AS HARJU ELEKTER

Interim report 1-6/2013

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
Commercial registry code:	10029524
Address:	Paldiski mnt.31, 76 606 Keila
Telephone:	+372 67 47 400
Fax:	+372 67 47 401
Web-site:	he@he.ee
Internet homepage:	www.harjuelekter.ee
CEO:	Andres Allikmäe
Auditor**:**	KPMG Baltics
Beginning of the reporting period:	1st of January 2013
End of the reporting period:	30th of June 2013

The interim report of Harju Elekter Groupon 23 pages

CONTENTS

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

EXPLANATORY NOTE

Group structure and changes on it

In interim report for 1-6/2013 the financial indicators of AS Harju Elekter (the consolidating entity) and its subsidiaries: AS Harju Elekter Elektrotehnika, AS Harju Elekter Teletehnika, Satmatic OY, Harju Elekter AB and Rifas UAB are consolidated line-by-line and the results of affiliated company - AS Draka Keila Cables - by the equity method. As of 30 June 2013, AS Harju Elekter has substantial holdings as follows:

Company		Country	30.6.13	31.12.12	30.6.12
AS Harju Elekter Teletehnika	subsidiary	Estonia	100.0%	100.0%	100.0%
AS Harju Elekter Elektrotehnika	subsidiary	Estonia	100.0%	100.0%	100.0%
Satmatic OY	subsidiary	Finland	100.0%	100.0%	100.0%
Harju Elekter AB	subsidiary	Sweden	90.0%	90.0%	90.0%
Rifas UAB	subsidiary	Lithuania	62.7%	62.7%	51.0%
AS Draka Keila Cables	associated company	Estonia	34.0%	34.0%	34.0%
SIA Energokomplekss	financial investment	Latvia	14.0%	14.0%	14.0%
PKC Group Oyj	financial investment	Finland	6.3%	6.4%	6.5%

The shares of PKC Group Oyj are presented on the balance sheet at their market price. The changes in the market price of the shares can have a substantial effect on the value of the assets and the owners' equity in the Group.

Economic environment

The Estonian Institute of Economic Research cites the World Economic Survey 2/2013, published by the Munich-based IFO Institute for Economic Research, which indicates an improvement in the global economic climate, especially in North and Latin America, the Middle East, and Asia. Unfortunately this does not apply to the EU, especially the euro area which has not only lost a lot of its economic growth but where the recession has already spread to 9 euro area countries which, in addition to the smaller southern countries, also includes France, Italy, the Netherlands, Belgium and Finland. However, the problems have already been identified and measures implemented – better control of banks, monitoring of the budgets of Member States, etc. By now, people have become accustomed to the problem and it is no longer perceived as a crisis. The situation on the financial markets has been relatively stable this year, interest rates remain low and inflation is at around 2%. The oil price increase has also stopped, with forecasts pointing to a decrease in prices instead.

Throughout history, Finland and Sweden have been Estonia's biggest economic partners, followed by the other Scandinavian countries and Germany. While Estonia's economy was driven by exports in 2012, the developments have been uncertain on our most important export markets in the first half of 2013. Investment volumes in the Nordic countries as well as in Germany have fallen this year. Although on a positive note, Lithuania's export businesses have actually managed to increase product and services exports, and of note is also the fact that as of 2014 Latvia will become a member of the euro area, which is of great importance to our economic region as a whole.

Estonia's current economic growth is based on an active internal market, which keeps us, as well as Latvia and Lithuania, among other fast growing EU economies. According to bank analysts, private consumption will remain the main driving force behind economic growth here throughout the year. However, domestic demand cannot completely balance the greater than expected economic contraction of the euro area and our economic partners, and the slower recovery. Growth is influenced by more modest investment volumes, which are caused, in addition to unfavourable developments on the external market which are reflected in decreasing volumes in the industrial sector, also by the sale of CO2 quotas and a decrease of investments through the EU's Structural Funds, which directly influence the volumes in the construction sector. Nevertheless, Estonia has recovered well from the crisis: by the end of 2012 export and industrial production volumes had surpassed pre-crisis levels. Export volume is surpassing 2007 (boom year) volume by 30%.

Main events

AS Harju Elekter Elektrotehnika, a subsidiary of Harju Elekter, won the public procurement announced by the subsidiary of Eesti Energia, OÜ Elektrilevi, for purchasing unit substations. As a result of successful negotiations, a 5-year delivery contract was signed. Pursuant to the contract, in the following years, Harju Elekter Elektrotehnika will deliver to OÜ Elektrilevi approximately 520 unit substations with 1 and 2 transformers per year, which are manufactured in plants. The substations will be installed, and the deliveries are aimed at the Estonian market.

From 13–17 May, AS Harju Elekter Elektrotehnika attended Elfack 2013, in Gothenburg, Sweden, the biggest power engineering industry exhibition in the Nordic countries, where power industry enterprises from around the world presented new products and solutions to more than 30 000 visitors. At the exhibition, Harju Elekter showcased an internally developed substation unit conforming to Swedish market requirements, substation solutions for 1 kV transmission networks and charging equipment for electric cars. In addition, the subsidiaries attended professional fairs in Finland: in January, Satmatic Oy and AS Harju Elekter Elektrotehnika introduced their product range, designed for the energy distribution sector, at the (energy) distribution network fair Sähkövirkot 2013, in Tampere; and in February, Satmatic Oy presented its renewable energy products at the biggest professional fair Sähkö, Tele, Valo and AV in Jyväskylä. The commercial group of AS Harju Elekter introduced the product range for shops at the international building fair in Talllinn.

AS Harju Elekter Elektrotehnika undertook recertification of ISO 9001 and ISO 14001 quality systems and new 3-year certificates were issued. BVC auditors’ report of recertification was unqualified.

