



Kalev Ltd.
Reg. No.: 10000952
Address: Pärnu mnt 139
Tallinn 11 317
General company telephone: 6 283 710
General company fax: 6 283 725
E-mail: kalev@kalev.ee
<http://www.kalev.ee>

INTERIM REPORT

Beginning of the period: 1 July 2002
End of the period: 30 September 2002

Main field of activity: manufacture, wholesale and retail,
export and import of all types of confectionery products
(including semi-finished products)

TABLE OF CONTENTS

1. Comments on financial results	Page 2
2. Financial statements	Page 3
Balance sheet	Page 4
Income statement	Page 6
Cash flow statement	Page 8
Statement on changes in owner's equity	Page 10
Accounting principles	Page 11
Notes	Page 12

1. COMMENTS ON FINANCIAL RESULTS

Kalev Ltd's consolidated net profit for the 3rd quarter of the year 2002 totalled 4.8 million kroons (305,000 euros), exceeding the net profit for the same period last year by 17%.

The consolidated net sales of the company totalled 69.7 million kroons (4.45 million euros), which exceeds the net sales for the 3rd quarter of 2001 by 4% (2001 – 66.85 million kroons, 4.3 million euros). Kalev's domestic sales were promoted by active marketing, employment of additional sales agents in August, and the increase in the number of customers in connection with the application of the direct sales system in the marketing activities. In the given period, the company launched several new products to the market (including the *Valik* handmade chocolates in a metal box, which are mainly targeted to the tourist segment, and the *Vana Tallinn* gift box). The *Mesikäpp* consumer campaign was launched in September.

In the 3rd quarter of 2002, the total sales of Kalev's products amounted to more than 1,500 tons, which more-or less equals to the sales of the same period last year. Domestic sales constituted 76% of the total sales; 24% was exported. Latvia and the Ukraine continued as Kalev's main export targets in the given period. In addition to the above countries, Kalev also exported its products to Russia, Scandinavian countries and the United States of America.

In the 3rd quarter of 2002, chocolate confectionery products (candy, chocolate bars and boxed chocolate) still constituted over 60% of Kalev's total sales. Among sugar confectionery products, the sales of chews, toffees and hard candies were successful.

Compared to the same period last year, the marketing expenses of the company grew by 5.8%. This was caused by the staff increase of the Sales Department in August.

In the 3rd quarter, the consolidated gross profitability of Kalev Ltd was 30.3%. This is 3.8% smaller than the gross profitability during the same period last year. The main reason for the decrease of gross profitability is the 60% price increase (compared to the 3rd quarter of 2001) of an important raw material (cocoa beans) in the given period.

In the 3rd quarter of 2002, the average number of employees of Kalev Ltd. was 555. Compared to the same period last year, the average number of employees was reduced by 4%.

2. INTERIM FINANCIAL STATEMENTS

Management representation

The Manager of Kalev Ltd confirms that the Interim Report of Kalev Ltd, set out on pages 3-14, gives a true and fair view of the results of the company's operations in the 1st quarter in accordance with the going concern principle. This Interim Report has not been audited or otherwise reviewed by auditors.

Tallinn, 28 November 2002

Oliver Kruuda
The manager

BALANCE SHEET (in kroons)

ASSETS	Note	30.09.02 Consolidated EEK	30.09.02 Kalev Ltd EEK	30.06.2002 Kalev Ltd * EEK
CURRENT ASSETS				
CASH AND BANK ACCOUNTS		5 312 105	4 979 598	3 476 327
CUSTOMER RECEIVABLES		30 810 709	30 762 229	32 244 225
OTHER RECEIVABLES		9 488 418	11 238 530	9 692 416
PREPAID EXPENSES		3 362 500	3 353 500	3 333 224
INVENTORIES		43 121 516	43 116 148	48 968 656
TOTAL CURRENT ASSETS		92 095 248	93 450 006	97 714 848

NON-CURRENT ASSETS

OTHER LONG-TERM RECEIVABLES		887 180	887 180	887 180
LONG-TERM FINANCIAL INVESTMENTS		0	26 764 416	2 764 416
TANGIBLE ASSETS	1	241 561 746	193 593 005	166 533 651
REAL ESTATE INVESTMENTS	2	62 651 253	62 651 253	69 266 253
INTANGIBLE ASSETS		279 373	272 213	290 378
TOTAL NON-CURRENT ASSETS		305 379 553	284 168 067	239 741 878

