ABC GRUPI AS
CONSOLIDATED ANNUAL REPORT 2009
(Translation of Estonian original)

Legal name	ABC Grupi AS
Commercial Register no	10419384
Legal address	Laki 25, Tallinn, 12915 Republic of Estonia
Phone	6 505 505
Fax	6 505 556
E-mail	info@abc.ee
Website	www.abc.ee
Main areaof activities	Trade
Auditing company	Rimess OÜ
Beginning and end of financial year	01.01.2009-31.12.2009

TABLE OF CONTENTS

MANAGEMENT'S CONFIRMATION OF THE MANAGEMENT REPORT 3
MANAGEMENT REPORT 4
REPORT ON CORPORATE GOVERNANCE CODE 8
MANAGEMENT'S CONFIRMATION OF THE CONSOLIDATED FINANCIAL STATEMENTS 10
CONSOLIDATED FINANCIAL STATEMENTS 11
Consolidated statement of financial position 11
Consolidated statement of comprehensive income 12
Consolidated cash flow statement [starting with operating profit] 13
Consolidated statement of changes in equity 15
Note 1 Accounting policies and procedures used in preparing the consolidated financial statements 16
Note 2 Eessential management judgments and estimates 26
Note 3 Financial risks 27
Note 4 Cash and bank 31
Note 5 Short term financial investments 31
Note 6 Receivables and prepayments 31
Note 7 Trade receivables 31
Note 8 Prepaid and deferred taxes 32
Note 9 Other receivables and prepayments 32
Note 10 Inventories 33
Note 11 Assets held for sale 33
Note 12 Long term financial investments 34
Note 13 Subsidiaries 34
Note 14 Affiliates 35
Note 15 Investment properties 36
Note 16 Tangible assets 37
Note 17 Intangible assets 39
Note 18 Rents 41
Note 19 Interest bearing loans and borrowings 42
Note 20 Bonds 43
Note 21 Payables and prepayments received 44
Note 22 Taxes payable 44
Note 23 Equity 45
Note 24 Net sales 46
Note 25 Other operating revenue and expenses 47
Note 26 Goods, raw materials and services 47
Note 27 Operating expenses 48
Note 28 Personnel expenses 48
Note 29 Financial income and costs 48
Note 30 Segments 49
Note 31 Related parties 53
Note 32 Contingent liabilities 55
Note 33 Events after the balance sheet day 55
Note 34 Financial information of the parent company 56
INDEPENDENT AUDITOR'S REPORT 61
PROFIT ALLOCATION PROPOSAL 63
CONFIRMATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2009 64

Member of the Maganement Board ____________

MANAGEMENT'S CONFIRMATION OF THE MANAGEMENT REPORT

The Management Board confirms that, to the best of its knowledge, the Management Report of ABC Grupi AS for 2009 presented on pages 4 to 9 gives a true and fair view of the operations, results and financial position, contains a description of key risks and uncertainties for ABC Grupi AS and companies consolidated to the Group.

Tallinn, 30 April 2010

Member of the Management Board
Jüri Vips

(in thousands)

MANAGEMENT REPORT

The primary areas of activity of the companies of the ABC Grupi AS include retail and wholesale trade.

The average number of employees of the Group in 2009 was 529. The parent company of the Group is located and registered in Estonia at Laki 25, Tallinn.

The Group consists of the following companies:

	Country of location	Area of activities	Ownership 31.12.09	Ownership 31.12.08
Parent company				
ABC Grupi AS	Estonia			
Subsidiaries				
Abestock AS	Estonia	wholesale trade	100 %	100 %
Agora Logistika AS	Estonia	logistics	100 %	100 %
ABC Supermarkets AS	Estonia	retail trade	0 %	100 %
ABC Motors AS	Estonia	car trade	100 %	100 %
Oma Varahalduse AS*	Estonia	real estate	0 %	100 %
ABC Vara AS	Estonia	real estate	100 %	100 %
Supersam OÜ	Estonia	retail trade	0 %	100 %
6 PO AS	Estonia	services	0 %	100 %
Viimsi Kaubanduse OÜ*	Estonia	trade	100 %	0 %
Modera Consulting OÜ	Estonia	IT services	0 %	100 %
Affiliates				
Vending Automaadid OÜ	Estonia	trade	0 %	26 %
Modera Software OÜ	Estonia	IT services	0 %	50 %

* By the time of publishing the report, legal names of two of the former companies of the Group have been changed. The new legal name of Oma Varahalduse AS is Tungren AS and the new legal name of Viimsi Kaubanduse OÜ is ARS Energy OÜ. In this present annual report the companies are continuously presented under their former names, Oma Varahalduse AS and Viimsi Kaubanduse OÜ respectively..

OÜ Rimess audits all companies of the Group which are subjects for audit.

Economic results for 2009

Consolidated net sales of the ABC Grupi in 2009 amounted to 1390,7 million kroons (88,9 million euros), down by 0,95% compared to the previous year.

Net profit was up to 29,0 million kroons (1,9 million euros) which is 20,0 million kroons (1,3 million euros) more than in 2008.

Consolidated assets of the Group as of 31 December 2009 were 864,8 million kroons (55,3 million euros), down by 154,2 million kroons (9,9 million euros) compared to the end of 2008.

The Group earned nonrecurring revenue in the amount of 223,1 million kroons (14,3 million euros) in 2009. Impairment loss for the year amounted to 183,4 million kroons (11,7 million euros).

Member of the Maganement Board ____________________

Financial results for the second half of 2009 were continuously influenced by economic slow-down. Still, the companies of the Group were able to increase consolidated sales for the period by 13%, compared to the sales for the first half of the year.

Retail trade

Net sales of ABC Supermarkets AS in 2009 amounted to 558,9 million kroons (35,7 million euros), which is 0,8% less than in 2008. Total sales area was up by 20% during the year totalling to 9215 m2 at the end of 2009.

Net profit for the year was 1,7 million kroons (0,1 million euros), which is higher by 5,7 million kroons (0,4 million euros) than in 2008. Increase in net profit results from higher efficiency of the company.

The market share of ABC Supermarkets AS in the retail turnover of stores specialised on food and convenience goods (predominantly food products) was 2.6%. The most significant event in 2009 was opening of the Solaris food store in October.

On 30 December 2009, all shares of ABC Supermarkets AS were transferred by ABC Grupi AS to Continental FIT AS. The purpose of the transaction was better capitalisation of ABC Grupi AS and limiting the conflict of interests between wholesale trade and retail trade segments of the Group. The transaction price amounted to 215,0 million kroons (13,7 million euros) which has to be fully paid by 30 December 2010. Until full payment of the sales price, the transferred shares of ABC Supermarkets AS are pledged in favour of ABC Grupi AS. The transaction price was based on valuation of the company conducted by Rimess OÜ. As a result of the transaction, liabilities of the Group were down by 146,1 million kroons (9,3 million euros) and assets were up by 55 million kroons (3,5 million euros).

Resulting from the sale, assets and liabilities of ABC Supermarkets AS were no longer consolidated to the statement of financial position as of 31 December 2009. Revenue and expenses were consolidates to the statement of comprehensive income until 31 December 2009.

Wholesale trade

Net sales of Abestock AS were down by 3,9% in 2009, compared to 2008 and amounted to 588,1 million kroons (37,6 million euros). The most important events for the company in 2009 were additions of Nestle Purina, Estrella and Horizon Tissue to the product portfolio.

Net sales of Agora Logistika AS, the logistics company supporting sales of Abestock AS, remained at the same level with the sales in 2008.

Results of the wholesale trade segment as well as the retail trade segment, were influenced by developments of the Estonian economy. At the same time, the first signs of stabilisation have been observed in the beginning of 2010. Net sales of Abestock in January 2010 were up by 7,3%, compared to the sales in December 2009. Higher sales are outcome of much more aggressive sales campaigns supported by massive marketing.

Car trade

Sales revenue of ABC Motors AS was up by 4,5% in 2009 compared to 2008 amounting to 239,9 million kroons (15,3 million euros). The growth resulted primarily from sale of new models of Renault with good price-quality ratio. At the same time, net loss of the company for the year amounted to 10,8 million kroons (0,7 million euros). The main cause for the loss was non-profitable sale of leased cars repurchased from financial institutions.

Inventory balance of ABC Motors AS was down by 57,5 million kroons (3,7 million euros) or by 60% during 2009 due to realisation of all vehicles with limited liquidity.

The most important events for the company in 2009 were launches of new models of Renault Fluence, Renault Megane GT III, Renault Scenic III and Dacia Logan Van.

Real estate

External sales revenue of the real estate segment in 2009 amounted to 17,2 million kroons (1,1 million euros), up by 20% compared to 2008. The vacancy ratio of rental spaces was below 5%.

Non-recurring loss from impairment of investment properties was 159,2 million kroons (10,2 million euros). In 2009, the Group exited from all activities related to development and construction of properties.

Properties of Oma Varahalduse AS were transferred at fair values to ABC Vara AS, Abestock AS and ABC Supermarkets AS proceeding from principal areas of activity and loan collaterals for the total amount of 198,0 million kroons (12,65 million euros). Value of Oma Varahalduse AS as the former real estate development company, turned to zero after impairment of the properties into fair value. The company was sold to the third party on 23 December 2009. As a result of the transaction liabilities of the Group were down by 43,5 million kroons (2,8 million euros) and assets were down by 33,9 million kroons (2,2 million euros).

Resulting from the sale, assets and liabilities of Oma Varahalduse AS were no longer consolidated to the statement of financial position as of 31 December 2009. Revenue and expenses were consolidates to the statement of comprehensive income until 31 December 2009.

Personnel

Average number of employees of the ABC Grupi consolidation group in 2009 was 529 (with members of the management boards included), down by 4,9% compared to the previous year. Personnel expenses (wages and salaries, social tax and remunerations of the members of the management boards) amounted to 105,6 million kroons (6,7 million euros), down by 20,6% compared to 2008. Average monthly personnel expenses per employee were 16,6 thousand kroons (1,1 thousand euros).

The consolidation group in total has 15 members of the management boards and 24 members of supervisory boards. Some of the members of the management and supervisory boards coincide. Remunerations were paid to six board members. Total remunerations (incl. social taxes) of the board members amounted to 3,8 million kroons (0,2 million euros) in 2009.

As a result of the sale of ABC Supermarkets AS, the number of employees fell by significant amount. As of 31 December 2009, the number of employees of the Group was 177.

Future perspectives

Our focus for 2010 will be higher efficiency and better quality of marketing.

Wholesale trade - our intention is to improve sales revenue by 7-10% via more efficient sales support campaigns.

Car trade - our target is to maintain the sales of Renault and Dacia at least at the level of 10% of the total sales of new vehicles in Estonia, and to increase sales revenue to 250 million kroons (16,0 million euros). As repurchases of leased cars with high residual value are about to fall we are intended to end the year with minimal loss.

Real estate - we are planning to realise some of the properties during the first half of 2010 and to improve campaigns oriented on supporting our tenants.

Member of the Maganement Board ____________________

(in thousands)

Financial indicators 2008-2009

	EEK	EEK	EUR	EUR
Statement of comprehensive income	**2009**	**2008**	**2009**	**2008**
Net sales	1 390 699	1 403 811	88 867	89 720
Operating profit	-158 562	54 224	-10 134	3 466
Net profit	29 048	9 060	1 857	579
Statement of financial position	**31.12.2009**	**31.12.2008**	**31.12.2009**	**31.12.2008**
Current assets	522 801	316 147	34 413	20 206
Non-current assets	341 989	702 850	21 857	44 920
Total assets	864 791	1 018 997	55 270	65 126
Current liabilities	367 625	394 974	23 479	25 245
Non-current liabilities	146 072	301 978	9 336	19 299
Total liabilities	513 697	696 952	32 831	44 544
Equity	351 093	322 045	22 439	20 582
Equity ratio (%)	40,6%	31,6%	40,6%	31,6%
INCREASES (%)				
Increase in net sales	-0,9%	22,0%	-0,9%	22,0%
Increase in assets	-15,1%	10,0%	-15,1%	10,0%
Increase in equity	9,0%	3,0%	9,0%	3,0%
PROFITABILITY RATIOS (%)				
EBIT margin	-11,4%	3,9%	-11,4%	3,9%
ROE (Return of Equity)	8,8%	2,9%	8,8%	2,9%
ROA (Return of Assets)	3,2%	1,1%	3,2%	1,1%
Net margin	2,1%	0,6%	2,1%	0,6%
LIQUIDITY RATIOS				
Quick ratio	1,42	0,80	1,42	0,80
Debt ratio	0,59	0,68	0,59	0,68
EFFICIANCY RATIOS				
Inventory turnover ratio	8,94	7,34	8,94	7,34
Net sales per employee	2 628,9	2 534,0	168,0	161,9
Average number of employees	529	554	529	554

EBIT margin	= Operating profit / Net sales
Equity ratio	= Equity / (Liabilities + Equity)
ROE (Revenue of Equity)	= Net profit / Average equity [1]
ROA (Return of Assets)	= Net profit / Average assets [1]
Net margin	= Net profit / Net sales
Quick ratio	= Current assets / Current liabilities
Debt ratio	= Total liabilities / (Liabilities + Equity)
Inventory turnover ratio	= Net sales / Average Inventory [1]
Net sales per employee	= Net sales / Average number of employees

Member of the Maganement Board ________________

REPORT ON CORPORATE GOVERNANCE CODE

ABC Grupi AS companies follow most of the mandatory guidelines of the Corporate Governance Code (CGC), unless specified otherwise in the present report.

The management structure of ABC Grupi AS consists of the general meeting of shareholders, supervisory board and management board.

General meeting of shareholders

The highest management body of ABC Grupi AS is the shareholders' general meeting. The authority of the general meeting, defined by the Estonian Commercial Code and the ABC Grupi AS articles of association, consists of amending the articles of association, rising and reducing share capital, issue of bonds, electing and recalling of the members of the management board, nominating the auditor, nominating special control authority, approving the annual report, distributing profits and deciding other issues delegated to the meeting by legislation. It is settled by the Commercial Code that only the general meeting is entitled to amend the articles of association. The resolution to amend the articles of association is passed is at least 2/3 of the votes represented at the general meeting are in favor. The amendment becomes into force with registration at the Commercial Register.

The share capital of ABC Grupi AS divides into nominal shares with nominal value 100 (one hundred) kroons. A share is indivisible and each share gives the owner one vote at the general meeting. Shareholders with significant holdings at ABC Grupi AS are Jüri Vips (501 400 shares i.e. 50%) and Landcom OÜ (501 400 shares i.e. 50%). The company has no other securities with voting rights. There is no preferred share. A share gives the owner the right to participate in management of the company and distribution of profits or any residual assets, and also any other rights defined by the Code or the Articles. Share capital can be raised by new shares issued or by enlargement the nominal value of the existing shares.

Supervisory Board

The Supervisory Board plans the activities of ABC Grupi AS, organizes management of the company and executes supervision over the activities of the Management Board. The Supervisory Board reports to the general meeting of shareholders. The Supervisory Board has three members nominated by the general meeting.

Pursuant to the CGC, several guidelines are recommended for the members of the Supervisory Board and their activities, which pertain to the persons of the members of the Supervisory Board, conflicts of interest, cooperation with the Management Board, etc. ABC Grupi AS does not comply with some of these recommended guidelines in detail and formally, but the Supervisory Board (members thereof) and their work is arranged in the manner that actual supervision over the activities of the Management Board is ensured and the resolutions significant for the companies are adopted by as wide circle of decision-makers as possible, and experts of the relevant fields are also involved in the decision-making process. Among other things, the principle applies that the Supervisory Boards shall form the respective development and monitoring committees to adopt resolution in substantial matters (areas).

Member of the Maganement Board ________________

There is active cooperation between the supervisory boards and management boards of the subsidiaries of ABC Grupi AS through the development and supervisory committees created by the supervisory boards. Usually, the heads of the committees are heads of the divisions of ABC Grupi AS and thus the best experts of the respective field in the Group.

Management Board

The Management Board of ABC Grupi AS is the management body that deals with the management of everyday economic activities and representation of the company. Authorities of the Management Board to represent the company can be limited by resolutions of the General Meeting or the Supervisory Board.

