



SAKU ÕLLETEHASE AS

INTERIM FINANCIAL STATEMENTS
1st QUARTER 2008

| | |
|--------------------------------|--|
| Principal activities | production, wholesale, and import and export of low alcohol beverages, table water and soft drinks |
| Beginning of financial year | 1 January 2008 |
| End of financial year | 31 December 2008 |
| 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 |
| Corporate 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
INTERIM FINANCIAL STATEMENTS 1ST QUARTER 2008

Contents

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

1. Interim financial statements

BALANCE SHEET

| (In thousands) | EEK | | | EUR | | |
|---|------------------|------------------|---------------------|------------------|------------------|---------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| ASSETS | | | | | | |
| Cash and cash equivalents (note 2) | 22,347 | 130,520 | 15,746 | 1,428 | 8,342 | 1,006 |
| Trade receivables (note 3) | 88,391 | 82,116 | 88,951 | 5,649 | 5,248 | 5,685 |
| Other receivables and prepayments (note 4) | 22,373 | 12,008 | 33,120 | 1,430 | 767 | 2,117 |
| Inventories (note 5) | 78,250 | 50,642 | 57,257 | 5,001 | 3,237 | 3,659 |
| TOTAL CURRENT ASSETS | 211,361 | 275,286 | 195,074 | 13,508 | 17,594 | 12,467 |
| Non-current assets | | | | | | |
| Financial assets (note 6) | 5,800 | 7,440 | 6,100 | 371 | 474 | 390 |
| Property, plant and equipment (note 7) | 270,132 | 274,313 | 280,552 | 17,265 | 17,534 | 17,931 |
| Intangible assets (note 8) | 386 | 855 | 491 | 25 | 54 | 31 |
| TOTAL NON-CURRENT ASSETS | 276,318 | 282,608 | 287,143 | 17,661 | 18,062 | 18,352 |
| TOTAL ASSETS | 487,679 | 557,894 | 482,217 | 31,169 | 35,656 | 30,819 |
| LIABILITIES AND EQUITY | | | | | | |
| Current liabilities | | | | | | |
| Lease liabilities (note 9) | 82 | 134 | 110 | 5 | 9 | 7 |
| Trade payables | 27,780 | 20,752 | 23,666 | 1,776 | 1,328 | 1,513 |
| Other payables (note 10) | 71,858 | 309,351 | 83,954 | 4,593 | 19,770 | 5,365 |
| Packaging repurchase provision (note 11) | 35,858 | 25,370 | 43,359 | 2,292 | 1,621 | 2,771 |
| TOTAL CURRENT LIABILITIES | 135,578 | 355,607 | 151,089 | 8,666 | 22,728 | 9,656 |
| Non-current finance lease liabilities (note 9) | 229 | 335 | 239 | 15 | 21 | 16 |
| TOTAL LIABILITIES | 137,831 | 355,942 | 151,328 | 8,681 | 22,749 | 9,672 |
| 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 |
| Retained earnings | 242,889 | 145,403 | 141,966 | 15,523 | 9,293 | 9,073 |
| Profit for the period | 20,983 | -31,451 | 100,923 | 1,341 | -2,010 | 6,450 |
| TOTAL EQUITY | 351,872 | 201,952 | 330,889 | 22,488 | 12,907 | 21,147 |
| TOTAL LIABILITIES AND EQUITY | 487,679 | 557,894 | 482,217 | 31,169 | 35,656 | 30,819 |

INCOME STATEMENT

| (In thousands) | EEK | | | EUR | | |
|--|---------------------------|---------------------------|----------------|---------------------------|---------------------------|---------------|
| | January- March 2008 | January- March 2007 | 2007 | January- March 2008 | January- March 2007 | 2007 |
| Sales revenue and other income | | | | | | |
| Sales revenue (note 14) | 167,744 | 181,150 | 911,685 | 10,721 | 11,578 | 58,267 |
| Other income | 6 | 70 | 8,390 | | 5 | 536 |
| Total sales revenue and other income | 167,750 | 181,220 | 920,075 | 10,721 | 11,583 | 58,803 |
| Expenses | | | | | | |
| Changes in work in progress and finished goods inventories | -7,563 | -2,121 | -4,985 | -483 | -136 | -319 |
| Cost of materials, consumables and services used (note 15) | 71,475 | 77,653 | 360,471 | 4,568 | 4,963 | 23,038 |
| Other operating expenses (note 15) | 45,171 | 44,704 | 252,404 | 2,886 | 2,857 | 16,132 |
| Personnel expenses (note 15) | 24,230 | 21,135 | 96,149 | 1,549 | 1,351 | 6,145 |
| Depreciation and amortisation charges (notes 7, 8) | 13,160 | 14,708 | 56,415 | 841 | 940 | 3,606 |
| Other expenses (note 15) | 560 | 1,213 | 2,263 | 36 | 78 | 144 |
| Total expenses | 147,033 | 157,292 | 762,717 | 9,397 | 10,053 | 48,746 |
| OPERATING PROFIT | 20,717 | 23,928 | 157,358 | 1,324 | 1,530 | 10,057 |
| Financial income (note 16) | 331 | 1,100 | 1,619 | 21 | 70 | 103 |
| Financial expenses (note 16) | 65 | 69 | 1,644 | 4 | 5 | 105 |
| PROFIT BEFORE INCOME TAX | 20,983 | 24,959 | 157,333 | 1,341 | 1,595 | 10,055 |
| Income tax expense (note 18) | | 56,410 | 56,410 | | 3,605 | 3,605 |
| PROFIT FOR THE PERIOD | 20,983 | -31,451 | 100,923 | 1,341 | -2,010 | 6,450 |
| Basic earnings per share (note 17) | 0.0026 | 0 | 0.013 | 0.0002 | 0 | 0.0008 |
| Diluted earnings per share (note 17) | 0.0026 | 0 | 0.013 | 0.0002 | 0 | 0.0008 |

