



SAKU ÕLLETEHASE AS

INTERIM FINANCIAL STATEMENTS 1st HALF AND 2nd QUARTER 2007

Principal activities	production, whole- and retail sale, and import and export of alcoholic and non-alcoholic beverages
Beginning of financial year	1 January 2007
End of financial year	31 December 2007
Auditor	Andris Jegers KPMG Baltics AS
Status of financial statements	unaudited
Commercial Register number	10030278
Address	Saku alevik, Saku vald, Harjumaa 75501
Telephone	650 8400
Fax	650 8401
E-mail	saku@pruul.ee
Website	www.saku.ee

Saku Õlletehase AS is managed by a two-member management board. The Chairman of the Management Board is Ireneusz Piotr Smaga.

SAKU ÕLLETEHASE AS
1st HALF AND 2nd QUARTER 2007

Contents

1. Interim financial statements	3
Balance sheet	3
Income statement	4
Income statement, Q2	5
Cash flow statement	6
Statement of changes in equity	7
Notes to the interim financial statements	7
Note 1. Significant accounting policies	7
Note 2. Cash and cash equivalents	8
Note 3. Trade receivables	8
Note 4. Other receivables and prepayments	8
Note 5. Inventories	8
Note 6. Financial instruments	9
Note 7. Property, plant and equipment	11
Note 8. Intangible assets	13
Note 9. Finance and operating leases	13
Note 10. Other payables	14
Note 11. Packaging repurchase obligation	15
Note 12. Equity	15
Note 13. Revenue	16
Note 14. Related party transactions	16
Note 15. Expenses	17
Note 16. Net financial items	18
Note 17. Earnings per share	18
Note 18. Income tax expense	19
Note 19. Contingent liabilities	19
Note 20. Non-cash transactions	19
21. Review of performance and operating results	20
22. Statement of management responsibility	22

1. Interim financial statements

BALANCE SHEET

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
ASSETS						
Cash and cash equivalents (note 2)	4,112	38,044	118,876	263	2,431	7,597
Trade receivables (note 3)	143,864	114,636	71,944	9,194	7,327	4,598
Other receivables and prepayments (note 4)	11,964	9,909	7,883	765	633	504
Inventories (note 5)	68,253	52,961	58,771	4,362	3,385	3,756
TOTAL CURRENT ASSETS	228,193	215,550	257,474	14,584	13,776	16,455
Non-current assets						
Long-term financial investments (note 6)	7,140	8,780	7,740	456	561	495
Property, plant and equipment (note 7)	276,922	293,000	277,788	17,699	18,726	17,754
Intangible assets (note 8)	721	937	990	46	60	63
TOTAL NON-CURRENT ASSETS	284,783	302,717	286,518	18,201	19,347	18,312
TOTAL ASSETS	512,976	518,267	543,992	32,785	33,123	34,767
LIABILITIES AND EQUITY						
Current liabilities						
Lease liabilities (note 9)	70,414	164	131	4,500	11	8
Trade payables	40,140	28,602	27,472	2,565	1,828	1,756
Other payables (note 10)	101,563	105,386	59,463	6,491	6,735	3,801
Packaging repurchase obligation (note 11)	39,022	33,657	23,147	2,494	2,151	1,479
TOTAL CURRENT LIABILITIES	251,139	167,809	110,213	16,050	10,725	7,044
Non-current liabilities						
Lease liabilities (note 9)	296	505	376	20	32	24
Equity (note 12)						
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						
Retained earnings	145,403	227,099	227,099	9,293	14,514	14,514
Profit / loss for the period	28,138	34,854	118,304	1,798	2,228	7,561
TOTAL EQUITY	261,541	349,953	433,403	16,715	22,366	27,699
TOTAL LIABILITIES AND EQUITY	512,976,	518,267	543,992	32,785	33,123	34,767

