

AS JÄRVEVANA

Consolidated interim report 3M 2009

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Primary activity: General contracting in construction sector
Auditor: AS PricewaterhouseCoopers
Beginning of financial year: 01.01.2009
End of financial year: 31.12.2009

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MANAGEMENT REPORT

General information

The Company was formed after demerger from AS Järvevana, as a result of which the complete set of assets related to the business activities of the construction company was separated and transferred to AS Merko Ehitus, including all concluded construction contracts, subcontracts and supply contracts, machinery, equipment and employees, all professional know-how and cash flows from uninterrupted, continuous economic activities, except for liabilities arising from the criminal case no. 05913000055, including compensations for damage, penalties and other payables, legal expenses and liquid assets to cover potential liabilities arising from the criminal proceedings in the amount of EEK 250 million. The Company does not have ordinary economic activities and the only objective of its activities is to protect the interests of the Company and shareholders in the long-lasting criminal proceedings related to land swap.

Operating activities

The public limited company does not have active business operations. The Company's only income is generated from finance income earned on the investment of the Company's liquid funds. Between 01.01.2009 and 31.03.2009, AS Järvevana earned finance income in the amount of EEK 2.0 million. As at 31 March 2009, the sole member of AS Järvevana's Management Board is Toomas Annus. The company's operation does not have a seasonal and cyclic nature.

On 3 April 2009, the Public Prosecutor's Office presented the statement of charges (dated 31 March 2009) against AS Järvevana and Toomas Annus in the criminal matter No 05913000055 concerning the land-swap (http://www.nasdaqomxbaltic.com/market/?pg=news&news_id=232810). In the statement of charges, the Public Prosecutor's Office has withdrawn the initially included criminal episodes (http://www.nasdaqomxbaltic.com/market/?pg=news&news_id=218499) whereby Toomas Annus abused the trust in the company, by not purchasing the property under protection, and the suspicion that the property received as a result of the swap deal was transferred to the person chosen by Villu Reiljan. The Prosecutor's Office has added a criminal episode to the charges stating that AS Järvevana allegedly brokered the swap of two properties with the state at the request of Kalev Kangur. Based on the statement of charges, five episodes in total will be presented at the court hearing. The contents of the statement of charges have been included in the 2008 annual report of AS Järvevana. The first hearing in the land-swap case has been scheduled for 12 November 2009.

At 3 April 2009, the Prosecutor's Office declared AS Järvevana a suspect in the criminal case on a bribery related to Ivo Parbus. According to the suspicion, a representative of the Company gave Ivo Parbus a gift coupon of EEK 15 thousand for accelerated proceedings with two detailed plans and one construction project. The suspicion was submitted against AS Järvevana because the Company owns properties in the interests of which the bribe suspected was allegedly given.

The Company considers the submitted suspicion to be groundless. The Supervisory Board and Management Board of AS Järvevana are convinced that the activities of the Company and its directing bodies have been correct and in compliance with the laws of the Republic of Estonia and are able to provide relevant evidence in court.