Unlike clause 2.2.1 of the CGC, the management board of ABC Grupi AS has only one member, because it is a holding company with no paid employees until the second quarter of 2009 and, thus, there was no need for a management board consisting of several members. Each subsidiary of the group has a management board of one, two or three members, depending on its number of employees. The Supervisory Board of ABC Grupi AS considers it's justified that disclosure of remunerations of each and every member of the Management Board (CGC 2.2.7) is not in the interest of the company. The Group is convinced that it is important to disclose to investors the total amount of the remunerations of persons responsible for the management activities and well-being of the entire company and shareholders (Management Boards of the Group companies) and is of the opinion that the remuneration disclosed separately for each member constitutes a business secret which the Group does not want to disclose it to competitors. Unlike clause 2.2.3, the Supervisory Board regularly discusses and reviews not only remuneration of the Management Board but remuneration of the whole management, prepared by chairman of the management.

The Management Board reports to the Supervisory Board and the General Meeting. According to the Commercial Code, the Supervisory Board is entitled to recall any member of the Management Board unconditionally.

Member of the Management Board has no right to issue shares of the company.

In all the subsidiaries resolutions are adopted by the managements, members of which are in addition to the members of the management board also key employees. The areas of responsibility, duties and authorities have been clearly determined among the members of the managements. If necessary, the managements shall involve consultants and experts in the decision-making process. Such allocation complies with the needs of the Group in the best manner, ensures sufficient and effective management and does not financially or administratively overburden the Group companies.

Financial reports and audit

The Management Board in in charge for financial reporting. Consolidated financial statements are prepared in are in compliance with International Financial Reporting Standard (IFRS). Annual report for a financial year is audited and thereafter approved by the Supervisory Board.

The Management Board of ABC Grupi AS publishes the annual report and the interim report for the half year.
Results for the financial year 2009 have been audited by the auditing company Rimess OÜ.

Member of the Maganement Board ____________________

MANAGEMENT'S CONFIRMATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Management Board confirms to the best of his knowledge correctness and completeness of ABC Grupi AS consolidated financial statements for the year 2009 as set out on pages 11 to 60.

The Management Board confirms that:

1. the accounting policies used in preparing the financial statements are in compliance with International Financial Reporting Standard as adopted in the European Union;
2. the financial statements give a true and fair view of the financial position, the results of the operations and the cash flows of the parent company and the Group;
3. ABC Grupi AS and its subsidiaries are going concerns.

Tallinn, 30 April 2010

Member of the Management Board
Jüri Vips

Member of the Maganement Board ____________________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

	Note	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
ASSETS					
Current assets					
Cash and bank	4	884	13 394	57	856
Short-term financial investments	5	0	3 751	0	240
Receivables and prepayments	6,7,8,9	365 542	105 422	23 362	6 738
Inventories	10	102 375	193 580	6 543	12 372
Assets held for sale	11	54 000	0	3 451	0
Total current assets		**522 801**	**316 147**	**33 413**	**20 206**
Non-current assets					
Long-term financial investments	9,12,13,14	674	13 104	43	838
Property investments	15	212 640	463 975	13 590	29 653
Tangible assets	16	78 171	152 021	4 996	9 716
Intangible assets	17	50 504	73 750	3 228	4 713
Total non-current assets		**341 989**	**702 850**	**21 857**	**44 920**
TOTAL ASSETS	30	**864 790**	**1 018 997**	**55 270**	**65 126**
LIABILITIES					
Current liabilities					
Interest bearing liabilities	19,20	263 762	242 762	16 857	15 515
Payables and prepayments received	21,22	103 863	152 212	6 638	9 730
Total current liabilities		**367 625**	**394 974**	**23 495**	**25 245**
Non-current liabilities					
Interest bearing liabilities	19,20	146 072	300 250	9 336	19 189
Other non-current liabilities		0	1 728	0	110
Total non-current liabilities		**146 072**	**301 978**	**9 336**	**19 299**
TOTAL LIABILITIES	30	**513 697**	**696 952**	**32 831**	**44 544**
EQUITY					
Share capital	23	100 280	100 280	6 409	6 409
Issue premium		18 575	18 575	1 187	1 187
Legal reserve		2 180	2 180	139	139
Retained profit		201 010	191 950	12 847	12 268
Profit for the year		29 048	9 060	1 857	579
TOTAL EQUITY		**351 093**	**322 045**	**22 439**	**20 582**
TOTAL LIABILITIES AND EQUITY		**864 790**	**1 018 997**	**55 270**	**65 126**

The notes presented on pages 16-60 form an integral part of these consolidated statements.

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri
OÜ RIMESS

Member of the Maganement Board ____________________

(in thousands)

Consolidated statement of comprehensive income

	Note	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Net sales	24,30	1 390 699	1 403 811	88 882	89 720
Other operating revenue	25	25 356	57 234	1 620	3 658
Materials, consumables and services used	26	-1 169 837	-1 181 184	-74 766	-75 491
Other operating expenses	27	-94 124	-74 345	-6 016	-4 752
Personnel expenses	28	-105 575	-132 779	-6 747	-8 486
Depreciation and impairment losses	16,17	-44 948	-14 584	-2 873	-932
Other expenses	25	-160 133	-3 929	-10 234	-251
Operating profit *(-loss)*	30	**-158 562**	**54 224**	**-10 134**	**3 466**
Financial income and expenses	29	187 610	-45 048	11 991	-2 880
Profit *(-loss)* before tax		**29 048**	**9 176**	**1 857**	**586**
Corporate income tax		0	-116	0	-7
Net profit *(-loss)* for the financial year		**29 048**	**9 060**	**1 857**	**579**
Basic earnings per share (EEK/EUR)		29,0	14,8	1,85	0,95
Diluted earnings per share (EEK/EUR)		29,0	14,8	1,85	0,95

The notes presented on pages 16-60 form an integral part of these consolidated statements.

Member of the Maganement Board ____________________

Allkirjastatud
Identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

Consolidated cash flow statement [starting with operating profit]

	Note	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Cash flows from operating activities					
Operating profit		-158 562	54 224	-10 134	3 466
Adjustments:					
Depreciation and impairment of tangible assets	16,17	44 948	14 584	2 873	932
(Profit) loss from sale of tangible assets	25	4 426	-34	283	-2
Profit (loss) from conversion of foreign currencies	29	277	-598	18	-38
Waiving claims		0	-8 152	0	-521
(Profit) loss from revaluation of property investments	15	154 015	-20 619	9 843	-1 318
Change in receivables and prepayments related to operating activities		-53 835	9 387	-3 441	599
Change in inventories	10	57 593	-4 662	3 680	-298
Change in liabilities and prepayments related to operating activities		92 187	-38 900	5 892	-2 486
Interests paid		-39 136	-33 352	-2 501	-2 132
Total cash flows from operating activities		**101 913**	**-28 121**	**6 513**	**-1 794**
Cash flows from investing activities					
Purchase of tangible assets	16	-25 671	-61 891	-1 641	-3 956
Purchase of intangible assets	17	-2 819	-7	-180	0
Purchase of property	15	-736	-13 773	-47	-880
Proceeds from sale of tangible assets		2 658	99	170	6
Proceeds from sale of property		4 540	0	290	0
Acquisition of subsidiaries	13	-40	-6 400	-3	-409
Purchase of financial investments		-5 621	-25 168	-359	-1 609
Proceeds from sale of financial investments		10 817	18 616	692	1 190
Receipts from finance lease		162	245	10	16
Loans issued		-19 407	0	-1 240	0
Dividends received		1	3	0	0
Interests received		841	320	54	20
Total cash flows from investing activities		**-35 275**	**-87 956**	**-2 254**	**-5 624**
Cash flows from financing activities					
Bonds issued	20	0	31 106	0	1 988
Repurchase of bonds issued	20	-64 105	0	-4 097	0
Loans received		85 222	281 317	5 447	17 979
Repayments of loans received		-84 432	-206 612	-5 396	-13 205
Repayments of finance lease principal	18	-22 800	-7 075	-1 457	-452
Receipts from sales and lease-back operations		10 053	24 324	642	1 555
Dividends paid		0	-435	0	-28
Total cash flows from financing activities		**-76 062**	**122 625**	**-4 861**	**7 837**

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

	Note	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Total cash flows		**-9 424**	**6 548**	**-602**	**419**
Cash and cash equivalents at the beginning of the year	4	**13 394**	**6 886**	**856**	**440**
Net change in cash and cash equivalents		**-9 424**	**6 548**	**-602**	**419**
Changes during business combinations		-3 086	-40	-197	-3
Cash and cash equivalents at the end of the year	4	**884**	**13 394**	**57**	**856**

The notes presented on pages 16-60 form an integral part of these consolidated statements.

Member of the Maganement Board ____________________

Allkirjastatud
identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

Consolidated statement of changes in equity

EEK	Share capital	Issue premium	Legal reserve	Retained earnings	Profit/loss for the year	Total
Balance as of 31.12.2007	**21 800**	**18 575**	**2 180**	**206 997**	**63 868**	**313 420**
Retained earnings for the previous period	0	0	0	63 868	-63 868	**0**
Increase in share capital	78 480	0	0	-78 480	0	**0**
Total comprehensive income for 2008	0	0	0	0	9 060	**9 060**
Dividends paid	0	0	0	-435	0	**-435**
Balance as of 31.12.2008	**100 280**	**18 575**	**2 180**	**191 950**	**9 060**	**322 045**
Retained earnings for the previous period	0	0	0	9 060	-9 060	**0**
Total comprehensive income for 2009	0	0	0	0	29 048	**29 048**
Balance as of 31.12.2009	**100 280**	**18 575**	**2 180**	**201 010**	**29 048**	**351 093**

EUR	Share capital	Issue premium	Legal reserve	Retained earnings	Profit/loss for the year	Total
Balance as of 31.12.2007	**1 393**	**1 187**	**139**	**13 230**	**4 082**	**20 031**
Retained earnings for the previous period	0	0	0	4 082	-4 082	0
Increase in share capital	5 016	0	0	-5 016	0	**0**
Total comprehensive income for 2008	0	0	0	0	579	**579**
Dividends paid	0	0	0	-28	0	**-28**
Balance as of 31.12.2008	**6 409**	**1 187**	**139**	**12 268**	**579**	**20 582**
Retained earnings for the previous period	0	0	0	579	-579	**0**
Total comprehensive income for 2009	0	0	0	0	1 857	**1 650**
Balance as of 31.12.2009	**6 409**	**1 187**	**139**	**12 847**	**1 857**	**22 439**

Additional information on share capital is presented in Note 19.

The notes presented on pages 16-60 form an integral part of these consolidated statements.

Allkirjastatud
Identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Member of the Maganement Board ____________

Note 1 Accounting policies and procedures used in preparing the consolidated financial statements

General information
The consolidated financial statements of ABC Grupi AS and its subsidiaries and affiliates (hereinafter the Group) as of 31 December 2009 has been prepared and signed by the Management Board on 30 April 2010. In accordance with the Commercial Code of the Republic of Estonia, the consolidated financial statements are subject for approval by the Supervisory Board.

General principles
The consolidated financial statements of ABC Grupi AS and its subsidiaries have been prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS) as adopted in the European Union, including IAS 34, and following the same accounting principles as in preparation of the consolidated financial statements for 2008.

The consolidated financial statements have been prepared under the historical cost convention, except for property investments which have been revalued and reported at fair value. The main accounting principles used in preparing the annual accounts are presented bellow. In preparing the consolidated financial statements, the same accounting policies applied to all periods presented in the financial statements, unless referred otherwise. Additional information on the subject can be found from the paragraph "Comparability".

All information in the consolidated financial statements has been presented in thousands of Estonian kroons (EEK), unless referred otherwise. In accordance with the requirements of the rules of the Tallinn Stock Exchange, all amounts are also simultaneously disclosed in euros (EUR). The Estonian kroon is pegged to the euro at the exchange rate of 1 EUR = 15,6466 EEK.

Comparability
Financial statements are prepared following the continuity and comparability principles. Any amendments in methodologies and their impact on statements have been disclosed in respective notes. In case of any changes in presentation or classification methods the same methods have been applied also to the data of the base period in order to guarantee comparability of the periods.

Changes in the presentation of information in 2009
In connection with changes in IAS 1 "Presentation of Financial Statements", which became into force from 1 January 2009, consolidated income statement of ABC Grupi AS and its subsidiaries has been replaced with the statement of comprehensive income. The comprehensive income statement also includes all non-owner changes previously recognized in equity. Pursuant to IAS 1, the term "balance sheet" used previously is replaced by the term "statement of financial position". The presentation of basic reports and the new terms do not affect the recognition of transactions and balances of the accounting principles.

New International Financial Reporting Standards, published amendments to the standards and interpretations of the International Financial Reporting Interpretations Committee (IFRIC)

IFRIC 11 IFRS 2 "Group and Treasury Share Transactions" – The interpretation contains guidelines on the following issues: an entity grants its employees rights to its equity instruments that may or must be repurchased from a third partying order to settle obligations towards the employees; or an entity or its owner grants the entity's employees rights to the entity's equity instruments. The adoption of the interpretation did not have significant impact on the Group's financial statements.
IFRIC 14 IAS 19 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" – The interpretation contains guidance on when refunds or reductions in future contributions may be regarded as available for purposes of the asset ceiling test in IAS 19, Employee Benefits. The adoption of the interpretation did not have significant impact on the Group's financial statements.

IFRS 8 "Operating Segments" – The standard applies to entities whose debt or equity instruments are publicly trades or who submit, or are in process of submitting, their financial statements with a securities commission or another regulatory body for the purpose of issuing any class of instruments in a public market. IFRS 8 requires an entity to report financial and descriptive

Member of the Maganement Board ______________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

information regarding its operating segments, with segment information presented on a similar bases to that used for internal reporting purposes. Due to adoption of IFRS 8, the management has adjusted presentation of the segments information

IAS 23 "Borrowing Costs" , revised in March 2007. The main change to the standard is removal of the option of immediately recognizing as an expense borrowing costs related to assets not presented in fair value and that take substantial period of time to become ready for use or sale. Such borrowing costs form a part of the cost of the asset, if the commencement sate of capitalization is on or after 1 January 2009. The Group has taken the amendment into account. In 2009, only some improvements were made to constructions which did not create any need or obligation for capitalization of costs.

Amendments to IFRS'es issued in May 2008. The amendments consist of a mixture of substantive changes, clarifications, and changes in terminology in various standards. The substantive changes relate to the following areas: classification as held for sale under IFRS 5 in case of a loss of control over a subsidiary (effective for annual periods beginning on or after 1 July 2009); possibility of presentation of financial instruments held for trading as non-current under IAS 1; accounting for sale of IAS 16 assets which were previously held for rental and classification of the related cash flows under IAS 7 as cash flows from operating activities; clarification of definition of a curtailment under IAS 19; accounting for below market interest rate government loans in accordance with IAS 20; making the definition of borrowing costs in IAS 23 consistent with the effective interest method; clarification of accounting for subsidiaries held for sale under IAS 27 and IFRS 5; reduction in the disclosure requirements relating to associates and joint ventures under IAS 28 and IAS 31; enhancement of disclosures required by IAS 36; clarification of accounting for advertising costs under IAS 38; amending the definition of the fair value through profit or loss category to be consistent with hedge accounting under IAS 39; introduction of accounting for investment properties under construction in accordance with IAS 40; and reduction in restrictions over manner of determining fair value of biological assets under IAS 41. Further amendments made to IAS 8, 10, 18, 20, 29, 34, 40, 41 and to IFRS 7 represent terminology or editorial changes only, which the IASB believes have no or minimal effect on accounting. The amendments did not have significant impact on the Group's financial statements.

Amendment to IAS 32 "Puttable Financial Instruments and Obligations Arising on Liquidation". The amendment requires classification as equity instruments of some financial instruments that meet the definition of financial liabilities. The amendment did not have impact on the Group's financial statements.

Amendment to IFRS 2 " Vesting Conditions and Cancellations". The amendment clarifies that only service conditions and performance conditions are vesting conditions. Other features of a share-based payment are not vesting conditions. The amendment specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment did not have impact on the Group's financial statements.

IFRIC 13 „Customer Loyalty Programmes". IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. The amendment did not have significant impact on the Group's financial statements as the customer loyalty incentives used by the Group companies have different essence.

Amendments to IFRS 1 and IAS 27 „Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate". The amendment allows first-time adopters of IFRS to measure investments in subsidiaries, jointly controlled entities or associates at fair value or at previous GAAP carrying amount as deemed cost in the separate financial statements. The amendment also requires distributions from pre-acquisition net assets of investees to be recognized in profit or loss rather than as a recovery of the investment. The amendment did not have impact on the Group's financial statements.