CASH FLOW STATEMENT

| (In thousands) | EEK | | | EUR | | |
|--|---------------------------|---------------------------|-----------------|---------------------------|---------------------------|----------------|
| | January- March 2008 | January- March 2007 | 2007 | January- March 2008 | January- March 2007 | 2007 |
| Cash flows from operating activities | | | | | | |
| Operating profit | 20,717 | 23,928 | 157,358 | 1,324 | 1,530 | 10,057 |
| Adjustments for | | | | | | |
| Depreciation and amortisation charges (notes 7, 8) | 13,160 | 14,708 | 56,415 | 841 | 940 | 3,606 |
| Gain/loss on the disposal of property, plant and equipment and intangible assets | 15 | 203 | -7,968 | 1 | 14 | -509 |
| Non-cash expenses (note 20) | 300 | 300 | 1,705 | 19 | 19 | 109 |
| Change in inventories | -20,993 | 8,129 | 1,514 | -1,342 | 519 | 97 |
| Change in receivables | 11,307 | -14,297 | -42,244 | 723 | -913 | -2,700 |
| Change in current liabilities | -15,483 | 245,391 | 37,460 | -988 | 15,683 | 2,393 |
| Interest paid | -64 | -69 | -1,401 | -4 | -5 | -89 |
| Corporate income tax paid (note 18) | | -56,410 | -56,410 | | -3,605 | -3,605 |
| Net cash from operating activities | 8,959 | 221,883 | 146,429 | 574 | 14,182 | 9,359 |
| Cash flows from investing activities | | | | | | |
| Acquisition of property, plant and equipment and intangible assets | -2,960 | -12,046 | -88,343 | -190 | -771 | -5,646 |
| Proceeds from sale of property, plant and equipment | 309 | 745 | 37,624 | 20 | 48 | 2,404 |
| Interest received | 331 | 1,100 | 1,315 | 21 | 70 | 84 |
| Net cash used in investing activities | -2,320 | -10,201 | -49,404 | -149 | -653 | -3,158 |
| Cash flows from financing activities | | | | | | |
| Dividends paid (note 12) | | -200,000 | -200,000 | | -12,782 | -12,782 |
| Payment of finance lease principal (note 9) | -38 | -38 | -158 | -3 | -2 | -10 |
| Proceeds from loans received | | | 104,931 | | | 6,706 |
| Repayment of loans | | | -104,931 | | | -6,706 |
| Net cash used in financing activities | -38 | -200,038 | -200,158 | -3 | -12,784 | -12,792 |
| Increase / decrease in cash and cash equivalents | 6,601 | 11,644 | -103,133 | 422 | 745 | -6,591 |
| Effect of exchange rate fluctuations | | | 3 | | | 0 |
| Net increase / decrease in cash and cash equivalents | 6,601 | 11,644 | -103,130 | 422 | 745 | -6,591 |
| Cash and cash equivalents at beginning of period | 15,746 | 118,876 | 118,876 | 1,006 | 7,597 | 7,597 |
| Cash and cash equivalents at end of period | 22,347 | 130,520 | 15,746 | 1,428 | 8,342 | 1,006 |
| Net increase / decrease | 6,601 | 11,644 | -103,130 | 422 | 745 | -6,591 |

STATEMENT OF CHANGES IN EQUITY

| EEK (In thousands) | Share capital | Statutory capital reserve | Retained earnings | Profit for the period | Total equity |
|-----------------------|---------------|---------------------------|-------------------|-----------------------|--------------|
| At 1 January 2007 | 80,000 | 8,000 | 345,403 | 0 | 433,403 |
| Dividend distribution | 0 | 0 | -200,000 | 0 | -200,000 |
| Profit for the period | 0 | 0 | 0 | -31,451 | -31,451 |
| At 31 March 2007 | 80,000 | 8,000 | 145,403 | -31,451 | 201,952 |
| At 1 January 2008 | 80,000 | 8,000 | 242,889 | 0 | 330,889 |
| Dividend distribution | 0 | 0 | 0 | 0 | 0 |
| Profit for the period | 0 | 0 | 0 | 20,983 | 20,983 |
| At 31 March 2008 | 80,000 | 8,000 | 242,889 | 20,983 | 351,872 |

| EUR (In thousands) | Share capital | Statutory capital reserve | Retained earnings | Profit for the period | Total equity |
|-----------------------|---------------|---------------------------|-------------------|-----------------------|--------------|
| At 1 January 2007 | 5,113 | 511 | 22,075 | 0 | 27,699 |
| Dividend distribution | 0 | 0 | -12,782 | 0 | -12,782 |
| Profit for the period | 0 | 0 | 0 | -2,010 | -2,010 |
| At 31 March 2007 | 5,113 | 511 | 9,293 | -2,010 | 12,907 |
| At 1 January 2008 | 5,113 | 511 | 15,523 | 0 | 21,147 |
| Dividend distribution | 0 | 0 | 0 | 0 | 0 |
| Profit for the period | 0 | 0 | 0 | 1,341 | 1,341 |
| At 31 March 2008 | 5,113 | 511 | 15,523 | 1,341 | 22,488 |

Notes to the interim financial statements

Note 1. Significant accounting policies

The interim financial statements for the first quarter of 2008 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 2007.

