41,728	3,894	2,554	2,666

Note 10. Provisions

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Obligation to recover returnable packaging subject to a deposit	15,970	11,461	13,524	1,021	733	865
Obligation to recover one-way packaging subject to a deposit	2,565	2,748	2,441	164	175	156
Obligation to repurchase returnable packaging not subject to a deposit	5,001	10,360	7,964	320	662	509
Total	23,536	24,569	23,929	1,505	1,570	1,530

The provisions for the obligation to repurchase packaging have been established to cover the expenses that could arise on the repurchase of packaging circulating in the market at 30 September 2006; the provisions have been established in an amount equal to the deposit or repurchase value of the packaging. The obligation results from the Packaging Act and the nature of the company's business. Glass and plastic bottles and metal cans were established deposits in 2005 in connection with the entry into effect of the implementing provision of the Packaging Act which provided for the implementation of deposits.

The obligation to repurchase returnable packaging is a short-term obligation because the estimated return period of packaging does not exceed one year. If it appears during a reporting period that the return rate of packaging is less than 100 per cent, the liability becomes smaller and the provision is adjusted accordingly.

Note 11. Equity

The share capital of Saku Õlletehase AS amounts to EEK 80 million (€5.113 million) and is made up of 8 million ordinary shares with a par value of EEK 10 (€0.64) each. The shares have been fully paid for. In compliance with the Articles of Association, the minimum and maximum authorised share capital amount to 8 million shares, i.e. EEK 80 million (€5.113 million), and 32 million shares, i.e. EEK 320 million (€20.45 million), respectively. The number of shares issued did not change during the reporting period. Shareholders are entitled to receive dividends and have one vote per share at meetings of the company. On 28 March 2006 the general meeting approved the proposal of the management board to declare for 2005 a net dividend of EEK 80 million (€5.1 million), i.e. EEK 10 per share. The dividends were paid out on 22 June 2006.

The statutory capital reserve of EEK 8 million (€511,000) has been established in accordance with the requirements of the Commercial Code. The capital reserve is established with annual net profit transfers. Every year, the company has to transfer to the capital reserve at least 1/20 of its net profit until the reserve amounts to 1/10 of the share capital. The capital reserve may be used to cover losses and to increase share capital but it cannot be distributed to shareholders.

The general meeting decided to transfer other reserves of EEK 44,070,000 (€2,817,000) to retained earnings.

Note 12. Revenue

SALES OF PRODUCTS AND SERVICES						
(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Beer	465,710	388,943	507,812	29,764	24,858	32,455
Other alcoholic beverages	92,735	68,555	85,727	5,927	4,382	5,479
Table water	29,492	20,858	26,257	1,885	1,333	1,678
Soft drinks	3,498	16,329	20,070	224	1,044	1,283
By-products	1,046	1,111	1,511	67	71	96
Services	437	643	828	28	41	53
Other goods	2,150	2,025	2,631	137	129	168
Total	595,068	498,464	644,836	38,032	31,858	41,212
SALES BY MARKETS						
(In thousands)						
Estonia	522,859	443,382	574,639	33,417	28,337	36,726
Lithuania, Latvia, Finland, Ukraine, Denmark, Sweden, USA	72,209	55,082	70,197	4,615	3,521	4,486
Total	595,068	498,464	644,836	38,032	31,858	41,212

Note 13. Related party transactions

Related party transactions include transactions with the direct parent Baltic Beverage Holding AS (BBH), companies belonging to BBH Group, Carlsberg A/S and Scottish & Newcastle plc and companies belonging to Carlsberg A/S and Scottish & Newcastle plc groups (Carlsberg A/S and Scottish & Newcastle plc are shareholders of BBH). Sales comprise the sales of finished goods and filling services, and the letting of premises. Purchases include purchases of goods, packaging, and management and consulting services. Purchases and sales of finished goods are performed at the transfer prices of BBH Group.