TOTAL ASSETS		397 474 801	377 618 073	337 456 726
---------------------	--	--------------------	--------------------	--------------------

LIABILITIES AND EQUITY

LIABILITIES

LIABILITIES	3	46 701 004	47 975 289	33 891 332
CUSTOMER PREPAYMENTS		47 619	29 379	53 274
PAYABLES TO SUPPLIERS		43 081 248	43 039 139	35 565 238
TAX LIABILITIES		4 238 551	4 235 411	3 997 352
OTHER LIABILITIES		6 929 574	6 929 574	33 826 371
TOTAL CURRENT LIABILITIES		100 997 995	102 208 792	107 333 567

LONG-TERM LIABILITIES	3	61 000 000	61 000 000	21 000 000
OTHER LONG-TERM PAYABLES	3	10 531 343	5 120 672	5 120 672
TOTAL LONG-TERM LIABILITIES		71 531 343	66 120 672	26 120 672

MINORITY INTEREST		16 625 942		
--------------------------	--	-------------------	--	--

EQUITY

SHARE CAPITAL		78 775 000	78 775 000	78 775 000
REVALUATION RESERVE		112 812 302	112 812 302	112 812 302
RETAINED EARNINGS		-18 341 560	-18 341 560	-18 341 560
PROFIT FOR THE YEAR-ENDED		30 320 425	30 756 745	
PROFIT FOR THE FINANCIAL YEAR		4 753 353	5 286 120	30 756 745
TOTAL EQUITY	4	208 319 520	209 288 608	204 002 487

TOTAL LIABILITIES AND EQUITY		397 474 801	377 618 073	337 456 726
-------------------------------------	--	--------------------	--------------------	--------------------

* The subsidiaries have not been consolidated, since their consolidation has no material effect on the financial statements of Kalev Ltd.

BALANCE SHEET (in euros)

ASSETS	Note	30.09.02 Consolidated EUR	30.09.02 Kalev Ltd EUR	30.06.2002 Kalev Ltd * EUR
CURRENT ASSETS				
CASH AND BANK ACCOUNTS		339 505	318 254	222 177
CUSTOMER RECEIVABLES		1 969 158	1 966 060	2 060 776
OTHER RECEIVABLES		606 419	718 271	619 457
PREPAID EXPENSES		214 902	214 327	213 031
INVENTORIES		2 755 960	2 755 617	3 129 660
TOTAL CURRENT ASSETS		5 885 944	5 972 529	6 245 101

NON-CURRENT ASSETS

OTHER LONG-TERM RECEIVABLES		56 701	56 701	56 701
LONG-TERM FINANCIAL INVESTMENTS		0	1 710 554	176 678
TANGIBLE ASSETS	1	15 438 570	12 372 816	10 643 413
REAL ESTATE INVESTMENTS	2	4 004 135	4 004 135	4 426 909
INTANGIBLE ASSETS		17 855	17 398	18 558
TOTAL NON-CURRENT ASSETS		19 517 261	18 161 603	15 322 259

TOTAL ASSETS		25 403 205	24 134 132	21 567 361
---------------------	--	-------------------	-------------------	-------------------

LIABILITIES AND EQUITY

LIABILITIES

PAYABLES	3	2 984 731	3 066 172	2 166 045
CUSTOMER PREPAYMENTS		3 043	1 878	3 405
PAYABLES TO SUPPLIERS		2 753 387	2 750 695	2 273 027
TAX LIABILITIES		270 892	270 691	255 477
OTHER LIABILITIES		442 879	442 879	2 161 894
TOTAL CURRENT LIABILITIES		6 454 932	6 532 316	6 859 848

LONG-TERM LIABILITIES	3	3 898 601	3 898 601	1 342 141
OTHER LONG-TERM PAYABLES	3	673 074	327 270	327 270
TOTAL LONG-TERM LIABILITIES		4 571 674	4 225 870	1 669 411