Shares and shareholders

The main shareholders of AS Järvevana as of 31.03.2009

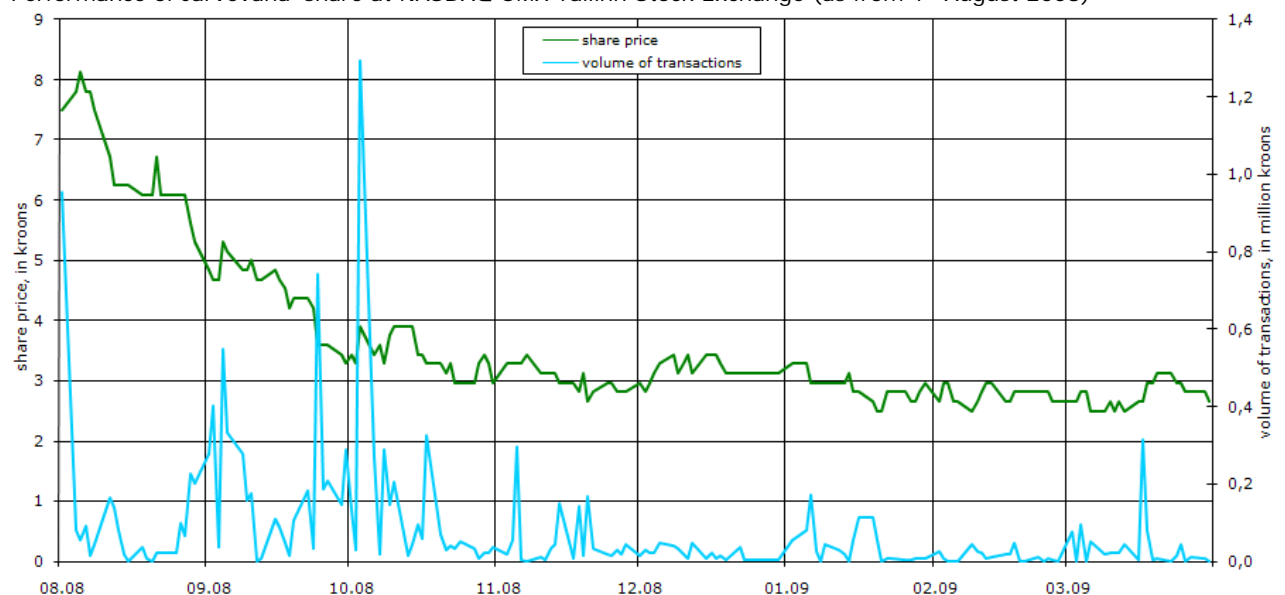
	Number of shares	Proportion
AS Riverito	12 742 686	71,99%
ING Luxembourg S.A., clients	963 376	5,44%
Skandinaviska Enskilda Banken Ab, clients	757 194	4,28%

Structure of shareholders as of 31.03.2009

No. of shares	No. of shareholders	% of shareholders	No. of shares	% of shares
1-100	299	31,84%	14 627	0,08%
101-1000	363	38,66%	157 171	0,89%
1001-10 000	199	21,19%	752 215	4,25%
10 001 – 100 000	69	7,35%	1 571 279	8,88%
100 001 – 1 000 000	8	0,85%	2 462 022	13,91%
1 000 001 - ...	1	0,11%	12 742 686	71,99%
Total	939	100%	17 700 000	100%

The shares of AS Järvevana have been quoted in the main list of the NASDAQ OMX Tallinn Stock Exchange. In the course of the division of AS Merko Ehitus the name of the company was changed to AS Järvevana and since 04.08.2008, the shares of AS Järvevana are bought and sold under the name JRV1T. In 2009 3 months 261 transactions with the shares of Järvevana was performed in the course of which 0.7 million shares were traded and the total monetary value of transactions was EEK 1.9 million. The lowest share price was EEK 2.35 and the highest price was EEK 3.44 per share. The closing price of the shares as at 31.03.2009 was EEK 2.66.

Performance of Järvevana' share at NASDAQ OMX Tallinn Stock Exchange (as from 1st August 2008)



STATEMENT OF COMPREHENSIVE INCOME
consolidated, unaudited

	note	EEK		EUR	
		2009 3 months	2008 3 months	2009 3 months	2008 3 months
Revenue	1,2	-	1 119 572	-	71 554
Cost of goods sold	3	-	(884 377)	-	(56 522)
Gross profit		-	235 195	-	15 032
Marketing expenses		-	(7 888)	-	(504)
Administrative and general expenses		(443)	(49 373)	(28)	(3 156)
Other operating income		-	1 704	-	109
Other operating expenses		-	(1 738)	-	(111)
Operating profit		(443)	177 900	(28)	11 370
Financial income and expenses		2 045	(1 762)	131	(113)
incl. investments into associate companies and joint ventures		-	2 280	-	145
interest expense		-	(5 584)	-	(357)
foreign exchange gain		-	(1 692)	-	(108)
other financial income and expenses		2 045	3 234	131	207
Profit before tax		1 602	176 138	103	11 257
Corporate income tax expense		-	(20 138)	-	(1 287)
Net profit for current period		1 602	156 000	103	9 970
incl. equity holders of the parent		1 602	154 881	103	9 898
minority interest		-	1 119	-	72
Other comprehensive income					
Exchange differences on translating foreign subsidiaries		-	(891)	-	(57)
Comprehensive income		-	155 109	-	9 913
incl. equity holders of the parent		1 602	153 990	103	9 841
minority interest		-	1 119	-	72
Earnings per share for profit attributable to the equity holders of the parent (basic and diluted, in EEK and EUR)	4	0,09	8,75	0,01	0,56