INCOME STATEMENT

(In thousands)	EEK			€		
	January- June 2007	January- June 2006	2006	January- June 2007	January- June 2006	2006
Sales revenue and other income						
Sales revenue (note 13)	464,155	349,896	770,133	29,665	22,362	49,220
Other income	92	126	1,511	6	8	97
Total sales revenue and other income	464,247	350,022	771,644	29,671	22,370	49,317
Expenses						
Changes in work in progress and finished goods inventories	-9,396	-2,947	-1,973	-600	-188	-126
Cost of materials, consumables and services used (note 15)	194,424	138,662	303,884	12,426	8,862	19,422
Other operating expenses (note 15)	117,291	86,431	182,063	7,497	5,524	11,636
Labour costs (note 15)	46,910	39,933	85,354	2,998	2,552	5,455
Depreciation and amortisation charges (notes 7, 8)	29,839	28,078	58,590	1,907	1,794	3,745
Other expenses (note 15)	1,187	2,228	3,904	76	142	249
Total expenses	380,255	292,385	631,822	24,304	18,686	40,381
OPERATING PROFIT	83,992	57,637	139,822	5,367	3,684	8,936
Net financial items (note 16)	556	1,113	2,378	36	71	152
PROFIT BEFORE TAX	84,548	58,750	142,200	5,403	3,755	9,088
Income tax expense (note 18)	56,410	23,896	23,896	3,605	1,527	1,527
PROFIT FOR THE PERIOD	28,138	34,854	118,304	1,798	2,228	7,561
Basic earnings per share (note 17)	3.52	4.36	14.79	0.22	0.28	0.95
Diluted earnings per share (note 17)	3.52	4.36	14.79	0.22	0.28	0.95

INCOME STATEMENT, Q2

(In thousands)	EEK		€	
	2007	2006	2007	2006
Sales revenue and other income				
Sales revenue (note 13)	283,005	224,858	18,087	14,371
Other income	22	48	1	3
Total sales revenue and other income	283,027	224,906	18,088	14,374
Expenses				
Changes in work in progress and finished goods inventories	-7,275	-537	-464	-34
Cost of materials, consumables and services used (note 15)	116,771	85,370	7,463	5,456
Other operating expenses (note 15)	72,587	53,822	4,640	3,440
Labour costs (note 15)	25,775	22,499	1,647	1,437
Depreciation and amortisation charges (notes 7, 8)	15,131	13,748	967	879
Other expenses (note 15)	-26	1,633	-2	104
Total expenses	222,963	176,535	14,251	11,282
Q2 OPERATING PROFIT	60,064	48,371	3,837	3,092
Net financial items (note 16)	-475	598	-29	38
Q2 NET PROFIT	59,589	48,969	3,808	3,130
Basic earnings per share (note 17)	7.45	6.12	0.48	0.39
Diluted earnings per share (note 17)	7.45	6.12	0.48	0.39

CASH FLOW STATEMENT

(In thousands)	EEK			€		
	January- June 2007	January- June 2006	2006	January- June 2007	January- June 2006	2006
Cash flows from operating activities						
Operating profit	83,992	57,637	139,822	5,367	3,684	8,936
Adjustments for						
Depreciation and amortisation charges (notes 7, 8)	29,839	28,078	58,590	1,907	1,794	3,745
Result of disposal of property, plant and equipment	149	-78	2,459	10	-5	158
Non-cash expenses (note 20)	600	796	1,775	38	51	113
Change in inventories	-9,482	-9,902	-15,712	-606	-633	-1,005
Change in receivables	-76,001	-61,659	-16,941	-4,857	-3,941	-1,084
Change in current liabilities	70,643	86,012	28,449	4,514	5,497	1,819
Finance lease		561			35	
Interest paid	-872	-124	-250	-55	-8	-16
Corporate income tax paid	-56,410	-23,896	-23,896	-3,605	-1,527	-1,527
Net cash from operating activities	42,458	77,425	174,296	2,713	4,947	11,139
Cash flows from investing activities						
Acquisition of property, plant and equipment and intangibles	-41,992	-32,020	-52,361	-2,684	-2,046	-3,346
Proceeds from sale of property, plant and equipment	13,139	87	3,454	840	6	221
Interest received	1,431	1,239	2,257	92	79	144
Net cash used in investing activities	-27,422	-30,694	-46,650	-1,752	-1,961	-2,981
Cash flows from financing activities						
Dividends paid (note 12)	-200,000	-80,000	-80,000	-12,782	-5,113	-5,113
Payment of finance lease principal (note 9)	-77	-92	-174	-5	-5	-11
Change in overdraft facility	70,280			4,492		
Net cash used in financing activities	-129,797	-80,092	-80,174	-8,295	-5,118	-5,124
Decrease / increase in cash and cash equivalents	-114,761	-33,361	47,472	-7,334	-2,132	3,034
Effect of exchange rate fluctuations	-3	-1	-3			
Net decrease / increase in cash and cash equivalents	-114,764	-33,363	47,469	-7,334	-2,132	3,034
Cash and cash equivalents at beginning of period	118,876	71,407	71,407	7,597	4,563	4,563
Cash and cash equivalents at end of period	4,112	38,044	118,876	263	2,431	7,597
Net decrease / increase in cash and cash equivalents	-114,764	-33,363	47,469	-7,334	-2,132	3,034