MINORITY INTEREST		1 062 589		
--------------------------	--	------------------	--	--

EQUITY

SHARE CAPITAL		5 034 627	5 034 627	5 034 627
REVALUATION RESERVE		7 210 002	7 210 002	7 210 002
RETAINED EARNINGS		-1 172 236	-1 172 236	-1 172 236
PROFIT FOR THE YEAR-ENDED		1 937 823	1 965 709	
PROFIT FOR THE FINANCIAL YEAR		303 794	337 844	1 965 709
TOTAL EQUITY	4	13 314 010	13 375 946	13 038 102

TOTAL LIABILITIES AND EQUITY		25 403 205	24 134 132	21 567 361
-------------------------------------	--	-------------------	-------------------	-------------------

* The subsidiaries have not been consolidated, since their consolidation has no material effect on the financial statements of Kalev Ltd

INCOME STATEMENT (in kroons)

	Note	01.07.- 30.09.2002 Consolidated EEK	01.07.- 30.09.2002 Kalev Ltd EEK	01.07.- 30.09.2001 Kalev Ltd * EEK
NET SALES	5	69 674 969	69 522 880	66 855 030
COST OF GOODS SOLD		48 561 898	48 563 458	44 075 460
GROSS PROFIT		21 113 071	20 959 422	22 779 570
MARKETING EXPENSES		10 494 072	10 381 101	9 920 015
ADMINISTRATION EXPENSES		6 691 652	6 249 505	6 751 145
OTHER INCOME		3 294 179	3 294 179	369 495
OTHER EXPENSES		1 191 149	1 066 485	747 195
OPERATING PROFIT		6 030 377	6 556 511	5 730 710
FINANCIAL INCOME		136 645	136 598	59 085
FINANCIAL EXPENSES		1 440 136	1 406 989	1 709 041
NET PROFIT		4 726 886	5 286 120	4 080 754
MINORITY INTEREST		-26 467		
NET PROFIT		4 753 353	5 286 120	4 080 754
EARNINGS PER SHARE	7	0.60	0.67	0.52

* Equals to the consolidated statement of 2001.

INCOME STATEMENT (in euros)

	Note	01.07.- 30.09.2002 Consolidated EUR	01.07.- 30.09.2002 Kalev Ltd EUR	01.07.- 30.09.2001 Kalev Ltd * EUR
NET SALES	5	4 453 031	4 443 311	4 272 804
COST OF GOODS SOLD		3 103 663	3 103 763	2 816 928
GROSS PROFIT		1 349 368	1 339 548	1 455 876
MARKETING EXPENSES		670 692	663 472	634 003
ADMINISTRATION EXPENSES		427 673	399 415	431 476
OTHER INCOME		210 536	210 536	23 615
OTHER EXPENSES		76 128	68 161	47 754
OPERATING PROFIT		385 410	419 036	366 258
FINANCIAL INCOME		8 733	8 730	3 776
FINANCIAL EXPENSES		92 041	89 923	109 227
NET PROFIT		302 102	337 844	260 807
MINORITY INTEREST		-1 692		
NET PROFIT		303 794	337 844	260 807
EARNINGS PER SHARE	7	0.04	0.04	0.03

* Equals to the consolidated statement of 2001.

CASH FLOW STATEMENT (in kroons)

	Note	01.07.- 30.09.2002 Consolidated	01.07.- 30.09.2002 Kalev Ltd	01.07.- 30.09.2001 Kalev Ltd *
CASH FLOWS FROM OPERATING ACTIVITIES		EEK	EEK	EEK
OPERATING PROFIT		6 030 377	6 556 511	5 730 961
DEPRECIATION OF TANGIBLE ASSETS	1	2 331 378	2 292 256	2 462 009
AMORTISATION OF INTANGIBLE ASSETS		18 166	18 166	
PROFIT/LOSS FROM SALES OF FIXED ASSETS				4 238 025
CHANGE IN RECEIVABLES		-641 762	-934 395	-5 603 995
CHANGE IN INVENTORIES		5 847 140	5 852 508	5 953 098
CHANGE IN LIABILITIES		5 077 100	4 453 752	-1 864 104
PAID INTERESTS		-1 102 680	-1 069 533	-1 241 006
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		17 559 719	17 169 266	9 674 988