Note 2. Cash and cash equivalents

| (In thousands) | EEK | | | EUR | | |
|------------------|---------------|----------------|------------------|---------------|---------------|------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| Cash on hand | 2 | 11 | 7 | 0 | 1 | 1 |
| Current accounts | 22,345 | 130,509 | 15,739 | 1,428 | 8,341 | 1,005 |
| Total | 22,347 | 130,520 | 15,746 | 1,428 | 8,342 | 1,006 |

Note 3. Trade receivables

| (In thousands) | EEK | | | EUR | | |
|--------------------|---------------|---------------|------------------|---------------|---------------|------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| Due from customers | 88,391 | 82,116 | 88,951 | 5,649 | 5,248 | 5,685 |

Note 4. Other receivables and prepayments

| (In thousands) | EEK | | | EUR | | |
|--|---------------|---------------|------------------|---------------|---------------|------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| Other receivables | | | | | | |
| Receivables from group companies (note 13) | 2,025 | 4,775 | 21,508 | 129 | 305 | 1,375 |
| Miscellaneous receivables | 997 | 1,205 | 504 | 64 | 77 | 32 |
| AS Rocca al Mare Suurhall bonds (note 6) | 1,400 | 1,400 | 1,400 | 89 | 89 | 89 |
| Total other receivables | 4,422 | 7,380 | 23,412 | 282 | 471 | 1,496 |
| Prepayments | | | | | | |
| Prepaid expenses | 17,951 | 4,628 | 9,708 | 1,148 | 296 | 621 |
| Total other receivables and prepayments | 22,373 | 12,008 | 33,120 | 1,430 | 767 | 2,117 |

Note 5. Inventories

| (In thousands) | EEK | | | EUR | | |
|----------------------------|---------------|---------------|------------------|---------------|---------------|------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| Raw and other materials | 42,220 | 27,272 | 33,048 | 2,698 | 1,743 | 2,112 |
| Work in progress | 10,830 | 8,754 | 8,458 | 692 | 560 | 541 |
| Finished goods | 19,231 | 10,880 | 14,040 | 1,229 | 695 | 897 |
| Goods purchased for resale | 3,408 | 3,425 | 1,396 | 218 | 219 | 89 |
| Prepayments to suppliers | 2,561 | 311 | 315 | 164 | 20 | 20 |
| Total | 78,250 | 50,642 | 57,257 | 5,001 | 3,237 | 3,659 |

Write-off and write-down of inventories

| (In thousands) | EEK | | | EUR | | |
|-------------------------|---------------|---------------|------------------|---------------|---------------|------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| Raw and other materials | 163 | 3 | 1,296 | 10 | | 83 |
| Finished goods | 1,129 | 241 | 1,484 | 72 | 16 | 95 |
| Total | 1,292 | 244 | 2,780 | 82 | 16 | 178 |

The write-off of inventories is recognised in the income statement in the *Cost of materials, consumables and services used*. Inventories are written down and off when they are damaged, become unusable or their "use by" date expires.

Note 6. Financial assets

Saku Õlletehase AS has 22 B shares in and 51 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 149,900 kroons (9,580 euros) 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 240 thousand kroons (15 thousand euros) 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 financial expenses.

The par value of a bond issued by AS Rocca al Mare Suurhall is 100 thousand kroons (6,401 euros). 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 (65 thousand kroons (4 thousand euros)) has been recognised in the income statement in financial income.

| (In thousands) | AS Rocca al Mare Suurhall B shares EEK (EUR) | AS Rocca al Mare Suurhall bonds EEK (EUR) | Total EEK (EUR) |
|---|--|---|--------------------|
| 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) |
| Number of instruments at 31 March 2007 | 22 | 65 | |
| Carrying amount at 31 March 2007 | 2,340 (151) | 6,500 (414) | 8,840 (565) |
| Including current portion | | 1,400 (91) | 1,400 (91) |
| Including non-current portion | 2,340 (151) | 5,100 (323) | 7,440 (474) |
| Number of instruments at 31 December 2007 | 22 | 54 | |
| Carrying amount at 31 December 2007 | 2,100 (136) | 5,400 (344) | 7,500 (480) |
| Including current portion | 0 | 1,400 (90) | 1,400 (90) |
| Including non-current portion | 2,100 (136) | 4,000 (254) | 6,100 (390) |
| Ownership interest in 2007 | 0.006 | - | - |
| Redemption / change in value in 2008 | | -300 (-21) | -300 (-21) |
| Number of instruments at 31 March 2008 | 22 | 51 | |
| Carrying amount at 31 March 2008 | 2,100 (136) | 5,100 (323) | 7,200 (459) |
| Including current portion | 0 | 1,400 (91) | 1,400 (91) |
| Including non-current portion | 2,100 (136) | 3,700 (232) | 5,800 (368) |