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 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					34,854	34,854
30 June 2006	80,000	8,000	0	227,099	34,854	349,953
1 January 2007	80,000	8,000	0	345,403		433,403
Dividend distribution				-200,000		-200,000
Profit for the period					28,138	28,138
30 June 2007	80,000	8,000	0	145,403	28,138	261,541

(In thousands of €)	Share capital	Statutory capital reserve	Other reserves	Retained earnings	Profit for the period	Total equity
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					2,228	2,228
30 June 2006	5,113	511	0	14,514	2,228	22,366
1 January 2007	5,113	511	0	22,075		27,699
Dividend distribution				-12,782		-12,782
Profit for the period					1,798	1,798
30 June 2007	5,113	511	0	9,293	1,798	16,715

Notes to the interim financial statements

Note 1. Significant accounting policies

The interim financial statements for the first half and second quarter of 2007 have been prepared in accordance with the same accounting policies that were applied on the preparation of the annual financial statements for the year ended 31 December 2006.

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. Cash and cash equivalents

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Cash on hand	6	6	8			1
Current accounts	4,106	38,038	118,868	263	2,431	7,596
Total	4,112	38,044	118,876	263	2,431	7,597

Note 3. Trade receivables

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Due from customers	144,466	114,766	71,880	9,233	7,336	4,593
Allowance for doubtful receivables	-609	-150		-39	-10	
Items written off	7	30	87		2	6
Recovery of items written off in prior periods		-10	-23		-1	-1
Total	143,864	114,636	71,944	9,194	7,327	4,598

Note 4. Other receivables and prepayments

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Receivables from group companies (note 14)	2,810	4,066	4,498	180	260	288
Miscellaneous receivables	1,085	1,630	550	69	104	35
Prepaid expenses	6,669	2,813	1,435	427	180	92
AS Rocca al Mare Suurhall bonds (note 6)	1,400	1,400	1,400	89	89	89
Total	11,964	9,909	7,883	765	633	504

Note 5. Inventories

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Raw and other materials	36,842	32,678	38,799	2,355	2,090	2,480
Work in progress	6,221	8,536	6,808	397	546	435
Finished goods	20,688	9,951	10,705	1,322	635	684
Goods purchased for resale	4,071	1,071	2,329	260	68	149
Prepayments to suppliers	431	725	130	28	46	8
Total	68,253	52,961	58,771	4,362	3,385	3,756

Write-off and write-down of inventories

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Raw and other materials	45	25	1,430	3	2	91
Finished goods	405	65	1,191	26	4	76
Total	450	90	2,621	29	6	167

Note 6. Financial instruments

(In thousands)	AS Rocca al Mare Suurhall B shares EEK (€)	AS Rocca al Mare Suurhall bonds EEK (€)	Total EEK (€)
Number of instruments at 31 December 2005	22	82	
Carrying amount at 31 December 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		-300 (-21)	-300 (-21)
Ownership interest in 2006	0.006		
Number of instruments at 30 June 2006	22	76	
Carrying amount at 30 June 2006	2,580 (166)	7,600 (484)	10,180 (650)
Including current portion		1,400 (89)	1,400 (89)
Including non-current portion	2,580 (166)	6,200 (395)	8,780 (561)
Number of instruments at 31 December 2006	22	68	
Carrying amount at 31 December 2006	2,340 (151)	6,800 (435)	9,140 (586)
Including current portion		1,400 (91)	1,400 (91)
Including non-current portion	2,340 (151)	5,400 (344)	7,740 (495)
Redemption / change in value in 2007		-300 (-21)	-300 (-21)
Ownership interest in 2007	0.006		
Number of instruments at 30 June 2007	22	62	
Carrying amount at 30 June 2007	2,340 (151)	6,200 (396)	8,540 (547)
Including current portion		1,400 (91)	1,400 (91)
Including non-current portion	2,340 (151)	4,800 (305)	7,140 (456)

Saku Õlletehase AS has 22 B shares in and 62 bonds issued by AS Rocca al Mare Suurhall. The shares and the bonds are part of a 10-year cooperation 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 per year (€15,000) 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 *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 the rate of 5% 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 161,000 (€10,000)) has been recognised in *Financial income*.