**CASH FLOWS FROM INVESTING
ACTIVITIES**

PURCHASE OF SHARES OF SUBSIDIARIES				
SALES OF FIXED ASSETS (SALES PRICE)				-1 663 025
PURCHASE OF FIXED ASSETS	1	-1 920 319	-1 736 610	-8 293 007
PURCHASE OF INTANGIBLE ASSETS				
CHANGE IN GRANTED LOANS		2 250 000	850 000	
INTEREST RECEIPTS		15 036	14 989	41 048
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		344 717	-871 621	-9 914 984

**CASH FLOWS FROM FINANCING
ACTIVITIES**

LOAN REPAYMENTS	3	-3 000 000	-3 000 000	-3 000 000
OVERDRAFT	3	7 543 868	7 543 868	151 038
CHANGE IN SHORT-TERM LOANS		8 003 487	9 594 806	
LEASE PAYMENTS	3	-4 737 683	-5 054 717	-2 051
DIVIDEND PAYMENT		-23 632 500	-23 632 500	
OTHER FINANCING INCOME/EXPENSES		-265 128	-265 128	-143 007
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		-16 087 956	-14 813 671	-2 994 020

CHANGE IN CASH AND CASH EQUIVALENTS		1 816 481	1 483 974	-3 234 016
------------------------------------------------	--	------------------	------------------	-------------------

CASH AND CASH EQUIVALENTS IN THE BEGINNING OF THE YEAR		3 476 327	3 476 327	6 394 018
CHANGE		1 816 481	1 483 974	-3 234 016
FOREIGN EXCHANGE DIFFERENCE		19 297	19 297	-309 011
CASH AND CASH EQUIVALENTS IN THE END OF THE YEAR		5 312 105	4 979 598	2 850 991

* Equals to the consolidated statement of 2001.

CASH FLOW STATEMENT (in euros)

	Note	01.07.- 30.09.2002 Consolidated EUR	01.07.- 30.09.2002 Kalev Ltd EUR	01.01.- 30.06.2002 Kalev Ltd* EUR
CASH FLOWS FROM OPERATING ACTIVITIES				
OPERATING PROFIT		385 410	419 036	366 274
DEPRECIATION OF TANGIBLE ASSETS	1	149 002	146 501	157 351
AMORTISATION OF INTANGIBLE ASSETS		1 161	1 161	270 858
PROFIT/LOSS FROM SALES OF FIXED ASSETS		0	0	-358 160
CHANGE IN RECEIVABLES		-41 016	-59 719	380 471
CHANGE IN INVENTORIES		373 699	374 042	-119 138
CHANGE IN LIABILITIES		324 485	284 646	-79 315
PAID INTERESTS		-70 474	-68 355	-79 315
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		1 122 268	1 097 313	539 028

CASH FLOWS FROM INVESTING ACTIVITIES

PURCHASE OF SHARES OF SUBSIDIARIES		0	0	0
SALES OF FIXED ASSETS (SALES PRICE)		0	0	-106 286
PURCHASE OF FIXED ASSETS	1	-122 730	-110 989	-530 018
PURCHASE OF INTANGIBLE ASSETS		0	0	0
CHANGE IN GRANTED LOANS		143 801	54 325	0
INTEREST RECEIPTS		961	958	2 623
TOTAL CASH FLOWS FROM INVESTING ACTIVITIES		22 031	-55 707	-633 681

CASH FLOWS FROM FINANCING ACTIVITIES

LOAN REPAYMENTS	3	-191 734	-191 734	-191 734
OVERDRAFT	3	482 140	482 140	9 653
CHANGE IN SHORT-TERM LOANS		511 515	613 218	0
LEASE PAYMENTS	3	-302 792	-323 054	-131
DIVIDEND PAYMENT		-1 510 388	-1 510 388	
OTHER FINANCING INCOME/EXPENSES		-16 945	-16 945	-9 140
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES		-1 028 205	-946 764	-191 352

CHANGE IN CASH AND CASH EQUIVALENTS		116 094	94 843	-286 005
--------------------------------------------	--	----------------	---------------	-----------------

CASH AND CASH EQUIVALENTS IN THE BEGINNING OF THE YEAR		222 177	222 177	408 651
CHANGE		116 094	94 843	-206 691
FOREIGN EXCHANGE DIFFERENCE		1 233	1 233	-19 749
CASH AND CASH EQUIVALENTS IN THE END OF THE YEAR		339 505	318 254	182 211

* Equals to the consolidated statement of 2001.