| EEK (In thousands) | Effective interest rate, % | | | |
|---------------------|-------------------------------|-----------------|-----------------------------|-------|
| | | Up to 1 year | Between 1 and 5 years | Total |
| At 31 December 2006 | 5.00 | 1,400 | 5,400 | 6,800 |
| At 31 March 2007 | 5.00 | 1,400 | 5,100 | 6,500 |
| At 31 December 2007 | 5.00 | 1,400 | 4,000 | 5,400 |
| At 31 March 2008 | 5.00 | 1,400 | 3,700 | 5,100 |

| EUR (In thousands) | Effective interest rate, % | | | Total |
|---------------------|----------------------------|--------------|-----------------------|-------|
| | | Up to 1 year | Between 1 and 5 years | |
| At 31 December 2006 | 5.00 | 91 | 344 | 435 |
| At 31 March 2007 | 5.00 | 91 | 323 | 414 |
| At 31 December 2007 | 5.00 | 90 | 254 | 344 |
| At 31 March 2008 | 5.00 | 91 | 232 | 323 |

Note 7. Property, plant and equipment

Movements in Q1 2008

| EEK (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 assets under construction | Total |
|--|--------------|--------------------------|---------------------|--|---|---|----------------------------|------------------------|---|----------------|
| 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 |
| Additions | | | 1,213 | 1,054 | 4,422 | 702 | | | 4,655 | 12,046 |
| Disposals | | | | | 279 | 928 | | | | 1,207 |
| Depreciation charge for the period | | 1,714 | 6,481 | 1,298 | 2,316 | 2,070 | 653 | 41 | | 14,573 |
| Cost at 31 March 2007 | 3,186 | 138,420 | 333,427 | 69,311 | 50,610 | 33,665 | 13,153 | 681 | 9,534 | 651,987 |
| Accumulated depreciation at 31 March 2007 | | 52,212 | 233,033 | 58,133 | 13,876 | 10,771 | 9,428 | 221 | | 377,674 |
| Carrying amount at 31 March 2007 | 3,186 | 86,208 | 100,394 | 11,178 | 36,734 | 22,894 | 3,725 | 460 | 9,534 | 274,313 |
| Cost at 31 December 2007 | 3,186 | 146,598 | 354,222 | 70,320 | 45,639 | 19,128 | 13,878 | 681 | 2,713 | 656,365 |
| Accumulated depreciation at 31 December 2007 | | 57,535 | 240,460 | 46,814 | 12,194 | 7,232 | 11,234 | 344 | | 375,813 |
| Carrying amount at 31 December 2007 | 3,186 | 89,063 | 113,762 | 23,506 | 33,445 | 11,896 | 2,644 | 337 | 2,713 | 280,552 |
| Additions | | | | 501 | | | | | 2,459 | 2,960 |
| Disposals | | | 237 | | 454 | | | | | 691 |
| Depreciation charge for the period | | 1,778 | 5,947 | 1,824 | 2,120 | 696 | 653 | 37 | | 13,055 |
| Cost at 31 March 2008 | 3,186 | 146,598 | 353,985 | 70,821 | 45,185 | 19,128 | 13,878 | 681 | 5,172 | 658,634 |
| Accumulated depreciation at 31 March 2008 | | 59,313 | 246,170 | 48,638 | 14,185 | 7,928 | 11,887 | 381 | | 388,502 |
| Carrying amount at 31 March 2008 | 3,186 | 87,285 | 107,815 | 22,183 | 31,000 | 11,200 | 1,991 | 300 | 5,172 | 270,132 |

| EUR (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 assets under construction | Total |
|--|------------|--------------------------|---------------------|--|---|---|----------------------------|------------------------|---|---------------|
| 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 |
| Additions | | | 78 | 67 | 283 | 45 | | | 298 | 771 |
| Disposals | | | | | 18 | 59 | | | | 77 |
| Depreciation charge for the period | | 110 | 414 | 83 | 148 | 132 | 42 | 3 | | 932 |
| Cost at 31 March 2007 | 204 | 8,845 | 21,309 | 4,430 | 3,235 | 2,152 | 841 | 44 | 610 | 41,670 |
| Accumulated depreciation at 31 March 2007 | | 3,337 | 14,892 | 3,715 | 887 | 688 | 603 | 14 | | 24,136 |
| Carrying amount at 31 March 2007 | 204 | 5,508 | 6,417 | 715 | 2,348 | 1,464 | 238 | 30 | 610 | 17,534 |
| Cost at 31 December 2007 | 204 | 9,367 | 22,638 | 4,495 | 2,917 | 1,223 | 887 | 44 | 173 | 41,948 |
| Accumulated depreciation at 31 December 2007 | 0 | 3,677 | 15,367 | 2,992 | 779 | 462 | 718 | 22 | 0 | 24,017 |
| Carrying amount at 31 December 2007 | 204 | 5,690 | 7,271 | 1,503 | 2,138 | 761 | 169 | 22 | 173 | 17,931 |
| Additions | | | | 32 | | | | | 158 | 190 |
| Disposals | | | 15 | | 30 | | | | | 45 |
| Depreciation charge for the period | | 114 | 380 | 117 | 135 | 44 | 42 | 2 | | 834 |
| Cost at 31 March 2008 | 204 | 9,367 | 22,623 | 4,527 | 2887 | 1,223 | 887 | 44 | 331 | 42,093 |
| Accumulated depreciation at 31 March 2008 | | 3,791 | 15,732 | 3,109 | 906 | 506 | 760 | 24 | | 24,828 |
| Carrying amount at 31 March 2008 | 204 | 5,576 | 6,891 | 1,418 | 1,981 | 717 | 127 | 20 | 331 | 17,265 |

