



SAKU ÕLLETEHASE AS

**INTERIM FINANCIAL STATEMENTS
9 MONTHS AND 3rd 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
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Saku Õlletehase AS is managed by a two-member management board. The Chairman of the Management Board is Ireneusz Piotr Smaga.

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1. Interim financial statements

BALANCE SHEET

(In thousands)	EEK			€		
	30 September 2007	30 September 2006	31 December 2006	30 September 2007	30 September 2006	31 December 2006
ASSETS						
Cash and cash equivalents (note 2)	1,347	86,312	118,876	86	5,516	7,597
Trade receivables (note 3)	77,086	67,939	71,944	4,927	4,342	4,598
Other receivables and prepayments (note 4)	17,559	10,538	7,883	1,122	674	504
Inventories (note 5)	69,996	59,140	58,771	4,474	3,780	3,756
TOTAL CURRENT ASSETS	165,988	223,929	257,474	10,609	14,312	16,455
Non-current assets						
Long-term financial investments (note 6)	6,740	8,380	7,740	431	537	495
Property, plant and equipment (note 7)	289,546	286,280	277,788	18,505	18,296	17,754
Intangible assets (note 8)	587	824	990	37	52	63
TOTAL NON-CURRENT ASSETS	296,873	295,484	286,518	18,973	18,885	18,312
TOTAL ASSETS	462,861	519,413	543,992	29,582	33,197	34,767
LIABILITIES AND EQUITY						
Current liabilities						
Lease liabilities (note 9)	27,320	131	131	1,746	8	8
Trade payables	28,563	21,667	27,472	1,826	1,385	1,756
Other payables (note 10)	49,231	60,923	59,463	3,146	3,894	3,801
Packaging repurchase obligation (note 11)	32,729	23,536	23,147	2,092	1,505	1,479
TOTAL CURRENT LIABILITIES	137,843	106,257	110,213	8,810	6,792	7,044
Non-current liabilities						
Finance lease liabilities (note 9)	257	415	376	16	27	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 for the period	91,358	97,642	118,304	5,839	6,240	7,561
TOTAL EQUITY	324,761	412,741	433,403	20,756	26,378	27,699
TOTAL LIABILITIES AND EQUITY	462,861	519,413	543,992	29,582	33,197	34,767

INCOME STATEMENT

(In thousands)	EEK			€		
	January- September 2007	January- September 2006	2006	January- September 2007	January- September 2006	2006
Sales revenue and other income						
Sales revenue (note 13)	720,801	595,068	770,133	46,068	38,032	49,220
Other income	1,915	535	1,511	122	34	97
Total sales revenue and other income	722,716	595,603	771,644	46,190	38,066	49,317
Expenses						
Changes in work in progress and finished goods inventories	-4,097	-3,724	-1,973	-262	-238	-126
Cost of materials, consumables and services used (note 15)	288,166	236,188	303,884	18,418	15,095	19,422
Other operating expenses (note 15)	175,386	133,886	182,063	11,209	8,557	11,636
Labour costs (note 15)	72,554	62,513	85,354	4,637	3,996	5,455
Depreciation and amortisation charges (notes 7, 8)	41,471	43,874	58,590	2,650	2,804	3,745
Other expenses (note 15)	1,535	2,871	3,904	98	184	249
Total expenses	575,015	475,608	631,822	36,750	30,398	40,381
OPERATING PROFIT	147,701	119,995	139,822	9,440	7,668	8,936
Net financial items (note 16)	67	1,543	2,378	4	99	152
PROFIT BEFORE TAX	147,768	121,538	142,200	9,444	7,767	9,088
Income tax expense (note 18)	56,410	23,896	23,896	3,605	1,527	1,527
PROFIT FOR THE PERIOD	91,358	97,642	118,304	5,839	6,240	7,561
Basic earnings per share (note 17)	11.42	12.21	14.79	0.73	0.78	0.95
Diluted earnings per share (note 17)	11.42	12.21	14.79	0.73	0.78	0.95