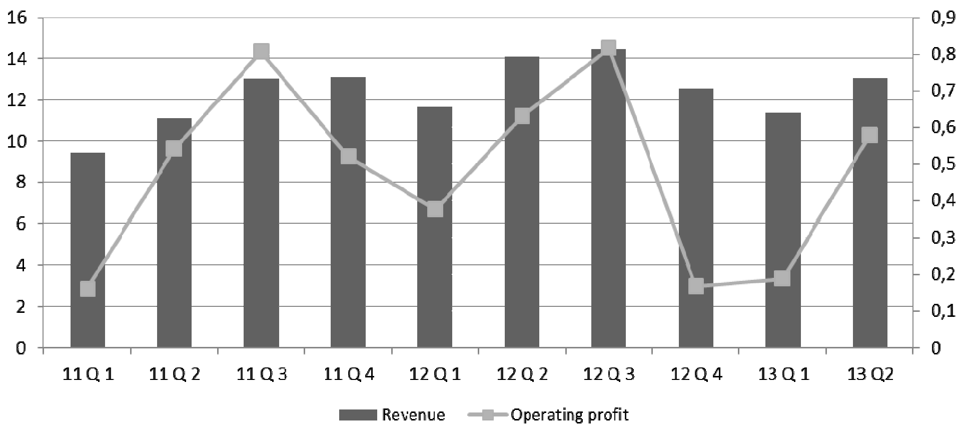
Implementation of the 5S principles, aimed at increasing profitability, continued in AS Harju Elekter Teletehnika. Thanks to successful completion of stage I of the lean 5S system, the company managed to free the production of excessive articles and time cost by the end of 2012. At the beginning of this year, stage II of the Lean 5S system was launched in the company, starting with the mapping of work processes, in order to ensure an even more efficient use of the resources.

Operating results

KEY INDICATORS

	January - June			Year
	2013	**2012**	**2011**	**2012**
Revenue (EUR’000)	24,450	25,750	20,539	52,801
Gross profit (EUR’000)	4,066	4,259	3,331	8,653
EBITDA (EUR’000)	1,507	1,727	1,397	3,439
EBIT (EUR’000)	768	1,005	700	1,970
Profit for the period (EUR’000)	2,470	2,105	1,329	3,603
incl attributed to Owners of the Company (EUR’000)	2,403	2,073	1,258	3,517
Revenue growth/decrease (%)	-5.1	25.4	21.5	13.1
Gross profit growth/decrease (%)	-4.6	35.3	37.6	11.1
EBIDTA growth/decrease (%)	-12.7	23.6	47.6	1.8
EBIT growth/decrease (%)	-23.7	43.5	180.0	-2.7
Profit for the period growth/decrease (%)	17.3	58.4	14.2	22.2
incl attributed to Owners of the Company (%)	15.9	64.8	8.4	26.8
Distribution cost to revenue (%)	5.3	5.3	5.0	5.3
Administrative expenses to revenue (%)	8.1	7.4	7.6	7.3
Labour cost to revenue (%)	23.9	23.7	24.2	22.5
Gross margin (Gross profit/revenue) (%)	16.6	16.5	16.2	16.4
EBITDA margin (EBITDA/revenue) (%)	6.2	6.7	6.8	6.5
Operating margin (EBIT/revenue) (%)	3.1	3.9	3.4	3.7
Net margin (Profit for the period/revenue) (%)	10.1	8.1	6.5	6.8
ROE (Profit for the period/average equity) (%)	4.7	4.9	2.9	7.7

Seasonality of business (million euros)



In the accounting quarter, the Group's consolidated revenue was 13.1 million euros, which was 7% compared to the reference period. Operating profit of Q2 2013 was 0.6 million euros, decreasing by 8%. At the same time, the sales revenue of 17.5% and operating profit of 7.2% from the reporting quarter surpassed the indicators from Q2 of 2011. The consolidated net profit of the Q2 2013 increased by 239,000 euros up to 1.8 million euros.

SALES REVENUE

The quarterly sales development by segments:

Segment	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q2 change y-o-y
Manufacturing	12,950	13,231	11,135	10,152	11,691	-9.7%
Real estate	561	556	618	650	590	5.2%
Unallocated activities	568	699	812	588	779	37.1%
Total	**14,079**	**14,486**	**12,565**	**11,390**	**13,060**	**-7.2%**

The Group's six month sales revenue was 24.5 million euros, which is 5% less than in the first half of 2012. In the reporting quarter, the consolidated sales volume dropped by 7% compared to the indicator from the same period of last year, mainly as a result of decreased sales revenue from the Production segment. At the same time, Production segment sales volume was 1.5 million euros higher than in Q1 of the financial year and 500,000 euros higher than the indicator for the last quarter of last year. As usual, around 90% of sales revenue came from the Production segment.

The quarterly sales development by business area:

	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q2 change y-o-y
Electrical equipment	12,031	12,355	10,226	9,331	10,951	-9.0%
Sheet metal products and services	313	307	273	205	228	-27.3%
Boxes for telecom sector and services	274	292	274	261	301	9.9%
Intermediary sale of electrical products and components	664	773	1,153	855	914	37.6%
Rental income	538	536	556	546	549	1.9%
Other services	259	223	83	192	117	-54.8%
Total	**14,079**	**14,486**	**12,565**	**11,390**	**13,060**	**-7.2%**

Around 83% of the sales revenue came from the production and sale of electrical equipment, its sales volume decreasing 9% to 11 million euros during the reporting quarter and 6% to 20.3 million euros during the first half of the year. The sale of electrical equipment usually increases in Q2 and Q3, while being more modest in Q1 and Q4. In Q2 2013 the sales volume of electrical equipment was 1.6 million euros higher than in Q1 2013 and 700,000 euros higher than in Q4 of 2012.

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

At the same time, income from the mediation of electrical goods, the share in the consolidated sales revenues of which amounts to 7-8% or more, increased in the second quarter by 250,000 euros to 0.9 million euros and in the first six months by 6.5% to 1.8 million euros. The rental income by quarters exceeds the threshold of 0.5 million, contributing up to 5% of the consolidated sales revenues.

Sales revenue by market:

	Growth		Q2	Q2	6 months		Share	Share
Markets	Q/Q	6m/6m	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Estonia	6.9%	0.7%	5,080	4,753	9,037	8,977	37.0%	34.9%
Finland	-15.2%	-10.1%	5,916	6,980	11,277	12,544	46.1%	48.7%
Lithuania	94.0%	62.8%	873	450	1,790	1,100	7.3%	4.3%
Sweden	-52.3%	-49.4%	306	641	387	765	1.6%	3.0%
Other EU countries	100.0%	-39.7%	74	0	285	473	1.2%	1.8%
Others	-35.4%	-11.5%	811	1,255	1,674	1,891	6.8%	7.3%
Total	**-7.2%**	**-5.0%**	**13,060**	**14,079**	**24,450**	**25,750**	**100.0%**	**100.0%**

63% of the Group’s products and services were sold in foreign markets, outside Estonia (H1 2012: 65.1%) and 92% revenues received from the Group’s companies home markets - Estonia, Finland, Sweden, Lithuania. The consolidated sales revenues of the accounting quarter as well as in the first half of the year decreased in respect to all markets compared to 2012. Exceptions were the Lithuanian and Estonian markets.

