



AS HARJU ELEKTER

Interim report 1-12/ 2007

Business name	AS Harju Elekter
Main business area:	production of electrical distribution systems and control panels; production of sheet metal products;wholesale and mediation of goods, retail of light fittings and electrical appliances real estate holding; management assistance and services
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Auditor:	KPMG Baltics
Beginning of the reporting period:	1 st of January 2007
End of the reporting period:	31 st of December 2007

The interim report of Harju Elekter Group on 23 pages

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EXPLANATORY NOTE

Group structure and changes on it

In interim report for 12M 2007 the financial indicators of AS Harju Elekter (the consolidating entity) and its subsidiaries – Harju Elekter Elektrotehnika, Eltek, Satmatic and Rifas - are consolidated line-by-line and the results of related company Draka Keila Cables by the equity method. In the third quarter Harju Elekter sold its 33.3% holding in the associated company AS Saajos Inexa. Reflection of the profits/losses of the associated company in consolidated reports ceased as at 30 June 2007. The shares of PKC Group Oyj are recognised on the balance sheet on the fair value basis. SIA Energokomplekss is in the balance sheet in the acquired price. As of 31 December 2007, Harju Elekter has substantial holdings in the following companies:

Participation %			31.12.07	31.12.06
AS Eltek	subsidiary	Estonia	100.0%	100.0%
AS Harju Elekter Elektrotehnika	subsidiary	Estonia	100.0%	100.0%
Satmatic OY	subsidiary	Finland	100.0%	100.0%
Rifas UAB	subsidiary	Lithuania	51.0%	51.0%
AS Draka Keila Cables	associated company	Estonia	34.0%	34.0%
AS Saajos Inexa	associated company	Estonia	0.0%	33.3%
SIA Energokomplekss	financial investment	Latvia	10.0%	10.0%
PKC Group Oyj	financial investment	Finland	8.9%	10.1%

Economic environment

According to assessments by analysts, the slowdown in economic growth which began in the spring of 2007 also continued in the fourth quarter of the year. The economic climate worsened mainly in North-America, taking Western Europe and Asia along with it. However, the economic situation of Estonia's main trading partners – Finland and Sweden – was better than average.

As the Baltic States are very much exposed to the world's economic processes, it has affected developments in the Baltic region as well, where the low liquidity of world financial markets as well as prices that are increasing quickly have had a negative effect. Being dependent of imported energy, the price of petroleum significantly affects local price levels and consumption. The dollar, which has continued to be weak throughout the year, has, to a degree, softened the price increases of the year. However, the exchange rate of the dollar has not significantly affected the exports of the countries here, whose trade partners are mainly Member States of the EU and related countries.

At the same time, the cooling down of the Estonian economy has decreased the current account deficit, toughened loan conditions and decreased tensions that have existed on the labour market over the past year; but the pressure on wages still remained high. Regardless of the above, last year was characterised by high inflationary pressure on the part of both supply and demand. The estimated annual rate of inflation was 6.5%. Moderation can be noted in the growth of domestic consumption, which is decreasing the growth of imports and slowing down the growth of the trade deficit.

At the beginning of 2007, favourable economic development took place in Estonia, the Baltic region and the entire EU and Euro zone, which slowed down as of the second quarter when the world economy started cooling down. The peak of the economic cycle was passed and by the years 2008-2009, deceleration and stabilisation of growth is expected.

Events

Harju Elekter Elektrotehnika AS, a subsidiary of Harju Elekter, entered into a sales contract of low-voltage equipment with Greek company METKA Metal Constructions of Greece S.A. In the framework of the contract, Harju Elekter Elektrotehnika shall prepare various control centres with frequency converters for Kardia and Mavropigisi mines in Crete. The volume of the contract is 3.2 million euros (50.1 million kroons). The signed contract is a significant breakthrough to new markets in Europe.

On 26 April, the annual general meeting of shareholders took place, in which 96 shareholders or their authorised representatives, who represented 58.7 % of the total number of votes, participated. The general meeting decided to pay the owners dividends in the amount of EEK 1.80 (EUR 0.12) per share. The dividends were paid on 21 May 2007.

In July, a registered immovable was purchased at Keila, thereby adding an additional 3.1 thousand sq.m in production and rental spaces to the Group. Nearly 2 thousand sq.m of renovated production spaces converted for manufacturing needs were placed at the disposal of Harju Elekter Elektrotehnika and Draka Keila Cables in the third quarter.

In the third quarter, two of the owners of AS Saajos Inexa, AS Harju Elekter and Inexa AS, sold their 33.3% holdings to the third owner of the related company, Saajos International Ltd, who became the sole shareholder. The sale of the shareholding was a strategic decision by the management of the Harju Elekter Group.

30 September 2007 marked the 10-year anniversary of the beginning of the listing of Harju Elekter shares on the Tallinn Stock Exchange. In this time, Harju Elekter has become an international group of companies, whose sales volume has sextupled and whose business revenue and share price have quintupled.

Operating results**REVENUE**

	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007
Revenue (in million kroons)	123.9	171.0	160.1	167.1	151.6	178.3	195.3	206.8
Revenue (in million euros)	7.9	10.9	10.2	10.7	9.7	11.4	12.5	13.2
Growth Q/Q	10.6%	45.9%	23.4%	7.8%	22.4%	4.3%	22.0%	23.7%

The revenue of the Group in the fourth quarter of 2007 was 206.8 million kroons (13.2 million euros), growing 23.7% compared to the same period in the previous year. During those 12 months the sales volumes increased 17.7% to 732.0 million kroons (46.8 million euros). The Group's main field of activity is production of electrical equipment and control apparatus for the energy and industry sector. A certain seasonal nature of the Group's business activities is caused by the economic cycle of clients, situation on the construction market and also by weather conditions to some extent.

Revenue by geographical segment and market

The fastest growth pace was in the fourth quarter in the Estonian segment. Compared to the fourth quarter of the previous year, the sale of Estonian companies increased 35.8% to 120.9 million kroons (7.7 million euros). The majority – 19.1 million kroons (1.2 million euros) – from 31.9 million kroons (2.0 million euros) of the growth in the Q4 turnover of the Estonian segment was achieved in foreign markets. In the twelve months were products sold in the total amount of 408.3 million kroons (26.1 million euros), which is 97.9 million kroons (6.2 million euros) more than in the previous year.