Amendment to IFRS 7 „Improving Disclosures about Financial Instruments". The amendment requires enhanced disclosures about fair value measurements and liquidity risk. The entity is required to disclose an analysis of financial instruments using a three-level fair value measurement hierarchy. The amendment (a) clarifies that the maturity analysis of liabilities should include issued financial guarantee contracts at the maximum amount of the guarantee in the earliest period in which the guarantee could be called; and (b) requires disclosure of remaining contractual maturities of financial derivatives if the contractual maturities are essential for an understanding of the timing of the cash flows. An entity will further have to disclose a maturity analysis of financial assets it holds for managing liquidity risk, if that information is necessary to enable users of its financial statements to evaluate the nature and extent of liquidity risk. The enhanced disclosures are included in these financial statements.

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Issued but ineffective standards, amendments to the standards and interpretations that the Group has not applied prematurely, but which may have impact on the Group's financial statements

IFRIC 12 „ Service Concession Arrangements". (IFRIC 12 as adopted by the EU is effective for accounting periods beginning on or after 30 March 2009, early adoption permitted) The interpretation contains guidance on applying the existing standards by service providers in public-to-private service concession arrangements. The adoption of the interpretation did not have impact on the Group's financial statements, as the Group has no service concession arrangements.

IFRIC 15 „Agreements for the Construction of Real Estate". (Effective for accounting periods beginning on or after 1 January 2009; IFRIC 15 as adopted by the EU is effective for annual periods beginning after 31 December 2009, early adoption permitted) The interpretation applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors, and provides guidance for determining whether agreements for the construction of real estate are within the scope of IAS 11 or IAS 18. It also provides criteria for determining when entities should recognize revenue on such transactions. The amendment did not have impact on the Group's financial statements.

Amendments to IFRIC 9 and IAS 39 „Embedded Derivatives". (Effective for accounting periods beginning on or after 30 June 2009; IFRIC 9 and IAS 39 as adopted by the EU is effective for accounting periods beginning after 31 December 2009, early adoption permitted). The amendments clarify that on reclassification of a financial asset out of the „at fair value through profit or loss" category, all embedded derivatives have to be assessed and, if necessary, separately accounted for. The amendment did not have impact on the Group's financial statements.

IFRIC 16 „Hedges of a Net Investment in a Foreign Operation". (Effective for accounting periods beginning on or after 1 October 2008; IFRIC 16 as adopted by the EU is effective for annual periods beginning after 30 June 2009, early adoption permitted). The interpretation explains which currency risk exposures are eligible for hedge accounting and states that translation from the functional currency to the presentation currency does not create an exposure to which hedge accounting could be applied. The IFRIC allows the hedging instrument to be held by any entity or entities within a group except the foreign operation that itself is being hedged. The interpretation also clarifies how the currency translation gain or loss reclassified from other comprehensive income to profit or loss is calculated on disposal of the hedged foreign operation. Reporting entities apply IAS 39 to discontinue hedge accounting prospectively when their hedges do not meet the criteria for hedge accounting in IFRIC 16. IFRIC 16 did not have impact on the Group's financial statements.

IFRIC 17 *„Distribution of Non-cash Assets to Owners".* (Effective for accounting periods beginning on or after 1 July 2009; IFRIC 17 as adopted by the EU is effective for annual periods beginning after 31 October 2009, early adoption permitted). The interpretation clarifies when and how distribution of non-cash assets as dividends to the owners should be recognized. An entity should measure a liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. A gain or loss on disposal of the distributed non-cash assets will be recognized in profit or loss for the year when the entity settles the dividend payable. IFRIC 17 will not have impact on the Group's financial statements.

IFRIC 18 „Transfers of Assets from Customers". (Effective prospectively to transfers of assets from customers received on or after 1 July 2009, earlier adoption permitted; IFRIC 18 as adopted by the EU is effective for accounting periods beginning after 31 October 2009, early adoption permitted). The interpretation clarifies the accounting for transfers of assets from customers, namely, the circumstances in which the definition of an asset is met; the recognition of the asset and the measurement of its cost on initial recognition; the identification of the separately identifiable services (one or more services in exchange for the transferred asset); the recognition of revenue, and the accounting for transfers of cash from customers. IFRIC 18 will not have impact on the Group's financial statements.

IAS 27 „Consolidated and Separate Financial Statements". (Effective for annual reports beginning on or after 1 July 2009). The revised standard requires an entity to attribute total comprehensive income to the owners of the parent and to minority interests even if this results in the non-controlling interests having a deficit balance (in most cases, the current standard requires the excess losses to be allocated to the owners of the parent). The revised standard specifies that changes in the parent's ownership interest in a subsidiary that do not result in the loss of control must be accounted for as equity transactions. It also specifies how an entity should measure any gain or loss arising on the loss of control of a subsidiary. At the date when control is lost, any investment retained in the former subsidiary will have to be measured at its fair value. The amendment will not have impact on the Group's financial statements.

IFRS 3 „Business Combinations". (Effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). The revised IFRS 3 allows entities to choose to measure

Initsialiseeritud ainult identifitseerimiseks
30.04.2010
Allkiri
OÜ RIMESS

Member of the Maganement Board ______________

non-controlling interests using the existing IFRS 3 method (proportionate share of the acquiree's identifiable net assets) or at fair value. The revised IFRS 3 is more detailed in providing guidance on the application of the purchase method to business combinations. The requirement to measure at fair value every asset and liability at each step in a step acquisition for the purposes of calculating a portion of goodwill has been removed. Instead, in a business combination achieved in stages, the acquirer will have to pre-measure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss. Acquisition-related costs will be accounted for separately from the business combination and therefore recognized as expenses rather than included in goodwill. An acquirer will have to recognize at the acquisition date a liability for any contingent purchase consideration. Changes in the value of that liability after the acquisition date will be recognized in accordance with other applicable IFRSs, as appropriate, rather than by adjusting goodwill. The revised IFRS 3 brings into its scope business combinations involving only mutual entities and business combinations achieved by contract alone. The Group is currently assessing the impact of the amended standard on the disclosures in the financial statements.

Amendment to IFRS 5 „Non-current Assets Held for Sale and Discontinued Operations", (and consequential amendments in IFRS 1) (Effective for annual reports beginning on or after 1 July 2009). This amendment to IFRS 5 has been made during the annual improvement project of the IASB, issued in May 2008. The amendment explains that when an entity is involved in a sales plan resulting in a loss of control over the subsidiary, the assets and liabilities of the subsidiary shall be reclassified as assets or liabilities held for sale. The revised guidance shall be applied prospectively from the date on which the Company first applied IFRS 5. The amendment will not have impact on the Group's financial statements.

Amendment to IAS 39 „Eligible Hedged Items" (Effective retrospectively for annual reports beginning on or after 1 July 2009). The amendment explains how to apply rules in certain situations to decide whether hedged risk or part of cash flows meet the hedging requirements. The amendment will not have an impact the on Group's financial statements, as the Group does not use hedge accounting.

IFRS 1 „First-time Adoption of International Financial Reporting Standards", revised in December 2008 (effective for the first IFRS financial statements for a period beginning on or after 1 July 2009; restructured IFRS 1 as adopted by the EU is effective for annual periods beginning after 31 December 2009, early adoption permitted). The revised IFRS 1 retains the substance of its previous version but within a changed structure in order to make it easier for the reader to understand and to better accommodate future changes. The revised standard will not have an impact the on Group's financial statements.

Improvements to IFRS, issued in April 2009 (changes in IFRS 2, IAS 38, IFRIC 9 and IFRIC 16 are effective for annual reports beginning on or after 1 July 2009; changes in IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36 and IAS 39 are effective for annual reports beginning on or after 1 January 2010; the changes have not been yet adopted by EU). The revisions include substantive changes and clarifications in the following standards and interpretations: clarification that IFRS 2 will not apply to a transfer of a business unit in transactions under common control and formation of joint ventures; specifying the disclosure requirements laid down in IFRS 5 and other standards in respect of non-current assets (or disposal groups) classified as held for sale; requirement that the segment's total assets and liabilities shall be disclosed only if such amounts are regularly provided to the chief operating decision maker; revision of IAS 1 to allow an entity to classify certain liabilities as non-current that are settled by issue of an entity's own equity instruments; revision of IAS 7 so that such expenditures that are capitalized as assets shall be eligible for classification as investing activities; permission in IAS 17 to classify certain long-term land lease agreements as a finance lease when the title is not transferred at the end of the lease term; additional guidance in IAS 18 to determine whether an entity operates as a primary service provider or an agent; clarification in IAS 36 that a cash generating unit shall not be larger than an operating segment before aggregation; improvement of IAS 38 in respect of measurement of fair value of intangible assets acquired in a business combination; revision of IAS 39 to (i) add option contracts to the scope of the standard the result of which may be a business combination, (ii) clarify a period during which gains or losses on cash flow hedges are reclassified from equity to profit or loss and (iii) determine that the early exercise of an option is closely related to the host contract when the borrower reimburses the economic loss incurred to the lender upon the exercise of the option; revision to IFRIC 9 to clarify that the embedded derivatives in contracts acquired in a business combination under common control or the formation of a joint venture are not within the scope of the interpretation; elimination of a restriction in IFRIC 16 that a hedging instrument shall not be in such a foreign operation the risks of which are being hedged. The improvements will not have significant impact on the Group's financial statements.

Amendment to IAS 32 „Classification of Rights Issues", issued in October 2009 (effective for annual reports beginning on or after 1 February 2010). The amendment exempts certain rights issues of shares with proceeds denominated in foreign currencies from classification as financial derivatives. The amendment will not have significant impact on the Group's financial statements.

Member of the Maganement Board ________________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Amendments to IFRS 2 „Group Cash-settled Share-based Payment Transactions". Effective for annual periods beginning on or after 1 January 2010; not yet adopted by the EU. The amendments provide a clear basis to determine the classification of share-based payment awards in both consolidated and separate financial statements. The amendments incorporate into the standard the guidance in IFRIC 8 and IFRIC 11, which are withdrawn. The amendments expand on the guidance given in IFRIC 11 to address plans that were previously not considered in the interpretation. The amendments also clarify the defined terms in the Appendix to the standard. The amendment will not have significant impact on the Group's financial statements.

Amendments to IFRS 1 „Additional Exemptions to First-time Adopters". Effective for annual periods beginning on or after 1 January 2010; not yet adopted by the EU. The amendments exempt entities using the full cost method from retrospective application of IFRSs for oil and gas assets and also exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with IFRIC 4, „Determining Whether an Arrangement Contains a Lease" when the application of their national accounting requirements produced the same result. The amendment will not have impact on the Group's financial statements.

Amendment to IAS 24 „Related Party Disclosures"., Issued in November 2009 - effective for annual periods beginning on or after 1 January 2011; not yet adopted by the EU. The amended standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The Group is currently assessing the impact of the amended standard on the disclosures in the financial statements.

IFRS 9 „Financial Instruments" part 1: Classification and Measurement, issued in November 2009 - effective for annual periods beginning on or after 1 January 2013; not yet adopted by the EU. IFRS 9 replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Key features are as follows:

- Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortized cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.
- An instrument is subsequently measured at amortized cost only if it is a debt instrument and both (i) the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and (ii) the asset's contractual cash flows represent only payments of principal and interest (that is, it has only "basic loan features"). All other debt instruments are to be measured at fair value through profit or loss.
- All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognize unrealized and realized fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.

The Group is considering the implications of the standard, the impact on the Group and the timing of its adoption by the Group.

IFRIC 19 „Extinguishing Financial Liabilities with Equity Instruments". Effective for annual periods beginning on or after 1 July 2010; not yet adopted by the EU. This interpretation clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished through the debtor issuing its own equity instruments to the creditor. A gain or loss is recognized in the profit and loss account based on the fair value of the equity instruments as compared to the carrying amount of the debt. The Group is currently assessing the impact of the interpretation on its financial statements.

Amendment to IFRIC 14 „Prepayments of a Minimum Funding Requirement". Effective for annual periods beginning on or after 1 January 2011; not yet adopted by the EU. This amendment will have a limited impact as it applies only to companies that are required to make minimum funding contributions to a defined benefit pension plan. It removes an unintended consequence of IFRIC 14 related to voluntary pension prepayments when there is a minimum funding requirement. The Group is currently assessing the impact of the amended interpretation on its financial statements.

Amendment to IFRS 1 „Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters". Effective for annual periods beginning on or after 1 July 2010; not yet adopted by the EU. Existing IFRS preparers were granted relief from presenting comparative information for the new disclosures required by the March 2009 amendments to IFRS 7 'Financial Instruments: Disclosures'. This amendment to IFRS 1 provides first-time adopters with the same transition provisions as included in the amendment to IFRS 7. The amendment will not have impact on the Group's financial statements.

Disclosure of the main accounting principles

Principles of consolidation

The consolidated financial statements consist of the financial statements of ABC Grupi AS and its subsidiaries combined on line-by-line bases. Equity participation method has been used for affiliates of the Group. All companies of the Group, including the parent company, have the same financial year fitting with the calendar year. There are no significant differences in accounting and assessment principles of the companies of the Group.

A subsidiary is an entity controlled by the parent. Control is presumed to exist when the parent is in power to influence financing or operating principles of the entity through its ownership or otherwise. As a general principle, control is presumed to exist when the parent owns, directly and/or indirectly more than 50% of the voting rights of the entity.

An affiliate is an entity in which the Group has significant influence, but which it does not control. There were no affiliates as of 31 December 2009.

The purchase method of accounting is used to account the acquisitions of new subsidiaries. Financial results of the subsidiary company are consolidated to the statement of comprehensive income and to the cash flow statement from the date of obtaining the ownership. Net assets of the subsidiary are consolidated at fair value on the date of acquisition. The excess of the cost of acquisition over the fair value of the net assets acquired is recorded as goodwill.

Assets, liabilities, revenue, expenses and cash flows of a subsidiary are consolidated from the day the ownership was acquired and until the day the control or significant influence of the parent over the investment will be removed.

The assets, liabilities, revenue and expenditure, cash flow, unrealized profits and losses arising from the transactions between the parent company and the subsidiaries are eliminated in the consolidated financial statements.

Investments in affiliates have been accounted in the consolidated financial statements pursuant to the equity method. According to the equity method, an investment is first registered at the acquisition cost, which will be in the subsequent periods adjusted with the investor's participation in the changes of the owners' equity of the object of investment. Mutual unrealized profits are eliminated in accordance with the size of the Company's shareholding. Unrealized losses are eliminated as well, unless a loss results from a decrease in the value of assets. An investment in an affiliate includes the goodwill generated upon acquisition. In the case that the shareholding of the Company in the loss of an affiliate (pursuant to the equity method) is equal to or exceeds the book value of the affiliate, the book value of the investment is written down to zero and subsequent losses will be recorded off the Balance Sheet. As an exception, if the Company stands surety for or has assumed the obligation to discharge the liabilities of an affiliate, both the liabilities and the loss calculated pursuant to the equity method are reported in the Balance Sheet. If the Company has, in addition to its own capital, financed the activities of an affiliate with external capital, the respective loan claim against the affiliate will be evaluated where necessary.

Detailed information on the subsidiaries and affiliates of ABC Grupi AS is presented in notes 13 and 14.

In the unconsolidated financial statements investments in subsidiaries and affiliates are accounted using the acquisition cost method. According to the method, initial recognition of the investment takes place in acquisition cost which equals to the fair value of the payment for the investment. The initial value is subject for future impairments, if necessary.

The part concerning minority shareholdings has been given in a separate line under the owners' equity in the consolidated statement of comprehensive income and the consolidated statement of financial position.

Allkirjastatud
Identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Member of the Maganement Board ____________________

Foreign Currency Transactions and Financial Assets and Liabilities Denominated in Foreign Currencies

All currencies but the Estonian kroon have been considered foreign currencies. Foreign currency transactions are recorded using the official exchange rate quoted by the Bank of Estonia on the date of the transaction. Monetary financial assets and liabilities denominated in foreign currencies are restated in Estonian kroons on the balance date, using the official exchange rates quoted by the Bank of Estonia. Profit and loss on foreign currency transactions is recorded in the statement of comprehensive income as income and expenses for the period in question.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank account balances and deposits with maturities of 3 months or less.