Assets leased out comprise bar furniture, which has been leased under the terms of operating lease to support HoReCa (hotels, restaurants and catering) sales. At 31 March 2008, the carrying amount of the furniture was 1,991 thousand kroons (127 thousand euros). At 31 March 2007, the corresponding figure was 3,725 thousand kroons (238 thousand euros). Information on operating lease income is presented in note 9. In determining the value in use of the assets, future cash flows are determined by reference to 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 31 March 2008, the carrying amount of such equipment equalled 22,036 thousand kroons (1,408 thousand euros). At 31 March 2007, the corresponding figure was 13,879 thousand kroons (887 thousand euros).

At 31 March 2008, the carrying amount of reusable packaging subject to a deposit that was in the possession of customers was 19,737 thousand kroons (1,261 thousand euros). At 31 March 2007, the figure was 16,851 thousand kroons (1,077 thousand euros). At 31 March 2008, the carrying amount of reusable packaging not subject to a deposit that was in the possession of customers equalled 9,413 thousand kroons (602 thousand euros). At 31 March 2007, the figure was 2,052 thousand kroons (131 thousand euros).

Note 8. Intangible assets

Movements in Q1 2008

| (In thousands) | EEK | EUR |
|--|--------------|------------|
| 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 | 135 | 9 |
| Cost at 31 March 2007 | 2,825 | 181 |
| Accumulated amortisation at 31 March 2007 | 1,970 | 127 |
| Carrying amount at 31 March 2007 | 855 | 54 |
| Cost at 31 December 2007 | 2,848 | 182 |
| Accumulated amortisation at 31 December 2007 | 2,357 | 151 |
| Carrying amount at 31 December 2007 | 491 | 31 |
| Amortisation charge for the period | 105 | 6 |
| Cost at 31 March 2008 | 2,848 | 182 |
| Accumulated amortisation at 31 March 2008 | 2,462 | 157 |
| Carrying amount at 31 March 2008 | 386 | 25 |

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. The furniture is presented in the *Assets leased out* column of note 7.

| (In thousands) | EEK | | | EUR | | |
|---|---------------|---------------|------------------|---------------|---------------|------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| Lease income receivable in less than 1 year | 40 | 56 | 41 | 3 | 4 | 3 |
| Lease income receivable between 1 and 5 years | 10 | 10 | 10 | 1 | 1 | 1 |

Lease income for the first quarter of 2008 amounted to 10 thousand kroons (1 thousand euros). Lease income for the first quarter of 2007 amounted to 17 thousand kroons (1 thousand euros).

The company as a lessee

Finance leases

The company uses production equipment under finance lease. The cost, accumulated depreciation and carrying amount of the 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.

| (In thousands) | EEK | | | EUR | | |
|----------------------------------|---------------|---------------|------------------|---------------|---------------|------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| Principal payments of the period | 38 | 38 | 158 | 3 | 2 | 10 |
| Interest payments of the period | 4 | 9 | 25 | 0 | 1 | 2 |

| | | | | | | |
|-------------------------------------|-----|-----|-----|----|----|----|
| Minimum amount of principal payable | 311 | 469 | 349 | 20 | 30 | 23 |
| In less than 1 year | 82 | 134 | 110 | 5 | 9 | 7 |
| Between 1 and 3 years | 229 | 335 | 239 | 15 | 21 | 16 |
| Interest payable | 22 | 38 | 26 | 1 | 2 | 2 |
| In less than 1 year | 15 | 18 | 15 | 1 | 1 | 1 |
| Between 1 and 3 years | 7 | 20 | 11 | | 1 | 1 |

In the first quarter of 2008, depreciation on leased assets amounted to 37 thousand kroons (2 thousand euros). In the first quarter of 2007, the corresponding figure was 41 thousand kroons (3 thousand euros). Depreciation on leased assets is recognised in *Depreciation and amortisation charges* in the income statement.

Operating leases

| (In thousands) | EEK | | | EUR | | |
|---|---------------|---------------|------------------|---------------|---------------|------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| Lease payments of the period | 2,223 | 2,308 | 10,517 | 142 | 148 | 672 |
| Including payments for vehicles | 1,409 | 1,200 | 5,923 | 90 | 77 | 379 |
| Including payments for production equipment | 4 | 49 | 301 | | 3 | 19 |
| Including payments for warehouse premises | 810 | 1,059 | 4,293 | 52 | 68 | 274 |
| Minimum rentals payable | 5,090 | 9,344 | 5,992 | 325 | 597 | 383 |
| In less than 1 year | 1,709 | 4,334 | 2,611 | 109 | 277 | 167 |
| Between 1 and 5 years | 3,381 | 5,010 | 3,381 | 216 | 320 | 216 |