(In thousands of EEK)	AS Rocca al Mare Suurhall bonds				
	Effective interest rate	Redemption			Total
		Up to 1 year	Between 1 and 5 years	Over 5 years	
31 December 2005	5.00	1,400	5,600	1,200	8,200
30 June 2006	5.00	1,400	5,600	600	7,600
31 December 2006	5.00	1,400	5,400		6,800
30 June 2007	5.00	1,400	4,800		6,200

(In thousands of €)	AS Rocca al Mare Suurhall bonds				
	Effective interest rate	Redemption			Total
		Up to 1 year	Between 1 and 5 years	Over 5 years	
31 December 2005	5.00	89	358	78	525
30 June 2006	5.00	89	358	37	484
31 December 2006	5.00	90	345		435
30 June 2007	5.00	91	305		396

Financial risks

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

Credit risk

Saku Õlletehase AS 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 a high 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 AS Rocca al Mare Suurhall shares and bonds. 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.

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

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 7. Property, plant and equipment

Movements in property, plant and equipment in the 1st half of 2007

(In thousands EEK)	Land	Buildings and structures	Plant and equipment	IT equipment and fixtures and fittings	Reusable packaging subject to a deposit	Reusable packaging not subject to a deposit	Assets leased out (note 9)	Finance lease (note 9)	Prepayments and investments in progress	Total
Cost at 31 December 2005	3,186	135,151	328,298	63,422	27,791	35,600	10,765	0	1,407	605,620
Accumulated depreciation at 31 December 2005		43,964	206,509	52,906	5,534	1,908	5,974	0		316,795
Carrying amount at 31 December 2005	3,186	91,187	121,789	10,516	22,257	33,692	4,791	0	1,407	288,825
Addition			2,529	5,036	13,717	237	1,609	757	8,135	32,020
Disposal			-490							-490
Depreciation for the period		3,226	13,598	3,513	,2,893	3,116	1,386	108		27,840
Cost at 30 June 2006	3,186	135,151	330,337	68,458	41,508	35,837	12,374	757	9,542	637,150
Accumulated depreciation at 30 June 2006		47,190	219,622	56,419	8,427	5,024	7,360	108		344,150
Carrying amount at 30 June 2006	3,186	87,961	110,715	12,039	33,081	30,813	5,014	649	9,542	293,000
Cost at 31 December 2006	3,186	138,420	332,214	68,257	46,467	33,891	13,153	681	4,879	641,148
Accumulated depreciation at 31 December 2006		50,498	226,552	56,835	11,606	8,914	8,775	180		363,360
Carrying amount at 31 December 2006	3,186	87,922	105,662	11,422	34,861	24,977	4,378	501	4,879	277,788
Addition		400	5,342	6,268	14,998	1,792	680		12,512	41,992
Disposal					-13,239	-1,931				-15,170
Depreciation for the period		3,429	12,092	4,022	4,263	4,474	1,209	82		29,571
Cost at 30 June 2007	3,186	138,820	337,556	74,525	48,226	33,752	13,833	681	17,391	667,970
Accumulated depreciation at 30 June 2007		53,927	238,644	60,857	14,623	12,751	9,984	262		391,048
Carrying amount at 30 June 2007	3,186	84,893	98,912	13,668	33,603	21,001	3,849	419	17,391	276,922