Inventories

Inventories are initially recognized at acquisition cost, which consists of purchase expenses, production expenses and other expenses incurred in bringing the inventories to their present location and condition.

The purchase expenses contain, in addition to the purchase price, the related customs duties and other non-refundable taxes and transportation costs directly attributable to the acquisition of inventories, less any discounts and volume rebates.

The weighted average acquisition cost method is used to account the costs and balance value of inventories.

Inventories are measured in the balance sheet at the lower of acquisition cost and net realizable value. Materials and work in progress are written down if the estimated cost of the completed products made of the materials exceeds the net realizable value of the same products. Write-downs of the inventories with respect to their net realizable value are reported in the write-down period on account “Goods, raw material and services.”

Financial assets and liabilities

Financial assets are cash, contractual rights to receive money or other financial assets (e.g. trade receivables) from another party, equity instruments of other companies and contractual rights to trade financial assets with other parties on potentially favorable terms and conditions. Financial liabilities are contractual obligations to pay to another party money or other financial assets or to trade financial assets with another party on potentially unfavorable terms and conditions.

Financial assets and liabilities are initially recognized at their acquisition cost, which is the fair value of considerations paid or received for the financial assets or liabilities. The initial acquisition cost comprises any transaction expenses directly related to the financial asset or liability, except for the assets and liabilities acquired for trading purposes and derivative instruments.

Financial instruments accounted at fair value are re-evaluated on each balance date at their fair value. Any changes in the fair value of the financial assets and liabilities acquired for trading purposes are reported in the Income Statement of the reporting period.

Upon application of the method of adjusted acquisition cost, the financial instrument is accounted in the Balance Sheet at its initial acquisition cost, less the principal repayments and possible write-downs arising from a decrease in the value or uncollectibility.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not quoted in an active market. After the initial recognition the Group accounts the loans and receivables at the adjusted acquisition cost, which has, where necessary, been adjusted with the principal repayments and write-downs arising from possible decreases of value, considering the interest income on the receivable in the following periods.

If it is likely that the Group cannot collect all the amounts receivable pursuant to the terms of the receivables, the receivables will be written down. The amount of a write-down is the difference between the book value and recoverable value. Upon assessment

Allkirjastatud
Identifitseerimiseks
30-04-2010
Allkiri
OÜ RIMESS

of receivables, the accrual of each specific receivable is evaluated separately, considering the information available on the solvency of the obligor. Possible write-downs arising from assets' impairment are recognized in the Income Statement under the expenditure for the period. Uncollectible accounts are written down in the Balance Sheet to the collectible amount. Bad debts are written off the Balance Sheet.

Trade Receivables

Trade receivables are initially recognized at the fair value and hereinafter at the adjusted acquisition cost, using the method of effective interest rate. A write-down caused by a decrease of value of assets is made if there is objective evidence that the Group cannot collect all the amounts receivable pursuant to the terms and conditions of the receivables. Such situations may include the purchasers' considerable financial difficulties, bankruptcy or failure to perform the obligations to the Company.

Impairment of Assets

On each balance date the Group evaluates the circumstances referring to the need for impairment of the financial assets. The value of the financial assets has decreased and the respective write-down is only accounted if objective circumstances, which became evident after the first accounting ("harmful event"), indicate the need for a write-down and the harmful event has an impact on the future cash flow of the financial assets, which can be measured reliably. An objective circumstance, which refers to the decrease of a financial asset, is information available to the Company, such as:

- ✓ considerable financial difficulties of the debtor;
- ✓ a breach of the terms and conditions of the contract, including failure to make payments by the due date;
- ✓ it is likely that the debtor is about to go bankrupt;
- ✓ the loss of an active market of the financial asset due to financial difficulties;
- ✓ known information, which refers to a significant fall of the financial asset or a group of financial assets in the future cash flow, although the fall cannot be reliably measured yet.

If necessary, the carrying amount of the assets is reduced through the account for the write-down of receivables and the incurred loss is accounted in the Income Statement. On each following balance date, the test is repeated in order to asses whether the recoverable amount has increased. In case it happens, the cancelled write-down will be reported through the Income Statements.

Investment Properties

Land and buildings held by the Group for capital appreciation rather than its own operations or sale. Investment properties are initially recognized in the balance sheet at cost including any directly attributable acquisition expenditure: notary fees, legal fees, professional fees and any other transaction costs without which the transaction would have not taken place. Investment properties are subsequently measures at fair value, based on the market price determined by independent appraisers. Changes in fair value are recorded in the statement of comprehensive income for the period as "Other operating expenses" or "Other operating income". Resulting from amended IAS 40, property investment previously reported and construction-in-progress has been reclassified as property investment.

Tangible Assets

Tangible assets are assets used in the operations of the Company with a useful life over one year and with acquisition value over 5,000 kroons. Tangible assets are initially recognized at acquisition costs, including purchase price (incl. customs duty and any other non-refundable fees) and any other transactions costs that were necessary in order to bringing the tangible asset to operating condition and location. Subsequently, tangible assets are recognized at cost less any accumulated depreciation and any impairment losses. If the recoverable value of a fixed assets (i.e. the higher of the following two indicators: the net sales price or value in use) is less than carrying amount of the asset, then the asset is written down to its recoverable value. In the calculation of depreciation, the straight-line method is used. The depreciation rate is set separately for each tangible asset object as follows:

✓ buildings and facilities	4-8%,
✓ other fittings and IT equipment	25-40%.

Land is not amortized.

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Assets held for sale

Assets classified as assets held for sale are recognized at lower of the two – the carrying amount or fair value, minus sales costs. An asset is classified as asset held for sale when its carrying amount is expected to be covered through the sales transaction rather than through continuous use. An asset is classified as asset held for sale when it has been decided by the management to sell the asset during the next 12 months and the management has started active sale of the asset by offering it at reasonable sales price, compared to the fair value of the asset. Depreciation of the assets held for sale is terminated. The assets are accounted in the balance account "Assets held for sale".

Goodwill

The goodwill emerging from business combinations is initially recognized at cost. Goodwill represents the excess of the cost of a business combination over the fair value of the net assets acquired. Fair value of the net assets is the outcome of the fair values of the obtained assets and liabilities.

Goodwill is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to the group's cash generating units or groups of units which are expected to get economic benefits from the business combination.

Impairment tests are performed at least annually, at the end of the financial year. Tests are performed more often if there are any indications that the goodwill may not be recoverable or there have been changes in estimates. Impairment is determined by estimating the recoverable amount of the cash-generating unit. When the recoverable amount of the cash-generating unit is lower than its carrying amount, an impairment loss for goodwill is recognized.

Other intangible assets

Purchased intangible assets are initially recognized at cost which includes the purchase price and any directly attributable expenditure. The cost of intangible asset acquired in a business combination is their fair value at the time of the business combination. Those intangible assets are recognized separately from goodwill only in case their fair value could be evaluated reliably. After initial recognition intangible assets are recognized at cost less any accumulated amortization and any impairment losses.

For amortization purposes intangible assets are divided into assets with finite useful lives. The straight-line method is use for amortization of assets with finite useful lives. The amortization rate is 20-33% per year.

Financial Liabilities

All financial liabilities (trade payables, loans raised, accrued expenses and other payables) are initially recognized at cost, less transaction costs. They are subsequently measured using the adjusted acquisition cost method.

The adjusted acquisition cost of a current financial liability is generally equal to their nominal value and therefore current financial liabilities are reported in the Balance Sheet in the amounts subject to payment. The adjusted acquisition cost of long-term financial liabilities is calculated using the internal interest rate method. A financial liability is classified as current if its payment term is within twelve months after the Balance Sheet date or if the Company does not have the unconditional right to postpone the payment of the obligation for more than twelve months after the Balance Sheet date. Loans payable with a repayment term within twelve months as of the Balance Sheet date, but which are refinanced as long-term after the Balance Sheet date but before the approval of the Annual Accounts, are reported as short-term. Loans payable that the lender was entitled to recall on the Balance Sheet date due to a breach of the terms and conditions specified in the loan contract are also reported as short-term. Interest expenses related to financial liabilities are accounted on accrual bases through income statement.

Revenue recognition

Revenue from sales of goods is recorded when all the essential risks related to the ownership have passed to the purchaser, the sales revenue and the expenses related to the transaction can be reliably established and the proceeds arising from the transaction are likely to be collected.

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Revenue from the sales of a service is recorded after the provision of the service or – if the service is provided over a longer period – in compliance with the completion degree method.

Income is reported at the fair value of the consideration received or to be received as a result of the transaction. The sales revenue has only been reported to the extent of the economic gains to be received and at a reliably measurable rate.

Interest income and dividend income are recorded when receipt of the income is likely and the amount of the income can be reliably assessed. Interest income is reported using the internal interest rate of assets, unless receipt of interest is uncertain. In the latter case, interest income is recorded on a cash basis. Dividend income is recognized when the owner has a legal right to receive it.

Leases

Leases which transfer substantially all the risks and rewards incidental to ownership to the lessee are classified as finance lease. Other leases are classified as operating leases.

Finance leases are recognized in the balance sheet at the fair value of the leased assets or in the minimum discounted sum of rental payments when the lease contracts became effective. Payments made under operating leases are charged to the income statement on straight-line bases over the period of lease.

Employee-related liabilities

Employee-related liabilities include remuneration specified in employment contracts as well as holiday pay calculated pursuant to the laws of the Republic of Estonia as of the balance sheet date. Liabilities calculated for the payment of holiday pay and bonuses are accounted in the Balance Sheet under "employee-related liabilities" along with social tax and unemployment insurance payments and in the Income Statement under "staff costs."

Bonds issued

Bonds issued are initially recognized at cost. Interests calculated on bonds are reported on the interest payable account.

Segments

Operating segments are parts of the company which participate in operations, generate revenue and bear expenses, which have separable financial results and which operating profit is subject for regular review by decision makers in order to evaluate performance of the segment and decide of future allocation of resources. The segment reporting is on similar bases to that used for internal reporting purposes. Decision makes responsible for evaluation of performance and allocation of resources is the management of ABC Grupi AS.

Financial outcome of a segment consists of revenue and expenses directly attributable to the segment and essential part of the revenue and expenses which are attributable to the segment through external or internal transactions. Assets and liabilities of a segment are assets and liabilities directly attributable to the segment or can be assigned to the segment.

Provisions and contingent liabilities

Provisions are recognized in the balance sheet only if the Group had, resulting from an event that occurred by the balance sheet date, a legally or constructively valid obligation the performance of which is likely to require the transfer of the assets in the future and the size of which can be evaluated reliably. Provisions are recognized in the balance sheet on the basis of the estimate of the management about the amount probably required for and the realization time of the provision. In the balance sheet a provision is measured in the amount which is required, as estimated by the management as of the balance sheet date, for compliance with the provision-related liability or the transfer thereof to a third party. The expenditure of provisions is accounted under the expenses of the reporting period. No provisions are made to cover future losses.

Member of the Maganement Board ____________________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Promises, guarantees and other commitments whose realization is unlikely or costs occasioned by which cannot be determined reliably enough, but which under certain conditions may turn to liabilities in the future, are disclosed in the notes to the annual accounts as contingent liabilities.

Corporate income tax

Pursuant to the legislation effective in Estonia, the profits of a company are not subject to income tax, for which reason there exist no deferred income receivables or liabilities. Instead of profit, in Estonia tax with the rate 21/79 is charged on all dividends paid out of retained profit. Corporate income tax payable upon the payment of dividends is recorded in the Income Statement as income tax expenses in the same period when dividends are declared, irrespective of the period for which dividends were declared or when the dividends will actually be paid out.

The maximum amount of the income tax liability arising upon potential disbursement of dividends has been set out in Note 15.

Legal Reserve

The legal reserve has been formed in accordance with the Commercial Code of the Republic of Estonia. The legal reserve is formed from annual net profit transfers. Each financial year, at least 1/20 of net profit must be transferred to legal reserve until the legal reserve accounts for 1/10 of the share capital. Legal reserve may be used to cover loss or increase share capital. Payments may not be made to shareholders out of legal reserve.

Earnings per share

Basic earnings per share are determined by dividing the net profit for the financial year by the weighted average number of shares outstanding during the period. The diluted earnings per share are calculated by adjusting both the net profit as well as the average number of shares with potential shares that have dilutive effect on earnings per share.

Events after the balance sheet date

The impact of essential events that occurred during preparation of the statements but relate to transactions of the accounting period or any preceding periods has taken into account in valuation of assets and liabilities. Events after the balance sheet date which have not been taken into account in valuation of assets and liabilities but which may have impact on financial results of the next financial year have been disclosed in notes of the annual report.

Disclosures about the primary statements of the parent company

In accordance with the Accounting Act of Estonia, the separate primary statements of the consolidating entity (Parent) are to be disclosed in the notes to the consolidated financial statements. The Parent's primary statements, disclosed in Note 34, have been prepared using the same accounting methods and measurement bases as those that have been used for preparing the consolidated financial statements. In the separate primary statements, investment in subsidiaries and associates are carried at historical cost. According to the cost method, the investment is initially recognized at cost which is the fair value of the consideration paid upon acquisition which is subsequently adjusted by any impairment.

Note 2 Essential management judgments and estimates

The preparation of financial statements in conformity with IFRS requires the use of some essential management judgments and estimates which impact the amounts reported as assets and liabilities, their balance date values, probabilities of realization of potential assets and liabilities as well as revenue and expenses of the period.

The areas involving a higher degree of judgment or complexity which have significant impact on the amounts of assets and liabilities are valuation of inventories, valuation of properties, establishing depreciation principles for fixed assets and impairment of goodwill.

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ PRIMESS

Member of the Maganement Board ____________

Valuation of inventories

Valuation of inventories is based on the best knowledge of the management, historical experiences, and general background information as well as on estimation of future events and developments. Revaluation of inventories takes into account sales potential and net realization value of it. Information on amounts of invesntories is presented in note 10 and on revaluation of inventories in note 26.

Classification of properties

Classification of properties as inventories, investment properties or tangible assets, is based on the management's intentions regarding the further use of the objects after the acquisition. The accuracy of the classification of the assets is reduced by external decisions which are beyond the control of the management such as amendment of the intended purpose of land, approval of detailed plans, issuance of building permits, etc.

Properties generating rental income, waiting for development to start or with un-identified purpose are classifies and property investments. Decision to sell a property is bases for reclassification of it as asset held for sale.

Valuation of properties

Investment properties are initially recognized in the balance sheet at cost Investment properties are subsequently measured by the management at fair value, based on the market price determined by independent appraisers. More detailed information on fair values of property investments is in note 15.

Impairment of goodwill

Goodwill represents the excess of the costs of a business combination over the fair value of the net assets acquired, reflecting that portion of the payment made for such assets which cannot be individually identified and separately recognized. Goodwill as an asset with infinite period of life is not amortized. Instead, an impairment test is performed. The group performs impairment tests of goodwill at least annually in order to evaluate whether the carrying amount is lower than the recoverable amount. Impairment is determined by estimating the fair value (less sales expenses) or value of use of the cash generating unit related to the goodwill. The management has performed impairment test of the goodwill related to acquisition of ABC Motors AS, a subsidiary of the group. More detailed information on the test is in note 17.

Note 3 Financial risks

Operations of the Group are exposed to several risks – market risk (incl. interest risk and currency risk), credit risk, liquidity risk and capital risk. The ability of the management to identify, measure, control and manage risks has substantial impact on continuity and profitability of the operations of the Group. The risk management of the Group is based on the requirements established by the Tallinn Stock Exchange, the Financial Supervision Authority and other regulatory bodies generally accepted accounting standards and good corporate practice, and the internal regulations and policies of the Group and its subsidiaries. Management of the parent company of the Group is responsible for organization of the risk management in all companies of the Group. In order to manage risks, policies and activities are established targeted on measurement and fixing of risks both in time and geographical perspective. Risk management activities are supervised by the supervisory board of the parent company.

Interest risk

The Group has no essential interest earning assets. Therefore the interest risk for the Group primarily relates to the impact of changes in the market interests on profit and cash flow of the Group.

Interest bearing liabilities of the Group are pegged to Euribor or base rates of the financing institutions. Interest risk rises from short and long term interest bearing liabilities with floating rates.