The largest target markets of the Group are Estonia and Finland, which is why the sales volumes of the Group are strongly influenced by the developments there. Finland’s economy was weak in the first half of 2013, with exports to Finland having fallen by nearly 10% over six months. The Group’s sales on the Finnish market decreased by 1.3 million euros in the first half of the year to 11.3 million euros and by 1 million euros to 5.9 million euros in the reporting quarter, thus also decreasing the relative importance of the Finnish market in the consolidated sales revenues by 2.6 percentage points to 46.1%. However, sales on the Estonian market grew by 6.9% to 5.1 million euros in the reporting quarter and by 0.7% to 9 million euros in the first half of the year, accounting for 37% of the consolidated sales revenues. In terms of products, turnover in Estonia was led by substations, followed by MV equipment and commercial products with order volumes exhibiting an upwards trend compared to last year. The sales of MV equipment have been good for the first half of the year and Q2 alike. The biggest projects in the reporting quarter were the Ojamaa mine and the thermal power station Põhja (Petroter 1).

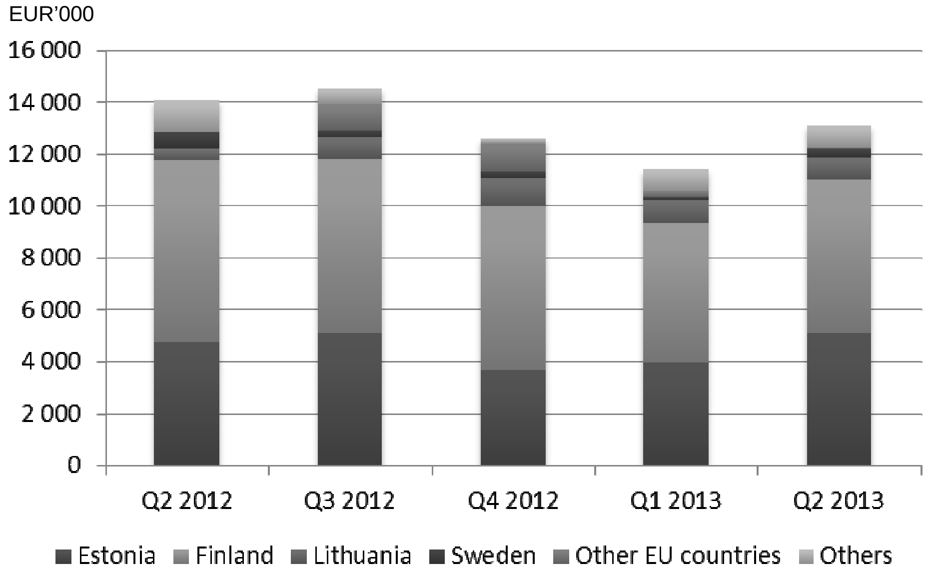
Developments on the Lithuanian market have been positive. Compared to indicators from the same periods of last year, sales volume nearly doubled in Q2 and grew by 63% to 1.8 million euros in six months. The relative importance of the Lithuanian market in the Group’s sales revenue grew by 3 percentage points to 7.3%. As a result of decreased exports and infrastructure investments in Sweden, the Group’s sales volumes also decreased on that market in Q2 as well as in the first half of the year. However, the influence of the Swedish market is of little significance to the Group’s economic indicators.

The enterprises of the Group have mainly long-term contracts with clients on the domestic markets. Operations outside the domestic markets are mainly project and commission-based and therefore constantly changing. Due to the freezing of infrastructure-related investments in Germany, the Group’s sales volume on that market also decreased by 200,000 euros in the first half of the year. This was also the main reason why sales revenue from other EU countries decreased 40% to 300,000 euros in six months. In the current year, one-off projects in Portugal, Switzerland and Belarus were concluded, but new projects were also started in Belgium, the United States and Ukraine. Deliveries to Denmark, France, Poland and Russia have increased, and in the last couple of years these countries have increasingly joined the Group’s other target markets.

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

All in all, in the first half of the year, 1.3% of the Group's products and services were marketed in other EU countries and 7% outside the EU.

The quarterly sales development by markets



OPERATING EXPENSES

	change % y-o-y		quarter 2			6 months			year
	Q2	M6	2013	2012	2011	2013	2012	2011	2012
Cost of sales	-8.5%	-5.1%	10,716	11,716	9,183	20,384	21,491	17,208	44,148
Distribution costs	-1.9%	-3.8%	704	718	542	1,304	1,355	1,035	2,801
Administrative expenses	0.3%	3.4%	1,045	1,043	819	1,984	1,918	1,561	3,876
Total expenses	**-7.5%**	**-4.4%**	**12,465**	**13,477**	**10,544**	**23,672**	**24,764**	**19,804**	**50,825**
incl. depreciation of fixed assets	2.7%	2.3%	372	362	358	739	722	697	1,469
Total labour cost	-2.1%	-3.9%	3,121	3,189	2,623	5,855	6,093	4,975	11,860
inclusive salary cost	-1.5%	-4.5%	2,305	2,339	1,925	4,414	4,619	3,768	9,139

Decreased production volumes have also resulted in decreased costs. In the reporting quarter, operating costs decreased 7.5%; with 8.5% lower costs related to the sale of products and services and 1.9% lower costs related to marketing. General administrative costs remained on the same level with the comparable period. In the first half of the year, costs related to sold products decreased by 1.1 million euros to 20.4 million euros, resulting in a gross profit margin of 16.6% with an improvement of 0.1 percentage points. Changes related to fixed costs (marketing and general administrative costs) were modest. In the first half of the year, marketing costs amounted to 5.3% of sales revenue (2012 six months: 5.3%). General administrative costs grew by 66,000 euros in the first half of the year, i.e. by 3.4% to 2 million euros, with general administrative costs amounting to 8.1% of sales revenue, which is an increase of 0.7 percentage points. As a result of the reorganising of the development department into the Development Centre in 2012, the number of the Centre's employees grew, resulting in an increase of general administrative costs as well as the development costs included in them.

The number of employees in the Group's enterprises grew by 12 over six months and by 6 over the year. The average number of employees grew by 14 in the reporting quarter and by 21 in the first half of the year. However, in the reporting quarter, labour costs decreased by 2.1% to 3.1 million euros and wage costs decreased by 1.5% to 2.3 million euros, being in the first half of the year 3.9% and 4.5% respectively. In the first half of the year, labour costs amounted to 23.9% of sales revenue, which is 0.2 percentage points more than in the same period of the previous year and 0.3 percentage points less than in the first half of 2011.