INCOME STATEMENT, Q3

(In thousands)	EEK		€	
	2007	2006	2007	2006
Sales revenue and other income				
Sales revenue (note 13)	256,646	245,172	16,403	15,670
Other income	1,823	409	116	26
Total sales revenue and other income	258,469	245,581	16,519	15,696
Expenses				
Changes in work in progress and finished goods inventories	5,299	-777	338	-50
Cost of materials, consumables and services used (note 15)	93,742	97,526	5,992	6,233
Other operating expenses (note 15)	58,095	47,455	3,712	3,033
Labour costs (note 15)	25,644	22,580	1,639	1,444
Depreciation and amortisation charges (notes 7, 8)	11,632	15,796	743	1,010
Other expenses (note 15)	348	643	22	42
Total expenses	194,760	183,223	12,446	11,712
Q3 OPERATING PROFIT	63,709	62,358	4,073	3,984
Net financial items (note 16)	-489	430	-32	28
Q3 NET PROFIT	63,220	62,788	4,041	4,012
Basic earnings per share (note 17)	7.90	7.85	0.51	0.50
Diluted earnings per share (note 17)	7.90	7.85	0.51	0.50

CASH FLOW STATEMENT

(In thousands)	EEK			€		
	January- September 2007	January- September 2006	2006	January- September 2007	January- September 2006	2006
Cash flows from operating activities						
Operating profit	147,701	119,995	139,822	9,440	7,668	8,936
Adjustments for						
Depreciation and amortisation charges (notes 7, 8)	41,471	43,874	58,590	2,650	2,804	3,745
Result of disposal of property, plant and equipment	-1,661	-188	2,459	-106	-12	158
Non-cash expenses (note 20)	1,236	1,288	1,775	80	82	113
Change in inventories	-11,225	-16,001	-15,712	-718	-1,024	-1,005
Change in receivables	-14,818	-15,591	-16,941	-947	-998	-1,084
Change in current liabilities	441	24,493	28,449	28	1,567	1,819
Finance lease		546			35	
Interest paid	-1,451	-184	-250	-93	-10	-16
Corporate income tax paid	-56,410	-23,896	-23,896	-3,605	-1,527	-1,527
Net cash from operating activities	105,284	134,336	174,296	6,729	8,585	11,139
Cash flows from investing activities						
Acquisition of property, plant and equipment and intangibles	-67,990	-41,523	-52,361	-4,345	-2,654	-3,346
Proceeds from sale of property, plant and equipment	16,825	788	3,454	1,075	51	221
Interest received	1,285	1,442	2,257	82	92	144
Net cash used in investing activities	-49,880	-39,293	-46,650	-3,188	-2,511	-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)	-114	-135	-174	-7	-8	-11
Change in overdraft facility	27,184			1,737		
Net cash used in financing activities	-172,930	-80,135	-80,174	-11,052	-5,121	-5,124
Decrease / increase in cash and cash equivalents	-117,526	14,908	47,472	-7,511	953	3,034
Effect of exchange rate fluctuations	-3	-3	-3			
Net decrease / increase in cash and cash equivalents	-117,529	14,905	47,469	-7,511	953	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	1,347	86,312	118,876	86	5,516	7,597
Net decrease / increase in cash and cash equivalents	-117,529	14,905	47,469	-7,511	953	3,034

STATEMENT OF CHANGES IN EQUITY

EEK (In thousands)	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					97,642	97,642
30 September 2006	80,000	8,000	0	227,099	97,642	412,741
1 January 2007	80,000	8,000	0	345,403		433,403
Dividend distribution				-200,000		-200,000
Profit for the period					91,358	91,358
30 September 2007	80,000	8,000	0	145,403	91,358	324,761

€ (In thousands)	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					6,240	6,240
30 September 2006	5,113	511	0	14,514	6,240	26,378
1 January 2007	5,113	511	0	22,075		27,699
Dividend distribution				-12,782		-12,782
Profit for the period					5,839	5,839
30 September 2007	5,113	511	0	9,293	5,839	20,756