Purchases by Saku Õlletehase AS

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
The parent company BBH	6,992	4,675	6,543	447	299	418
Companies belonging to the same group as the parent	22,416	30,089	32,071	1,433	1,923	2,050
Shareholders of the parent	1,179	720	2,283	75	46	146
Companies belonging to the same groups as shareholders of the parent	25,264	9,739	15,257	1,615	622	975
Total	55,851	45,223	56,154	3,570	2,890	3,589

Sales by Saku Õlletehase AS

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
The parent company BBH						
Companies belonging to the same group as the parent	58,021	39,946	50,163	3,708	2,553	3,206
Shareholders of the parent	495	182	182	31	12	12
Companies belonging to the same groups as shareholders of the parent	9,726	7,836	10,652	622	501	681
Total	68,242	47,964	60,997	4,361	3,066	3,899

Receivables from related parties

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
The parent company BBH			459			29
Companies belonging to the same group as the parent	3,944	1,314		252	84	
Shareholders of the parent						
Companies belonging to the same groups as shareholders of the parent	1,174	941	1,306	75	60	84
Total	5,118	2,255	1,765	327	144	113

Liabilities to related parties

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
The parent company BBH	472	1 094	472	30	70	30
Companies belonging to the same group as the parent	329	917	1,159	21	59	74
Shareholders of the parent	419	78	295	27	5	19
Companies belonging to the same groups as shareholders of the parent	4,911	5	782	314		50
Total	6,131	2,094	2,708	392	134	173

Payments made to the management and supervisory board members in the first nine months of 2006 totalled EEK 4,753,000 (€304,000). The corresponding figure for the first nine months of 2005 was EEK 4,177,000 (€267,000). At 30 September 2006, the total contingent severance liability to members of the top management, including taxes, amounted to EEK 2,927,000 (€187,000).

Note 14. Expenses

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Raw materials	73,893	61,567	76,668	4,723	3,935	4,900
Ancillary materials	108,910	93,009	119,187	6,960	5,944	7,618
Imported beverages	16,819	24,722	29,421	1,075	1,580	1,880
Other	36,566	36,510	49,566	2,337	2,334	3,168
Total cost of materials, consumables and services used	236,188	215,808	274,842	15,095	13,793	17,566
Advertising expenses	50,926	43,633	57,439	3,255	2,789	3,671
Transportation and vehicle expenses	36,876	34,330	45,840	2,357	2,194	2,930
Waste management (sewerage) costs	5,310	4,426	5,691	340	283	364
Renovation of buildings and equipment repair	6,329	2,939	3,851	404	188	246
Purchase of other services	26,728	19,115	29,043	1,708	1,222	1,856
Other expenses	7,717	9,020	11,209	493	576	716
Total other operating expenses	133,886	113,463	153,073	8,557	7,252	9,783
Wages and salaries	46,755	40,196	54,182	2,988	2,569	3,463
Social security charges	15,626	13,393	18,058	999	856	1,154
Unemployment insurance premiums	132	175	234	9	11	15
Total labour costs	62,513	53,764	72,474	3,996	3,436	4,632
Losses from the sale and write-off of property, plant and equipment			30			2
Sponsoring, entertainment expenses and expenses not related to the core products	1,438	1,198	2,304	92	77	148
Interest on arrears paid	1,339	21	48	86	2	3
Purchase and sale of packaging		430	581		27	37
Foreign exchange losses	94	131	156	6	8	10
Total other expenses	2,871	1,780	3,119	184	114	200

Note 15. Net financing items

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Interest income	1,730	757	1,129	111	48	72
Total financial income	1,730	757	1,129	111	48	72
Interest expense	4	232	233		15	15
Foreign exchange losses	3	44	44		3	3
Financial expenses related to shares	180	180	240	12	11	15
Total financial expenses	187	456	517	12	29	33
Net financing items	1,543	301	612	99	19	39

Note 16. Earnings per share

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Net profit	97,642	63,555	74,959	6,240	4,062	4,790
Number of shares	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Basic earnings per share	12.21	7.94	9.36	0.78	0.51	0.60
Diluted earnings per share	12.21	7.94	9.36	0.78	0.51	0.60

Basic earnings per share are found by dividing net profit for the period by the period's weighted average number of shares issued. The company's diluted earnings per share equal its basic earnings per share.