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

EARNINGS AND MARGINS

In the second quarter the gross profit of the Group was 2.3 (Q2 2012: 2.4) million euros. The gross profit margin was 17.9% being 1.1 per cent point better compering to the same period figure a year before and 0.4 per cent point better than in Q2 2011.

Operating profit of Q2 2013 was 579 (Q2 2012: 630) thousand euros and EBITDA 952 (Q2 2012: 993) thousand euros. Return of sales for the accounting quarter was 4.4% (Q2 2012: 4.5%) and return of sales before depreciation 7.3% being 0.1 per cent point better compering to the same period figure a year before.

Dividend income in the reporting quarter was 948,000 (Q2 2012: 831,000) euros. In Q2 2013, the Group consolidated from the associated company a profit of 608,000 (Q2 2012: 374,000) euros.

The consolidated net profit of the Q2 2013 was 1.75 (Q2 2012: 1.51) million euros, of which the share of the owners of the company was 1.71 (Q2 2012: 1.49) million euros. EPS in the Q2 was 0.10 (Q2 2012: 0.09) euros.

In H1, the gross profit of the Group was 4.07 (H1 2012: 4.26) million euros. The gross profit margin was 16.6% being 0.1 per cent point better compering to the same period figure a year before. The operating profit before depreciation decreased by 12.7% up to 1.51 million euros and operating profit by 23.7% to 0.77 million euros. The decrease in operating profit was the result of the decrease of profitability in Group's Finnish and Lithuanian subsidiaries in the first quarter. EBITDA was 6.2% (H1 2012: 6.7%) and EBIT 3.1% (H1 2012: 3.9%).

In the first quarter, also 30,000 (Q1 2012: 15,400) PKC Group Oyj shares were sold and the financial income from selling the shares was 453,000 (Q1 2012: 175,000) euros. Totally, the net financial expenses have increased by 400,000 euros to 1.39 million euros. During the first six months, the Group consolidated from the associated company a profit of 0.68 (H1 2012: 0.45) million euros.

Overall, the consolidated net profit of the H1 2013 was 2.47 million euros, increasing by 17.3%. The share of the owners of the company was 2.40 million euros. EPS in the H1 was 0.14 (H1 2012: 0.12) euros.

Employees and remuneration

In Q2 2013, the average 464 people worked in the Group − on the average by 14 persons more than in the reference period. During the first 6 months, the average number of employees increasing by 21 persons up to 463 employees. In the second quarter, employee wages and salaries totalled 2,305 (Q2 2012: 2,339) thousand euros and during the first 6 months 4,414 (H1 2012: 4,619) thousand euros. The average wages per employee per month amounted 1,591 (2012 H1: 1,740) euros.

	Average number of employees				Number of employees at 30.6.			At
	Q2 2013	Q2 2012	6m 2013	6m 2012	Change	2013	2012	31.12.2012
Estonia	283	284	282	279	-4	312	316	299
Finland	90	86	90	88	3	88	85	88
Lithuania	89	78	89	73	7	88	81	89
Sweden	2	2	2	2	0	2	2	2
Total	**464**	**450**	**463**	**442**	**6**	**490**	**484**	**478**

As at the balance day on 30 June, there were 490 people working in the Group, which were 6 employees more than a year before and 12 employees more than in the beginning of January.

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

Financial position and cash flows

	Growth y-o-y	M6 2013	30.6. 2013	30.6. 2012	30.6. 2011	31.12. 2012
Current assets	-851	1,307	17,779	18,630	15,239	16,472
Non-current assets	8,299	3,488	46,625	38,326	41,839	43,137
TOTAL ASSETS	**7,448**	**4,795**	**64,404**	**56,956**	**57,078**	**59,609**
Current liabilities	-2,211	571	8,695	10,906	9,027	8,124
Non-current liabilities	-276	0	1,349	1,625	1,869	1,349
Equity	9,935	4,224	54,360	44,425	46,182	50,136
incl attributable to owners of the Company	10,244	4,184	52,966	42,722	44,565	48,782
Equity ratio (%) (Equity/total assets)*100 (%)	1.7	0.0	84.5	78.0	80.9	84.1
Current ratio (Average current assets/ Average current liabilities)	0.3	0.0	2.0	1.7	1.8	2.0
Quick ratio (Average liquid assets (current assets – inventories)/Average current liabilities)	0.4	0.1	1.3	0.9	1.0	1.2

During 6 months, the amount of the consolidated balance sheet increased by 4.8 million euros and compered to the period under review by 7.4 million euros, and as of 30 June 2013, was 64.4 million euros.

During 6 months, the cost of fixed assets increased by 3.5 million euros and compared to the accounting quarter by 8.3 million euros up to 46.0 million euros. Most of the growth derived from value adjustment of long-term financial investments. The market price of PKC Group Oyj shares increased in accounting quarter by 0.15 (Q2 2012: decreased by 5.06) euros and the share price in Helsinki Stock Exchange in last trading day of June was 18.20 (a year before: 12.13) euros. During the first six months, the market price of PKC Group Oyj shares increased by 2.77 (H1 2012: 0.70) euros. The cost of investment in assets and reserves in equity capital increased by the profit of 3.8 (H1 2012: 1.0) million euros, received from stock revaluation. In the first quarter, the Group sold 30,000 (Q1 2012: 15,362) shares with the accounting value of 0.5 (Q1 2012: 0.2) million euros. In total, the cost of financial assets increased by 3.3 million euros to 24.7 million euros in 6 months; within the comparable period by 0.8 million euros to 16.8 million euros.

During the 6-months period, the Group's investments to real estate, tangible fixed assets and intangible fixed assets totalling 0.26 (H1 2012: 0.33) million euros. At the balance date 30 June 2013, fixed assets amounted 72.4% (30 June 2012: 67.3%) of the cost of assets.

During 6 months, the business claims and prepayments grew by 1.1 million euros to 7.9 million euros and inventory by 0.44 million euros, to 6.8 million euros in the first half of the year. In H1 2013, the business debts increased by 0.8 million euros, to 7.8 million euros and total short-term liabilities of the Group by 0.6 million euros, to 8.7 million euros.

The Group's 6-month current ratio improved by 0.3, compared to the reference period, being 2.0, and the quick ratio by 0.4, being 1.3.