Member of the Maganement Board ______________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

The following table describes the Group's exposure to the interest risk:

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Maturity within 1 year	263 762	240 953	16 857	15 399
Maturity within 1-5 years	131 487	195 462	8 404	12 492
Maturity later than 5	14 585	25 506	932	1 630
Total borrowings with floating rate	**409 834**	**461 921**	**26 193**	**29 521**
Borrowings with fixed rate		81 091		5 183
Total borrowings	**409 834**	**543 012**	**26 193**	**34 704**

1% increase/decrease in interest rates would have negative/positive impact on 2010 cash flow of the Group in the amount of 4 497 thousand kroons / 287 thousand euros (2008: 3 710 thousand kroons / 237 thousand euros).

Currency risk

All companies of the Group are located and operating in Estonia. Still, through international purchasing operations, borrowings nominated in foreign currencies and, at smaller amount international sales operations, the Group has some exposure to the currency risk. The currency risk arises when the future business transaction or recognized assets or liabilities are fixed in a currency which is not a functional currency of the Group.

In order to manage the currency risk, majority of the contracts of the Group are concluded in Estonian kroons or euros. The Group has no significant assets nominated in foreign currencies. The exchange rate of euro and Estonian kroon is fixed and the management evaluates the probability of changes in the exchange rate to be low. Therefore, this is the opinion of the management that the Group is not exposed to any significant currency risk.

Credit risk

Credit risk is expressed as a loss which may occur when the counterparty of a transaction fails to perform its contractual obligations.

Different operating segments of the Group have different exposures to the credit risk. There is no significant expose at the retail trade and the car trade segments as the share of credit sales is low.

In case of wholesale trade and real estate segments, the amounts of credit sales are higher and therefore the exposure to the credit risk is essential. The payment discipline of clients is continuously monitored to reduce the credit risk. There are policies established that enable to enforce differentiated payment terms to the customers depending on their credit history. In case of new customers, their credit background is controlled with the help of financial information databases such as Krediidiinfo. Upon violation of the payment discipline, credit sales to the customer are terminated, payment terms are cut or prepayment or letter of guarantee is called for.

Despite the recent unfavorable trends in the economic environment there was no essential deterioration of the quality of the receivables portfolio in 2009.

Trade receivable and other current receivable:

EEK	Not due	Overdue 1-7 days	Overdue 8-30 days	Overdue 31-90 days	Overdue > 90 days	Total
31.12.2009	315 447	3 694	2 835	2 498	746	325 220
Share of total	97%	1%	1%	1%	0%	
31.12.2008	80 891	3 322	2 312	1 770	3 778	92 073
Share of total	88%	4%	3%	1%	4%	

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri
OÜ RIMESS

Member of the Maganement Board ____________

(in thousands)

EUR	Not due	Overdue 1-7 days	Overdue 8-30 days	Overdue 31-90 days	Overdue > 90 days	Total
31.12.2009	20 160	236	181	160	48	20 785
Share of total	97%	1%	1%	1%	0%	
31.12.2008	5 170	212	148	113	241	5 884
Share of total	88%	4%	3%	1%	4%	

In 2009, the Group wrote down uncollectible receivables in the amount of 2 458 thousand kroons / 157 thousand euros (2008: 338 thousand kroons / 21 thousand euros).

Liquidity risk

Liquidity risk reflects the ability of the Group to fulfill its financial obligations in a timely manner. Liquidity is primarily influenced by the following circumstances:

- the ability of the Group companies to personally generate positive business cash flow and the seasonal nature of cash flow;
- the due dates of receipt and payment of assets and liabilities and changes thereof;
- tempo and volume of real estate development;
- volume and tempo of acquisition of new investments;
- volume and tempo of expansion of business activities;
- proportions of financing.

The objective of the Group's liquidity management is to maintain a balance between the financial needs and financial possibilities of the Group. The main instruments of the liquidity management are cash flow projections, incl. budgets of the companies of the Group.

The purpose of the management of short-term liquidity is to ensure the existence of sufficient liquid funds (i.e. cash and cash equivalents and quickly realizable real investments). The money required for the continuance of the ordinary business operations of the Group companies can be estimated to be EEK 20-30 million a year. To improve the liquidity risk management, the bank accounts of the parent company and its subsidiaries comprise group accounts which enable all companies of the Group to use the finances of the Group within the limit established by the parent company.

In order to manage the liquidity risk, companies of the Group are using different financing services – overdrafts, factoring, warehouse financing and lease but also monitoring of trade receivables and trade payables. As of 31 December 2009, the Group had free overdraft limits in the total amount of 7,7 million kroons / 0,5 million euros.

The management of long-term liquidity is strongly affected by investment decisions. The main principle for investing is that in the long run, net cash flow from the business operations of the companies along with the net cash flow from investment activities must cover all the financing expenses of the Group. Thus, the purpose of the long-term liquidity management is to ensure sufficient liquidity of the real estate (investment) portfolio, coordination of the time of emergence of the investment and financing cash flow and finding the suitable financing proportion. In order to improve the long-term liquidity of the Group the management has initiated realization of several property investments. As of 31 December 2009, properties in total amount of 54 000 thousand kroons / 3 451 thousand euros were classified as assets held for sale.

Liabilities of the Group by payment terms:

EEK	< 3months	3-12 months	1-5 years	over 5 years	Total
31.12.2009					
Borrowings	12 727	251 035	131 487	14 585	409 834
Trade payables	88 420	0	0	0	88 420
Other liabilities	15 443	0	0	0	15 443
Total liabilities	**116 590**	**251 035**	**131 487**	**14 585**	**513 697**

Member of the Maganement Board ______________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

EEK	< 3months	3-12 months	1-5 years	over 5 years	Total
31.12.2008					
Borrowings	70 171	172 591	274 744	25 506	543 012
Trade payables	118 334	0	0	0	118 334
Other liabilities	33 878	0	1 728	0	35 606
Total liabilities	**222 383**	**172 591**	**276 472**	**25 506**	**696 952**

EUR	< 3months	3-12 months	1-5 years	over 5 years	Total
31.12.2009					
Borrowings	813	16 044	8 404	932	26 193
Trade payables	5 651	0	0	0	5 651
Other liabilities	987	0	0	0	987
Total liabilities	**7 451**	**16 044**	**8 404**	**932**	**32 831**
31.12.2008					
Borrowings	4 485	11 031	17 559	1 630	34 705
Trade payables	7 563	0	0	0	7 563
Other liabilities	2 165	0	111	0	2 277
Total liabilities	**14 213**	**11 031**	**17 671**	**1 630**	**44 544**

Capital risk

The primary objective of the capital risk management is to ensure continuity of the Group by maintaining optimal structure and price of the capital.

The main ratio used by the management for managing the capital risk is net debt to equity ratio. The ratio as of 31 December 2009 was 1,16 and as of 31 December 2008 1,64. The target ratio for the Group in longer perspective is 1,00.

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Interest bearing borrowings	409 834	543 012	26 193	34 704
Cash and cash equivalents	884	13 394	57	856
Net debt	408 950	529 618	26 136	33 848
Equity	351 093	322 045	22 439	20 582
Net debt to equity ratio	1,16	1,64	1,16	1,64
Total assets	864 790	1 018 997	55 270	65 126
Equity to assets ratio	40,6%	31,6%	40,6%	31,6%

Fair value of financial instruments

Management estimates that the carrying amount of the Group's financial assets and liabilities does not significantly differ from their fair value. Trade receivables and payables are short term and therefore their carrying amount is close to their fair value. All of the long term borrowings of the Group have floating interests, which change according to the market interest rate. Based on that, the management estimates that the fair values of long term payables and receivables are an approximation of their carrying amount. To determine the fair value, a discounted cash flow method has been used by discounting contractual future cash flows with the current market interest rates that are available to the Group for using the similar financial instruments.

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04- 2010
Allkiri ....
OÜ RIMESS

(in thousands)

Note 4 Cash and bank

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Cash in hand	20	719	2	46
Bank accounts	864	12 675	55	810
Total cash and bank	**884**	**13 394**	**57**	**856**

Note 5 Short term financial investments

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Shares and securities in fair value	0	3 751	0	240
Total short term financial investments	**0**	**3 751**	**0**	**240**
Shares and securities in acquisition value	0	5 112	0	327

Note 6 Receivables and prepayments

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Trade receivables (note 7)	75 981	81 793	4 856	5 228
Prepaid and deferred taxes (note 8)	27 217	761	1 739	49
Other receivables and prepayments (note 9)	262 344	22 868	16 767	1 461
Total receivables and prepayments	**365 542**	**105 422**	**23 362**	**6 738**

Note 7 Trade receivables

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Trade receivables	38 229	51 181	2 507	3 271
Factored receivables with regress	38 303	30 973	2 448	1 980
Doubtful receivables	-1 551	-361	-99	-23
Total trade receivables (note 6)	**75 981**	**81 793**	**4 856**	**5 228**

Member of the Maganement Board ________________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

Note 8 Prepaid and deferred taxes

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
VAT	27 215	761	1 739	49
Corporate income tax	2	0	0	0
Total prepaid taxes (note 6)	**27 217**	**761**	**1 739**	**49**

Note 9 Other receivables and prepayments

EEK	31.12.2009	*Due date* Within 12 months	1-5 years
Interests	80	80	0
Other accrued income	12 478	12 478	0
Prepaid expenses	621	547	74
Other receivables	249 839	249 239	600
Total other receivables and prepayments (notes 6,12)	**263 018**	**262 344**	**674**
o/w long term receivables and prepayments	**674**		

EEK	31.12.2008	*Due date* Within 12 months	1-5 years
Interests	1	1	0
Other accrued income	3 576	3 576	0
Warranty deposits	6 209	6 209	1 507
Prepaid expenses	2 802	2 802	1 476
Other receivables	19 827	10 280	6 564
Total other receivables and prepayments (notes 6,12)	**32 415**	**22 868**	**9 547**
o/w long term receivables and prepayments	**9 547**		

EUR	31.12.2009	*Due date* Within 12 months	1-5 years
Interests	5	5	0
Other accrued income	798	798	0
Prepaid expenses	40	35	5
Other receivables	15 967	15 929	38
Total other receivables and prepayments (notes 6,12)	**16 810**	**16 767**	**43**
o/w long term receivables and prepayments	**43**		

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

EUR	31.12.2008	Due date Within 12 months	1-5 years
Interests	229	229	0
Other accrued income	397	397	96
Warranty deposits	179	179	94
Prepaid expenses	1 266	656	420
Other receivables	**2 071**	**1 461**	**610**
Total other receivables and prepayments (notes 6,12)	**610**		

Receivable against Continental FIT AS in the amount of 215 000 thousand kroons / 13 741 thousand euros resulting from sale of ABC Supermarkets AS is reported as other current receivable as of 30 December 2009 (note 13).

600 thousand kroons (38 thousand euros) accounted as other long term receivable as of 31 December 2009 has due date on 28 January 2012, interest rate 5% p.a. and is nominated in Estonian kroons.

6 564 thousand kroons (420 thousand euros) accounted as other long term receivable as at 31 December 2008 has due date on 1 July 2010 and is nominated in Estonian kroons. The receivable has been discounted with 5,5% discount rate. The gross value of the receivable is 7 490 thousand kroons (479 thousand euros).

Note 10 Inventories

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Goods purchased for resale	102 375	193 580	6 543	12 372
Total inventories	**102 375**	**193 580**	**6 543**	**12 372**

Data on written down and written off inventories is in note 26.

Note 11 Assets held for sale

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Balance as of 1 January	**0**	**0**	**0**	**0**
Reclassified from property investments	86 800	0	5 548	0
Decreased in business combinations	-32 800	0	-2 097	0
Balance as of 31 December	**54 000**	**0**	**3 451**	**0**

Resulting from sale of subsidiaries (note 13) assets held for sale of the Group were down by 32 800 thousand kroons / 2 097 thousand euros on account of assets held for sale belonging to the sold companies. The referred amount is reported as decrease in business combinations.

Property located at Papiniidu 41, Pärnu, has been accounted as asset held for sale. The intention is to sell the property in the first half of 2010.

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri
OÜ RIMESS

Member of the Maganement Board ____________

(in thousands)

Note 12 Long term financial investments

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Shares in affiliates (note 14)	0	3 517	0	225
Other shares and securities	0	40	0	3
Other long term receivables and prepayments (note 9)	674	9 547	43	610
Total long term financial investments	**674**	**13 104**	**43**	**838**

Note 13 Subsidiaries

ABC Grupi consists of:

Name	Ownership 31.12.2009	Ownership 31.12.2008	Area of activity	Country of location
Abestock AS	100 %	100 %	Wholesale trade	Estonia
Agora Logistika AS	100 %	100 %	Logistics services	Estonia
ABC Motors AS	100 %	100 %	Sale and maintenance of vehicles	Estonia
ABC Supermarkets AS	-	100 %	Retail trade	Estonia
ABC Vara AS	100 %	100 %	Administration and lease of real estate	Estonia
Oma Varahalduse AS*	-	100 %	Administration and lease of real estate and movables	Estonia
6 PO AS	-	100 %	Management of phone station	Estonia
Modera Consulting OÜ	-	100 %	Development of IT systems	Estonia
Supersam OÜ	-	100 %	Trade	Estonia
Viimsi Kaubanduse OÜ*	100 %	-	Trade	Estonia

* By the time of publishing the report, legal names of two of the former companies of the Group have been changed. The new legal name of Oma Varahalduse AS is Tungren AS and the new legal name of Viimsi Kaubanduse OÜ is ARS Energy OÜ. In this present annual report the companies are continuously presented under their former names, Oma Varahalduse AS and Viimsi Kaubanduse OÜ respectively..

Acquisition of subsidiary

Name	Date of the purchase contract	Ownership %	Period of consolidation	Purchase price EEK	Purchase price EUR
Viimsi Kaubanduse OÜ	04.03.2009	100%	01.03.-31.12.09	40	3
Total				**40**	**3**

Balance value of the net assets of the acquired investment was 40 thousand kroons / 3 thousand euros. There was no goodwill identified. The transaction took place between related parties.

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Member of the Maganement Board ______________

(in thousands)

Sale of subsidiaries

Name/ Ownership %	Date of sale contract	Period of consolidation	Sales price EEK	Sales price EUR	Profit/loss from sale EEK	Profit/loss from sale EUR
Modera Consulting OÜ/ 100%	26.01.2009	01.01.-31.01.09	2 000	128	-439	-28
Oma Varahalduse AS/ 100%	23.12.2009	01.01.-31.12.09	0	0	12 523	800
o/w 6 PO AS/ 100%	-	01.01.-31.12.09	-	-	-	-
ABC Supermarkets AS/100%	30.12.2009	01.01.-31.12.09	215 000	13 741	210 978	13 484
o/w Supersam OÜ/ 100%	-	01.01.-31.12.09	-	-	-	-
Total			**217 000**	**13 869**	**223 062**	**14 256**

The due date for the payment for the shares of Modera Consulting OÜ is 26 January 2010. The receivable earns 5% annual interest.

As a result of the sale of Oma Varahalduse AS another subsidiary, 6 PO AS, was removed from the Group.

Shares of ABC Supermarkets AS were acquired by Continental FIT AS. The deadline for payment for the shares is 30 December 2010. Until full payment of the sales price, the transferred shares of ABC Supermarkets AS are pledged in favor of ABC Grupi AS. As a result of the sale of the transaction and Supersam OÜ was removed from the Group.

Note 14 Affiliates

Affiliates of the ABC Group are:

Name		Ownership 31.12.2009	Ownership 31.12.2008	Area of activity	Country of location
Vending Automaadid OÜ	(until 23.12.2009)	0 %	26 %	Trade	Estonia
Modera Software OÜ	(until 26.01.2009)	0 %	50 %	IT services	Estonia

EEK	Vending Automaadid OÜ	Modera Software OÜ	Total
Book value as of 31.12.2007	**966**	**200**	**1 166**
Profit/loss calculated pursuant to equity method	-51	102	**51**
Adjustment to the book value as of 31.12.2007	0	2 300	**2 300**
Book value as of 31.12.2008	**915**	**2 602**	**3 517**
Acquisition costs 31.12.2008	10	2 500	
Profit/loss calculated pursuant to equity method	-306	0	**-306**
Decrease in business combinations	-609	-2 602	**-3 211**
Book value as of 31.12.2009	**0**	**0**	**0**

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri
OÜ RIMESS

Member of the Maganement Board ____________

(in thousands)

	Vending Automaadid OÜ	Modera Software OÜ	Total
Book value as of 31.12.2007	**62**	**13**	**75**
Profit/loss calculated pursuant to equity method	-3	6	3
Adjustment to the book value as of 31.12.2007	0	147	147
Book value as of 31.12.2008	**59**	**166**	**225**
Acquisition costs 31.12.2008	1	160	
Profit/loss calculated pursuant to equity method	-19	0	-19
Decrease in business combinations	-40	-166	-206
Book value as of 31.12.2009	**0**	**0**	**0**

As a result of the sale of Modera Consulting OÜ also its affiliate Modera Software OÜ was removed from the Group.