Note 17. Income tax expense

(In thousands)	EEK			€		
	30.9.2006	30.9.2005	31.12.2005	30.9.2006	30.9.2005	31.12.2005
Dividends paid	80,000	56,000	56,000	5,113	3,579	3,579
Income tax rate applied	29.9%	31.6%	31.6%	29.9%	31.6%	31.6%
Income tax expense	23,896	17,684	17,684	1,527	1,130	1,130

In accordance with the effective Income Tax Act, in 2005 the income tax rate for dividends was 24/76 (i.e. 31.6 per cent) of the amount distributed as the net dividend. In 2006 the tax rate is 23/77 (i.e. 29.9 per cent).

Note 18. Contingent liabilities

The alcohol excise duty liability to the Customs Board is secured with a bank guarantee as required by law. The guarantee amounts to EEK 3,130,000 (€200,000) and is valid from 11 November 2005 to 13 February 2007.

In accordance with the agreement made on 14 December 2005, Saku Õlletehase AS guarantees the financing of OÜ Eesti Pandipakend (a packaging recovery organisation) to the extent of EEK 10.9 million (€0.7 million).

Note 19. Non-cash transactions

The income receivable on AS Rocca al Mare Suurhall bonds is offset against Saku Õlletehase AS' liability to AS Rocca al Mare Suurhall. The liability is related to advertising services rendered under a cooperation agreement. In the first nine months of 2006, the offset amount was EEK 1,288,000 (€82,000). In the first nine months of 2005 the corresponding figure was EEK 1,241,000 (€79,000).

2. Review of operations and performance

Main indicators:

- Sales volume 70 million liters, 12 per cent increase on a year ago
- Revenue 595.6 million (€38 million), 19 per cent increase on a year ago
- Leading position in Estonian beer market with 46.6 per cent of the market share
- Market share in cider category 36.7 per cent, 5% per cent increase on a year ago
- Market share in long drink category 29.3 per cent, 4% per cent increase on a year ago
- Market share in water category 10.5 per cent
- Operating profit EEK 119.9 million (€7.6 million), 48 per cent increase on a year ago
- Net profit EEK 97.6 million (€6.3 million), 54 per cent increase on a year ago
- Earnings per share were EEK 12.21 (€0.78), 54 per cent increase on a year ago
- Expenses EEK 475.6 million (€30.3 million), 14 per cent increase on a year ago

The striking 48 per cent annual increase in operating profit is the largest ever. Compared to two year ago, Saku Õlletehase AS' operating profit has doubled. The exceptionally strong revenue growth results from appropriate changes in the product range, where focus has shifted towards the premium category, and the discontinuance of the production and distribution of less profitable beverages. Outstanding sales results were certainly supported by an unusually hot summer.

Saku Õlletehase AS is a performance oriented contemporary beverage producer. The strategy of Saku Õlletehase AS is to maintain the leading position and profitable growth in the category of beers, and to sustain aggressive and profitable growth in the category of other beverages (ciders, long drinks, water, and functional drinks such as energy drinks).

In the first nine months of 2006 Saku Õlletehase AS sold over 70 million litres of beverages, a strong 12 per cent or 7.8 million litre improvement on a year ago.

Revenues for the first nine months of 2006 totalled EEK 595.6 million (€38 million), an EEK 97 million (€6.2 million) or 19 per cent increase on the corresponding period in 2005. Third quarter revenues amounted to EEK 245.5 million (€15.6 million), EEK 51.2 million (€3.3 million) or 26 per cent up on the third quarter of 2005.

The largest year-on-year growth, 41 per cent, was attained in the sales of table water; sales of other alcoholic beverages (cider and long drink) grew by 35 per cent and beer sales by 20 per cent.