The Group's debt ratio was 15.5%, being 0.4 percentage point less as at the beginning of the year and by 6.5 percentage points less compared to y-o-y. As at the balance date, interest-bearing liabilities accounted for 21.5% of the Group's liabilities and 3.3% of the cost of assets; as at 30.06.2012 – 22.9% and 5.0%, respectively. The Group had a total of interest-bearing debt obligations of 2.2 (30.6.2012: 2.9) million euros, of which current portion amounted 0.8 (30.6.2012: 1.3) million euros. During 6 months, short-term liabilities were decreased by 89,000 euros to 0.7 million euros and 139,000 euros worth of principal amounts of the financial lease were repaid. In the reference period, short-term liabilities were reduced by 0.8 million euros and 139,000 euros worth of principal amounts of the financial lease were paid.

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

	6 months			Year
	2013	**2012**	**2011**	**2012**
Cash flows from operating activities	371	1,155	-411	4,574
Cash flows from investing activities	1,193	720	-559	-58
Cash flows from financing activities	-1,821	-1,499	-949	-1,983
Net cash flow	**-257**	**376**	**-1 919**	**2,533**

AGM of PKC Group Oyj, held on 4 April 2013, decided to pay dividends amounting to 0.70 euros per share. AS Harju Elekter own 1,354,641 of PKC Group Oyj shares. The dividend income of 948,000 euros is reflected in the profit for Q2 of 2013. The 15% income tax on dividends, withheld in Finland, accounted for 142,000 euros and accordingly, the cash flow from investment activity accounted for 806,000 euros.

0.5 (H1 2012: 0.2) million euros was received as sales proceeds of financial assets in the first 6-months period and fixed asset invoices were paid in the amount of 0.3 (H1 2012: 0.3) million euros. During first six months, cash and cash equivalents decreased by 0.3 million euros to 3.1 million euros; within the comparable period, cash and cash equivalents increased by 0.4 million euros to 1.2 million euros.

AGM

On 9th of May 2013 the AGM was held where attended by 89 shareholders and their authorised representatives who represented the total of 71.94 % of the total votes.

The general meeting approved the 2012 annual report and profit distribution and decided to pay dividends amounting to 0.09 euros per share, totally 1,566 thousand euros as well as increase of reserves by 42,000 euros. The shareholders registered in the shareholders' registry on 23 May 2013 at 23.59 entitled to dividend. The dividends transferred to the shareholders bank accounts on 28 May 2013.

Supervisory and management boards

The Supervisory Board of AS Harju Elekter has 5 members with the fallowing membership: Mr. Endel Palla (Chairman and R&D manager of AS Harju Elekter) and members Mr. Ain Kabal (Viru Keemia Grupp AS, Head of Legal Department), Mr. Madis Talgre (Chairman of the Management Board, AS Harju KEK), Mrs.Triinu Tombak (financial consultant) and Mr. Andres Toome (consultant). The Management Board of AS Harju Elekter has one member and the Managing Director/CEO is Mr Andres Allikmäe. The competence and authority of the Management Board are listed in the Articles of Association and there are no specialities nor agreements concluded which state otherwise. During the first six months of the year, there were no changes either in in Supervisory or Management Boards of AS Harju Elekter.

Information about the education and career of the members of the management and supervisory boards as well as their membership in the management bodies of companies and their shareholdings have been published on the home page of the company at www.harjuelekter.ee

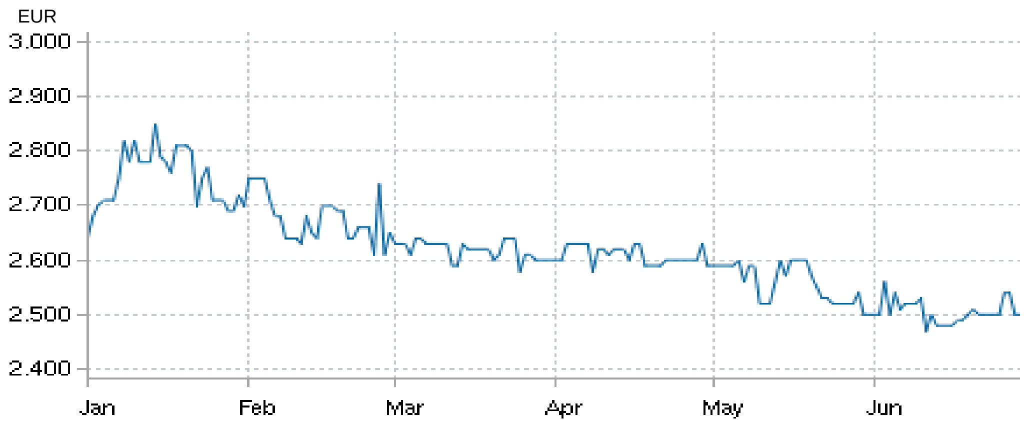
AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

Shares of Harju Elekter and shareholders

Security trading history:

Price	**2009**	**2010**	**2011**	**2012**	**6M 2013**
Open	0.99	2.05	3.10	2.30	2.64
High	2.99	3.14	3.54	2.80	2.92
Low	0.67	2.02	2.19	2.30	2.46
Last	2.07	3.02	2.28	2.64	2.50
Traded volume	1,559,830	2,039,910	663,917	759,869	563,754
Turnover, million	2.14	5.40	1.88	1.88	1.47
Capitalisation, million	34.78	50.74	38.30	45.94	43.50
Overage number of the shares	16,800,000	16,800,000	16,800,000	17,093,443	17,400,000
EPS	0.07	0.13	0.17	0.21	0.14

Share price in Tallinn Stock growth/decrease, 1.1.2013 - 30.6.2013



As at June 30 2013 AS Harju Elekter had 1,487 shareholders. The number of shareholders decreased during the accounting period by 35 persons. The largest shareholder of AS Harju Elekter is AS Harju KEK, a company based on local capital which held 31.87% of AS Harju Elekter's share capital. Members of the supervisory and management boards and and their close family members hold 8.37% of the shares. The comprehensive list of shareholders is available at the website of the Estonian Central Register of securities (www.e-register.ee).