in thousand kroons and euros

STATEMENT OF FINANCIAL POSITION

consolidated, unaudited

note	EEK		EUR		
	31.03.2009	31.12.2008	31.03.2009	31.12.2008	
ASSETS					
Current assets					
	5	27 865	26 242	1 781	1 677
	6	225 958	225 927	14 441	14 439
		<u>253 823</u>	<u>252 169</u>	<u>16 222</u>	<u>16 116</u>
Non-current assets					
	7	30	-	2	-
		<u>30</u>	<u>-</u>	<u>2</u>	<u>-</u>
TOTAL ASSETS					
		<u>253 853</u>	<u>252 169</u>	<u>16 224</u>	<u>16 116</u>
LIABILITIES AND EQUITY					
Current liabilities					
	8	324	242	21	16
	9	17 500	17 500	1 118	1 118
		<u>17 824</u>	<u>17 742</u>	<u>1 139</u>	<u>1 134</u>
Total liabilities					
		<u>17 824</u>	<u>17 742</u>	<u>1 139</u>	<u>1 134</u>
Equity					
		177 000	177 000	11 312	11 312
		17 700	17 700	1 131	1 131
		41 329	39 727	2 642	2 539
		<u>236 029</u>	<u>234 427</u>	<u>15 085</u>	<u>14 982</u>
Total equity					
		<u>236 029</u>	<u>234 427</u>	<u>15 085</u>	<u>14 982</u>
TOTAL LIABILITIES AND EQUITY					
		<u>253 853</u>	<u>252 169</u>	<u>16 224</u>	<u>16 116</u>

STATEMENT OF CHANGES IN EQUITY

unaudited

EEK	Equity attributable to equity holders of the parent						Total
	Share capital	Statutory reserve capital	Currency translation adjustment	Retained earnings	Total	Minority interest	
Balance as at 31.12.2007	177 000	17 700	(5 085)	1 826 142	2 015 757	33 939	2 049 696
Comprehensive income	-	-	(891)	154 881	153 990	1 119	155 109
Balance as at 31.03.2008	177 000	17 700	(5 976)	1 981 023	2 169 747	35 058	2 204 805
Balance as at 31.12.2008	177 000	17 700	-	39 727	234 427	-	234 427
Comprehensive income	-	-	-	1 602	1 602	-	1 602
Balance as at 31.03.2009	177 000	17 700	-	41 329	236 029	-	236 029

EUR	Equity attributable to equity holders of the parent						Total
	Share capital	Statutory reserve capital	Currency translation adjustment	Retained earnings	Total	Minority interest	
Balance as at 31.12.2007	11 312	1 131	(325)	116 712	128 830	2 169	130 999
Comprehensive income	-	-	(57)	9 898	9 841	72	9 913
Balance as at 31.03.2008	11 312	1 131	(382)	126 610	138 671	2 241	140 912
Balance as at 31.12.2008	11 312	1 131	-	2 539	14 982	-	14 982
Comprehensive income	-	-	-	103	103	-	103
Balance as at 31.03.2009	11 312	1 131	-	2 642	15 085	-	15 085

The share capital of AS Järvevana consists of 17 700 000 common shares with a nominal value of EEK 10 i.e. EUR 0.64.

CASH FLOW STATEMENT

consolidated, unaudited

	EEK		EUR	
	2009 3 months	2008 3 months	2009 3 months	2008 3 months
Cash flows from operating activities				
Operating profit	(443)	177 900	(28)	11 370
Adjustments:				
depreciation and impairment charge	1	7 024	-	449
(profit) loss from sale of non-current assets	-	(327)	-	(21)
adjustments of revenue from construction contracts under stage of completion method	-	113 684	-	7 266
interest income from business activities	-	(1 028)	-	(66)
Change in government grants and other provisions	5	(6 095)	-	(390)
Change in trade and other receivables related to operating activities	(31)	162 644	(2)	10 395
Change in inventories	-	(13 433)	-	(859)
Change in trade and other payables related to operating activities	77	(154 437)	5	(9 870)
Interests paid	-	(8 790)	-	(562)
Other financial expenses (income)	(1)	(5)	-	-
Corporate income tax paid	-	(639)	-	(41)
	<u>(392)</u>	<u>276 498</u>	<u>(25)</u>	<u>17 671</u>
Cash flows from investing activities				
Investment into subsidiaries	-	(1 000)	-	(64)
Purchase of investment property	-	(112)	-	(7)
Purchase of property, plant and equipment	(31)	(3 734)	(2)	(239)
Proceeds from sale of property, plant and equipment	-	867	-	55
Purchase of intangible assets	-	(606)	-	(39)
Loans granted	-	(9 737)	-	(622)
Interest received	2 046	3 482	131	223
	<u>2 015</u>	<u>(10 840)</u>	<u>129</u>	<u>(693)</u>
Cash flows from financing activities				
Proceeds from borrowings	-	28 113	-	1 797
Repayments of borrowings	-	(137 211)	-	(8 769)
Finance lease principal payments	-	(3 903)	-	(249)
	<u>-</u>	<u>(113 001)</u>	<u>-</u>	<u>(7 221)</u>
Net increase/decrease in cash and cash equivalents	<u>1 623</u>	<u>152 657</u>	<u>104</u>	<u>9 757</u>
Cash and cash equivalent at beginning of the period	26 242	205 564	1 677	13 138
Exchange losses on cash and cash equivalents	-	(1 358)	-	(87)
Cash and cash equivalent at end of the period	<u>27 865</u>	<u>356 863</u>	<u>1 781</u>	<u>22 808</u>