Sales of products

(In thousands)	EEK		€		Change
	30.09.2006	30.09.2005	30.09.2006	30.09.2005	
Beer	465 710	388 943	29 764	24 858	+ 20%
Other alcoholic beverages	92 735	68 555	5 927	4 382	+ 35%
Table water	29 492	20 858	1 885	1 333	+ 41%
Total	587 937	478 356	37 576	30 573	

Export and domestic sales increased by 31 per cent and 18 per cent respectively. Our main export markets include Finland, Sweden, Denmark, Latvia, Lithuania and Ukraine.

Expenses for the period totalled EEK 475.6 million (€30.3 million), EEK 58 million (€3.7 million) or 14 per cent up on the first nine months of 2005. Third quarter expenses totalled EEK 183.2 million (€11.7 million), an EEK 33 million (€2.1 million) or 22 per cent increase on the same period in 2005.

Expenses have increased on account of growth in labour costs (16 per cent increase on a year ago), a continuing rise in fuel and energy prices and additional marketing initiatives undertaken to support the brands. On the other hand, expenses have been positively impacted by the changes implemented in the logistics structure before the high season.

Operating profit for the first nine months amounted to EEK 119.9 million (€7.6 million), a substantial EEK 39 million (€2.5 million) or 48 per cent increase on the same period in 2005. Operating profit for the third quarter was EEK 62.3 million (€3.9 million), EEK 18.2 million (€1.1 million) or 41 per cent up on the third quarter of 2005.

Profit before tax amounted to a solid EEK 121.5 million (€7.7 million), a substantial EEK 40.2 million (€2.5 million) or approx. 50 per cent improvement on the corresponding period in 2005. The dividend distribution resulted in income tax expenses of EEK 23.8 million (€1.5 million). Net profit for the reporting period amounted to EEK 97.6 million (€6.3 million), a notable EEK 34 million (€2.1 million) or 54 per cent improvement on a year ago.

The period's earnings per share were EEK 12.21 (€0.78), EEK 4.27 (€0.27) or 54 per cent up on the first nine months of 2005. Third quarter earnings per share were EEK 7.85 (€0.50), an EEK 2.32 (€0.15) or 42 per cent increase on the third quarter of 2005.

At the end of the first nine months, shareholders' equity equalled EEK 412.7 million (€26.3 million).

Market overview

According to the Estonian Breweries' Association, in the first nine months of 2006 the Estonian beer market expanded by 3.8 per cent to 100.6 million litres. Saku Õlletehase AS holds the leading position with 46.6 per cent. In 2006 our main efforts were directed at consolidating the leading position by developing the premium and mainstream segments. In terms of sales, the most successful brands in our portfolio are *Saku Kuld*, the crème de la crème of Estonian beers, the leading international beer brand *Carlsberg*, ice beer *Saku on Ice*, and *Saku Originaal*.

According to the ACNielsen, within the first nine months of 2006, the Estonian cider market grew by 8.7 per cent to 4 million litres. The overall market share of Saku Õlletehase AS is 36.7 per cent. Since the beginning of the year we have supplemented our *KISS* line with four new drinks, the most popular of them are *KISS Spritzer*, a mix of carbonated water and fruit wine, and cherry-flavoured *KISS Cherry*. In the development of new cider flavours Saku has carefully heeded the consumers' taste preferences and the latest trends in the beverage market. Success has been supported by innovative packaging development and effective communication.

The long drink market is growing rapidly while long drinks have become one of the fastest growing categories of light alcoholic beverages. In the first nine months of 2006 the Estonian long drink market grew by 22.5 per cent to 9.4 million litres. The market share of Saku Õlletehase AS is 29.3 per cent. In addition to *Saku GIN Long Drink Tonic* and *SIN*, a line of premium alcoholic cocktails, which were launched in the first half of the year, we supplemented the range with *ZIP Bitter Raspberry*, a new raspberry-flavoured long drink. Concurrently with the launch of

the new long drink, we changed the name of the product line from *GIN Long Drink* to *ZIP*. This was done to distinguish ourselves from the competition and to intensify product development by using various kinds of base alcohol in the development of new drinks.