Shareholders structure by size of holding at 30 June 2013

Holding	**No of shareholders**	**% of all shareholders**	**% of votes held**
> 10%	2	0.13	42.79
1.0 – 10.0%	8	0.54	26.94
0.1 – 1.0 %	57	3.83	15.87
< 0.1%	1,420	95.50	14.40
Total	1,487	100.0	100.0

Shareholders (above 5%) at 30 June 2013

Shareholder	**Holding (%)**
HARJU KEK AS	31.87
ING LUXEMBOURG S.A.	10.92
Lembit Kirsme	8.10
Endel Palla	6.25
Other	42.86

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30.6.2013	31.12.2012	30.6.2012
Current assets				
Cash and cash equivalents		3,087	3,352	1,188
Trade receivables and other receivables		7,479	6,493	7,999
Prepayments		318	232	349
Income tax prepayments		58	0	32
Inventories		6,837	6,395	9,062
Total current assets		**17,779**	**16,472**	**18,630**
Non-current assets				
Deferred income tax asset		4	5	35
Investments in associate	2	2,978	2,295	1,630
Other long-term financial investments	2	24,676	21,386	16,817
Investment property	2	10,245	10,454	10,639
Property, plant and equipment	2	8,298	8,546	8,752
Intangible assets	2	424	451	453
Total non-current assets		**46,625**	**43,137**	**38,326**
TOTAL ASSETS		**64,404**	**59,609**	**56,956**

LIABILITIES AND EQUITY	Note	30.6.2013	31.12.2012	30.6.2012
Liabilities				
Interest-bearing loans and borrowings	3	847	1,075	1,284
Trade payables and other payables		6,733	5,902	8,125
Tax liabilities		1,042	1,049	1,419
Income tax liabilities		28	75	61
Short-term provision		45	23	17
Total current liabilities		**8,695**	**8,124**	**10,906**
Interest-bearing loans and borrowings	3	1,306	1,306	1,585
Other non-current liabilities		43	43	40
Non-current liabilities		**1,349**	**1,349**	**1,625**
Total liabilities		**10,044**	**9,473**	**12,531**
Equity				
Share capital		12,180	12,180	11,760
Unregistered share capital		0	0	420
Share premium		240	240	240
Reserves	4	24,707	21,354	16,685
Retained earnings		15,839	15,008	13,617
Total equity attributable to equity holders of the parent		**52,966**	**48,782**	**42,722**
Non-controlling interests		1,394	1,354	1,703
Total equity		**54,360**	**50,136**	**44,425**
TOTAL LIABILITIES AND EQUITY		**64,404**	**59,609**	**56,956**

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	1 April - 30 June		1 January - 30 June	
		2013	**2012**	**2013**	**2012**
Revenue	5	13,060	14,079	24,450	25,750
Cost of sales		-10,716	-11,716	-20,384	-21,491
Gross profit		**2,344**	**2,363**	**4,066**	**4,259**
Distribution costs		-704	-718	-1,304	-1,355
Administrative expenses		-1,045	-1,043	-1,984	-1,918
Other income		1	38	18	40
Other expenses		-17	-10	-28	-21
Operating profit	5	**579**	**630**	**768**	**1,005**
Net financing income/costs	6	940	821	1,394	994
Share of profit of equity-accounted investees	2	608	374	683	453
Profit before tax		**2,127**	**1,825**	**2,845**	**2,452**
Income tax expense		-375	-312	-375	-347
Profit for the period		**1,752**	**1,513**	**2,470**	**2,105**
Other comprehensive income					
Net change in fair value of available-for-sale financial assets		203	-7,006	3,752	969
Realised gain from sale of financial assets (-)		0	0	-437	-162
Currency translation differences		-1	2	-4	-3
Other comprehensive income for year, net of tax		**202**	**-7,004**	**3,311**	**804**
Total comprehensive income for the period		**1,954**	**-5,491**	**5,781**	**2,909**
Profit attributable to:					
Owners of the Company		1,705	1,493	2,403	2,073
Non-controlling interests		47	20	67	32
Profit for the period		**1,752**	**1,513**	**2,470**	**2,105**
Total comprehensive income attributable to:					
Owners of the Company		1,906	-5,511	5,714	2,877
Non-controlling interests		48	20	67	32
Total comprehensive income for the period		**1,954**	**-5,491**	**5,781**	**2,909**
Earnings per share					
Basic earnings per share (EUR)	7	0.10	0.09	0.14	0.12
Diluted earnings per share (EUR)	7	0.10	0.09	0.14	0.12

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period 1 January - 30 June	Note	**2013**	**2012**
Cash flows from operating activities			
Operating profit	5	768	1,005
Adjustments for:			
Depreciation and amortisation	2	739	722
Gain on sale of property, plant and equipment	8	-14	-4
Share-based payment transactions		36	48
Growth/decrease in receivables related to operating activity		-1,072	-390
Growth/decrease in inventories		-442	-2,404
Growth/decrease in payables related to operating activity		851	2,534
Corporate income tax paid	8	-480	-327
Interest paid	8	-15	-29
Net cash from operating activities		**371**	**1,155**
Cash flows from investing activities			
Acquisition of investment property	8	-8	-51
Acquisition of property. plant and equipment	8	-218	-189
Acquisition of intangible assets	8	-38	-76
Proceeds from sale of property, plant and equipment	8	14	5
Proceeds from sale of other financial investments		479	189
Interest received	6	16	11
Dividends received	6	948	831
Net cash used in investing activities		**1,193**	**720**
Cash flows from financing activities			
Growth/decreases in short-term loans	3	-89	-834
Other long-term liabilities		0	40
Receipts from contribution into share capital		0	660
Payment of finance lease principal	3	-139	-139
Dividends paid		-1,593	-1,226
Net cash used in financing activities		**-1,821**	**-1,499**
Net cash flows		**-257**	**373**
Cash and cash equivalents at beginning of period		**3,352**	**815**
Net increase / decrease		-257	376
Effect of growth/decrease rate fluctuations on cash held		-8	-3
Cash and cash equivalents at end of period		**3,087**	**1,188**

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

CONSOLIDATED STATEMENT OF GROWTH/DECREASES IN EQUITY

	Attributable to equity holders of the parent							
	Share capital	Unregis-tered share capital	Share premium	Reserves	Retained earnings	Total	Non-control-ling interests	TOTAL
At 31.12.2011	**11,760**	**0**	**0**	**15,881**	**12,672**	**40,313**	**1,721**	**42,034**
Profit for the period	0	0	0	0	2,073	**2,073**	32	**2,105**
Other comprehensive income	0	0	0	804	0	**804**	0	**804**
Comprehensive income for the period	0	0	0	804	2,073	**2,877**	32	**2,909**
Unregistered share capital	0	420	240	0	0	**660**	0	**660**
Share-based payment transactions	0	0	0	0	48	**48**	0	**48**
Dividends	0	0	0	0	-1,176	**-1,176**	-50	**-1,226**
At 30.6.2012	**11,760**	**420**	**240**	**16,685**	**13,617**	**42,722**	**1,703**	**44,425**
At 31.12.2012	**12,180**	**0**	**240**	**21,354**	**15,008**	**48,782**	**1,354**	**50,136**
Profit for the period	0	0	0	0	2,403	**2,403**	67	**2,470**
Other comprehensive income	0	0	0	3,311	0	**3,311**	0	**3,311**
Comprehensive income for the period	0	0	0	3,311	2,403	**5,714**	67	**5,781**
Share-based payment transactions	0	0	0	0	36	**36**	0	**36**
Increase in reserves	0	0	0	42	-42	**0**	0	**0**
Dividends	0	0	0	0	-1,566	**-1,566**	-27	**-1,593**
At 30.6.2013	**12,180**	**0**	**240**	**24,707**	**15,839**	**52,966**	**1,394**	**54,360**

Further information on equity can be found in Note 4.