As a result of the sale of Oma Varahalduse AS another subsidiary, 6 PO AS, was removed from the Group.

Note 15 Investment properties

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Rent earned on investment properties	17 231	14 304	1 101	914
Direct maintenance expenses of investment properties	1 296	1 252	83	80

The following movements have taken place regarding investment properties:

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Balance as of 1 January	**463 975**	**375 237**	**29 653**	**23 982**
Acquisition and improvement	0	14 510	0	927
Reclassification from construction in progress	3 365	67 818	215	4 334
Sale	-9 740	0	-622	0
Profit/loss from revaluation	-154 015	23 619	-9 843	1 510
Reclassification into tangible assets	0	-17 209	0	-1 100
Reclassification into assets held for sale	-86 800	0	-5 548	0
Decrease in business combinations	-4 145	0	-265	0
Balance as of 31 December	**212 640**	**463 975**	**13 590**	**29 653**

Investment properties are reported in their fair value reflecting the market price on the balance sheet date. Measures of fair values are based on evaluation reports prepared by independent appraisers. Expected return on investment 9-11% was used in evaluation.

Net loss from impairment of the property investments amounted to 154 015 thousand kroons / 9 843 thousand euros and is reported on account "Other operating expenses" (note 25).

Member of the Maganement Board ____________________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

Resulting from sales of subsidiaries (note 13) property investments of the Group were down on account of property investments belonging to the sold subsidiaries in total amount of 4 145 thousand kroons / 265 thousand euros. The referred amount is reported as decrease in business combinations.

Information on investment properties pledged as collaterals is presented in note 19.

Note 16 Tangible assets

EEK	Land and buildings	Machinery and equipment	Fixtures, fittings and tools	Unfinished tangible assets	Pre-payments	Total
Acquisition costs 31.12.2007	**95 130**	**31 411**	**18 058**	**28 254**	**17 942**	**190 795**
Acquisition	2 556	12 707	2 801	43 943	-1 014	**60 993**
Sale	0	-258	0	0	0	**-258**
Write-off	-209	-321	-774	0	0	**-1 304**
Reclassification into investment property	0	0	0	-67 818	0	**-67 818**
Reclassification from investment property	14 209	0	0	0	0	**14 209**
Acquisition costs 31.12.2008	**111 686**	**43 539**	**20 085**	**4 379**	**16 928**	**196 617**
Acquisition	1 465	26 731	4 611	1 944	-151	**34 600**
o/w finance lease	1 274	7 251	1 069	0	0	**9 594**
Sale	-5 034	-134	-230	-2 587	0	**-7 985**
Write-off	0	-1 087	-550	0	0	**-1 637**
Reclassification into investment property	0	0	0	-3 365	0	**-3 365**
Decrease in business combinations	-38 053	-46 434	-17 985	-371	-16 777	**-119 626**
Acquisition costs 31.12.2009	**70 064**	**22 615**	**5 931**	**0**	**0**	**98 610**
Accumulated depreciation 31.12.2007	**6 100**	**14 405**	**11 240**	**0**	**0**	**31 745**
Current depreciation	6 197	5 236	2 630	0	0	**14 063**
Depreciation of assets sold	0	-193	0	0	0	**-193**
Depreciation of assets written-off	-115	-200	-704	0	0	**-1 019**
Accumulated depreciation 31.12.2008	**12 182**	**19 248**	**13 166**	**0**	**0**	**44 596**
Current depreciation	4 719	7 180	3 106	0	0	**15 005**
Revaluation*	5 139	0	0	0	0	**5 139**
Depreciation of assets sold	-732	-111	-78	0	0	**-921**
Depreciation of assets written-off	0	-1 017	-491	0	0	**-1 508**
Decrease in business combinations	-12 607	-18 358	-10 907	0	0	**-41 872**
Accumulated depreciation 31.12.2009	**8 701**	**6 942**	**4 796**	**0**	**0**	**20 439**
Carrying amount 31.12.2007	**89 030**	**17 006**	**6 818**	**28 254**	**17 942**	**159 050**
Carrying amount 31.12.2008	**99 504**	**24 291**	**6 919**	**4 379**	**16 928**	**152 021**
Carrying amount 31.12.2009	**61 363**	**15 673**	**1 135**	**0**	**0**	**78 171**

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri
OÜ RIMESS

Member of the Maganement Board ____________________

(in thousands)

EUR	Land and buildings	Machinery and equipment	Fixtures, fittings and tools	Unfinished tangible assets	Pre-payments	Total
Acquisition costs 31.12.2007	**6 078**	**2 007**	**1 155**	**1 804**	**1 146**	**12 190**
Acquisition	163	812	178	2 808	-64	**3 897**
Sale	0	-16	0	0	0	**-16**
Write-off	-13	-20	-49	0	0	**-82**
Reclassification into investment property	0	0	0	-4 334	0	**-4 334**
Reclassification from investment property	908	0	0	0	0	**908**
Acquisition costs 31.12.2008	**7 136**	**2 783**	**1 284**	**278**	**1 082**	**12 563**
Acquisition	94	1 708	295	124	-10	**2 211**
o/w finance lease	81	463	68	0	0	**612**
Sale	-322	-9	-15	-165	0	**-511**
Write-off	0	-69	-35	0	0	**-104**
Reclassification into investment property	0	0	0	-215	0	**-215**
Decrease in business combinations	-2 430	-2 968	-1 150	-22	-1 072	**-7 642**
Acquisition costs 31.12.2009	**4 478**	**1 445**	**382**	**0**	**0**	**6 302**
Accumulated depreciation 31.12.2007	**388**	**920**	**717**	**0**	**0**	**2 025**
Current depreciation	396	334	168	0	0	**898**
Depreciation of assets sold	0	-12	0	0	0	**-12**
Depreciation of assets written-off	-7	-12	-45	0	0	**-64**
Accumulated depreciation 31.12.2008	**777**	**1 230**	**840**	**0**	**0**	**2 847**
Current depreciation	302	459	198	0	0	**959**
Revaluation*	328	0	0	0	0	**328**
Depreciation of assets sold	-47	-7	-5	0	0	**-59**
Depreciation of assets written-off	0	-65	-31	0	0	**-96**
Decrease in business combinations	-804	-1 173	-696	0	0	**-2 673**
Accumulated depreciation 31.12.2009	**556**	**444**	**306**	**0**	**0**	**1 306**
Carrying amount 31.12.2007	**5 690**	**1 087**	**438**	**1 804**	**1 146**	**10 165**
Carrying amount 31.12.2008	**6 359**	**1 553**	**444**	**278**	**1 082**	**9 716**
Carrying amount 31.12.2009	**3 922**	**1 001**	**73**	**0**	**0**	**4 996**

* An apartment located at Liivalaia 7, Tallinn and with carrying amount 13 924 thousand kroons / 890 thousand Euros as of 31 December 2009 is accounted as a tangible asset. An impairment test was performed for the asset at the balance sheet day. The return rate of 11,8% was used. As a result of the test, recoverable amount of the object was found to be 8 785 thousand kroons / 562 thousand euros, which was lower by 5 139 thousand kroons / 328 thousand euros that the carrying amount. Carrying amount of the asset was reduced by the amount.

Resulting from sales of subsidiaries (note 13) itangible assets of the Group were down on account of itangible assets belonging to the sold subsidiaries. The referred amount is reported as decrease in business combinations.

Member of the Maganement Board ______________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

Note 17 Intangible assets

EEK

	Computer software	Operating fees	Goodwill	Total
Acquisition cost 31.12.2007	**12 232**	**2 574**	**74 423**	**89 229**
Adjustment to acquisition cost 31.12.07	0	0	-2 300	**-2 300**
Acquisition	7	0	0	**7**
Write-off	-2	0	0	**-2**
Acquisition cost 31.12.2008	**12 237**	**2 574**	**72 123**	**86 934**
Acquisition	3 719	0	0	**3 719**
Sale	-26	0	0	**-26**
Write-off	-25	0	0	**-25**
Decrease in business combinations	-2 571	-2 574	1	**-5 144**
Acquisition cost 31.12.2009	**13 334**	**0**	**72 124**	**85 458**
Accumulated depreciation 31.12.2007	**10 712**	**2 238**	**0**	**12 950**
Current depreciation	108	128	0	**236**
Depreciation of assets written-off	-2	0	0	**-2**
Accumulated depreciation 31.12.2008	**10 818**	**2 366**	**0**	**13 184**
Current depreciation	174	128	0	**302**
Revaluation	0	0	24 373	**24 373**
Depreciation of assets sold	-5	0	0	**-5**
Depreciation of assets written-off	-25	0	0	**-25**
Decrease in business combinations	-381	-2 494	0	**-2 875**
Accumulated depreciation 31.12.2009	**10 581**	**0**	**24 373**	**34 954**
Carrying amount 31.12.2007	**1 520**	**336**	**74 423**	**76 279**
Carrying amount 31.12.2008	**1 419**	**208**	**72 123**	**73 750**
Carrying amount 31.12.2009	**2 753**	**0**	**47 751**	**50 504**

Resulting from sales of subsidiaries (note 13) intangible assets of the Group were down on account of intangible assets belonging to the sold subsidiaries. The referred amount is reported as decrease in business combinations.

Allkirjastatud identifitseerimiseks
30-04- 2010
Allkiri
OÜ RIMESS

Member of the Maganement Board ______

(in thousands)

EUR

	Computer software	Operating fees	Goodwill	Total
Acquisition cost 31.12.2007	**780**	**164**	**4 756**	**5 700**
Adjustment to acquisition cost 31.12.07	0	0	-148	**-148**
Acquisition cost 31.12.2008	**780**	**164**	**4 608**	**5 552**
Acquisition	238	0	0	**238**
Sale	-3	0	0	**-3**
Write-off	-2	0	0	**-2**
Decrease in business combinations	-164	-164	2	**-326**
Acquisition cost 31.12.2009	**849**	**0**	**4 610**	**5 459**
Accumulated depreciation 31.12.2007	**683**	**142**	**0**	**825**
Current depreciation	6	8	0	**14**
Accumulated depreciation 31.12.2008	**689**	**150**	**0**	**839**
Current depreciation	11	8	0	**19**
Revaluation	0	0	1 558	**1 558**
Depreciation of assets written-off	-2	0	0	**-2**
Decrease in business combinations	-25	-158	0	**-183**
Accumulated depreciation 31.12.2009	**673**	**0**	**1 558**	**2 231**
Carrying amount 31.12.2007	**97**	**22**	**4 756**	**4 875**
Carrying amount 31.12.2008	**91**	**14**	**4 608**	**4 713**
Carrying amount 31.12.2009	**176**	**0**	**3 052**	**3 228**

Impairment test of goodwill

Goodwill with carrying amount 72 124 thousand kroons (4 610 thousand euros) as of 31 December 2009, has been tested for impairment at least on every balance sheet day. As of 31 December 2009, the recoverable amount of ABC Motors AS was found based on the present value of the free cash flow generated by the company and the property located at Paldiski road 105 and used by the company.

The following parameters were used for the testing:

- Financial projections of ABC Motors AS for the next 5 years assuming EBITDA marginal 3,3%-5,5%;
- Maintenance expenses/investments related to the property, amounting up to 1000 thousand kroons per year;
- Discount rate 12,35%, based of 16,85% return on equity, 6,5% return on debt and 43,5% share of debt in total capital employed;
- Terminal growth rate of 1,5%.

Recoverable amount of the cash generating unit, as a result of the test, is 125 308 thousand kroons. In addition to the goodwill, the amount also needs to cover carrying amounts of the tangible assets of ABC Motors AS and the property investment at Paldiski road 105. Recoverable amount of the cash generating unit after adjustment with the carrying amounts listed above is 47 751 thousand kroons (3 052 thousand euros), which is less by 24 373 thousand kroons (1 558 thousand euros) than the carrying amount of the goodwill. An impairment loss of the goodwill was recognized equal to the amount.

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04- 2010
Allkiri ....
OÜ RIMESS

(in thousands)

Note 18 Rents

Operating lease – the Group as lesser

The minimum amounts of future rental payments according to no breakable contracts are:

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Up to 1 year	153	742	10	47
1-5 years	44	515	3	33
Total	**197**	**1 257**	**13**	**80**

Rental expenses resulting from rental agreements of property (shops, warehouses and offices), vehicles, warehouse equipment and fittings are reported as operating lease. In 2009, the Group made operating lease payments in total amount of 33 430 thousand kroons / 2 137 thousand euros (2008: 34 904 thousand kroons / 2 231 thousand euros).

Operating lease – the Group as lessee

In 2009, the Group earned rental income in total amount of 26 590 thousand kroons / 1 699 thousand euros (2008: 20 809 thousand kroons / 1 330 thousand euros) from assets leased to the third parties.

Carrying amounts of assets leased out

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Assets held for sale	54 000	0	3 451	0
Property investments	164 085	342 300	10 487	21 877
Vehicles	13 973	20 160	893	1 288
Total	**232 058**	**362 460**	**14 831**	**23 165**

Finance lease – the Group as lesser

Carrying amounts of the assets leased out:

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Machinery and equipment	14 286	393	913	25
Other tangible assets	5 871	22 627	375	1 447
Intangible assets	0	4	0	0
Total	**20 157**	**23 024**	**1 288**	**1 472**

Information on finance lease liabilities specified by maturities is presented in note 19.

In 2009, the Group made finance lease payment in total amount 22 800 thousand kroons / 1 457 thousand euros (2008: 7 075 thousand kroons / 452 thousand euros).

Member of the Maganement Board ____________________

Allkirjastatud
Identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

Note 19 **Interest bearing loans and borrowings**

EEK	31.12.2009	Due date: Within 12 months	Within 1-5 years	Over 5 years	Currency	Interest rate
Bonds (note 20)	97 212	97 212	0	0	EUR	14,0%
Long-term borrowings	150 587	10 457	125 545	14 585	EUR	2,2-6,0%
Overdrafts	103 235	103 235	0	0	EUR	3,1-6,25%
Finance lease	15 226	9 284	5 942	0	EUR	2,0-6,4%
Warehouse financing	9 487	9 487	0	0	EUR	3,4-7,8%
Factoring	34 087	34 087	0	0	EUR	3,4%
Total	**409 834**	**263 762**	**131 487**	**14 585**		
o/w long-term loans and borrowings	**146 072**					

EEK	31.12.2008	Due date: Within 12 months	Within 1-5 years	Over 5 years	Currency	Interest rate
Bonds (note 20)	168 908	67 205	101 703	0	EUR	12-13,5%
Long-term borrowings	176 187	9 302	141 379	25 506	EUR	5,2-5,8%
Overdrafts	71 048	71 048	0	0	EUR	3%-5,0%
Finance lease	24 773	6 436	18 337	0	EUR	4,7-7,5%
Factoring	27 616	27 616	0	0	EUR	6,6%
Warehouse financing	47 743	47 743	0	0	EUR	3%-8%
Leaseback liabilities	26 737	13 412	13 325	0	EUR	5,0-7,0%
Total	**543 012**	**242 762**	**274 744**	**25 506**		
o/w long-term loans and borrowings	**300 250**					

EUR	31.12.2009	Due date: Within 12 months	Within 1-5 years	Over 5 years	Currency	Interest rate
Bonds (note20)	6 213	6 213	0	0	EUR	14,0%
Long-term borrowings	9 624	668	8 024	932	EUR	2,2-6,0%
Overdrafts	6 598	6 598	0	0	EUR	3,1-6,25%
Finance lease	973	593	380	0	EUR	2,0-6,4%
Warehouse financing	606	606	0	0	EUR	3,4-7,8%
Factoring	2 179	2 179	0	0	EUR	3,4%
Total	**26 193**	**16 857**	**8 604**	**932**		
o/w long-term loans and borrowings	**9 336**					

Allkirjastatud identifitseerimiseks
30-06-2010
Allkiri
OÜ RIMESS

Member of the Maganement Board ______________

(in thousands)

EUR	31.12.2008	*Due date* Within 12 months	Within 1-5 years	Over 5 years	Currency	Interest rate
Bonds (note20)	10 795	4 295	6 500	0	EUR	12-13,5%
Long-term borrowings	11 261	595	9 036	1 630	EUR	5,2-5,8%
Overdrafts	4 541	4 541	0	0	EUR	3-5%
Finance lease	1 582	411	1 171	0	EUR	4,7-7,5%
Factoring	1 765	1 765	0	0	EUR	7%
Warehouse financing	3 051	3 051	0	0	EUR	3-8%
Leaseback liabilities	1 709	857	852	0	EUR	5-7%
Total	**34 704**	**15 515**	**17 559**	**1 630**		
o/w long-term loans and borrowings	**19 189**					

The total limit of the overdrafts of the Group as of 31 December 2009 was 110 900 thousand kroons / 7 088 thousand euros (31 December 2008: 105 600 thousand kroons / 6 749 thousand euros).