Geographical segments	EEK (in million)						EUR (in million)			
	Growth		Q4		12 months		Q4		12 months	
	Q/Q	12 m/12m	2007	2006	2007	2006	2007	2006	2007	2006
Estonia	35.8%	31.5%	120.9	89.0	408.3	310.4	7.7	5.7	26.1	19.8
Finland	25.0%	24.5%	66.8	53.4	246.7	198.1	4.3	3.4	15.8	12.7
Lithuania	-22.6%	-32.2%	19.1	24.7	77.0	113.6	1.2	1.6	4.9	7.3
Total	23.7%	17.7%	206.8	167.1	732.0	622.1	13.2	10.7	46.8	39.8

The favourable condition in Finnish economy, the growth in the given economic sector and the positive imago of the Finnish subsidiary Satmatic Oy ensured a continuously large amount of sales orders in the Finnish sector. The sales volume in the fourth quarter reached 66.8 million kroons (4.3 million euros), which is 25.0% more than in the reference period and within the twelve months products were sold in the total amount of 246.7 million kroons (15.8 million euros), which is 48.6 million kroons (3.1 million euros) more than in the previous year.

Sales revenue for the Lithuanian segment in the fourth quarter was 19.1 million kroons (1.2 million euros), being 5.6 million kroons (0.4 million euros) less than the fourth quarter results in 2006. The year 2006 was an extraordinary year for the Lithuanian subsidiary: right off in the first quarter of the year, two high-volume contracts for services were concluded for the manufacturing and installation of electrical equipment. Sub-contracting was used for equipment installation, to execute the contracts in a timely and quality manner, which had a significant effect on the sales volumes for Rifas in 2006. The year 2007, however, may be considered a success for the Lithuanian businesses. Several important projects became reality: such as Sivacon 8PT low-voltage switch gear commissioned by a Belarusian enterprise and, in cooperation with a Norwegian company, equipment for ship-building in Singapore. All in all the twelve-month sales volume of 77.0 million kroons (4.9 million euros) fell one-third short of 2006 results, yet outstripped the same result for 2005 by 19.0%.

Of the markets, the domestic markets of the Group's companies (Estonia, Finland, Lithuania) dominated, where 88.6% (Q4 2006: 94.0%) of the Group's products and services were sold in the fourth quarter and 89.0% (12M 2006: 96.4%) within whole year.

Markets	EEK (in million)						EUR (in million)			
	Growth		Q4		12 months		Q4		12 months	
	Q/Q	12 m/12m	2007	2006	2007	2006	2007	2006	2007	2006
Estonia	16.8%	17.7%	88.9	76.1	299.4	254.4	5.7	4.9	19.2	16.3
Finland	22.9%	17.2%	78.3	63.7	287.0	244.9	5.0	4.1	18.4	15.7
Lithuania	-7.5%	-35.6%	16.0	17.3	64.6	100.4	1.0	1.1	4.1	6.4
EU	530.8%	551.8%	21.4	3.4	66.3	10.2	1.4	0.2	4.2	0.6
Others	-66.6%	19.3%	2.2	6.6	14.7	12.2	0.1	0.4	0.9	0.8
Total	23.7%	17.7%	206.8	167.1	732.0	622.1	13.2	10.7	46.8	39.8

As a result of the successful selling efforts of the companies in the Estonian and Finnish segments, the sales in the fourth quarter and 12 months have increased the most in Estonia, Finland and the other markets in European Union. As a new market, Greece (the EU) was added in the second quarter, yielding most of the growth. Concerning other markets, the growth was influenced by selling the low voltage distribution equipment of Harju Elekter Elektrotehnika with the cost of 5.4 million kroons (0.3

million euros) to a US company that supplied the equipment to Russia and Lithuanian subsidiary's successful sales to Belarus and Norway.

Revenue by business activities

Traditionally, the largest share of the sales revenue accounted for production, which is the main area of activity of the Group. Fourth quarter was the most successful for the production sector, where sales revenue grew by 31.8%.

The trade segment made up one tenth of the consolidated return on sales. During the year, sales volumes increased by almost a fifth to 75.5 million kroons (4.8 million euros). The main reason has been active construction work that showed signs of subsiding in the fourth quarter when 9.0% growth was attained, and a total of 19.1% in the 12 month period. Availability of loans at favourable rates and demand by private clients occasioned by an increase in wages had a positive effect on trade sales volumes in 2007. The increase in prices has also had some effect. Compared to the previous year, purchase prices of goods have increased by 4-5%, which has also resulted in the increase of sales prices of certain goods.

Growth of sales volumes in the real estate segment is principally due to a gain in rental spaces.

Business segments	EEK (in million)						EUR (in million)			
	Growth		Q4		12 months		Q4		12 months	
	Q/Q	12 m/12m	2007	2006	2007	2006	2007	2006	2007	2006
Production	31.8%	20.2%	174.5	132.4	609.6	506.9	11.15	8.46	39.0	32.4
Real estate	10.5%	8.3%	9.4	8.5	35.6	32.8	0.60	0.54	2.3	2.1
Trade	9.0%	19.1%	20.5	18.7	75.5	63.5	1.31	1.20	4.8	4.1
Other	-68.0%	-40.1%	2.4	7.5	11.3	18.9	0.15	0.48	0.7	1.2
Total	23.7%	17.7%	206.8	167.1	732.0	622.1	13.21	10.68	46.8	39.8

OPERATING EXPENSES

Operating expenses in the fourth quarter grew 28.3% and 17.9% in twelve months, exceeding the speed of the growth of revenue on sales by 4.6 and 0.2 percentage points, respectively.