(In thousands €)	Land	Buildings and structures	Plant and equipment	IT equipment and fixtures and fittings	Reusable packaging subject to a deposit	Reusable packaging not subject to a deposit	Assets leased out (note 9)	Finance lease (note 9)	Prepayments and investments in progress	Total
Cost at 31 December 2005	204	8,636	20,982	4,054	1,776	2,275	688		90	38,705
Accumulated depreciation at 31 December 2005		2,810	13,199	3,381	353	122	382			20,247
Carrying amount at 31 December 2005	204	5,826	7,783	673	1,423	2,153	306		90	18,458
Addition			162	322	876	15	103	48	520	2,046
Disposal			-31							-31
Depreciation for the period		206	869	224	185	199	89	7		1,779
Cost at 30 June 2006	204	8,636	21,113	4,376	2,652	2,290	791	48	610	40,720
Accumulated depreciation at 30 June 2006		3,016	14,036	3,605	538	321	471	7		21,994
Carrying amount at 30 June 2006	204	5,620	7,077	771	2,114	1,969	320	41	610	18,726
Cost at 31 December 2006	204	8,845	21,231	4,363	2,970	2,166	841	44	312	40,976
Accumulated depreciation at 31 December 2006		3,227	14,478	3,632	742	570	561	12		23,222
Carrying amount at 31 December 2006	204	5,618	6,753	731	2,228	1,596	280	32	312	17,754
Addition		26	341	401	959	115	43		799	2,684
Disposal					-846	-123				-969
Depreciation for the period		219	773	257	272	287	77	5		1,890
Cost at 30 June 2007	204	8,871	21,572	4,764	3,083	2,158	884	44	1,111	42,691
Accumulated depreciation at 30 June 2007		3,446	15,251	3,889	936	815	638	17		24,992
Carrying amount at 30 June 2007	204	5,425	6,321	875	2,147	1,343	246	27	1,111	17,699

The requirement for the implementation of packaging deposits, which was provided in the Packaging Act adopted in 2004, took effect on 1 October 2005. Since that date, reusable 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 30 June 2007, the carrying amount of reusable bottles subject to a deposit was EEK 33,508,000 (€2,141,000). At 30 June 2006, the corresponding figure was EEK 31,639,000 (€2,022,000).

Assets leased out comprise bar furniture, which has been leased under the terms of operating lease to support HoReCa sales (hotels, restaurants and catering). At 30 June 2007, the carrying amount of the furniture was EEK 3,849,000 (€246,000). At 30 June 2006, the corresponding figure was EEK 5,014,000 (€320,000). Information on operating lease income is presented in note 9. 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.

Note 8. Intangible assets

Movements in intangible assets in the 1st half of 2007

(In thousands)	EEK	€
Cost at 31 December 2005	2,541	163
Accumulated amortisation at 31 December 2005	1,366	87
Carrying amount at 31 December 2005	1,175	76
Amortisation charge for the period	238	15
Cost at 30 June 2006	2,541	163
Accumulated amortisation at 30 June 2006	1,604	103
Carrying amount at 30 June 2006	937	60
Cost at 31 December 2006	2,825	181
Accumulated amortisation at 31 December 2006	1,835	118
Carrying amount at 31 December 2006	990	63
Amortisation charge for the period	268	17
Cost at 30 June 2007	2,825	181
Accumulated amortisation at 30 June 2007	2,104	135
Carrying amount at 30 June 2007	721	46

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

Note 9. Finance and operating 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 7.

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Lease income on <i>Assets leased out</i>	41	41	76	3	3	5
Lease income receivable in less than 1 year	56	61	76	4	4	5
Lease income receivable between 1 and 5 years	10	12	10	1	1	1

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 are presented in the *Finance lease* column of note 7.

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

FINANCE LEASE	EEK		€	
	30 June 2007	31 December 2006	30 June 2007	31 December 2006
(In thousands)				
Principal payments of the period	77	174	5	11
Interest payments of the period	15	10	1	1
Minimum amount of principal payable	430	507	29	32
In less than 1 year	134	131	9	8
Between 1 and 4 years	296	376	20	24
Interest payable	18	47	1	3
In less than 1 year	2	21		1
Between 1 and 4 years	16	26	1	2

In the first half of 2007, the depreciation of leased assets amounted to EEK 82,000 (€5,000) which has been recognised in *Depreciation and amortisation charges*.

Operating lease

In the reporting period, operating lease payments for vehicles (72 contracts) and production equipment totalled EEK 2,584,000 (€165,000) and EEK 117,000 (€7,000) respectively. Payments made for additional warehouse space totalled EEK 1,915,000 (€122,000).