Notes to the interim financial statements

Note 1. Significant accounting policies

The interim financial statements for the first nine months and third 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 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Cash on hand	4	11	8		1	1
Current accounts	1,343	86,301	118,868	86	5,515	7,596
Total	1,,347	86,312	118,876	86	5,516	7,597

Note 3. Trade receivables

(In thousands)	EEK			€		
	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Due from customers	77,703	68,117	71,880	4,966	4,353	4,593
Allowance for doubtful receivables	-659	-225		-42	-14	
Items written off	42	56	87	3	4	6
Recovery of items written off in prior periods		-9	-23		-1	-1
Total	77,086	67,939	71,944	4,927	4,342	4,598

Note 4. Other receivables and prepayments

(In thousands)	EEK			€		
	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Receivables from group companies (note 14)	3,293	5,118	4,498	211	327	288
Miscellaneous receivables	2,260	1,942	550	144	124	35
Prepaid expenses	10,606	2,078	1,435	678	134	92
AS Rocca al Mare Suurhall bonds (note 6)	1,400	1,400	1,400	89	89	89
Total	17,559	10,538	7,883	1,122	674	504

Note 5. Inventories

(In thousands)	EEK			€		
	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Raw and other materials	43,915	38,760	38,799	2,807	2,477	2,480
Work in progress	8,298	8,375	6,808	530	535	435
Finished goods	13,312	10,889	10,705	851	696	684
Goods purchased for resale	4,090	889	2,329	262	57	149
Prepayments to suppliers	381	227	130	24	15	8
Total	69,996	59,140	58,771	4,474	3,780	3,756

Write-off and write-down of inventories

(In thousands)	EEK			€		
	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Raw and other materials	183	25	1 430	12	2	91
Finished goods	1 207	65	1 191	77	4	76
Total	1 390	90	2 621	89	6	167

Note 6. Financial instruments

(In thousands)	AS Rocca al Mare Suurhall B shares	AS Rocca al Mare Suurhall bonds	Total
	EEK(€)	EEK(€)	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		-1000 (-65)	-1000 (-65)
Ownership interest in 2006	0.006		
Number of instruments at 30 September 2006	22	72	
Carrying amount at 30 September 2006	2,580 (166)	7,200 (460)	9,780 (626)
Including current portion		1,400 (89)	1,400 (89)
Including non-current portion	2,580 (166)	5,800 (371)	8,380 (537)
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		-1000 (-65)	-1000 (-65)
Ownership interest in 2007	0.006		
Number of instruments at 30 September 2007	22	58	
Carrying amount at 30 September 2007	2,340 (151)	5,800 (370)	8,140 (521)
Including current portion		1,400 (90)	1,400 (90)
Including non-current portion	2,340 (151)	4,400 (280)	6,740 (431)

Saku Õlletehase AS has 22 B shares in and 58 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 236,000 (€15,000)) has been recognised in *Financial income*.

(In thousands) 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 September 2006	5.00	1,400	5,600	200	7,200
31 December 2006	5.00	1,400	5,400		6,800
30 September 2007	5.00	1,400	4,400		5,800

(In thousands) €	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 September 2006	5.00	89	358	13	460
31 December 2006	5.00	90	345		435
30 September 2007	5.00	91	279		370

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 insignificant, 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 first 9 months 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			4,337	5,494	18,273	1,833	2,086	681	8,819	41,523
Disposal			-3,841	-104		-1,492				-5,437
Depreciation for the period		4,839	20,562	4,319	4,975	6,574	2,101	153		43,523
Cost at 30 September 2006	3,186	135,151	328,794	68,812	46,064	35,941	12,851	681	10,226	641,706
Accumulated depreciation at 30 September 2006		48,803	223,266	57,131	10,509	7,489	8,075	153		355,426
Carrying amount at 30 September 2006	3,186	86,348	105,528	11,681	35,555	28,452	4,776	528	10,226	286,280
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		7,917	8,416	16,225	21,939	1,800	725		10,968	67,990
Disposal			-316	-43	-16,155	-2,814				-19,328
Depreciation for the period		5,194	18,739	4,425	5,820	4,677	2,090	123		41,068
Cost at 30 September 2007	3,186	146,337	340,314	84,439	52,251	32,877	13,878	681	15,847	689,810
Accumulated depreciation at 30 September 2007		55,692	244,975	61,217	14,927	12,285	10,865	303		400,264
Carrying amount at 30 September 2007	3,186	90,645	95,339	23,222	37,324	20,592	3,013	378	15,847	289,546