	EEK (in million)						EUR (in million)			
	Growth		Q4		12 months		Q4		12 months	
	Q/Q	12 m/12m	2007	2006	2007	2006	2007	2006	2007	2006
Cost of sales	25.6%	16.7%	169.9	135.3	595.3	510.1	10.9	8.6	38.0	32.6
Distribution costs	56.3%	35.7%	12.9	8.2	36.9	27.2	0.8	0.5	2.4	1.7
Admin expenses	40.3%	16.8%	13.0	9.3	40.1	34.4	0.8	0.6	2.6	2.2
Development costs	39.8%	48.2%	2.0	1.4	7.6	5.1	0.1	0.1	0.5	0.3
Total expenses	28.3%	17.9%	197.8	154.2	679.9	576.8	12.6	9.8	43.5	36.8
incl. depreciation of fixed assets	5.9%	9.1%	4.5	4.3	18.0	16.5	0.3	0.3	1.2	1.1
Total labour cost	55.3%	35.5%	45.8	29.5	159.1	117.4	2.9	1.9	10.2	7.5
incl salary cost	36.6%	34.2%	32.1	23.5	116.2	86.6	2.1	1.5	7.4	5.5

Business expenses increased by 28.3% in the fourth quarter and 17.9% within the 12 month period, exceeding, with their growth rate, the increase of sales revenue by 4.6 and 0.2 percentage points, respectively, thus remaining virtually at the same level with the growth rate of sales revenue in terms of the year.

Due to the addition of new employees and the increase in wages, the fastest growth rates were in the field of labour costs. Of the 43.6 million kroons (2.8 million euros) increase in business expenses during the fourth quarter, 37% was accounted for by the increase in labour costs and as much as 40% of the 103.1 million kroons (6.7 million euros) in business expenses in the 12 month period.

Economic and consumption growth brought along an increase in sales volumes, but also increased the need for qualified labour. Due to limited availability of labour, the pressure on wage increases has been strong in the group. At the same time, larger orders have resulted in a need for extra labour and the use of overtime. Fourth-quarter labour costs were 32.1 million kroons (2.1 million euros), which is 36.6% more than last year, and in twelve months 116.2 million kroons (7.4 million euros) were paid in wages, a 34.2% increase over last year. The increase in outlays may be explained, on the one hand, by an increase in the number of employees (Finland, Estonia), by an increase in wages and the use of overtime work, and, on the other hand, by changes in the structure of the Group last financial year. Due to the purchase of a production facility in Finland in the second quarter 2006, the number of employees there grew by 11 people. In Lithuania, on the other hand, the last quarter of 2006 saw the selling of a subsidiary where 32 people had been employed. In 2007 the average number of employees was 61 (87) in Lithuania, 78 (63) in Finland and 304 (289) in Estonia. It is a known fact that the salary level in Finland is significantly higher than that in Estonia and Lithuania. As of the 31 December 2007 balance sheet date, 486 (427) employees were employed by the Group. During the year the average number of employees has been growing from quarter to quarter - from 416 in the first quarter to 458 (430) in the fourth. The nine-month average number of employees at the Group was 442 (439). Together with wage expenditures, the social insurance security charge and reserves calculated based on wages increased as well. The reserves established are adjusted on the basis of the inventories conducted at the end of the year, which is why such expenses are higher in the last quarter of the year.

The Group establishes and reflects appropriations in the balance sheet if a company of the group has a legal or activity-based obligation deriving from the obliging event that took place before the balance sheet day, it is possible to reliably assess the sum of this obligation and the realisation of the obligation is likely. Upon reflecting the appropriation, the assessment of the management board has been proceeded from. According to the management board, the amount of such obligations on the balance sheet day is 1.4 million kroons (91,000 euros) and additional expenses in the fourth quarter were 1.3 million kroons (84,000 euros).

In the fourth quarter, depreciation of fixed assets was expensed in the total amount of 4.5 million kroons (0.3 million euros), in the reference period 4.3 million kroons (0.3 million euros) and in the twelve months - 18.0 million kroons (1.2 million euros), which is 9.3% more than the compared period in the last year.

In the fourth quarter it was decided to increase the maximum limit of fixed assets from EEK 5,000 (EUR 320) to EEK 10,000 (EUR 640). The part of fixed assets with an acquisition cost less than EEK 10,000 (EUR 640), which was not depreciated by the balance sheet date 31.12.2007, was expensed in the fourth quarter. The residual cost of assets written off the balance sheet was MEEK 1.3 (EUR 83 000).

PROFIT

EEK (in million)	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2006
Gross profit	22.6	28.8	28.7	31.8	25.7	33.4	40.8	36.8
EBITDA	12.0	16.0	17.0	16.8	13.4	17.3	24.9	13.9
Operating profit	8.0	11.8	12.8	12.5	9.0	12.9	20.2	9.4

EUR (in million)	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2006
Gross profit	1.4	1.8	1.8	2.0	1.7	2.1	2.6	2.4
EBITDA	0.8	1.0	1.1	1.1	0.9	1.1	1.6	0.9
Operating profit	0.5	0.8	0.8	0.8	0.6	0.8	1.3	0.6

The total profit of the Group in the fourth quarter was 36.8 million kroons (2.4 million euros), growing 15.7% compared to the previous year. Due to the decisions and assessments of the management board and the results of the annual inventories, business expenses were higher than usual in the fourth quarter (see previous "Operating expenses"), which is why the profits and profit margins of the fourth quarter were lower than the indicators of the comparable period.

As a total of the twelve months, the growth rate of total profit was 22.1%, amounting to 136.7 million kroons (8.7 million euros), exceeding the growth of return on sales by 4.4 percentage points. The Group's operating profit within 12 months increased 14.0% to 51.5 million kroons (3.3 million euros) compared to the same period of the previous year. The operating profitability was stable in the 7% level.

The fourth quarter was disadvantageous for related companies, yielding a loss of 4.0 million kroons (300,000 euros), which was 3.5 million kroons (218,000 euros) more than in the comparable period. During the year, 73,000 kroons (5,000 euros) of profit was consolidated from related companies, which is 1.65 million kroons (106,000 euros) less than in the previous financial year.

Affected by the profit earned from the sale of PKC shares in the first half-year (MEEK 32.6 or MEUR 2.1), twelve-month consolidated net profit came in at MEEK 85.9 or MEUR 5.5, MEEK 52.0 or MEUR 3.3 in the period of comparison. Parent company's shareholders' share in the net profit was 84.5 million kroons (5.4 million euros) and 47.3 million kroons (3.0 million euros) in the period of comparison. EPS was 5.03 kroons (0.32 euros) and 2.81 kroons (0.18 euros) in the period of comparison.

Balance sheet

The amount of the consolidated balance sheet as of 31 December 2007 was 720.3 million kroons (46.0 million euros), decreasing by 37.4 million kroons (2.4 million euros) in the twelve months.