There are certain conditions in the financing contracts violation of which would empower the lender to call back the financing ahead of the schedule. According to the conditions, the borrower has to follow certain ratios like net debt to EBITDA, debt service ratio, equity ratio.

In order to guarantee the loans, the Group has pledged properties with fair value 210 233 thousand kroons / 13 436 thousand euros, tangible assets with carrying amount 59 786 thousand kroons / 3 821 thousand euros, and assets held for sale in the amount of 54 000 thousand kroons / 3 451 thousand euros.

Commercial pledges has been set on assets in total amount of 95 200 thousand kroons / 6 084 thousand euros.

Shares of ABC Motors AS and AbeStock AS have been pledged as collateral to the bonds (note 20).

Information on carrying amount of assets acquired with finance lease is presented in note 18.

Note 20 Bonds

Information of listed bonds

Bond of ABC Grupi AS
NASDAQ OMX code: ABCBFLOT10AB
ISIN: EE3300091123
No of bonds 6 213 , as of 31.12.2009
6 500 , as of 31.12.2008
Nominal value (thousands) 16 EEK/ 1 EUR
Interest rate 6M Euribor + 13%
Maturity date 18.06.2010

In 2007 and 2008 the Group had additional issues of bonds not listed on Tallinn Stock Exchange. As of 31 December 2009, all of those bonds were repurchased.

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04- 2010
Allkiri ....
OÜ RIMESS

(in thousands)

Information of bonds, calculated and paid interests:

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Balance as of 1 January	**168 908**	**130 211**	**10 795**	**8 322**
o/w. Bond of ABC Grupi	*101 703*	*101 703*	*6 500*	*6 500*
Issue of bonds	0	31 106	0	1 988
Repurchase of bonds	-64 105	0	-4 097	0
o/w. Bond of ABC Grupi	*-4 491*	*0*	*-287*	*0*
Interests calculated on bonds	12 391	18 912	792	1 208
Interests paid on bonds	-19 782	-11 392	-1264	-728
Change in calculated and unpaid interests	-200	71	-13	5
Balance as of 31 December	**97 212**	**168 908**	**6 213**	**10 795**
o/w. Bond of ABC Grupi	*97 212*	*101 703*	*6 213*	*6 500*

Note 21 Payables and prepayments received

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Trade creditors	88 420	118 334	5 651	7 563
Employee-related payables	5 161	13 403	330	857
Taxes payable (note 22)	5 056	14 237	323	910
Interest payable	1 008	1 432	64	92
Deferred income	493	419	32	28
Prepayments from customers	1 292	655	83	42
Other prepayments	0	524	0	33
Other current payables	2 433	3 208	155	205
Total payables and prepayments received	**103 863**	**152 212**	**6 638**	**9 730**

Note 22 Taxes payable

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
VAT	2 220	6 739	142	431
Corporate income tax	17	169	1	11
Personal income tax	644	1 977	41	126
Social tax	1 991	5 050	127	323
Mandatory funded pension	3	176	0	11
Unemployment insurance payments	181	113	12	7
Interests	0	13	0	1
Total taxes payable (note 21)	**5 056**	**14 237**	**323**	**910**

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

Note 23 Equity

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Share capital	100 280	100 280	6 409	6 409
No of shares (pieces)	1 002 800	1 002 800	1 002 800	1 002 800
Nominal value of shares	0,1	0,1	0,01	0,01

Shareholders	No of shares 31.12.2009	No of shares 31.12.2008	Ownership % 31.12.2009	Ownership % 31.12.2008
Landcom OÜ	501 400	501 400	50 %	50 %
Jüri Vips	501 400	501 400	50 %	50 %
Total	**1 002 800**	**1 002 800**	**100 %**	**100 %**

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Available to equity holders	228 606	201 010	14 611	12 847
Max net dividends	180 599	158 798	11 543	10 149
Income tax on max net dividends	48 007	42 212	3 068	2 698

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Net profit	29 048	9 060	1 857	579
Weighted average number of shares for the year	1 002 800	610 400	1 002 800	610 400
Earnings per share (EEK/EUR)	29,0	14,8	1,85	0,95
Diluted earnings per share (EEK/EUR)	29,0	14,8	1,85	0,95

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

Note 24 Net sales

By area of activity, net sales of the Group are divides as follows:

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Sales of food products and industrial goods	1 126 114	1 154 433	71 972	73 782
Sales of vehicles	197 843	170 633	12 645	10 905
Sales of spare parts for vehicles	24 738	39 093	1 581	2 499
Maintenance and repair of vehicles	8 166	11 511	522	736
Car rent	9 359	6 505	598	416
Lease of real estate	17 231	14 304	1 101	914
Labor force mediation	3 305	3 468	211	222
IT services	640	3 110	41	199
Other services	3 303	754	211	47
Total net sales	**1 390 699**	**1 403 811**	**88 882**	**89 720**

By geographical areas, net sales of the Group are divides as follows:

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Estonia	1 305 782	1 388 138	83 455	88 718
Great Britain	66 808	0	4 270	0
Lithuania	6 479	5 884	414	376
France	4 132	0	264	0
Latvia	2 530	2 839	162	181
Russia	1 344	3 681	86	235
Poland	1 221	1 578	78	101
Germany	1 114	0	71	0
Finland	952	93	60	6
Spain	0	1 597	0	103
Other	337	1	22	0
Total net sales	**1 390 699**	**1 403 811**	**88 882**	**89 720**

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

Note 25 Other operating revenue and expenses

Other operating revenue	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Profit from revaluation of property investment	0	23 619	0	1 510
Sales support from suppliers	21 798	24 176	1 393	1 545
Compensations, penalties	1 421	0	91	0
FX profit	130	0	8	0
Profit from sale of tangible assets	20	34	1	2
Profit from waiving claims	0	8 152	0	521
Other operating revenue	1 987	1 253	127	80
Total other operating revenue	**25 356**	**1 403 811**	**1 620**	**3 658**

Other operating expenses	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Loss from revaluation of property investment	154 014	0	9 843	0
FX loss	96	401	6	26
Loss from sale of tangible assets	4 446	0	284	0
Penalties and fines	148	0	10	0
Other operating expenses	1 429	3 528	91	225
Total other operating expenses	**160 133**	**3 929**	**10 234**	**251**

Note 26 Goods, raw materials and services

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Goods for resale (food products and industrial goods)	948 712	973 399	60 634	62 212
Revaluation and write-off inventories (food products and industrial goods)	2 297	378	147	24
Goods for resale (vehicles)	192 896	157 019	12 328	10 035
Revaluation and write-off inventories (vehicles)	1 314	495	84	32
Goods for resale (spare parts of vehicles)	13 929	21 966	890	1 404
Car rent and insurance	6 568	10 286	420	657
Other services	4 121	17 641	263	1 127
Total goods, raw materials and services	**1 169 837**	**1 181 184**	**74 766**	**75 491**

Food products and industrial goods for 1 496 thousand kroons / 96 thousand euros (2008: 45 thousand kroons / 3 thousand euros) were written-off because of aging and for 801 thousand kroons / 51 thousand euros (2008: 333 thousand kroons / 21 thousand euros) because of defects. Write down of cars in the total amount of 1 314 thousand kroons / 84 thousand euros (2008: 495 thousand kroons / 32 thousand euros) was caused by changes in net realization valued of used cars.

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

Note 27 Operating expenses

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Rents	22 529	26 675	1 440	1 705
Energy and communal charges	13 520	12 359	864	790
Vehicle expenses	8 621	2 772	551	177
Insurance	439	436	28	28
Legal services and consultations	3 444	420	220	27
Logistics services	9 480	1 636	606	105
Advertising and marketing	6 648	9 822	425	628
Office expenses	1 219	1 338	78	86
Banking services	1 562	731	100	47
Communication services	1 723	1 737	110	111
Doubtful receivables expenses	2 458	338	157	21
Other operating expenses	22 481	16 081	1 437	1 027
Total operating expenses	**94 124**	**74 345**	**6 016**	**4 752**

Note 28 Personnel expenses

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Wages and salaries	78 856	99 625	5 040	6 367
Social taxes	26 719	33 154	1 707	2 119
Total personnel expenses	**105 575**	**132 779**	**6 747**	**8 486**
Average No of employees	529	554	529	554
Average monthly staff costs per employee	16,6	20,0	1,1	1,3

Note 29 Financial income and costs

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Financial income and costs on shares of subsidiaries (note 13)	223 062	0	14 256	0
Financial income and costs on shares of affiliates (note 14)	-306	51	-19	3
Interest income	920	416	59	27
Interest expense	-31 121	-40 909	-1 989	-2 615
FX profit	277	-598	18	-38
Other financial income and costs	-5 222	-4 008	-334	-257
Total financial income and costs	**187 610**	**-45 048**	**11 991**	**-2 880**

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

Note 30 **Segments**

Financial information on segments has been presented for 2009 and 2008 and as of 31 December 2009 and 31 December 2008.

The Group amended principles for classification into segments and improved reporting in 2009. Data for 2008 have been adjusted in order to make them comparable with the principles employed in 2009.

In connection with the sale of ABC Supermarkets AS, the Group terminates its activities in the retail trade segment.

The primary segment for the Group is operating segment.
The secondary segment for the Group is geographical segment.

Operating segments

EEK 2009	**Car trade**	**Wholesale trade**	**Retail trade**	**Real estate**	**Other /eliminations**	**Total**
Segment revenue	243 697	585 434	558 865	27 599	21 485	**1 437 080**
Inter-segment revenue	3 591	16 855	0	10 368	15 567	**46 381**
External revenue	**240 106**	**568 579**	**558 865**	**17 231**	**5 918**	**1 390 699**
Operating profit	**-8 319**	**19 983**	**2 243**	**-175 105**	**2 636**	**-158 562**
Financial income / -expenses						**187 610**
Net profit						**29 048**
31.12.2009						
Segment assets	84 354	243 573	0	312 770	224 094	**864 791**
Segment liabilities	63 290	145 339	0	215 717	89 352	**513 698**

EEK 2008	**Car trade**	**Wholesale trade**	**Retail trade**	**Real estate**	**Other /eliminations**	**Total**
Segment revenue	232 965	609 242	563 270	24 905	29 187	**1 459 569**
Inter-segment revenue	5 222	17 405	0	10 601	22 530	**55 758**
External revenue	**227 743**	**591 837**	**563 270**	**14 304**	**6 657**	**1 403 811**
Operating profit	**3 601**	**18 441**	**-3 286**	**35 806**	**-338**	**54 224**
Financial income / -expenses						**-45 048**
Net profit						**-116**
Segment revenue						**9 060**
31.12.2008						
Segment assets	148 514	226 842	103 364	719 733	-179 456	**1 018 997**
Segment liabilities	116 627	94 195	89 527	425 180	-28 577	**696 952**

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Member of the Maganement Board ____________

(in thousands)

EUR 2009	Car trade	Wholesale trade	Retail trade	Real estate	Other /eliminations	Total
Segment revenue	15 575	37 416	35 718	1 764	1 373	**91 846**
Inter-segment revenue	229	1 077	0	663	995	**2 964**
External revenue	**15 346**	**36 339**	**35 718**	**1 101**	**378**	**88 882**
Operating profit	**-532**	**1 277**	**143**	**-11 191**	**169**	**-10 134**
Financial income / -expenses						**11 991**
Net profit						**1 857**
31.12.2009						
Segment assets	5 391	15 567	0	19 990	14 322	**55 270**
Segment liabilities	4 045	9 289	0	13 787	5 710	**32 831**

EUR 2008	Car trade	Wholesale trade	Retail trade	Real estate	Other /eliminations	Total
Segment revenue	14 889	38 938	36 000	1 592	1 865	**93 284**
Inter-segment revenue	334	1 112	0	678	1 440	**3 564**
External revenue	**14 555**	**37 826**	**36 000**	**914**	**425**	**89 720**
Operating profit	**230**	**1 179**	**-210**	**2 288**	**-21**	**3 466**
Financial income / -expenses						**-2 880**
Net profit						**-7**
Segment revenue						**579**
31.12.2008						
Segment assets	9 492	14 498	6 606	45 999	-11 469	**65 126**
Segment liabilities	7 454	6 020	5 722	27 174	-1 826	**44 544**

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

External revenue by geographical areas

EEK 2009	Car trade	Wholesale trade	Retail trade	Real estate	Other / eliminations	Total
Estonia	164 119	562 954	558 865	17 231	2 613	**1 305 782**
Great Britain	66 808	0	0	0	0	**66 808**
Lithuania	834	3 561	0	0	2 084	**6 479**
France	4 132	0	0	0	0	**4 132**
Latvia	466	2 064	0	0	0	**2 530**
Russia	1 344	0	0	0	0	**1 344**
Poland	0	0	0	0	1 221	**1 221**
Germany	1 114	0	0	0	0	**1 114**
Finland	952	0	0	0	0	**952**
Other	337	0	0	0	0	**337**
Total external revenue	**240 106**	**568 579**	**558 865**	**17 231**	**5 918**	**1 390 669**

EEK 2008	Car trade	Wholesale trade	Retail trade	Real estate	Other / eliminations	Total
Estonia	218 506	589 196	563 270	14 304	2 862	**1 388 138**
Lithuania	3 612	56	0	0	2 216	**5 884**
Latvia	254	2 585	0	0	0	**2 839**
Russia	3 681	0	0	0	0	**3 681**
Poland	0	0	0	0	1 578	**1 578**
Finland	93	0	0	0	0	**93**
Spain	1 597	0	0	0	0	**1 597**
Other	0	0	0	0	1	**1**
Total external revenue	**227 743**	**591 837**	**563 270**	**14 304**	**6 657**	**1 403 811**

EUR 2009	Car trade	Wholesale trade	Retail trade	Real estate	Other / eliminations	Total
Estonia	10 490	35 979	35 718	1 101	167	83 455
Great Britain	4 270	0	0	0	0	4 270
Lithuania	53	228	0	0	133	414
France	264	0	0	0	0	264
Latvia	30	132	0	0	0	162
Russia	86	0	0	0	0	86
Poland	0	0	0	0	78	78
Germany	71	0	0	0	0	71
Finland	60	0	0	0	0	60
Other	22	0	0	0	0	22
Total external revenue	**15 346**	**36 339**	**35 718**	**1 101**	**378**	**88 882**

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri
OÜ RIMESS

Member of the Maganement Board ______________________

(in thousands)

EUR 2008	Car trade	Wholesale trade	Retail trade	Real estate	Other / eliminations	Total
Estonia	13 964	37 657	36 000	914	183	88 718
Lithuania	231	4	0	0	141	376
Latvia	16	165	0	0	0	181
Russia	235	0	0	0	0	235
Poland	0	0	0	0	101	101
Finland	6	0	0	0	0	6
Spain	103	0	0	0	0	103
Total external revenue	**14 555**	**37 826**	**36 000**	**914**	**425**	**89 720**

Terminated segment

On 30 December 2009 the ownership of ABC Supermarkets AS was transferred from ABC Grupi AS. The sales price was 215 000 thousand kroons / 13 741 thousand euros and profit of the transaction amounted to 210 978 thousand kroons / 14 256 thousand euros (note 13).

With the transaction ABC Grupi AS terminated its operations in the retail trade segment.