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 30.6.2013 comprises AS Harju Elekter (the "Parent Company") and its subsidiaries AS Harju Elekter Teletehnika, AS Harju Elekter Elektrotehnika, Satmatic Oy, Harju Elekter AB and Rifas UAB (together referred to as the Group) and the Group's interest in associate AS Draka Keila Cables. AS Harju Elekter has been listed at Tallinn Stock Exgrowth/decrease since 30 September 1997; 31.87% of its shares are held by AS Harju KEK.

The consolidated interim financial statements of AS Harju Elekter and its subsidiaries have been prepared in accordance with International Reporting Standards (IFRS EU) as adopted by the European Union. 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 31.12.2012. The interim report has been prepared under the historical cost convention, as modified by the revaluations of investment property, which are presented at fair value as disclosed in the accounting policies presented in the 2012 annual report.

According to the assessment of the management board, the interim report for 1-6/2013 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 Euro. The consolidated interim financial statement has been drawn up in thousands of Euros and all the figures have been rounded to the nearest thousand, unless indicated otherwise.

Note 2 Non-current assets

For the period 1 January – 30 June	**2013**	**2012**
Investments in associate		
At 1 January	2,295	1,177
Profit under the equity method	683	453
At the end of the period	**2,978**	**1,630**
Other long-term financial investments		
At 1 January	21,386	16,023
Sale of shares	-462	-175
Growth/decreases in the fair value reserve	3,752	969
At the end of the period	**24,676**	**16,817**
Investment property		
At 1 January	10,454	10,833
Additions	6	26
Reclassification	6	0
Depreciation charge	-221	-220
At the end of the period	**10,245**	**10,639**

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

For the period 1 January – 30 June	**2013**	**2012**
Property, plant and equipment		
At 1 January	8,546	8,985
Additions	212	221
Disposals	0	-5
Reclassification	-6	0
Depreciation charge	-454	-449
At the end of the period	**8,298**	**8,752**
Intangible assets		
At 1 January	451	422
Additions	38	84
Depreciation charge	-64	-53
Currency translation differences[1]	-1	0
At the end of the period	**424**	**453**
Total non-current assets	**46,621**	**38,291**

[1]Amount of currency translation differences comes from conversion of acquisition cost of assets, accumulated depreciation and movements of assets during the reporting period.

Note 3 Interest-bearing loans and borrowings

	30.6.2013	**31.12.2012**	**30.6.2012**
Liabilities			
Short-term bank loans	707	796	1,141
Current portion of lease liabilities	140	279	143
Total current liabilities	**847**	**1,075**	**1,284**
Non-current liabilities			
Lease liabilities	1,306	1,306	1,585
Total non-current liabilities	**1,306**	**1,306**	**1,585**
TOTAL	**2,153**	**2,381**	**2,869**

Growth/decreases during the period 1 January – 30 June

	2013	**2012**
Loans and borrowings at the beginning of the year	**2,381**	**3,814**
Growth/decreases in short-term loans	-89	-834
New finance lease	0	28
Payment of finance lease principal	-139	-139
Loans and borrowings at the end of the current period	**2,153**	**2,869**

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

Note 4 Reserves

	Capital reserve	Fair value reserve	Translation reserve	TOTAL
At 31.12.2011	1,073	14,800	8	15,881
Other comprehensive income	0	807	-3	804
At 30.6.2012	**1,073**	**15,607**	**5**	**16,685**
At 31.12.2012	1,176	20,176	2	21,354
Increase in capital reserve	42	0	0	42
Other comprehensive income	0	3,315	-4	3,311
At 30.6.2013	**1,218**	**23,491**	**-2**	**24,707**

Note 5 Segment reporting

Two segments, manufacturing and real estate, are distinguished in the consolidated financial statements.

"*Manufacturing*" – The manufacture and sale of power distribution and control systems as well as services related to manufacturing and intermediary sale of components. The entities in this business segment are AS Harju Elekter Elektrotehnika, AS Harju Elekter Teletehnika, Satmatic Oy and Rifas UAB.

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

For the period 1 January – 30 June	Manu-facturing	Real estate	Un-allocated activities	Elimi-nations	Consoli-dated
2013					
Revenue from external customers	21,843	1,240	1,367	0	24,450
Inter-segment revenue	301	532	181	-1,014	0
Total revenue	**22,144**	**1,772**	**1,548**	**-1,014**	**24,450**
Operating profit	397	679	-270	-38	768
Segment assets	26,445	10,609	4,017	-1,451	39,620
Indivisible assets					24,784
Total assets					**64,404**
2012					
Revenue from external customers	23,362	1,222	1,166	0	25,750
Inter-segment revenue	149	510	150	-809	0
Total revenue	**23,511**	**1,732**	**1,316**	**-809**	**25,750**
Operating profit	649	581	-177	-48	1,005
Segment assets	26,931	11,026	2,960	-852	40,065
Indivisible assets					16,891
Total assets					**56,956**

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

Revenue by markets:

For the period 1 January – 30 June	**2013**	**2012**
Estonia	9,037	8,977
Finland	11,277	12,544
Lithuania	1,790	1,100
Sweden	387	765
Other EU countries	285	473
Non-EU countries	1,674	1,891
Total	**24,450**	**25,750**

Revenue by business area:

For the period 1 January – 30 June	**2013**	**2012**
Electrical equipment	20,282	21,498
Sheet metal products and services	433	562
Boxes for telecom sector and services	562	491
Intermediary sale of electrical products and components	1,768	1,660
Commerce and mediation of services	181	282
Rental income	1,095	1,088
Other services	129	169
Total	**24,450**	**25,750**

Note 6 Net financing income/costs

For the period 1 January – 30 June	**2013**	**2012**
Interest income	16	11
Interest expense	-15	-26
Dividend income	948	831
Net loss from foreign exgrowth/decrease differences	-8	3
Marketable investments:		
Income from sale of investments	453	175
TOTAL	**1,394**	**994**

Note 7 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.