Current assets have increased 71.7 million kroons (4.6 million euros) within the twelve months, incl. cash on bank accounts 19.5 (1.2) and inventories 49.6 million kroons (3.2 million euros), to 241.0 million kroons (15.4 million euros), and comprising 33.5% of the cost of assets. The continuing growth of the sales orders resulted in a growth of the components as well as the stocks of products in progress and finished products, and the receivables and liabilities related to operating activities in the balance sheet.

The cost of fixed assets decreased within twelve months 109.1 million kroons (7.0 million euros) to 479.3 million kroons (30.6 million euros), comprising 66.5% of the balance sheet volume. The main

reason for a decrease in fixed assets was a change in the market price of shares of PKC Group Oyj and the sale of the shares in the first half-year. In the reporting period, the Group has sold 220 thousand shares in PKC Group Oyj and the market price has declined 3.54 euros (55.39 kroons). As of the balance sheet day, 31 December 2007, the Group had in its ownership 8.9% of the shares in PKC Group Oyj or 1.58 million shares. The cost of investment in the balance sheet has decreased within the twelve months by 129.6 million kroons (8.3 million euros).

Payables due to suppliers and other liabilities related to operating the business have grown in twelve months by 33.0 million kroons (2.1 million euros), to 106.5 million kroons (6.8 million euros) and total liabilities increased in 12 months by 35.0 million kroons (2.3 million euros) to 168.7 million kroons (10.8 million euros), accounting for 23.5% of the balance sheet total.

Affected by the net profit for the accounting period, dividends paid and a drop in the market price of the financial assets, (parent company's shareholders') equity decreased all together by 72.5 million kroons (4.6 million euros) to 533.2 million kroons (34.1 million euros).

Cash flows, investments and financing

In the nine months, the cash flow from operating activities was 41.6 million kroons (2.7 million euros) and in the reference period 32.7 million kroons (2.1 million euros), from investing activities 9.7 million kroons (0.6 million euros) and in the reference period -18.4 million kroons (-1.2 million euros), and the outgoing cash flow from financing activities was -31.7 million kroons (-2.0 million euros) and in the reference period -33.4 million kroons (-2.1 million euros).

Cash and cash equivalents increased in twelve months by 19.6 million kroons (1.3 million euros) to 26.2 million kroons (1.7 million euros) and decreased in the comparable period by -19.1 million kroons (-1.2 million euros) to 6.7 million kroons (0.4 million euros).

The following investments were made in the fixed assets of the Group during the reporting period:

1 January – 31 December (in million)	EEK		€	
	2007	2006	2007	2006
Property, plant and equipment	28.5	20.6	1.8	1.3
Investment property	14.0	10.4	0.9	0.7
Intangible assets	0.7	3.1	0.0	0.2
Total	43.2	34.1	2.7	2.2

In the second quarter, construction was begun on a manufacturing and office building in Lithuania, due to be completed in the first half of 2008. As of 31 December, the cost of construction in progress was 3.5 million kroons (0.5 million euros) in the balance sheet. In the third quarter, a property was purchased at Keila and also renovated to a large extent. This added 3.1 thousand square metres of production and rental spaces to the Group. In total, 14.5 million kroons (0.9 million euros) were paid for the property, of which the cost of the land was 2.8 million kroons (0.18 million euros). Renovations of buildings totalled 8.0 million kroons (0.51 million euros). 9.3 million kroons (0.6 million euros) worth of production equipment and means of transport were acquired in nine months.

In 2007, the total revenue from the sale of financial investments was 39.1 million kroons (2.5 million euros), in the reference period 5.8 million kroons (0.37 million euros), amount of dividends received was 12.7 million kroons (0.8 million euros), in the reference period 14.0 million kroons (0.9 million euros).

For all intents and purposes the cost of stock did not increase in the fourth quarter, but receivables from buyers decreased by 18.2 million kroons (1.2 million euros). In the fourth quarter, the financial

situation improved, which is why short-term bank loan decreased by 10.9 million kroons (700,000 euros) to 16.5 million kroons (1.1 million euros). To execute high-volume projects, in addition to the circulating capital, the Group has taken out short-term loans in the amount of 6.8 million kroons (0.4 million euros), which were paid back in the comparable period in the amount of 2.2 million kroons (100,000 euros).

To finance new construction in Lithuania, the Group took out a long-term loan. The loan contract has been concluded for five years in the amount of 1.8 million LTL (MEEK 8.2 or MEUR 0.5). The loan is being used as suits the course of construction. AS of 31 December long-term loans have been used in the amount of 4.4 million kroons (0.3 million euros). Long-term loans were repaid within twelve months in the amount of 10.1 million kroons (0.6 million euros) and in the reference period in the amount of 9.2 million kroons (0.6 million euros).

To finance the acquisition of fixed assets, leasing contracts have been concluded in the amount of 1.0 million kroons (64 thousand euros) and leasing payments were paid in the amount of 1.2 million kroons (75 thousand euros) and in the reference period in the amount of 1.6 million kroons (99 thousand euros). The Group has paid interest on debt liabilities in twelve months in the amount of 2.6 million kroons (168 thousand euros), 1.9 million kroons (124 thousand euros) in the period of comparison.

Within the first half-year, the Group paid dividends in the total amount of 31.7 million kroons (2.0 million euros), in the reference period 27.5 million kroons (1.8 million euros). The payment of dividends brought about an income tax liability for the Group's companies in the total amount of 6.4 million kroons (0.4 million euros), in the reference period 5.9 million kroons (0.4 million euros).

Supervisory Board and Management Board

The general meeting elected a new Supervisory Board and determined the remuneration for the members of the Supervisory Board. The Supervisory Board consists of five members. Endel Palla (R&D manager of AS Harju Elekter) was re-elected as the Chairman of the Supervisory Board and members: Ain Kabal (president of Estonian Association of SME's), Lembit Kirsme (Ch of the Supervisory Board of AS Harju KEK), Madis Talgre (Ch of the Management Board of AS Harju KEK) and Andres Toome (financial consultant). The Chairman of the Supervisory Board continues working with a partial work load as the R&D manager of AS Harju Elekter.

During 2007 there were no changes in the management of AS Harju Elekter. The Management Board consist Andres Allikmäe (chairman) and members Karin Padjus (financial manager) and Lembit Libe (chief economist). All members of the Management Board belong to the executive management of the company. The Chairman of the Board receives remuneration in accordance with the contract of service; members of the Management Board receive no special remuneration.