NOTES

Note 1 Business and geographical segments

in thousand kroons

Business segments

2008 3 months	General construction	Road construction	Concrete elements	Group
Consolidated revenue	1 086 328	33 244	-	1 119 572
Inter-segmental revenue	-	101	-	101
Segment revenue	1 086 328	33 345	-	1 119 673
Segment operating profit	175 676	2 224	-	177 900
Financial income/expenses				(1 762)
incl. profit/loss from associates and joint ventures	1 223	-	1 057	2 280
Profit before tax				176 138
Corporate income tax				(20 138)
Net profit of the Group				156 000
incl. attributable to equity owners of the parent				154 881
minority interest				1 119
Segment assets	3 403 766	172 907	-	3 576 673
Associates and joint ventures	217 884	-	58 099	275 983
Unallocated assets				57 779
Total consolidated assets				3 910 435
Segment liabilities	(1 012 166)	(60 008)	-	(1 072 174)
Unallocated liabilities				(633 456)
Total consolidated liabilities				(1 705 630)
Purchase of investment property	112	-	-	112
Purchase of property, plant and equipment and intangible assets	3 853	486	-	4 339
Depreciation and impairment	4 801	2 223	-	7 024

Costs, assets and liabilities that cannot be related to a specific asset or it is not practical to do so are considered as unallocated.

Geographical segments

	Revenue	
	2009 3 months	2008 3 months
Estonia	-	617 618
Latvia	-	299 087
Lithuania	-	202 867
Total	-	1 119 572

	Total assets		Purchase of investment property		Purchase of property, plant and equipment and intangible assets	
	31.03.2009	31.03.2008	2009 3 months	2008 3 months	2009 3 months	2008 3 months
Estonia	253 823	1 976 274	-	-	31	2 410
Latvia	-	1 567 214	-	112	-	1 803
Lithuania	-	366 947	-	-	-	126
Total	253 823	3 910 435	-	112	31	4 339

Revenue is based on the country in which the customer is located; the assets are reported basing on the geographic location of the assets.

Note 2 Revenue*in thousand kroons*

	2009 3 months	2008 3 months
Rendering of services	-	703 705
Sale of real estate and real estate development projects	-	415 389
Rental income	-	236
Sale of goods	-	242
	-	-
Total revenue	<u>-</u>	<u>1 119 572</u>

Note 3 Cost of goods sold*in thousand kroons*

	2009 3 months	2008 3 months
Construction services	-	511 129
Materials	-	83 226
Properties purchased for resale	-	128 519
Staff costs	-	89 210
Construction mechanisms and transport	-	4 567
Design	-	18 669
Depreciation and impairment charge	-	21 424
Other expenses	-	27 593
	-	-
Total cost of goods sold	<u>-</u>	<u>884 377</u>

Note 4 Earnings per share

Basic earnings per share for profit attributable to equity holders of the parent has been derived by dividing the net profit attributable to shareholders by the weighted average number of shares.

	2009 3 months	2008 3 months
Net profit attributable to shareholders <i>(in thousand kroons)</i>	1 602	154 881
Weighted average number of ordinary shares <i>(thousand pcs)</i>	17 700	17 700
Earnings per share <i>(in kroons)</i>	<u>0,09</u>	<u>8,75</u>

The company did not have any potential ordinary shares to be issued; therefore the diluted earnings per share equal the basic earnings per share.