In the reporting period, operating lease payments for vehicles were made under 72 lease agreements; in 2007, under 74 lease agreements. The base currency for all vehicle leases is the Estonian kroon and the one for equipment leases is the 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 | | | EUR | | |
|--|---------------|----------------|------------------|---------------|---------------|------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| Income tax | | 56,410 | | | 3,605 | |
| Alcohol excise duty | 17,560 | 18,185 | 19,505 | 1,122 | 1,162 | 1,247 |
| Value added tax | 9,178 | 10,364 | 13,622 | 587 | 662 | 871 |
| Social tax | 2,429 | 2,075 | 2,617 | 155 | 133 | 167 |
| Income tax on fringe benefits, non-business and entertainment expenses | 65 | 133 | 130 | 4 | 9 | 8 |
| Personal income tax | 1,261 | 1,134 | 1,428 | 81 | 72 | 91 |
| Unemployment insurance premiums | 62 | 52 | 65 | 4 | 3 | 4 |
| Funded pension contributions | 110 | 77 | 103 | 7 | 5 | 7 |
| Payables to employees | 5,775 | 3,617 | 6,277 | 369 | 231 | 401 |
| Payables to group companies (note 13) | 20,786 | 156,996 | 30,275 | 1,329 | 10,034 | 1,935 |
| Other accrued expenses | 14,632 | 60,308 | 9,932 | 935 | 3,854 | 634 |
| Total | 71,858 | 309,351 | 83,954 | 4,593 | 19,770 | 5,365 |

Note 11. Packaging repurchase provision

| (In thousands) | EEK | | | EUR | | |
|--|------------------|------------------|---------------------|------------------|------------------|---------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| Provision for recovering reusable packaging subject to a deposit | 21,557 | 19,666 | 26,354 | 1,380 | 1,257 | 1,684 |
| Provision for recovering one-way packaging subject to a deposit | 3,105 | 3,772 | 4,314 | 198 | 241 | 276 |
| Provision for repurchasing reusable packaging not subject to a deposit | 11,176 | 1,932 | 12,691 | 714 | 123 | 811 |
| Total | 35,838 | 25,370 | 43,359 | 2,292 | 1,621 | 2,771 |

The provision to repurchase packaging has been recognised for expenses arising on the repurchase of packaging circulating in the market at period-end. The provision is recorded at an amount equal to the deposit or repurchase value of the packaging.

The provision to repurchase packaging is a short-term provision 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 provision is adjusted accordingly.

Note 12. Equity

The share capital of Saku Õlletehase AS amounts to 80 million kroons (5.113 million euros) and is made up of 8 million ordinary shares with a par value of 10 kroons (0.64 euros) each. The shares have been fully paid for. According to the Articles of Association the minimum and maximum authorised share capital amount to 8 million shares, i.e. 80 million kroons (5.113 million euros) and 32 million shares, i.e. 320 million kroons (20.45 million euros) 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.

The statutory capital reserve of 8 million kroons (511 thousand euros) has been created in accordance with the requirements of the Commercial Code. The capital reserve is created 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. Related party transactions

Related party transactions include transactions with the direct BBH, companies belonging to the same group as the parent, the parent's shareholders Carlsberg Breweries A/S and Scottish & Newcastle plc, and companies belonging to Carlsberg Breweries A/S and Scottish & Newcastle plc groups. Sales comprise the sales of finished goods, packaging, ancillary materials, raw materials and goods purchased for resale. Purchases include purchases of goods, materials, ancillary materials, 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 | | | EUR | | |
|--|---------------|---------------|----------------|--------------|--------------|--------------|
| | Q1 2008 | Q1 2007 | 2007 | Q1 2008 | Q1 2007 | 2007 |
| The parent company BBH | | 2,331 | 9,323 | | 149 | 596 |
| Companies belonging to the same group as the parent | 11,218 | 11,508 | 46,696 | 717 | 735 | 2,984 |
| Shareholders of the parent | 469 | 266 | 55,963 | 30 | 17 | 3,576 |
| Companies belonging to the same groups as shareholders of the parent | 11,094 | 8,236 | 14,739 | 709 | 527 | 942 |
| Total | 22,781 | 22,341 | 126,721 | 1,456 | 1,428 | 8,098 |

Sales by Saku Õlletehase AS

| (In thousands) | EEK | | | EUR | | |
|--|--------------|---------------|---------------|--------------|--------------|--------------|
| | Q1 2008 | Q1 2007 | 2007 | Q1 2008 | Q1 2007 | 2007 |
| Companies belonging to the same group as the parent | 4,529 | 20,949 | 55,191 | 861 | 1,339 | 3,527 |
| Companies belonging to the same groups as shareholders of the parent | 4,412 | 4,316 | 17,566 | 282 | 276 | 1,123 |
| Total | 8,941 | 25,265 | 72,757 | 1,143 | 1,615 | 4,650 |

Receivables from related parties

| (In thousands) | EEK | | | EUR | | |
|--|---------------|---------------|------------------|---------------|---------------|------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| Companies belonging to the same group as the parent | 1,167 | 2,174 | 18,732 | 75 | 139 | 1,197 |
| Companies belonging to the same groups as shareholders of the parent | 858 | 2,601 | 2,776 | 55 | 166 | 177 |
| Total | 2,025 | 4,775 | 21,508 | 130 | 305 | 1,374 |

Liabilities to related parties

| (In thousands) | EEK | | | EUR | | |
|--|---------------|----------------|------------------|---------------|---------------|------------------|
| | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| The parent company BBH | 418 | 151,268 | 0 | 27 | 9,668 | 0 |
| Companies belonging to the same group as the parent | 14,631 | 690 | 19,357 | 935 | 44 | 1,237 |
| Shareholders of the parent | 466 | 266 | 4,709 | 30 | 17 | 301 |
| Companies belonging to the same groups as shareholders of the parent | 5,271 | 4,772 | 6,209 | 337 | 305 | 397 |
| Total | 20,786 | 156,996 | 30,275 | 1,329 | 10,034 | 1,935 |

The remuneration of the management and members of the supervisory board for the first three months of 2008 totalled 1,453 thousand kroons (93 thousand euros). The corresponding figure for the first quarter of 2007 was 1,748 thousand kroons (112 thousand euros). At 31 March 2008, the potential termination benefits payable to members of the top management, including taxes, totalled 2,609 thousand kroons (167 thousand euros). At 31 March 2007, the corresponding figure was 2,574 thousand kroons (164 thousand euros).