The amount of remuneration and salaries paid to the member of the Supervisory and Management Boards of AS Harju Elekter in 2007 amounted to a total of 3.4 million kroons (214 thousand euros). When the contract of service of a member of the Supervisory or Management Board expires or is prematurely terminated the company has no obligation to pay any other compensation, except for that prescribed by law. A service contract has been concluded with the chairman of the management board, specifying social guarantees payable upon resigning from the office.

Statistical summary

<u>Shares of Harju Elekter</u>	EEK		€	
	2007	2006	2007	2006
Average number of shares. 1000 pc	16,800	16,800	16,800	16,800
Nominal value	10.00	10.00	0.64	0.64
Lowest price	47.25	51.63	3.02	3.30
Highest price	71.97	69.47	4.60	4.44
Closing price	53.20	64.93	3.40	4.15
EPS	5.03	2.81	0.30	0.18

<u>Consolidate income statement</u> (in million)	EEK				EUR			
	Q4		12 months		Q4		12 months	
	2007	2006	2007	2006	2007	2006	2007	2006
Accounting period								
Turnover	206.8	167.1	732.0	622.1	13.2	10.7	46.8	39.8
EBITDA	13.9	16.8	69.6	61.7	0.9	1.1	4.4	3.9
Operating profit	9.4	12.5	51.5	45.2	0.6	0.8	3.3	2.9
Net profit for the current period	4.5	7.8	85.9	52.0	0.3	0.5	5.5	3.3
incl. equity holders of the parent	4.9	6.4	84.5	47.3	0.3	0.4	5.4	3.0

<u>Consolidated balance sheet</u> (in million)	Structure (%)		EEK		EUR	
	31.12.	31.12.	31.12.	31.12.	31.12.	31.12.
	2007	2006	2007	2006	2007	2006
Current assets	33.5	22.3	241.0	169.3	15.4	10.8
Fixed assets	66.5	77.7	479.3	588.4	30.6	37.6
Total assets	100.0	100.0	720.3	757.7	46.0	48.4
Expenses	23.5	17.6	168.7	133.7	10.8	8.5
Owner's equity	76.5	82.4	551.6	624.0	35.2	39.9
Incl. owner's equity belonging to the parent	73.9	79.9	533.2	605.6	34.1	38.7

<u>Growth</u> (%)	Q4		12 months	
	2007	2006	2007	2006
Turnover	23,7	7,8	17,7	21,1
EBITDA	-17,1	28,7	12,8	17,6
Operating profit (EBIT)	-25,1	40,7	14,0	20,5
Net profit for the current period	-42,5	-6,5	65,1	18,5
incl. equity holders of the parent	-23,7	-11,4	78,6	13,5

<u>Performance indicators (%)</u>				
Return of sales before depreciation	6,7	10,0	9,5	9,9
Return of sales (operating profit/turnover *100)	4,5	7,5	7,0	7,3
Net profit margin (net profit/turnover *100)	2,2	4,7	11,7	8,4

<u>Employees</u>				
Average number of employees	458	430	442	439
On the end of the reporting period	486	427	486	427

INTERIM FINANCIAL STATEMENTS**CONSOLIDATED BALANCE SHEET**

	Note	EEK'000		€000	
		31.12.2007	31.12.2006	31.12.2007	31.12.2006
Current assets					
Cash and cash equivalents		26,223	6,712	1,676	429
Trade receivables and other receivables		84,603	82,765	5,407	5,290
Prepayments		1,548	845	99	54
Inclusive income tax		717	2	46	0
Inventories		128,639	79,030	8,222	5,050
Total current assets		241,013	169,352	15,404	10,823
Non-current assets					
Investments in associates		21,975	25,187	1,404	1,610
Other long-term financial investments		215,236	344,884	13,756	22,042
Investment property	2	133,839	127,268	8,554	8,134
Property, plant and equipment	2	104,987	87,446	6,710	5,589
Intangible assets	2	3,269	3,595	209	230
Total non-current assets		479,306	588,380	30,633	37,605
TOTAL ASSETS		720,319	757,732	46,037	48,428
Liabilities					
Interest-bearing loans and borrowings	3	28,012	20,772	1,790	1,328
Trade payables and other payables		106,497	73,496	6,806	4,697
Tax liabilities		12,008	12,268	768	784
Inclusive income tax		672	2,401	43	154
Short-term provision		1,421	100	91	6
Total current liabilities		147,938	106,636	9,455	6,815
Non-current liabilities		20,313	26,568	1,298	1,698
Other non-current liabilities		469	469	30	30
Total non-current liabilities	3	20,782	27,037	1,328	1,728
Total liabilities		168,720	133,673	10,783	8,543
Equity					
Share capital		168,000	168,000	10,737	10,737
Share premium		6,000	6,000	384	384
Reserves		207,259	331,552	13,246	21,190
Retained earnings		151,898	100,078	9,708	6,396
Total equity attributable to equity holders of the parent		533,157	605,630	34,075	38,707
Minority interest		18,442	18,429	1,179	1,178
Total equity		551,599	624,059	35,254	39,885
TOTAL LIABILITIES AND EQUITY		720,319	757,732	46,037	48,428