Diluted earnings per share are calculated by considering the effects of all dilutive potential shares. As at the reporting date on 30.6.2013 the Group had 434.96 thousand dilutive potential shares. In accordance with the decision of the General Meeting of Shareholders held on 3 may 2012 the price of a share was established at the level of 2.36 euros. As to the share-based payments regulated by IFRS 2 requirements the subscription price of shares covers the costs of services that employees provide in the future for the share-based payments. The value of service for each issued share determined by an independent expert was 0.50 euros. Thus the subscription price per each share within the meaning of IFRS 2 is 2.86 (2.36+0.50) euros and the potential shares become dilutive only after their average market price of the period exceed 2.86 euros.

The average market price of the share of 1-6/2013 was 2.61 euros and of 1.4.-30.6.2013 was it 2.57 euros. Hence, the potential shares did not have any diluting effect.

For the period 1 January – 30 June	Unit	**2013**	**2012**
Profit attributable to equity holders of the parent	EUR'000	2,403	2,073
Average number of shares outstanding	Pc'000	17,400	16,800
Basic earnings per share	EUR	0.14	0.12
Adjusted number of shares during the period	Pc'000	17,400	16,800
Diluted earnings per share	EUR	0.14	0.12
1 April – 30 June			
Profit attributable to equity holders of the parent	EUR'000	1,705	1,493
Average number of shares outstanding	Pc'000	17,400	16,800
Basic and diluted earnings per share	EUR	0.10	0.09

Note 8 Further information on line items in the statement of cash flows

For the period 1 January – 30 June	Note	**2013**	**2012**
Corporate income tax paid			
Income tax expense		-375	-347
Prepayment decrease (+)/ increase (-) liability decrease (-)/ increase (+)		-105	20
Corporate income tax paid		**-480**	**-327**
Interest paid			
Interest expense	6	-15	-26
Liability decrease incurred by purchase		0	-3
Interest paid		**-15**	**-29**
Paid for investment property			
Additions of investment property	2	-6	-26
Liability decrease (-)/ increase (+) incurred by purchase		-2	-25
Acquisition of investment property		**-8**	**-51**
Paid for property, plant and equipment			
Additions of property, plant and equipment	2	-212	-221
Acquired with finance lease		0	28
Liability decrease (-)/ increase (+) incurred by purchase		-6	4
Acquisition of property, plant and equipment		**-218**	**-189**
Paid for intangible assets			
Additions of intangible assets	2	-38	-84
Liability decrease (-)/ increase (+) incurred by purchase		0	8
Acquisition of intangible assets		**-38**	**-76**
Proceeds from sale of property, plant and equipment			
Book value of disposed property, plant and equipment	2	0	5
Profit on disposal of property, plant and equipment		14	4
Growth of sales-related claims		0	-4
Proceeds from sale of property, plant and equipment		**14**	**5**

AS Harju Elekter Interim report 1-6/2013, consolidated (unaudited, in thousand euros)

Note 9 Transactions with related parties

The related party of AS Harju Elekter includes associated company AS Draka Keila Cables, members of the management and supervisory boards and their close family members and AS Harju KEK which owns 31.87% of the shares of AS Harju Elekter. The Group's management comprises members of the Parent company's supervisory and management boards. The management board has one member and the supervisory board has five members.

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

For the period 1 January – 30 June	**2013**	**2012**
Purchase of goods and services from related parties:		
- from associates	130	277
- from Harju KEK	34	34
TOTAL	164	311
Inclusive:		
- goods and materials for manufacturing	130	276
- lease of property, plant and equipment	33	33
- other	1	2
Sale of goods and services to related parties:		
- to associates	399	364
- to Harju KEK	18	2
TOTAL	417	366
Inclusive:		
- goods and materials for manufacturing	14	8
- lease of property, plant and equipment	339	341
- other	64	17
Balances with related parties at 30 June		
Receivables with associates: goods and services	227	215
Payables with associates: goods and services	60	55

Remuneration of the management and supervisory boards		
- salaries, bonuses, additional remuneration	96	91
- social security and other taxes on salaries	33	31
TOTAL	129	122

The member/Chairman of the Management Board receives remuneration in accordance with the contract and is also entitled to receive a severance payment in the amount of 10 months' remuneration of a member of the management board. The member/Chairman of the Management Board has no rights related to pension. During the quarter, no other transactions were made with members of the Group's directing bodies and the persons connected with them.

Share-based payments

In 2012, option contracts were concluded with the Group's employees and the members of the directing bodies of Group-related companies. Each member of the management and supervisory boards was issued an option for the subscription of up to 20 thousand shares, i.e. 120 thousand shares in aggregate.

During the conclusion period of preliminary contracts, from 18 June to 29 June 2012, the subscription rights for a total of 434,960 shares were registered. The issue price of the shares was determined to be the average price of the share of AS Harju Elekter in euros on the Tallinn Stock Exchange during the trading days of 01.06.-15.06.2012. Thus, the issue price of the share amounted to 2.36 euros.

IFRS 2 principles are used to record the subscription rights for shares. In evaluating the services (labour input) received from the employees for the shares, the Group used the fair value of the subscription right at the moment of concluding the preliminary contracts, the value of which was estimated at 0.50 euros per subscription right by an independent expert. Fair value was assessed using the Black-Scholes pricing model. In determining the price, the weighted average market price of the share (2.36 euros), estimated volatility of the share (35%), risk-free interest rate (1%), forecasted dividends and the length of period between the conclusion of preliminary contracts and the planned subscription moment of shares (3 years) has been taken into account.

In Q2 2013, the Group recorded 36,000 (48,000 y-o-y) euros as labour costs and share-based benefits under shareholder's equity and retained earnings.

Statement of Management responsibility

The management board acknowledges its responsibility for the preparation, integrity and fair presentation of the consolidated interim financial statements of 1-6/2013 as set out on pages 3 to 22 and confirms that to the best of its knowledge, information and belief that:

- the management report presents true and fair view of significant events that took place during the accounting period and their impact to financial statements; and includes the description of major risks and doubts for the parent company and consolidate companies as a Group; and reflects significant transactions with related parties;

- the accounting principles and presentation of information used in preparing the interim financial statements are in compliance with the International Financial Reporting Standards as adopted by the European Union;

- the interim financial statements give a true and fair view of the assets, liabilities, financial position of the Group and of the results of its operations and its cash flows; and

- AS Harju Elekter and its subsidiaries are going concerns.

/signature/
Andres Allikmäe
Managing director/ CEO
„7th" August 2013