Note 5 Cash and cash equivalents*in thousand kroons*

	31.03.2009	31.12.2008
Short-term deposits	27 865	26 242
Total cash and cash equivalents	<u>27 865</u>	<u>26 242</u>

Note 6 Trade and other receivables*in thousand kroons*

	31.03.2009	31.12.2008
Tax prepayments excluding corporate income tax value added tax	296	261
	<u>296</u>	<u>261</u>
Other short-term receivables		
short-term loans *	125 001	125 001
interest receivables	646	646
other short-term receivables **	100 007	100 000
	<u>225 654</u>	<u>225 647</u>
Prepayments for services		
prepaid insurance	8	19
	<u>8</u>	<u>19</u>
Total trade and other receivables	<u>225 927</u>	<u>225 927</u>

* according to the contract of division concluded between AS Järvevana and AS Merko Ehitus, the company granted AS Merko Ehitus a loan in the amount of 7.989 million euros with an interest rate of 12 euribor + 1%. The final interest rate for the first loan period of 12 months is 6% pa.

** in the contract of division, AS Järvevana and AS Merko Ehitus agreed that AS Järvevana would have the right and AS Merko Ehitus would be obliged to buy 5 real estates from AS Järvevana for the price of 100 million kroons. This right is given on the balance sheet of AS Järvevana as a short-term claim.

Note 7 Property, plant and equipment*in thousand kroons*

	31.03.2009	31.12.2008
Other fixtures at carrying amount		
cost	31	-
accumulated depreciation	(1)	-
Total property, plant and equipment	<u>30</u>	<u>-</u>

Note 8 Trade and other payables*in thousand kroons*

	31.03.2009	31.12.2008
Trade payables	214	204
Payables to employees	82	27
Tax liabilities, except for corporate income tax		
personal income tax	2	2
social security tax	25	8
other taxes	1	1
	<u>28</u>	<u>11</u>
Total trade and other payables	<u>324</u>	<u>242</u>

Note 9 Short-term provisions
in thousand kroons

	31.03.2009	31.12.2008
Provision for legal costs and claims filed	17 500	17 500
Total short-term provisions	<u>17 500</u>	<u>17 500</u>

Note 10 Related party transactions

In compiling the report, the following entities have been considered as related parties:

- parent company AS Riverito;
- shareholders of AS Riverito with significant influence over AS Järvevana through AS Riverito;
- other shareholders with significant influence;
- other subsidiaries of AS Riverito, so-called 'entities controlled by the parent company';
- associates and joint ventures;
- key managers and their close relatives;
- entities sharing key personnel with AS Järvevana.

Significant influence is presumed to exist when the person has more than 20% of the voting power.

The parent of AS Järvevana is AS Riverito. As at 31.03.2009 and 31.12.2008, AS Riverito owned 72% of the shares of AS Järvevana. The ultimate controlling party of the company is Mr Toomas Annus.

Goods and services
in thousand kroons

	2009 3 months	2008 3 months
Purchased construction services		
Associates and joint ventures	-	12 891
Entities under joint control	-	2 842
Total purchased construction services	<u>-</u>	<u>15 733</u>
Rendered construction services		
Entities under joint control	-	191 810
Management members	-	795
Total construction services rendered	<u>-</u>	<u>192 605</u>
Construction materials purchased		
Other related parties	-	31
Real estate sold		
Entities under joint control	-	99 644

Balances with the related parties
in thousand kroons

	31.03.2009	31.12.2008
Trade and other receivables		
Short-term loans		
Entities under joint control	125 001	125 001
Interest receivables		
Entities under joint control	646	646
Other short-term receivables		
Entities under joint control	100 000	100 000
Trade and other payables		
Trade payables		
Entities under joint control	210	72

MANAGEMENT DECLARATION

The Management Board of AS Järvevana has prepared the consolidated 3 months interim report 2009 as presented on pages 3 to 12.

The Management Board confirms to the best of its knowledge:

- the accounting methods used for preparing the interim financial statements are in compliance 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, the results of operations and the cash flows of the company;
- the company is going concern.

The consolidated interim financial statements of AS Järvevana for the 3 months period ending 31.03.2009 have been prepared in accordance with IAS 34 "Interim Financial Reporting" for condensed interim financial statements. Company applies the same accounting policies in its interim financial statements as applied in its annual financial statement of 2008.

Toomas Annus

Member of the Board



21.05.2009