CONSOLIDATED INCOME STATEMENT

EEK'000	Note	For period 10-12 ended 31 December		For period 1-12 ended 31 December	
		2007	2006	2007	2006
Revenue	4	206,761	167,132	731,985	622,087
Cost of sales		-169,941	-135,284	-595,320	-510,152
Gross profit		36,820	31,848	136,665	111,935
Distribution costs		-12,860	-8,226	-36,843	-27,156
Administrative expenses		-15,002	-10,696	-47,723	-39,490
Other income		410	16	588	667
Other expenses		0	-442	-1,175	-782
Operating profit	4	9,368	12,500	51,512	45,174
Net financing income/costs	5	-830	-1,319	43,119	15,341
Share of profit of associates		-3,961	-544	73	1,723
Profit before tax		4,577	10,637	94,704	62,238
Allocation of corporate income tax to relevant periods		-89	-2,837	-8,765	-10,195
Profit for the period		4,488	7,800	85,939	52,043
Attributable to:					
Equity holders of the parent		4,857	6,362	84,460	47,289
Minority interests		-369	1,438	1,479	4,754
Basic and diluted earnings per share	6	0.29	0.38	5.03	2.81
€000					
Revenue	4	13,214	10,682	46,782	39,759
Cost of sales		-10,861	-8,647	-38,048	-32,605
Gross profit		2,353	2,035	8,734	7,154
Distribution costs		-822	-525	-2,355	-1,736
Administrative expenses		-959	-684	-3,050	-2,524
Other income		27	1	38	43
Other expenses		0	-28	-75	-50
Operating profit	4	599	799	3,292	2,887
Net financing income/costs	5	-53	-84	2,756	980
Share of profit of associates		-253	-35	5	111
Profit before tax		293	680	6,053	3,978
Allocation of corporate income tax to relevant periods		-6	-181	-560	-652
Profit for the period		287	499	5,493	3,326
Attributable to:					
Equity holders of the parent		311	407	5,398	3,022
Minority interests		-24	92	95	304
Basic and diluted earnings per share	6	0.02	0.04	0.32	0.18

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period 1-12 ended 31 December	Note	EEK'000		€000	
		2007	2006	2007	2006
Cash flows from operating activities					
Operating profit	4	51,512	45,174	3,292	2,887
<u>Adjustments for:</u>					
Depreciation and amortisation	2	18,048	16,516	1,154	1,056
Gain on sale of property, plant and equipment		-43	-374	-3	-24
Other non-monetary expenses		1,286	0	83	0
Change in trade and other receivables related to operating activity		954	-20,024	61	-1,280
Change in inventories		-49,609	-9,862	-3,171	-630
Change in payables related to operating activity		33,269	11,312	2,126	723
Corporate income tax paid		-11,209	-8,073	-716	-516
Interest paid		-2,624	-1,943	-168	-124
Net cash from operating activities		41,584	32,726	2,658	2,092
Cash flows from investing activities					
Acquisition of investment property		-14,013	-10,416	-896	-666
Acquisition of property, plant and equipment		-27,709	-19,256	-1,771	-1,231
Proceeds from sale of property, plant and equipment		61	475	4	30
Acquisition of intangible assets		-725	-3,452	-46	-221
Acquisition of other financial investments		0	-158	0	-10
Net cash flows incurred by acquisition of production unit		0	-5,714	0	-365
Proceeds from sale of other financial investments		39,056	5,758	2,497	368
Net cash flow from disposal of subsidiary		0	144	0	9
Loans given		-50	-58	-3	-4
Repayment of loans given		100	8	6	1
Interest received		335	249	21	16
Dividends received		12,663	13,988	809	894
Net cash used in investing activities		9,718	-18,432	621	-1,179
Cash flows from financing activities					
Proceeds from borrowings		11,200	7,000	716	447
Repayment of borrowings	3	-10,054	-11,353	-643	-725
Payment of finance lease principal	3	-1,176	-1,555	-75	-99
Dividends paid		-31,706	-27,531	-2,026	-1,760
Net cash used in financing activities		-31,736	-33,439	-2,028	-2,137
Net cash flows		19,566	-19,145	1,251	-1,224
Cash and cash equivalents at beginning of period		6,712	25,940	429	1,658
Net increase / decrease		19,566	-19,145	1,251	-1,224
Effect of exchange rate fluctuations on cash held		-55	-83	-4	-5
Cash and cash equivalents at end of period		26,223	6,712	1,676	429

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EEK '000	Attributable to equity holders of the parent							
For period 1-12/ 2006	Share capital	Share premium	Capital reserve	Fair value reserve	Retained earnings	Total	Minority interest	TOTAL
Balance at 31 December 2005	168,000	6,000	8,600	287,526	82,069	552,195	16,138	568,333
Profit for period	0	0	0	0	47,289	47,289	4,754	52,043
Income recognized directly in equity	0	0	0	33,026	0	33,026	0	33,026
Total income for period	0	0	0	33,026	47,289	80,315	4,754	85,069
Dividends	0	0	0	0	-26,880	-26,880	-651	-27,531
Amounts transferred to reserves	0	0	2,400	0	-2,400	0	0	0
Disposal of a subsidiary	0	0	0	0	0	0	-1,812	-1,812
Balance at 31 December 2006	168,000	6,000	11,000	320,552	100,078	605,630	18,429	624,059
For period 1-12/2007								
Profit for period	0	0	0	0	84,460	84,460	1,479	85,939
Income recognized directly in equity	0	0	0	-126,693	0	-126,693	0	-126,693
Total income for period	0	0	0	-126,693	84,460	-42,233	1,479	-40,754
Dividends	0	0	0	0	-30,240	-30,240	-1,466	-31,706
Amounts transferred to reserves	0	0	2,400	0	-2,400	0	0	0
Balance at 31 December 2007	168,000	6,000	13,400	193,859	151,898	533,157	18,442	551,599

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

€000	Attributable to equity holders of the parent							
For period 1-12/ 2007	Share capital	Share premium	Capital reserve	Fair value reserve	Retained earnings	Total	Mino- rity interest	TOTAL
Balance at 31 December 2005	10,737	384	550	18,376	5,245	35,292	1,031	36,323
Profit for period	0	0	0	0	3,022	3,022	304	3,326
Income recognized directly in equity	0	0	0	2,111	0	2,111	0	2,111
Total income for period	0	0	0	2,111	3,022	5,133	304	5,437
Dividends	0	0	0	0	-1,718	-1,718	-42	-1,760
Amounts transferred to reserves	0	0	153	0	-153	0	0	0
	0	0	0	0	0	0	-115	-115
Balance at 31 December 2006	10,737	384	703	20,487	6,396	38,707	1,178	39,885
For period 1-12/ 2007								
Profit for period	0	0	0	0	5,398	5,398	95	5,493
Income recognized directly in equity	0	0	0	-8,097	0	-8,097	0	-8,097
Total income for period	0	0	0	-8,097	5,398	-2,699	95	-2,604
Dividends	0	0	0	0	-1,933	-1,933	-94	-2,027
Amounts transferred to reserves	0	0	153	0	-153	0	0	0
Balance at 31 December 2007	10,737	384	856	12,390	9,708	34,075	1,179	35,254

NOTES TO INTERIM FINANCIAL STATEMENT**Note 1. Accounting methods and valuation principles used in the consolidated interim report**

AS Harju Elekter is a company registered in Estonia. The interim report prepared as of 31.12.2007 comprise AS Harju Elekter (the "parent company") and its subsidiaries AS Eltek, AS Harju Elekter Elektrotehnika, Satmatic Oy and Rifas UAB (together referred to as the "Group") and the Group's interest in associates AS Draka Keila Cables and AS Saajos Inexa. AS Harju Elekter has been listed at Tallinn Stock Exchange since 30 September 1997; 32.02% of its shares is held by AS Harju KEK.