STATEMENT ON CHANGES IN OWNER'S EQUITY (in kroons)

EEK	Note	SHARE CAPITAL	REVALUATION RESERVE	PROFIT FOR THE FINANCIAL YEAR	PROFIT FOR THE YEAR- ENDED	RETAINED EARNINGS	TOTAL
AS KALEV *							
1 JULY 2001		78 775 000	60 570 568	13 081 665		-44 858 944	107 568 288
NET PROFIT				4 080 754			4 080 754
30 SEPTEMBER 2001		78 775 000	60 570 568	17 162 419		-44 858 944	111 649 042
1 JULY 2002		78 775 000	112 812 302	0	30 756 745	-18 341 560	204 002 487
NET PROFIT				5 286 120			5 286 120
30 SEPTEMBER 2002	4	78 775 000	112 812 302	5 286 120	30 756 745	-18 341 560	209 288 608

CONSOLIDATED

1 JULY 2002		78 775 000	112 812 302	0	30 756 745	-18 341 560	204 002 487
RETAINED EARNINGS					-436 321		-436 321
NET PROFIT				4 753 353			4 753 353
30 SEPTEMBER 2002	4	78 775 000	112 812 302	4 753 353	30 320 425	-18 341 560	208 319 520

STATEMENT ON CHANGES IN OWNER'S EQUITY (in euros)

EUR	Note	SHARE CAPITAL	REVALUATION RESERVE	PROFIT FOR THE FINANCIAL YEAR	PROFIT FOR THE YEAR- ENDED	RETAINED EARNINGS	TOTAL
AS KALEV *							
1 JULY 2001		5 034 627	3 871 155	836 069		-2 867 002	6 874 849
NET PROFIT				260 807			260 807
30 SEPTEMBER 2001		5 034 627	3 871 155	1 096 876		-2 867 002	7 135 656
1 JULY 2002		5 034 627	7 210 002	0	1 965 709	-1 172 236	13 038 102
NET PROFIT				337 844			337 844
30 SEPTEMBER 2002	4	5 034 627	7 210 002	337 844	1 965 709	-1 172 236	13 375 946

CONSOLIDATED

1 JULY 2002		5 034 627	7 210 002	0	1 965 709	-1 172 236	13 038 102
RETAINED EARNINGS					-27 886		-27 886
NET PROFIT				303 794			303 794
30 SEPTEMBER 2002	4	5 034 627	7 210 002	304 794	1 937 823	-1 172 236	13 314 010

* Equals to the consolidated statement of 2001.

ACCOUNTING PRINCIPLES

This Interim Report has been prepared in accordance with the generally accepted accounting principles, the “*Guidelines on Preparing and Submitting Interim Reports*” of the Accounting Board, as well as the requirements of international accounting standards on abbreviated interim reports (IAS 34: “*Interim Financial Reporting*”). This Interim Report applies the same accounting principles applied upon preparing the Annual Report for the year ended on 30 June 2002.

The financial statements have been presented in both Estonian kroons and euros (based on the official exchange rate of the Bank of Estonia: EUR 1 = EEK 15.64664). This is conditioned by the application of a common European currency in most of the countries of the European Union from January 2002.

Subsidiaries

Subsidiaries are companies, where Kalev Ltd holds over 50% of the shares, or where Kalev Ltd has substantial control.

Investments in subsidiaries are recorded based on the equity method.

As at 30 September 2002, Kalev Ltd is a shareholder of two subsidiaries:

Kalev Ltd is a full owner of Kalev Merchant Services Ltd, which is located in the United States. The company deals with introducing and selling the products of Kalev Ltd in the United States.