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Lease payments of the period	4,616	1,885	1,014	294	120	65
Minimum lease liabilities	8,437	7,502	8,373	539	479	535
Payable in less than 1 year	2,959	3,112	3,112	189	199	199
Payable between 1 and 5 years	5,478	4,390	5,261	350	280	336

The base currency of all vehicle leases is the Estonian kroon or euro and the one of equipment leases is euro. The contracts do not impose restrictions on the company's dividend or financing policies and the assets have not been subleased.

Note 10. Other payables

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Income tax		23,896			1,527	
Alcohol excise duty	29,812	29,695	17,818	1,905	1,898	1,139
Value-added tax	19,320	17,387	9,886	1,235	1,111	632
Social tax	2,285	1,961	159	146	125	10
Income tax on fringe benefits, non-business and entertainment expenses	123	84	210	8	5	13
Personal income tax	1,215	1,060		78	68	
Unemployment insurance premiums	57	49		4	3	
Funded pension premiums	93	44		6	3	
Payables to employees	4,479	3,938	5,969	286	252	381
Payables to group companies (note 14)	20,389	7,089	7,932	1,303	453	507
Other accrued expenses	23,790	20,183	17,489	1,520	1,290	1,119
Total	101,563	105,386	59,463	6,491	6,735	3,801

Note 11. Packaging repurchase obligation

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Obligation to recover reusable packaging subject to a deposit	24,962	19,966	18,904	1,595	1,276	1,208
Obligation to recover one-way packaging subject to a deposit	7,722	4,772	2,911	494	305	186
Obligation to repurchase reusable packaging not subject to a deposit	6,338	8,919	1,332	405	570	85
Total	39,022	33,657	23,147	2,494	2,151	1,479

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

Note 12. 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 2007 the general meeting approved the proposal of the management board to declare for 2006 a net dividend of EEK 200 million (€12.8 million), i.e. EEK 25 (€1.6) per share. The dividends were paid out on 20 April 2007.

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 one twentieth of its net profit until the reserve amounts to one tenth 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.

Note 13. Sales revenue

SALES OF PRODUCTS AND SERVICES						
(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Beer	343,056	280,111	603,483	21,925	17,902	38,569
Other alcoholic beverages	75,880	48,975	118,747	4,849	3,130	7,589
Table water	30,381	15,161	39,973	1,941	969	2,555
Soft drinks	12,575	3,498	3,498	803	223	224
By-products	826	747	1,428	52	48	91
Services	233	327	559	15	21	36
Other goods	1,204	1,077	2,445	80	69	156
Total	464,155	349,896	770,133	29,665	22,362	49,220
SALES BY MARKETS						
(In thousands)						
Estonia	416,020	311,289	675,697	26,589	19,895	43,185
Lithuania, Latvia, Finland, Ukraine, Denmark, Sweden, USA	48,135	38,607	94,436	3,076	2,467	6,035
Total	464,155	349,896	770,133	29,665	22,362	49,220

Note 14. Related party transactions

Related parties include the direct parent BBH, companies belonging to the same group as the parent, the parent company's shareholders Carlsberg A/S and Scottish & Newcastle plc, and companies belonging to Carlsberg A/S and Scottish & Newcastle plc groups. Sales comprise the sales of finished goods; packaging; ancillary and raw materials; and resale of goods. Purchases include purchases of goods; packaging; raw and ancillary materials; 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 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
The parent company BBH	5,438	4,662	9,323	347	298	596
Companies belonging to the same group as the parent	29,343	12,125	39,971	1,875	775	2,554
Shareholders of the parent	772	670	1,905	49	43	122
Companies belonging to the same groups as shareholders of the parent	42,315	15,614	33,308	2,705	998	2,129
Total	77,868	33,071	84,507	4,976	2,114	5,401

Sales by Saku Õlletehase AS

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
The parent company BBH						
Companies belonging to the same group as the parent	35,417	29,061	78,087	2,264	1,857	4,991
Shareholders of the parent		495	495		31	32

Companies belonging to the same groups as shareholders of the parent	8,949	6,157	13,595	572	394	869
Total	44,366	35,713	92,177	2,836	2,282	5,892

Receivables from related parties

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Companies belonging to the same group as the parent	1,804	2,281	1,509	115	146	97
Shareholders of the parent		160			10	
Companies belonging to the same groups as shareholders of the parent	1,006	1,625	2,989	64	104	191
Total	2,810	4,066	4,498	179	260	288