(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			277	351	1,168	117	133	44	564	2,654
Disposal			-246	-7		-95				-348
Depreciation for the period		309	1,314	276	318	419	134	10		2,780
Cost at 30 September 2006	204	8,636	21,013	4,398	2,944	2,297	821	44	654	41,011
Accumulated depreciation at 30 September 2006		3,119	14,269	3,651	671	479	516	10		22,715
Carrying amount at 30 September 2006	204	5,517	6,744	747	2,273	1,818	305	34	654	18,296
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		506	538	1,037	1,402	115	46		701	4,345
Disposal			-20	-3	-1,033	-180				-1,236
Depreciation for the period		331	1,197	283	372	299	134	8		2,624
Cost at 30 September 2007	204	9,351	21,749	5,396	3,340	2,101	887	44	1,013	44,085
Accumulated depreciation at 30 September 2007		3,558	15,657	3,912	954	785	694	20		25,580
Carrying amount at 30 September 2007	204	5,793	6,092	1,484	2,386	1,316	193	24	1,013	18,505

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 September 2007, the carrying amount of reusable bottles subject to a deposit was EEK 34,855,000 (€2,227,000). At 30 September 2006, the corresponding figure was EEK 34,259,000 (€2,190,000).

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 September 2007, the carrying amount of the furniture was EEK 3,013,000 (€193,000). At 30 September 2006, the corresponding figure was EEK 4,378,000 (€280,000). 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 first 9 months 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	351	24
Cost at 30 September 2006	2,541	163
Accumulated amortisation at 30 September 2006	1,717	111
Carrying amount at 30 September 2006	824	52
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	403	26
Cost at 30 September 2007	2,825	181
Accumulated amortisation at 30 September 2007	2,238	144
Carrying amount at 30 September 2007	587	37

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			€		
	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Lease income on <i>Assets leased out</i>	38	58	76	2	4	5
Lease income receivable in less than 1 year	43	61	76	3	4	5
Lease income receivable between 1 and 5 years	10	5	10	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		€		
(In thousands)	30 Sept 2007	31 Dec 2006	30 Sept 2007	31 Dec 2006	
Principal payments of the period	114	174	7	11	
Interest payments of the period	20	10	1	1	
Minimum amount of principal payable	393	507	25	32	
In less than 1 year	136	131	9	8	
Between 1 and 4 years	257	376	16	24	
Interest payable	13	47	1	3	
In less than 1 year	2	21		1	
Between 1 and 4 years	11	26	1	2	

In the first nine months of 2007, the depreciation of leased assets amounted to EEK 123,000 (€8,000) which has been recognised in *Depreciation and amortisation charges* in the income statement.

Operating lease

In the reporting period, operating lease payments for vehicles (74 contracts) and production equipment totalled EEK 4,175,000 (€267,000) and EEK 167,000 (€11,000) respectively. Payments made for additional warehouse space totalled EEK 3,256,000 (€208,000).

	EEK			€		
(In thousands)	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Lease payments of the period	7,597	3,768	1,014	486	241	65
Minimum lease liabilities	7,078	6,741	8,373	452	431	535
Payable in less than 1 year	3,079	3,161	3,112	197	202	199
Payable between 1 and 5 years	3,999	3,580	5,261	255	229	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

	EEK			€		
(In thousands)	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Alcohol excise duty	15,618	18,762	17,818	998	1,199	1,139
Value-added tax	7,679	9,477	9,886	491	606	632
Social tax	2,069	1,627	159	132	104	10
Income tax on fringe benefits, non-business and entertainment expenses	124	95	210	8	6	13
Personal income tax	1,089	856		69	55	
Unemployment insurance premiums	50	40		3	3	
Funded pension premiums	87	61		5	4	
Payables to employees	4,907	4,968	5,969	314	317	381
Payables to group companies (note 14)	6,032	6,131	7,932	386	392	507
Other accrued expenses	11,576	18,906	17,489	740	1,208	1,119
Total	49,231	60,923	59,463	3,146	3,894	3,801