Note 14. Revenue

| SALES BY ACTIVITY under EMTAK 2008 (In thousands) | EMTAK code | EEK | | | EUR | | |
|--|------------|---------------|---------------|------------------|---------------|---------------|------------------|
| EMTAK – Estonian Classification of Economic Activities | | 31 March 2008 | 31 March 2007 | 31 December 2007 | 31 March 2008 | 31 March 2007 | 31 December 2007 |
| Beer production | 1105 | 115,660 | 128,459 | 621,078 | 7,392 | 8,210 | 39,694 |
| Cider production | 1103 | 5,511 | 9,508 | 40,461 | 352 | 608 | 2,586 |
| Rectification and blending of strong alcohol | 1101 | 8,824 | 14,245 | 63,449 | 564 | 910 | 4,055 |
| Production of non-alcoholic beverages; production of mineral water and other water | 1107 | 757 | 388 | 750 | 48 | 25 | 48 |
| Wholesale of beverages | 4634 | 33,237 | 27,550 | 179,247 | 2,125 | 1,761 | 11,457 |
| Waste | | 324 | 431 | 1,343 | 21 | 28 | 86 |
| Services | | 97 | 128 | 449 | 6 | 8 | 28 |
| Other goods | | 3,334 | 441 | 4,908 | 213 | 28 | 313 |

| | | | | | | | |
|---|--|----------------|----------------|----------------|---------------|---------------|---------------|
| Total | | 167,744 | 181,150 | 911,685 | 10,721 | 11,578 | 58,267 |
| SALES BY MARKETS (In thousands) | | | | | | | |
| Estonia | | 157,253 | 155,233 | 829,301 | 10,050 | 9,921 | 53,002 |
| Lithuania, Latvia, Finland, Ukraine, Denmark, Sweden, USA | | 10,491 | 25,917 | 82,384 | 671 | 1,657 | 5,265 |
| Total | | 167,744 | 181,150 | 911,685 | 10,721 | 11,578 | 58,267 |

Note 15. Expenses

| (In thousands) | EEK | | | EUR | | |
|--|---------------|---------------|----------------|--------------|--------------|---------------|
| | Q1 2008 | Q1 2007 | 2007 | Q1 2008 | Q1 2007 | 2007 |
| Raw material | 17,680 | 22,746 | 97,947 | 1,130 | 1,454 | 6,260 |
| Ancillary materials | 25,733 | 31,428 | 133,159 | 1,645 | 2,009 | 8,511 |
| Imported beverages | 16,571 | 13,596 | 83,419 | 1,058 | 869 | 5,331 |
| Other | 11,491 | 9,883 | 45,946 | 735 | 631 | 2,936 |
| Total cost of materials, consumables and services used | 71,475 | 77,653 | 360,471 | 4,568 | 4,963 | 23,038 |
| Advertising expenses | 15,182 | 16,341 | 91,006 | 970 | 1,044 | 5,816 |
| Transport and vehicle expenses | 12,472 | 12,314 | 61,332 | 797 | 787 | 3,920 |
| Wastewater management | 1,462 | 1,530 | 6,597 | 93 | 98 | 421 |
| Repair of buildings and equipment | 2,284 | 2,013 | 7,948 | 146 | 128 | 508 |
| Services purchased | 12,431 | 10,603 | 58,753 | 794 | 678 | 3,755 |
| Other expenses | 1,340 | 1,903 | 26,768 | 86 | 122 | 1,712 |
| Total other operating expenses | 45,171 | 44,704 | 252,404 | 2,886 | 2,857 | 16,132 |
| Wages and salaries | 18,129 | 15,720 | 71,838 | 1,159 | 1,005 | 4,591 |
| Social security charges | 6,049 | 5,369 | 24,106 | 387 | 343 | 1,541 |
| Unemployment insurance premiums | 52 | 46 | 205 | 3 | 3 | 13 |
| Total personnel expenses | 24,230 | 21,135 | 96,149 | 1,549 | 1,351 | 6,145 |
| Sponsoring, entertainment expenses and expenses not related to the core activity | 528 | 450 | 2,129 | 34 | 29 | 136 |
| Interest and interest on arrears paid | | | 66 | | | 4 |
| Purchase and sale of packaging | 15 | 731 | | 1 | 47 | |
| Foreign exchange loss | 17 | 32 | 68 | 1 | 2 | 4 |
| Total other expenses | 560 | 1,213 | 2,263 | 36 | 78 | 144 |