This consolidated interim report is prepared in accordance with the requirements for international accounting standard IAS 34 "Interim Financial Reporting" on condensed interim financial statements. The interim report is prepared on the basis of the same accounting methods as used in the annual report concerning the period ending on 31.12.2006 except the presentation of financial information of segments (see below).

According to the assessment of the management board, the interim report for 1-12/2007 of AS Harju Elekter presents a true and fair view of the financial result of the consolidation group guided by the going-concern assumption. This interim report has been neither audited nor monitored by auditors by any other way and only includes the consolidated reports of the group.

The presentation currency is the Estonian kroon (EEK). The consolidated interim financial statement has been drawn up in thousands of Estonian kroons and all the figures have been rounded to the nearest thousand, unless indicated otherwise. In accordance with Tallinn Stock Exchange Rules, the annual financial statement is also presented in euros. As the Estonian kroon is pegged to the euro at the rate of EEK 15.6466 to €1 presentation of the statements does not entail differences in the exchange rate. In the statement the abbreviation EEK'000 means a thousand kroons and abbreviation €000 means a thousand euros.

Note 2 Property, plant and equipment, investment property and intangible assets

For the period 1-12 ended 31 December EEK'000	Property, plant and equipment		Investment property		Intangible assets	
	2007	2006	2007	2006	2007	2006
Balance at 1 January	87,446	70,731	127,268	123,625	3,595	1,560
Additions	28,518	20,648	14,013	10,416	725	3,085
Additions through business combinations	0	6,259	0	0	0	0
Transfer from investment property	2,496	2,157	-2,496	-2,157	0	0
Disposals	-1,422	-1,497	0	0	0	-2
Amortisation change for the period	-12,051	-10,852	-4,946	-4,616	-1,051	-1,048
Balance at the end of the current period	104,987	87,446	133,839	127,268	3,269	3,595
€000						
Balance at 1 January	5,589	4,521	8,134	7,901	230	100
Additions	1,823	1,320	896	666	46	197
Additions through business combinations	0	399	0	0	0	0
Transfer from investment property	160	138	-160	-138	0	0
Disposals	-91	-95	0	0	0	0
Amortisation change for the period	-771	-694	-316	-295	-67	-67
Balance at the end of the current period	6,710	5,589	8,554	8,134	209	230

Note 3 Interest-bearing loans and borrowings

	EEK'000		€000		
	31.12.2007	31.12.2006	31.12.2007	31.12.2006	
Liabilities					
Short-term bank loans	16,509	9,702	1,055	620	
Current portion of long-term bank loans	10,118	10,054	646	643	
Current portion of lease liabilities	1,385	1,016	89	65	
Total current liabilities	28,012	20,772	1,790	1,328	
Long-term bank loans	19,274	24,999	1,232	1,597	
Lease liabilities	1,039	1,569	66	101	
Total non-current liabilities	20,313	26,568	1,298	1,698	
Total interest-bearing loans and borrowings	48,325	47,340	3,088	3,026	
Changes during the period 01.01. – 31.12.		EEK'000	€000		
		2007	2006	2007	2006
Loans and borrowings at the beginning of the year		47,340	51,896	3,026	3,317
Changes in short-term loans		6,807	-2,167	435	-138
Received long-term loans		4,393	7,000	281	447
Long-term loan repaid		-10,054	-9,186	-643	-587
New finance lease liabilities		1,015	1,352	64	86
Payment of finance lease principal		-1,176	-1,555	-75	-99
Loans and borrowings at the end of the current period		48,325	47,340	3,088	3,026

Note 4 Segment reporting

Segment reporting is presented in respect of the Group's business and geographical segments. The primary format, geographical segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined on the basis of market prices.

Group's geographical segment report – primary segment

Segment reporting is presented in respect of the Group's business and geographical segments. The primary format, geographical segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined on the basis of market prices.

Estonia – the domicile of AS Harju Elekter and its subsidiaries AS Harju Elekter Elektrotehnika and AS Eltek;

Finland – the domicile of the subsidiary Satmatic Oy;

Lithuania – the domicile of the subsidiary Rifas UAB.

In presenting information on the basis of markets, segment revenue is based on the geographical location of customers.

For the period 1-12 ended 31 December

EEK'000	Estonia		Finland		Lithuania		Eliminations		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Revenue from external customers	408,324	310,453	246,668	198,063	76,993	113,571	0	0	731,985	622,087
Inter-segment revenue	25,835	25,536	45	77	1,377	499	-27,257	-26,112	0	0
Total revenue	434,159	335,989	246,713	198,140	78,370	114,070	-27,257	-26,112	731,985	622,087
Segment result	40,881	27,803	7,054	4,827	3,611	12,538	-34	6	51,512	45,174

€000

Revenue from external customers	26,097	19,842	15,765	12,658	4,920	7,259	0	0	46,782	39,759
Inter-segment revenue	1,651	1,632	3	5	88	32	-1,742	-1,669	0	0
Total revenue	27,748	21,474	15,768	12,663	5,008	7,291	-1,742	-1,669	46,782	39,759
Segment result	2,612	1,777	451	309	231	801	-2	0	3,292	2,887

Segment revenue based on the geographical location of customers

For the period 1-12 ended 31 December

EEK'000	Estonia		Finland		Lithuania		Eliminations		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Estonia	299,469	254,116	45	78	1,331	748	-1,422	-577	299,423	254,365
Finland	64,632	69,002	243,608	197,038	2,428	0	-23,631	-21,140	287,037	244,900
Lithuania	3,484	5,375	0	0	63,354	99,414	-2,204	-4,395	64,634	100,394
EU countries	59,100	5,148	3,060	251	4,103	4,767	0	0	66,263	10,166
Other	7,474	2,348	0	773	7,154	9,141	0	0	14,628	12,262
Total	434,159	335,989	246,713	198,140	78,370	114,070	-27,257	-26,112	731,985	622,087