Note 11. Packaging repurchase obligation

(In thousands)	EEK			€		
	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Obligation to recover reusable packaging subject to a deposit	25,297	15,970	18,904	1,617	1,021	1,208
Obligation to recover one-way packaging subject to a deposit	5,081	2,565	2,911	325	164	186
Obligation to repurchase reusable packaging not subject to a deposit	2,351	5,001	1,332	150	320	85
Total	32,729	23,536	23,147	2,092	1,505	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 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Beer	527,009	465,710	603,483	33,682	29,764	38,569
Other alcoholic beverages	119,090	92,735	118,747	7,611	5,927	7,589
Table water	48,544	29,492	39,973	3,103	1,885	2,555
Soft drinks	22,059	3,498	3,498	1,410	224	224
By-products	1,014	1,046	1,428	65	67	91
Services	335	437	559	21	28	36
Other goods	2,750	2,150	2,445	176	137	156
Total	720,801	595,068	770,133	46,068	38,032	49,220
SALES BY MARKETS						
(In thousands)						
Estonia	651,847	522,859	675,697	41,661	33,417	43,185
Lithuania, Latvia, Finland, Ukraine, Denmark, Sweden, USA	68,954	72,209	94,436	4,407	4,615	6,035
Total	720,801	595,068	770,133	46,068	38,032	49,220

Note 14. Related party transactions

Related parties include the parent BBH, companies belonging to the same group as the parent, the parent'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 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
The parent company BBH	7,769	6,992	9,323	497	447	596
Companies belonging to the same group as the parent	39,980	22,416	39,971	2,555	1,433	2,554
Shareholders of the parent	1,849	1,179	1,905	118	75	122
Companies belonging to the same groups as shareholders of the parent	54,476	25,264	33,308	3,482	1,615	2,129
Total	104,074	55,851	84,507	6,652	3,570	5,401

Sales by Saku Õlletehase AS

(In thousands)	EEK			€		
	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
The parent company BBH						
Companies belonging to the same group as the parent	49,431	58,021	78,087	3,159	3,708	4,991
Shareholders of the parent		495	495		31	32
Companies belonging to the same groups as shareholders of the parent	13,518	9,726	13,595	864	622	869
Total	62,949	68,242	92,177	4,023	4,361	5,892

Receivables from related parties

(In thousands)	EEK			€		
	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Companies belonging to the same group as the parent	1,424	3,944	1,509	91	252	97
Shareholders of the parent						
Companies belonging to the same groups as shareholders of the parent	1,869	1,174	2,989	119	75	191
Total	3,293	5,118	4,498	210	327	288

Liabilities to related parties

(In thousands)	EEK			€		
	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
The parent company BBH	1,248	472	472	80	30	30
Companies belonging to the same group as the parent	882	329	993	57	21	65
Shareholders of the parent	891	419	174	57	27	11
Companies belonging to the same groups as shareholders of the parent	3,011	4,911	6,293	192	314	401
Total	6,032	6,131	7,932	386	392	507

Payments made to the management and supervisory board members in the reporting period totalled EEK 5,111,000 (€327,000). The corresponding figure for the first nine months of 2006 was EEK 4,753,000 (€304,000). At 30 September 2007, the total contingent termination benefits payable to members of the top management, including taxes, amounted to EEK 3,035,000 (€194,000). At 30 September 2006, the corresponding figure was EEK 2,927,000 (€187,000).