During the reporting period, the Estonian water market grew by 26 per cent to 36.2 million litres. The non-carbonated flavoured near water *Vichy VivaFresh* which was launched in the summer has become highly popular and has increased Saku's share in the Estonian water market to 10.5 per cent.

Product portfolio

The product portfolio of Saku Õlletehase AS includes the best sold Estonian beer *Saku Original*, the first domestic premium beer *Saku Kuld*, ice beer *Saku On Ice*, *Saku Hele*, *Rock*, beer drink *Saku DLight*; dark beers *Saku Tume* and *Saku Porter* and cheaper category beers such as *Blond*, *Taurus*, *Presidendi 8* and *Presidendi 10*. In addition, Saku is the Estonian distributor of Carlsberg beer.

Saku's cider line *KISS* includes the spicy *KISS Sweet Spice*, fruit wine flavoured *KISS Spritzer*, cherry flavoured *KISS Cherry*, pear flavoured *KISS Pear*, forest berry flavoured *KISS Wildeberry* and the juice and cider mix *KISS Cariba*.

Saku's long drink line *ZIP* comprises raspberry flavoured *ZIP Bitter Raspberry*, gin and tonic flavoured *ZIP Gin & Tonic*, classic grapefruit flavoured *ZIP Gin & Grapefruit*, cranberry flavoured *ZIP Cranberry* and cactus and lemon flavoured *ZIP Cactus & Lemon*.

Saku's table water line *Vichy Classique* encompasses carbonated water *Vichy Classique Carbonated* and non-carbonated water *Vichy Classique Still*. In addition, the line includes cranberry, lemon and forest berry flavoured waters. The non-carbonated flavoured water line *Vichy VivaFresh* includes strawberry and lemon-lime flavoured waters.

From 1 January 2007 Saku Õlletehase AS will begin distributing the products of the Finnish beverage producer Sinebrychoff. In connection with this, from the beginning of 2007 our product portfolio will be supplemented with Sinebrychoff's *Gin Long Drink*, *Golden Cap* cider, *Battery* energy drink and *Koff* and *Karhu* beers. According to estimates, the distribution of Sinebrychoff's products will increase Saku's profit for 2007 by an additional 10 per cent.

Management of Saku Õlletehase AS

The management board of Saku Õlletehase AS has two members. On 11 September 2006 the supervisory board appointed Ireneusz Piotr Smaga as Chairman of the Management Board. Ireneusz Piotr Smaga (born on 28 June 1967) is a Polish citizen. For the past four years Mr Smaga managed the sales and logistics operations of Carlsberg's Polish operations. Before that he worked for eight years as Sales Director of Pepsi Cola's company in Poland.

The former Acting Chairman of the Management Board Janno Veskimäe continues as Member of the Management Board and Chief Operating Officer.

3. Statement of management responsibility

The management board acknowledges its responsibility for the interim financial statements of Saku Õlletehase AS for the first nine months of 2006 and confirms that to the best of its knowledge, information and belief:

- the policies applied in the preparation of the interim financial statements comply with International Financial Reporting Standards as adopted by the European Union;
- the interim financial statements give a true and fair view of the financial position of Saku Õlletehase AS and of the results of its operations and its cash flows;
- all significant events that occurred before the date on which the financial statements were authorised for issue have been properly recognised and disclosed; and
- Saku Õlletehase AS is a going concern

29 November 2006

Ireneusz Piotr Smaga
Chairman of Management Board

A handwritten signature in black ink, appearing to be 'I. Smaga', written over a faint, light-colored signature line.

Janno Veskimäe
Member of Management Board

A handwritten signature in black ink, appearing to be 'J. Veskimäe', written over a faint, light-colored signature line.