€000

Estonia	19,140	16,241	3	5	85	48	-91	-37	19,137	16,257
Finland	4,130	4,410	15,569	12,593	155	0	-1,510	-1,351	18,344	15,652
Lithuania	223	344	0	0	4,049	6,354	-141	-281	4,131	6,417
EU countries	3,777	329	196	16	262	305	0	0	4,235	650
Other	478	150	0	49	457	584	0	0	935	783
Total	27,748	21,474	15,768	12,663	5,008	7,291	-1,742	-1,669	46,782	39,759

Group's business segment report – secondary segment

As at 31 December 2007 the Group was active in the following fields and the accompanying risks and rewards were very different. Every field of activity had enough weight to form a separate segment:

“*Manufacturing*” – The manufacture and sale of power distribution and control systems as well as data and communications systems and fibre optic cables and various sheet metal products and subcontracting in the area of sheet metal works; research and development; services related to manufacturing and intermediary sale of components.

“*Trade*” – Retail- and wholesale of products necessary for electrical installation works, mainly to retail customers and small- and medium-sized electrical installation companies;

“*Real estate*” – real estate development, maintenance and rental. Real estate has been identified as a reportable segment because its result and assets are more than 10% of the total result and assets of all segments.

Unallocated items – management services; design of industrial automation equipment, programming of process control automatic equipment and project management of installation works; construction services and installation of automatic control equipment. Other activities are less significant for the Group and none of them constitutes a separate reporting segment.

Business segment revenue in areas of activity:

For the period 1-12 ended 31 December

EEK'000	Revenue		Eliminations		Consolidated	
	2007	2006	2007	2006	2007	2006
Manufacturing	613,881	511,588	-4,330	-4,657	609,551	506,931
Real estate	49,363	44,000	-13,772	-11,152	35,591	32,848
Trade	75,720	63,855	-175	-399	75,545	63,456
Unallocated activities	16,159	26,324	-4,861	-7,472	11,298	18,852
Total revenue	755,123	645,767	-23,138	-23,680	731,985	622,087
€000						
Manufacturing	39,234	32,697	-277	-298	38,957	32,399
Real estate	3,155	2,812	-880	-713	2,275	2,099
Trade	4,839	4,081	-11	-25	4,828	4,056
Unallocated activities	1,033	1,682	-311	-477	722	1,205
Total revenue	48,261	41,272	-1,479	-1,513	46,782	39,759

Note 5 Net financing income/costs

For the period 1-12 ended 31 December	EEK'000		€000	
	2007	2006	2007	2006
Interest income	329	225	21	14
Interest expense	-2,633	-1,940	-168	-124
Dividend income	12,663	12,679	809	810
Net loss from foreign exchange differences	-55	-83	-4	-5
<i>Marketable investments:</i>				
Income from sale of investments	32,815	5,322	2,098	340
Loss incurred by sale of participation	0	-862	0	-55
TOTAL	43,119	15,341	2,756	980

Note 6 Basic and diluted earnings per share

Basic earnings per share have been calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of shares outstanding during the period.

For the period 1-12 ended 31 December	2007	2006	2007	2006		
Profit attributable to equity holders of the parent	EEK'000	84,460	47,289	€000	5,398	3,022
Average number of shares outstanding during the period	'000	16,800	16,800	'000	16,800	16,800
Basic and diluted earnings per share	EEK	5.03	2.81	€	0.32	0.18

Diluted earnings per share are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of shares outstanding, both adjusted for the effects of all dilutive potential shares. At 31 December 2007, the Group did not have any potential shares. Therefore, diluted earnings per share are equal to basic earnings per share.

Note 7 Transactions with related parties

The related parties of AS Harju Elekter include associated companies AS Draka Keila Cables and AS Saajos Inexa; members of the management and supervisory boards and their close family members; and AS Harju KEK which owns 32.02 percent of the shares of AS Harju Elekter.

Group has purchased goods and services from and sold goods and services to related parties as follows:

For the period 1-12 ended 31 December	EEK '000		€000	
	2007	2006	2007	2006
Purchase of goods and services from related parties:				
- from associates	14,563	13,017	930	832
- from Harju KEK	588	282	38	18
TOTAL	15,151	13,299	968	850
<i>Inclusive:</i>				
- goods and materials for manufacturing	14,548	12,834	930	820
- lease of property, plant and equipment	536	215	34	14
- other	67	250	4	16
Sale of goods and services to related parties:				
- to associates	221	13,173	14	842
- from Harju KEK	12,175	33	778	2
TOTAL	12,396	13,206	792	844
<i>Inclusive:</i>				
- goods and materials for manufacturing	828	1,463	53	94
- lease of property, plant and equipment	6,685	6,814	427	435
- management services	2,713	3,697	173	236
- other	2,170	1,232	139	79
Purchase of assets from Harju KEK				
- land	2,768	1,562	177	100
- buildings	11,882	8,938	759	571
TOTAL	14,650	10,500	936	671
Balances with related parties				
	31.12. 2007	31.12. 2006	31.12. 2007	31.12. 2006
Receivables with associates: goods and services	243	2,926	16	187
Payables with associates: goods and services	60	1,266	4	81

Statement of Management responsibility

The management board of AS Harju Elekter acknowledges its responsibility for the preparation, integrity and fair presentation of the consolidated interim financial statements of 1-12/ 2007, as set out on pages 12 to 22, and confirms that to the best of its knowledge, information and belief that:

- the policies applied in the preparation of the consolidated financial statements comply with International Financial Reporting Standards as adopted by the European Union;
- the consolidated financial statements give a true and fair view of the financial position of the Group and of the results of its operations and its cash flows;
- all significant events that occurred before the date on which the consolidated financial statements were authorised for issue (18 February 2008) have been properly recognised and disclosed; and
- AS Harju Elekter and its subsidiaries are going concerns.

Management Board

Andres Allikmäe	Chairman of the Board	/signature/	„18.“ February 2008
Lembit Libe	Member of the Board	/signature/	„18.“ February 2008
Karin Padjus	Member of the Board	/signature/	„18.“ February 2008