Note 15. Expenses

(In thousands)	EEK			€		
	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Raw materials	76,605	73,893	96,079	4,896	4,723	6,141
Ancillary materials	105,689	108,910	138,485	6,756	6,960	8,851
Imported beverages	65,579	16,819	24,105	4,191	1,075	1,541
Other	40,293	36,566	45,215	2,575	2,337	2,889
Total cost of materials, consumables and services used	288,166	236,188	303,884	18,418	15,095	19,422
Advertising expenses	73,980	50,926	65,033	4,728	3,255	4,156
Transport and vehicle expenses	46,084	36,876	52,145	2,945	2,357	3,333
Waste management	5,120	5,310	6,852	327	340	438
Repair of buildings and equipment	6,758	6,329	9,574	432	404	612
Purchase of other services	35,817	26,728	39,044	2,289	1,708	2,495
Other expenses	7,627	7,717	9,415	488	493	602
Total other operating expenses	175,386	133,886	182,063	11,209	8,557	11,636

Wages and salaries	54,190	46,755	63,918	3,463	2,988	4,085
Social security charges	18,204	15,626	21,256	1,164	999	1,359
Unemployment insurance premiums	160	132	180	10	9	11
Total labour costs	72,554	62,513	85,354	4,637	3,996	5,455
Sponsoring, entertainment expenses and expenses not related to the core activity	1,382	1,438	2,099	88	92	134
Interest and interest on arrears paid		1,339	1,674		86	107
Foreign exchange losses	153	94	131	10	6	8
Total other expenses	1,535	2,871	3,904	98	184	249

Note 16. Net financial items

(In thousands)	EEK			€		
	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Interest income	1,521	1,730	2,631	97	111	168
Total financial income	1,521	1,730	2,631	97	111	168
Interest expense	1,271	4	10	81		1
Foreign exchange losses	3	3	3			
Financial expenses on shares	180	180	240	12	12	15
Total financial expenses	1,454	187	253	93	12	16
Net financial items	67	1,543	2,378	4	99	152

Note 17. Earnings per share

(In thousands)	EEK			€		
	30 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 2006
Net profit	91,358	97,642	118,304	5,839	6,240	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	11.42	12.21	14.79	0.73	0.78	0.95
Diluted earnings per share	11.42	12.21	14.79	0.73	0.78	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 Sept 2007	30 Sept 2006	31 Dec 2006	30 Sept 2007	30 Sept 2006	31 Dec 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 3,600,000 (€230,000) and is valid from 8 October 2007 to 7 October 2008.

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 nine months of 2007 was EEK 1,236,000 (€80,000). The corresponding figure for the first nine months of 2006 was EEK 1,288,000 (€82,000).

2. Review of performance and operating results

Saku Õlletehase AS ended the first nine months of 2007 with revenue of EEK 722.7 million (€46.2 million), 21.3% improvement on a year ago, and an operating profit of EEK 147.7 million (€9.4 million), a strong 23.1% rise year-over-year. We are pleased to report that Saku Õlletehase AS continues to post the best result of operations among Estonian beverage producers.

In the third quarter, the development of the beverage industry was affected by inconsistencies in the alcohol policies applied by the state and local authorities. Unexpected sales prohibitions and different regional restrictions in combination with a general cooling of the economic environment triggered a decline in the Estonian beer market – the consumption of mainstream and premium brands declined and for the first time in two years economy and stronger brands gained strength.

Total domestic beer market was amounteds as 100,4 m litres, flat compared to last year same period, because of 5% decrease in III quarter. Beer sales for the second and third quarters were notably affected by the emergency sales prohibition proclaimed in Tallinn in April, the attempt to prohibit sales in Harju County, and various regional sales restrictions, especially those imposed in Northern Estonia and Tallinn (the latter since August). Third quarter developments in the beer market reflect the decline of mainstream and premium brands and the rise of economy segment and stronger products. In the background, the rapid rise of cheap liquor products has triggered a visible upswing in the sales of strong alcohol. By producers data strong alcohol has risen about 25% during January to August, 2007. Indirectly, the Estonian beer and cider markets have also been affected by the deterioration in macroeconomic indicators and high inflation rate. The industry is preparing for an exceptional 30% rise in excise duty in 2008 which will render the excise duty on Estonian beer one of the highest in Europe. These trends would give a challenge for cost management of breweries.