Statament of comprehensive income of ABC Supermarkets AS

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Net sales	558 865	563 270	35 718	36 000
Other operating revenue	28 806	29 171	1 841	1 864
Materials, consumables and services used	-465 965	-467 917	-29 781	-29 906
Other operating expenses	-53 731	-53 575	-3 434	-3 424
Personnel expenses	-54 344	-64 901	-3 473	-4 148
Depreciation and impairment losses	-11 293	-9 174	-722	-586
Other expenses	-95	-160	-6	-10
Operating profit (loss)	**2 243**	**-3 286**	**143**	**-210**
Financial income and costs	-496	-629	-31	-40
Profit (loss) before tax	**1 747**	**-3 915**	**112**	**-250**
Net profit (loss) for the financial year	**1 747**	**-3 915**	**112**	**-250**

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ......
OÜ RIMESS

(in thousands)

Note 31 Related parties

Related parties to the Group companies are:

- The owners of ABC Grupi AS – Landcom OÜ and Jüri Vips
- Affiliated companies
- Members of the executive and supervisory boards and members of their families
- Other related parties like legal entities related to the related parties listed above.

This in the judgment of the Management that all transactions with related parties have been based on market conditions.

There were the following transactions between the Group and related parties:

SALES	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Goods				
Other related parties	57	4 988	4	319
Total goods	**57**	**4 988**	**4**	**319**
Services				
Owners	10	599	1	38
Affiliates	448	742	29	47
Other related parties	2 223	226	142	14
Total services	**2 681**	**1 567**	**172**	**99**
Fixed assets				
Owners	12 200	0	780	0
Other related parties	161	0	10	0
Total fixed assets	**12 361**	**0**	**790**	**0**
TOTAL SALES	**15 099**	**6 555**	**966**	**418**

PURCHASES	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Goods				
Owners	1 619	4 041	103	258
Other related parties	6 049	4 941	387	316
Total goods	**7 668**	**8 982**	**490**	**574**
Services				
Affiliates	204	194	13	12
Other related parties	14 498	656	927	42
Total services	**14 702**	**850**	**940**	**54**
Fixed assets				
Other related parties	3 600	0	230	0
Total fixed assets	**3 600**	**0**	**230**	**0**
TOTAL PURCHASES	**25 970**	**9 832**	**1 660**	**628**

Member of the Maganement Board ____________________

Allkirjastatud
Identifitseerimiseks
30.04.2010
Allkiri ....
OÜ RIMESS

(in thousands)

LOANS ISSUED	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Owners	16 556	0	1 058	0
Executive and supervisory board	200	0	13	0
Other related parties	4 361	0	279	0
TOTAL LOANS ISSUED	**21 117**	**0**	**1 350**	**0**

LOANS RECEIVED				
Other related parties	33	0	2	0
TOTAL LOANS RECEIVED	**33**	**0**	**2**	**0**

INTERESTS ACCOUNTED				
Interest income				
Owners	223	0	14	0
Executive and supervisory board	9	0	1	0
Other related parties	232	2	15	0
Total interest income	**464**	**2**	**30**	**0**
Interest expenses				
Other related parties	17	11	1	1
Total interest expenses	**17**	**11**	**1**	**1**

Balances with related parties:

AMOUNTS OWED BY RELATED PARTIES	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Other related parties	3 261	295	208	19
Trade receivables	**3 261**	**295**	**208**	**19**
Affiliates	0	14	0	1
Receivables from affiliates	**0**	**14**	**0**	**1**
Owners	23 952	0	1 531	0
Other related parties	5 221	162	334	10
Other current receivables	**29 173**	**162**	**1 865**	**10**
Owners	0	6 564	0	420
Other related parties	0	686	0	43
Other non-current receivables	**0**	**7 250**	**0**	**463**
TOTAL AMOUNTS OWED BY RELATED PARTIES	**32 434**	**7 721**	**2 073**	**493**

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Member of the Maganement Board ______________

(in thousands)

AMOUNTS OWED TO RELATED PARTIES	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Owners	0	361	0	23
Other related parties	1 878	292	120	19
Payables to suppliers	**1 878**	**653**	**120**	**42**
Affiliates	0	7	0	0
Payables to affiliates	**0**	**7**	**0**	**0**
Other related parties	1 561	9	100	1
Other current liabilities	**1 561**	**9**	**100**	**1**
Owners	0	321	0	20
Other non-current liabilities	**0**	**321**	**0**	**20**
TOTAL AMOUNTS OWED TO RELATED PARTIES	**3 439**	**990**	**220**	**63**

PAYMENTS TO MEMBERS OF THE MANAGEMENT BOARDS	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Wages and salaries of board members (incl. social taxes)	3 812	2 650	244	169

GUARANTEES ISSUED AND RECEIVED	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
Guarantees received from Owners	25 000	25 000	1 598	1 598
Guarantees issued to other related parties	23 444	11 793	1 498	754

Note 32 Contingent liabilities

The Group has granted leasing contracts of a related party in total amount of 23 444 thousand kroons / 1 498 thousand euros. This is the opinion of the management that realization of the guarantee is unlikely.

Note 33 Events after the balance sheet day

Receivables in total amount of 27 244 thousand kroons / 1 741 thousand euros have been debated after the balance sheet date. This is the opinion of the management based on legal analyses that unfavorable to the Group realization of the debate is not very likely.

Member of the Maganement Board ____________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ PRIMESS

(in thousands)

Note 34 **Financial information of the parent company**

Statement of financial position of the parent company

	EEK 31.12.2009	EEK 31.12.2008	EUR 31.12.2009	EUR 31.12.2008
ASSETS				
Current assets				
Cash and bank	480	10 664	31	682
Short-term financial investments	0	3 654	0	234
Trade receivables	969	0	62	0
Other receivables	268 017	101 640	17 129	6 496
Accrued income and prepaid expenses	130	299	8	18
Total current assets	**269 596**	**116 257**	**17 230**	**7 430**
Non-current assets				
Long-term financial investments	202 407	264 586	12 936	16 910
Tangible assets	6	0	0	0
Intangible assets	10	26	1	2
Total non-current assets	**202 423**	**264 612**	**12 937**	**16 912**
TOTAL ASSETS	**472 019**	**380 869**	**30 167**	**24 342**
LIABILITIES				
Current liabilities				
Interest bearing liabilities	151 082	47 078	9 656	3 009
Payables to suppliers	1 450	4	93	0
Other current liabilities	55 660	94 876	3 557	6 064
Taxes payable	453	0	29	0
Accrued expenses and prepayments	910	337	58	21
Total current liabilities	**209 555**	**142 295**	**13 393**	**9 094**
Non-current liabilities				
Interest bearing liabilities	0	101 703	0	6 500
Other non-current liabilities	25 681	26 002	1 641	1 662
Total non-current liabilities	**25 681**	**127 705**	**1 641**	**8 162**
TOTAL LIABILITIES	**235 236**	**270 000**	**15 034**	**17 256**
EQUITY				
Share capital	100 280	100 280	6 409	6 409
Issue premium	7 506	7506	480	480
Legal reserve	2 180	2 180	139	139
Retained earnings	903	8 555	58	547
Profit / loss for the year	125 914	-7 652	8 047	-489
TOTAL EQUITY	**236 783**	**110 869**	**15 133**	**7 086**
TOTAL LIABILITIES AND EQUITY	**472 019**	**380 869**	**30 167**	**24 342**

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Member of the Maganement Board ____________

(in thousands)

Statement of comprehensive income of the parent company

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Net sales	14 532	0	929	0
Other operating revenue	0	8 152	0	521
Materials, consumables and services used	-3 600	0	-230	0
Other operating expenses	-3 542	-726	-227	-46
Personnel expenses				
Wages and salaries	-2 301	0	-147	0
Social taxes	-780	0	-50	0
Total personnel expenses	-3 081	0	-197	0
Depreciation and impairment losses	-18	-56	-1	-4
Other expenses	-2	0	0	0
Operating profit *(-loss)*	**4 289**	**7 370**	**274**	**4710**
Financial income and expenses				
Financial income and expenses on shares of subsidiaries	139 060	0	8 888	0
Financial income and expenses on shares of affiliates	896	0	57	0
Interest expenses	-22 546	-17 140	-1 441	-1 095
FX profit / loss	331	-495	21	-32
Other financial income and expenses	3 884	2 613	248	167
Total financial income and expenses	**121 625**	**-15 022**	**7 773**	**-960**
Profit *(-loss)* before tax	**125 914**	**-7 652**	**8 047**	**-489**
Profit *(-loss)* before tax	**125 914**	**-7 652**	**8 047**	**-489**

Member of the Maganement Board ________________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

(in thousands)

Cash flow statement of the parent company

	EEK 2009	EEK 2008	EUR 2009	EUR 2008
Cash flows from operating activities				
Operating profit	4 289	7 370	274	471
Adjustments:				
Depreciation and impairment of tangible assets	18	56	1	3
Profit (loss) from conversion of foreign currencies	331	-495	21	-32
Waiving claims	0	-8 152	0	-521
Change in receivables and prepayments related to operating activities	-909	-89	-58	-5
Change in liabilities and prepayments related to operating activities	-997	-2 485	-64	-159
Interests paid	-22 384	-16 985	-1 430	-1 085
Total cash flows from operating activities	**-19 652**	**-20 780**	**-1 256**	**-1 328**
Cash flows from investing activities				
Purchase of tangible assets	-7	0	0	0
Acquisition of subsidiaries	-28 485	0	-1 821	0
Proceeds from sale of affiliate	400	0	26	0
Purchase of financial investments	-5 621	-25 168	-359	-1 609
Proceeds from sale of financial investments	10 817	18 616	691	1 190
Net change in overdraft	59 066	-88 041	3 775	-5 627
Repayment of loans issued	0	3 100	0	198
Dividends received	0	435	0	28
Interests received	7 228	473	462	31
Total cash flows from investing activities	**43 398**	**-90 585**	**2 774**	**-5 789**
Cash flows from financial activities				
Repurchase of bonds issued	-4 491	0	-287	0
Change in limit of overdraft	-29 439	122 355	-1 882	7 820
Dividends paid	0	-435	0	-28
Total cash flows from financing activities	**-33 930**	**121 920**	**-2 169**	**7 792**
Total cash flows	**-10 184**	**10 555**	**-651**	**675**
Cash and cash equivalents at the beginning of the year	**10 664**	**109**	**682**	**7**
Net change in cash and cash equivalents	**-10 184**	**10 555**	**-651**	**675**
Cash and cash equivalents at the end of the year	**480**	**10 664**	**31**	**682**

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Member of the Maganement Board ____________________

(in thousands)

Statement of changes in equity of the parent company

EEK	Share capital	Issue premium	Legal reserve	Retained earnings	Profit/loss for the year	Total
Balance as of 31.12.2007	**21 800**	**7 506**	**2 180**	**87 222**	**248**	**118 956**
Balance value of subsidiaries and affiliates						**-208 552**
Value of subsidiaries and affiliates on equity method						**330 862**
Goodwill						**72 124**
Adjusted unconsolidated equity as of 31.12.2007						**313 390**
Profit for the previous year	0	0	0	248	-248	**0**
Increase in share capital	78 480	0	0	-78 480	0	**0**
Profit / loss for the year	0	0	0	0	-7 652	**-7 652**
Dividends paid	0	0	0	-435	0	**-435**
Balance as of 31.12.2008	**100 280**	**7 506**	**2 180**	**8 555**	**-7 652**	**110 869**
Balance value of subsidiaries and affiliates						**-208 482**
Value of subsidiaries and affiliates on equity method						**347 534**
Goodwill						**72 124**
Adjusted unconsolidated equity as of 31.12.2008						**322 045**
Profit for the previous year	0	0	0	-7 652	7 652	**0**
Profit / loss for the year	0	0	0	0	125 914	**125 914**
Balance as of 31.12.2009	**100 280**	**7 506**	**2 180**	**903**	**125 914**	**236 783**
Balance value of subsidiaries and affiliates						**-160 883**
Value of subsidiaries and affiliates on equity method						**227 442**
Goodwill						**47 751**
Adjusted unconsolidated equity as of 31.12.2009						**351 093**

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

Member of the Maganement Board ____________

(in thousands)

EUR	Share capital	Issue premium	Legal reserve	Retained earnings	Profit/loss for the year	Total
Balance as of 31.12.2007	**1 393**	**480**	**139**	**5 575**	**16**	**7 603**
Balance value of subsidiaries and affiliates						**-13 329**
Value of subsidiaries and affiliates on equity method						**21 146**
Goodwill						**4 610**
Adjusted unconsolidated equity as of 31.12.2007						**20 030**
Profit for the previous year	0	0	0	16	-16	**0**
Increase in share capital	5 016	0	0	-5 016	0	**0**
Profit / loss for the year	0	0	0	0	-489	**-489**
Dividends paid	0	0	0	-28	0	**-28**
Balance as of 31.12.2008	**6 409**	**480**	**139**	**547**	**-489**	**7 086**
Balance value of subsidiaries and affiliates						**-13 325**
Value of subsidiaries and affiliates on equity method						**22 211**
Goodwill						**4 610**
Adjusted unconsolidated equity as of 31.12.2008						**20 582**
Profit for the previous year	0	0	0	-489	489	**0**
Profit / loss for the year	0	0	0	0	8 047	**8 047**
Balance as of 31.12.2009	**6 409**	**480**	**139**	**58**	**8 047**	**15 133**
Balance value of subsidiaries and affiliates						**-10 282**
Value of subsidiaries and affiliates on equity method						**14 536**
Goodwill						**3 052**
Adjusted unconsolidated equity as of 31.12.2009						**22 439**

According to the Accounting Law of the Republic of Estonia a joint stock company is entitled to pay out as dividends the amount that equals to the adjusted unconsolidated equity, less by share capital, issue premium and reserves.

Member of the Maganement Board ________________

Allkirjastatud identifitseerimiseks
30-04-2010
Allkiri ....
OÜ RIMESS

INDEPENDENT AUDITOR'S REPORT
(Translation of the Estonian original)

To the Shareholders of ABC Grupi AS

We have audited the consolidated financial statements of ABC Grupi AS and its subsidiaries which comprise the consolidated statement of financial position as of 31 December 2009 and the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes. The audited and identified financial statements have been accompanied to present report.

Management Board's Responsibility for the Financial Statements

Management Board is responsible for the preparation and true and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for a qualified opinion

Our report on ABC Grupi AS 2008 financial statements included a qualification. Management of the group had prepared a valuation of the investment property, but due to the absence of adequate chance in the fair value of transactions and considering the economic environment there was a considerable uncertainty that the estimates and assumptions used in fair value estimation would realise. Due to that we were not able to obtain sufficient assurance during the audit regarding the accuracy of management estimation and therefore the value of investment property on 31 December 2008.
In 2009 the group has recorded a loss from investment property in amount of 154 015 thousand Kroons. Based on the above described uncertainty we are unable to assess whether and to what extent the write-down should have been recorded already in 2008.

Qualified opinion

In our opinion, except for the effect on the financial statements of the matter described in the paragraph "Basis for a qualified opinion", consolidated financial statements give a true and fair view of the financial position of ABC Grupi AS and its subsidiaries as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Mati Nõmmiste
Sworn Auditor
License number 178

Rimess OÜ
License number 3

Tallinn, 30 April 2010

PROFIT ALLOCATION PROPOSAL

The Management Board of ABC Grupi AS proposes to allocate the net profit for 2009 in the amount of 29 048 thousand kroons / 1 857 thousand euros as follows:

1. to allocate to the legal reserve 1 452 thousand kroons / 93 thousand euros;
2. left to be carried forward in the balance sheet 27 596 thousand kroons / 1 764 thousand euros.

Tallinn 30 April 2010

Member of the Management Board
Jüri Vips

CONFIRMATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2009

The management board has prepared the management report of ABC Grupi AS for the financial year ended on 31 December 2009, and the consolidated financial statements.

The Supervisory Board of ABC Grupi AS has reviewed the annual report , prepared by the management board, consisting of the management report, the consolidated financial statements, the independent auditors report and the management board's proposal for profit allocation., and has approved the annual report for presentation on the annual general meeting.

Hereby we confirm the correctness of information presented in the consolidated annual report 2009 of ABC Grupi AS.

Tallinn, 30 April 2010

Member of the Management Board
Jüri Vips

Chairman of the Supervisory Board
Valdo Kalm

Member of the Supervisory Board
Siim Vips

Member of the Supervisory Board
Ülle Kuum