Liabilities to related parties

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
The parent company BBH	472	1,248	472	30	80	30
Companies belonging to the same group as the parent	6,388	1,067	993	408	68	65
Shareholders of the parent	506	36	174	32	2	11
Companies belonging to the same groups as shareholders of the parent	13,023	4,738	6,293	832	303	401
Total	20,389	7,089	7,932	1,302	453	507

Payments made to the management and supervisory board members in the reporting period totalled EEK 3,225,000 (€206,000). The corresponding figure for the first half of 2006 was EEK 3,477,000 (€222,000). At 30 June 2007, the total contingent termination benefits payable to members of the top management, including taxes, amounted to EEK 2,710,000 (€177,000). At 30 June 2006, the corresponding figure was EEK 2,084,000 (€133,000).

Note 15. Expenses

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Raw materials	52,282	43,156	96,079	3,341	2,758	6,141
Ancillary materials	75,459	63,278	138,485	4,823	4,044	8,851
Imported beverages	40,795	9,010	24,105	2,607	576	1,541
Other	25,888	23,218	45,215	1,655	1,484	2,889
Total cost of materials, consumables and services used	194,424	138,662	303,884	12,426	8,862	19,422
Advertising expenses	49,028	34,914	65,033	3,134	2,232	4,156
Transport and vehicle expenses	29,161	22,092	52,145	1,864	1,412	3,333

Waste management	3,414	3,251	6,852	218	208	438
Repair of buildings and equipment	4,618	4,115	9,574	295	263	612
Purchase of other services	25,903	19,159	39,044	1,656,,	1,224	2,495
Other expenses	5,167	2,900	9,415	330	185	602
Total other operating expenses	117,291	86,431	182,063	7,497	5,524	11,636
Wages and salaries	35,004	29,867	63,918	2,237	1,909	4,085
Social security charges	11,805	9,983	21,256	754	638	1,359
Unemployment insurance premiums	101	83	180	7	5	11
Total labour costs	46,910	39,933	85,354	2,998	2,552	5,455
Sponsoring, entertainment expenses and expenses not related to the core activity	1,009	1,087	2,099	64	69	134
Interest and interest on arrears paid		1,085	1,674		69	107
Purchase and sale of packaging	84			6		
Foreign exchange losses	94	56	131	6	4	8
Total other expenses	1,187	2,228	3,904	76	142	249

Note 16. Net financial items

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Interest income	1,431	1,239	2,631	92	79	168
Total financial income	1,431	1,239	2,631	92	79	168
Interest expense	752	4	10	48		1
Foreign exchange losses	3	2	3			
Financial expenses on shares	120	120	240	8	8	15
Total financial expenses	875	126	253	56	8	16
Net financial items	556	1,113	2,378	36	71	152

Note 17. Earnings per share

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Net profit	28,138	34,854	118,304	1,798	2,228	7,581
Number of shares outstanding	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Basic earnings per share	3.52	4.36	14.79	0.22	0.28	0.95
Diluted earnings per share	3.52	4.36	14.79	0.22	0.28	0.95

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

Note 18. Income tax expense

(In thousands)	EEK			€		
	30 June 2007	30 June 2006	31 December 2006	30 June 2007	30 June 2006	31 December 2006
Dividends paid	200,000	80,000	80,000	12,782	5,113	5,113
Income tax rate applied	28.2%	29.9%	29.9%	28.2%	29.9%	29.9%
Income tax expense	56,410	23,896	23,896	3,605	1,527	1,527

In accordance with the effective Income Tax Act, in 2007 the income tax rate for dividends is 22/78 (28.2%). In 2006 the tax rate was 23/77 (29.9%) of the amount distributed as the net dividend.

Note 19. 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 3,300,000 (€211,000) and is valid from 21 November 2006 to 21 November 2007.

In accordance with an agreement concluded 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). The guarantee is effective until 30 January 2009.

Note 20. Non-cash transactions

The income receivable on AS Rocca al Mare Suurhall bonds belonging to Saku Õlletehase AS is offset against the liability of Saku Õlletehase AS to AS Rocca al Mare Suurhall. The liability is related to advertising services rendered under a cooperation agreement.

The offset amount for the first half of 2007 was EEK 761,000 (€49,000). The corresponding figure for the first half of 2006 was EEK 831,000 (€53,000).