Kalev Ltd is also a 59.3% shareholder AS Kalev Real Estate Company (hereinafter AS Kalev REC). As at 30 September 2002, AS Kalev REC had a total of 40,900 shares with a nominal value of 1,000 kroons (64 euros). The subsidiary deals with the development of real estate related to Kalev Ltd.

On 21 August 2002, a notarised agreement was concluded on making a non-monetary contribution to the subsidiary AS Kalev REC and on the acquisition of shares. Kalev Ltd. acquired 24,000 new shares of AS Kalev REC with a nominal value of 1,000 kroons (64 euros), by making a non-monetary contribution for them – real estate located at Kohila 6 and 8 in Tallinn, and 3/5th of the Põrguvälja real estate in Rae parish. Prior to the transaction, Kalev owned 240 shares of AS Kalev REC with a nominal value of 1,000 kroons (64 euros).

On 19 August 2002, Skanska EMV AS acquired 16,500 new shares of AS Kalev REC by also making a non-monetary contribution for them – real estate located at Madara 27 in Tallinn. Prior to the transaction, Skanska EMV AS owned 160 shares of AS Kalev REC with a nominal value of 1,000 kroons (64 euros).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Fixed assets

	Consolidated		Kalev Ltd	
	EEK	EUR	EEK	EUR
Net book value 30.06.2002	166 533 651	10 643 413	166 533 651	10 643 413
Acquisition	70 745 033	4 521 420	46 737 170	2 987 042
Liquidation	-560	-36	-560	-36
Non-monetary contribution	6 615 000	422 774	-17 385 000	-1 111 101
Calculated depreciation	-2 331 378	-149 002	-2 292 256	-146 501
Net book value 30.09.02	241 561 746	15 438 570	193 593 005	12 372 816

On 7 August 2002, Kalev Ltd concluded lease agreements with Paide Piimakombinaat AS on the acquisition of a real estate located at Prääma tee 11 in Paide, as well as on the acquisition of equipment from Paide Piimakombinaat AS. The acquisition cost of the investment was 45,000,000 kroons (EUR 2,876,017). The lease agreement was concluded with AS Hansa Liising Eesti, the term of the agreement is 30 July 2005, and the interest rate is the EURIBOR of 6 calendar months. A 3% marginal was added to the interest rate.

2. Real estate transactions

	Consolidated			Kalev Ltd		
	Land	Buildings	TOTAL	Land	Buildings	TOTAL
In 2002; in EEK						
Value 01.07.2002	18 793 750	50 472 503	69 266 253	18 793 750	50 472 503	69 266 253
Non-monetary contribution	-6 615 000		-6 615 000	-6 615 000		-6 615 000
Purchase						
Value 30.09.2002	12 178 750	50 472 503	62 651 253	12 178 750	50 472 503	62 651 253

In 2002; in EUR						
Value 01.07.2002	1 201 136	3 225 773	4 426 909	1 201 136	3 225 773	4 426 909
Non-monetary contribution	-422 774		-422 774	-422 774		-422 774
Purchase						
Value 30.09.2002	778 362	3 225 773	4 004 135	778 362	3 225 773	4 004 135

3. Payables and long-term liabilities

	Consolidated		Kalev Ltd		Kalev Ltd	
	30.09.2002	30.09.2002	30.09.2002	30.09.2002	30.06.2002	30.06.2002
	EEK	EUR	EEK	EUR	EEK	EUR
Short-term liabilities	46 701 004	2 984 731	47 975 289	3 066 172	33 891 332	2 166 045
Long-term liabilities	71 531 343	4 571 674	66 120 672	4 225 870	26 120 672	1 669 411
TOTAL	118 232 347	7 556 405	114 095 961	7 292 042	60 012 004	3 835 456

Change in liabilities:

	Consolidated		Kalev Ltd	
	EEK	EUR	EEK	EUR
Balance 30.06.2002	60 012 004	3 835 456	60 012 004	3 835 456
Change in lease liabilities	262 317	16 765	-54 717	-3 497
Loan repayments	-3 000 000	-191 734	-3 000 000	-191 734
Other short-term loans	8 003 487	511 515	9 594 806	613 218
Overdraft	7 543 868	482 140	7 543 868	482 140
Long-term lease liabilities	45 410 671	2 902 263	40 000 000	2 556 459
Balance 30.09.2002	118 232 347	7 556 405	114 095 961	7 292 042