In the first nine months of 2007, Saku Õlletehase AS sold 74.2 million litres of beverages, 4,6% up on the same period in 2006. Beer sales accounted for 55.9 million litres 55,9 m litres of the total. Domestic beer sales of Saku was amounted as 46,4 m litres during the period.

Revenue growth in the first half of the year may be attributed to strong sales of mainstream and premium beers as well as the successful launch and sales of innovative beverage products, attained through well designed product development. According to business priorities, Saku is a clear leader in the mainstream and premium categories of the beer market (with approximately 60% quality beer market share respectively), adding value to the entire market. Sales was driven by quality brands as Saku Kuld, Saku on Ice, Saku Dlight, Saku Originaal regarding product and packaging innovation. The third quarter was characterised by quality brand stabilisation and increase of economy and strong beer brands.

According to the market research company AC Nielsen, Saku Õlletehase AS is continuous leader in Estonian beer market on both, in quantitative and value terms. (According to value share: Saku Brewery has 51%; closest competitor, Tartu Brewery 35% from total domestic beer market)

To diversify its revenue base, Saku has developed a number of other beverages. In the nine-month period, sales of Saku's table water line made a tremendous growth by 46%, surpassing market growth several times. Vichy Classique line reached to second position in the bottled water market during a period. (By ACNielsen respectively from 11% to 16% in litres; from 14% to 22% in value share)

During the first nine months of 2007, Saku expanded our share in the premium cocktail market with our *Sin* line, improved our position in the ice tea market with *Vichy Ice Tea*, and supplemented our long drink line with the innovative *Zip Freezer* and our *Kiss* line with straw-berry and peach flavoured cider. In addition, Saku launched domestic energy drink *Traffic* and have started producing international natural cider brand *Strongbow Gold*.

In the first nine months, exports accounted for 16% of beverages sales in litres. The main export markets are the other Baltic countries and Finland where our elite beer brand *Saku Kuld* is in the product portfolio of the Finnish market leader Sinebrychoff. In addition, Saku developed export sales among retailers and HoReCa operators in Canada, the USA, Germany and in a new target country, Ireland.

The period's most important capital expenditures were allocated to the product development centre. We made major investments in laboratory equipment and expert training which should allow us to create new recipes and product lines for the Estonian, Latvian and Lithuanian markets. The achievements of our product development centre include *Sin* cocktails, innovative beer drink *DLight*, *Vichy Ice Tea* as well as the *Viva Fresh* line of flavoured water whose sales are growing in all the Baltic countries.

As market leaders, we have to invest in the development of production facilities and technologies all the year round. In addition to laboratory equipment, investments of the period included the construction of a reception centre for the production of cider wine, and the development of a new generation pull off cap. In the III quarter was accomplished investment into shrink equipment, a new generation multipackaging.

The rise in expenses is related to revenue growth. The largest growth occurred in the cost of materials, consumables and services used, mainly on account of an increase in the sales of products distributed in one-way packaging (mainly cans prices has increased about 10% in global market), and in transport expenses.

Beverages business environment is driven by raw materials price rise on global market. During a year main raw material prices has risen in global stock market for all breweries in Europe, regarding beer production amount increase in the world, mainly because of developing of Asian, mainly China beer market and bad harvest season, there fore malt and hops production capacity don` t meet production demand, which has increased price level. Malt prices has almost doubled and hops prices has become up compared to last year. Sugar syrup prices has increased about 10%, driven by weat capacity and prices. Approximately 10% has increased one-way packaging materials, mainly cans.

Net profit for the third quarter amounted to EEK 63.2 million (€ 4,1 million), growth of 2%. Net profit for the first nine months of 2007 amounted to EEK 91.4 (€5.8 million), 6% down from the same period in 2006 due to larger dividend tax expenses incurred in the first quarter. Saku distributed its largest ever dividends for 2006 which increased its income tax expense on dividends by 50% year-over-year.

Twenty-five percent of the company's share capital is held by small shareholders (mostly individuals from Estonia).

3. Statement of management responsibility

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

28th November, 2007



Ireneusz Piotr Smaga
Chairman of the Management Board



Inga Kuusik
Member of the Management Board