21. Review of performance and operating results

Saku Õlletehase AS ended first half year with revenues of EEK 464,2 million (EUR 29,67 m), in improvement 32,6% compared to previous year same period. Operative profit of Saku Õlletehase AS has increased almost a half, i.e. 46% to be amounted EEK 83,99 million (EUR 5,36 million), therefore being the leading beverage company in Estonia.

In quantitative terms, beverage sales of Saku Õlletehas totalled 49,07 million litres, 16% up on the period. Beer sales is amounted as 37,3 million litres from total sales.

Despite of lots of sudden sales restrictions in the period and unfavourable weather conditions, Saku has done great financial results in the period. Growth of revenues and profit is based on implementation of business strategy, which is focused on premiumness in product portfolio and efficiency, especially cost control. Besides beer, Saku has contributed on other beverages development, especially by water lines, which sales has increased by 75%.

Revenue growth of Saku is run by quality beer products, which is the strategic strength of the company as well in domestic sales and in export. The company is an overwhelming leader in premium and mainstream category (respectively 62% and 57% on the category).

75% from total sales of the company belongs to beer and beer drinks category. During the period, Saku Õlletehase AS has renewed its corporate brand and made packaging development for its main beer brand, Saku Original. Beer sales increase is lead by premium brand Saku Kuld and mainstream brand Saku Original as the most sold beer in Estonia.

In terms of premiumness, Saku has strengthened its position in market share in terms of value and litres. According to research Company AC Nielsen the value share of the beer market is amounted 51%, follower is AleCoq Brewery (Olvi) by 34,3%. Volume share in beer market is of Saku Brewery is amounted as 47%, following ALeCoq Brewery (Olvi) by 34%, Private labels 9,6%, Viru Brewery (Harboe) 4,4%, Puls Brewery 0,8% and others 4,1%.

In aim to multiply revenue bases, the company continues enlargement on other beverage products, which amounts as 25% from total sales. During a year Saku has launched three new bottled cocktails under the line Sin, Vichy Classique Ice Tea, innovative long drink Zip Freezer and launched strawberry flavoured Kiss cider. A domestic energy drink, Traffic was launched and international brand Strongbow Gold was started to produce at Saku brewery under the licence of Scottish and Newcastle. Bottled water sales of Saku has increased 75% during the period, driven by flavoured near waters Viva Fresh product development.

During the period an export has increased, levelled as 18% from total sales. Export is related mainly to the Baltic States and Finland. Premium brand, Saku Kuld is started to distribute by Finnish market leader company Sinebrychoff.

In 2007 has been the priority investments of the company product development centre at Saku Brewery, which consists laboratory technology and experts development program in aim to new product development for Estonia, Latvia and Lithuania. In the centre has been created for the Baltic market cocktail drink line Sin, Vichy Classique ice tea, beer drinks Dlight and Viva Fresh near waters.

As the market leader, Saku Brewery invests in production and technology on annual bases. Besides investments in laboratory and product development centre, there has been important investments focused on cider wine production and filling department regarding packaging development, especially new generation cork technology.

On April there was an alcohol sales ban in Tallinn almost a week and after that restricted in many regions in Northern Estonia which has influenced sales of II quarter and could have impact for sales in the future.

Growth of company's experiences is influenced by production increase in the same time. 30% increase of experiences compared to the last year same period, is lead by spendings on goods, raw materials, packages, consumables and transportation.

Net profit in II quarter has increased 22%, amounted to 59,59 million EEK (EUR 3,80 m). Six months net profit totalled 28,1 m EEK (EUR 1,78 m), which is 19 % less compared to last year same period because of dividend taxes payout in the first quarter. Saku Õlletehase AS dividends were the highest ever last year, which increased over 50% tax level compared to previous year. 25% of share-capital of Saku Õlletehase AS belongs to small private and institutional shareholders.

22. Statement of management responsibility

The management board acknowledges its responsibility for the interim financial statements of Saku Õlletehase AS for the first half of 2007 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.

Aug 29, 2007

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name.

Ireneusz Piotr Smaga
Chairman of the Management Board

A handwritten signature in black ink, featuring a large, prominent initial 'I' followed by a series of connected, cursive letters.

Inga Kuusik
Member of the Management Board