4. Owner's equity

	Consolidated		KALEV LTD		KALEV LTD	
	30.09.2002	30.09.2002	30.09.2002	30.09.2002	30.06.2001	30.06.2001
	EEK	EUR	EEK	EUR	EEK	EUR
Number of ordinary shares	7 877 500	7 877 500	7 877 500	7 877 500	7 877 500	7 877 500
Nominal value	10	0.64	10	0.64	10	0.64

Pursuant to the Articles of Association, the maximum share capital is 31,510,000 shares with a nominal value of EEK 10 (EUR 0.64).

5 Accounting for segments

The Management of Kalev Ltd considers the segments of operations to be the priority in the company's activities. Over 95% of the group assets and liabilities, purchase of fixed assets and cash flows, are related to segments of confectionery products and real estate activities (purchase and sales of real estate as well as lease activities). Therefore, detailed information on other fields of activities, which are immaterial to the financial statements, shall not be disclosed.

Sales by fields of activities

	Consolidated		KALEV LTD		KALEV LTD	
	01.07.-30.09.2002		01.07.-30.09.2002		01.07.-30.09.2001	
	EEK	EUR	EEK	EUR	EEK	EUR
Confectionery products	66 761 132	4 266 803	66 757 691	4 266 583	63 115 043	4 033 776
Services					324 984	20 770
Lease income from real estate investments	1 283 910	82 057	1 194 918	76 369	1 364 432	87 203
Other sales	1 629 927	104 171	1 570 271	100 358	2 050 571	131 055
TOTAL	69 674 969	4 453 031	69 522 880	4 443 311	66 855 030	4 272 804

Sales by markets

	Consolidated		KALEV LTD		KALEV LTD	
	01.07.-30.09.2002		01.07.-30.09.2002		01.07.-30.09.2001	
	EEK	EUR	EEK	EUR	EEK	EUR
Estonia	59 417 775	3 797 478	59 328 783	3 791 791	54 888 011	3 507 974
Russia, CIS countries	1 369 102	87 501	1 369 102	87 501	1 338 094	85 520
The Ukraine	2 512 788	160 596	2 512 788	160 596	2 445 883	156 320
Baltic States	4 949 188	316 310	4 949 188	316 310	5 585 004	356 946
Other	1 426 116	91 145	1 363 019	87 113	2 598 038	166 044
TOTAL	69 674 969	4 453 031	69 522 880	4 443 311	66 855 030	4 272 804

6. Compensations to employees

In the 1st quarter of the financial year 2003, redundancy payments or dismissal compensations were paid to 8 employees in the total amount of 526,262 kroons (EUR 33,634)

7. Earnings per share

	Consolidated		KALEV LTD		KALEV LTD	
	01.07.-30.09.2002		01.07.-30.09.2002		01.07.-30.09.2001	
	EEK	EUR	EEK	EUR	EEK	EUR
Net profit	4 753 353	303 794	5 286 120	337 844	4 080 754	260 807
Weighed average number of shares during the period	7 877 500	7 877 500	7 877 500	7 877 500	7 877 500	7 877 500
Earnings per share (EPS)	0.60	0.04	0.67	0.04	0.52	0.03

The company has no contingently issuable ordinary shares. Therefore, diluted EPS equals to EPS.

8. Transactions with related parties

	Purchase	Sales	Balance of receivables
	01.07.-30.09.2002	01.07.-30.09.2002	30.09.2002
	EEK	EEK	EEK
Tallinna Piimatööstuse AS (raw materials, goods)	454 297	59 749	767 749
Kohuke AS (semi-finished product)		35 402	524 361
Cassel Grupp AS (building lease)	115 870		
	Purchase	Sales	Balance of receivables
	01.07.-30.09.2002	01.07.-30.09.2002	30.09.2002
	EUR	EUR	EUR
Tallinna Piimatööstuse AS (raw materials, goods)	29 035	3 819	49 068
Kohuke AS (semi-finished product)		2 263	33 513
Cassel Grupp AS (building lease)	7 405		