Note 16. Financial income and expenses

| (In thousands) | EEK | | | EUR | | |
|-----------------------------------|------------|--------------|--------------|-----------|-----------|------------|
| | Q1 2008 | Q1 2007 | 2007 | Q1 2008 | Q1 2007 | 2007 |
| Interest income | 331 | 1,100 | 1,619 | 21 | 70 | 103 |
| Total financial income | 331 | 1,100 | 1,619 | 21 | 70 | 103 |
| Interest expense | 4 | 9 | 1,401 | 0 | 1 | 90 |
| Foreign exchange losses | | | 3 | | | |
| Financial expenses on investments | 61 | 60 | 240 | 4 | 4 | 15 |
| Total financial expenses | 65 | 69 | 1,644 | 4 | 5 | 105 |
| Net financial items | 267 | 1,031 | -25 | 17 | 65 | -2 |

Note 17. Earnings per share

| (In thousands) | EEK | | | EUR | | |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Q1 2008 | Q1 2007 | 2007 | Q1 2008 | Q1 2007 | 2007 |
| Net profit | 20,983 | -31,451 | 100,923 | 1,341 | -2,010 | 6,450 |
| 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 | 0.0026 | 0 | 0.013 | 0.0002 | 0 | 0.0008 |
| Diluted earnings per share | 0.0026 | 0 | 0.013 | 0.0002 | 0 | 0.0008 |

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 | | | EUR | | |
|---------------------------|----------|---------------|---------------|----------|--------------|--------------|
| | Q1 2008 | Q1 2007 | 2007 | Q1 2008 | Q1 2007 | 2007 |
| Dividends paid | 0 | 200,000 | 200,000 | 0 | 12,782 | 12,782 |
| Income tax rate applied | 0 | 28.2% | 28.2% | 0 | 28.2% | 28.2% |
| Income tax expense | 0 | 56,410 | 56,410 | 0 | 3,605 | 3,605 |

Note 19. Contingent liabilities

Alcohol excise liability

The alcohol excise duty liability to the Customs Board is secured with a bank guarantee as required by law. The guarantee amounts to 3,600 thousand kroons (230 thousand euros) and is valid from 8 October 2007 to 7 October 2008.

Guarantee to OÜ Eesti Pandipakend

In accordance with an agreement concluded on 14 December 2005, Saku Õlletehase AS guarantees the settlement of liabilities arising from a loan agreement between OÜ Eesti Pandipakend (a packaging recovery organisation) and Nordea Bank Finland PLC to the extent of 50% and up to 10.9 million kroons (0.7 million euros). 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 the company is offset against the company's liability to AS Rocca al Mare Suurhall. The liability is related to advertising services rendered under a cooperation agreement. In the first three months of 2008, the offset amount equalled 365 thousand kroons (23 thousand euros). The corresponding figure for the first three months of 2007 was 383 thousand kroons (24 thousand euros).

Note 21. Financial risk management

Financial risks

Exposure to credit risk, interest rate risk and 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 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. For reducing credit risk, all agreements relating to the investment include a clause which states 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 company's activities are financed with equity instruments. Owing to the seasonal nature of the business, however, from time to time short-term debt instruments such as bank overdrafts, short-term loans, etc, are used. Interest rates may be fixed or floating.

Debt 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 debt financing in the capital structure is insignificant, related risks are minimal and have not been hedged.

Currency risk

Nearly all purchase and sales transactions are performed in Estonian kroons, euros 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.

2. Review of performance and operating results

Saku Õlletehase AS ended the first quarter of 2008 with a net profit of 20.9 million kroons (1.341 million euros), a 52.4 million kroon improvement on the corresponding period in 2007. Above all, the difference between the first quarter results of the two years may be attributed to income tax expense.

First quarter revenue in the Estonian market amounted to 157.3 million kroons (10.050 million euros), 2.0 million kroons or 1.3% up on the first quarter of 2007.

In the first quarter of 2007, year-on-year revenue growth in Estonia was 38.4%. The deceleration in revenue growth results from the state of the Estonian economy – a sharp slowdown in economic growth and the ensuing changes in consumer behaviour. In addition, the operating results of Saku Õlletehase AS were adversely affected by sales restrictions – most North Estonian local governments have prohibited the sale of low-alcohol beverages after 8 p.m.

Export revenues for the first quarter of 2008 totalled 10.5 million kroons (0.671 million euros), a 15.4 million kroon decrease year-over-year. The decline may be explained by the fact that in the first quarter of 2007 Saku Õlletehase AS received large orders from Latvia and Lithuania which were not renewed this year.

Expenses for the reporting period totalled 147.0 million kroons (9.397 million euros), a 10.2 million kroon or 6.5% decrease compared with the first quarter of 2007. Expenses have shrunk due to a decrease in output. Personnel expenses, on the other hand, grew by 3 million kroons or 15% year-over-year.

At the end of the reporting period, equity stood at 351.9 million kroons (22.488 million euros), 149.9 million kroons or 74.2% up on a year ago.

The general meeting of the shareholders of Saku Õlletehase AS, which convened on 30 April 2008, resolved that the company would distribute a net dividend of 80 million kroons (5.113 million euros), i.e. 10 kroons (0.64 euros) per share. The dividends will be paid out on 2 June 2008.

3. Statement of management's responsibility

The management board acknowledges its responsibility for the preparation of the interim financial statements of Saku Õlletehase AS for the first quarter of 2008 and confirms that to the best of its knowledge, information and belief:

- the policies applied on 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.

22 May 2008

Ireneusz Piotr Smaga
Chairman of the Management Board

Inga Kuusik
Member of the Management Board