



CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FIRST QUARTER 2008
(UNAUDITED)

Business name	AS Eesti Ehitus
Registry number	10099962
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Domicile	Republic of Estonia
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Corporate website	www.eestiehitus.ee
Core activities	Construction of buildings (EMTAK ¹ 411; 412) Civil engineering (EMTAK 421; 422; 429) Other construction work involving special trades (EMTAK 431; 433; 439) Architectural and engineering activities (EMTAK 7112)
Financial year	1 January 2008 – 31 December 2008
Reporting period	1 January 2008 – 31 March 2008
Council	Toomas Luman, Alar Kroodo, Ain Tromp, Mait Schmidt, Tiina Mõis, Meelis Milder
Board	Jaano Vink, Avo Ambur, Sulev Luiga, Priit Pluutus, Erkki Suurorg
Auditor	KPMG Baltics AS

¹ EMTAK – Estonian Classification of Economic Activities

Contents

DIRECTORS' REPORT.....	3
CONSOLIDATED INTERIM FINANCIAL STATEMENTS.....	11
STATEMENT OF MANAGEMENT'S RESPONSIBILITY.....	11
CONSOLIDATED INTERIM BALANCE SHEET.....	12
CONSOLIDATED INTERIM INCOME STATEMENT	14
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS	16
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY	17
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS	19
NOTE 1. Significant accounting policies.....	19
NOTE 2. Trade receivables.....	19
NOTE 3. Other receivables and prepayments	19
NOTE 4. Inventories	20
NOTE 5. Non-current assets held for sale.....	20
NOTE 6. Acquisition of minority interests	20
NOTE 7. Long-term investments	21
NOTE 8. Investment property	21
NOTE 9. Property, plant and equipment.....	22
NOTE 10. Intangible assets.....	23
NOTE 11. Finance and operating leases	24
NOTE 12. Interest-bearing loans and borrowings.....	24
NOTE 13. Other payables and advances received	25
NOTE 14. Provisions	25
NOTE 15. Equity	25
NOTE 16. Participation in joint ventures	26
NOTE 17. Segment reporting – business segments	27
NOTE 18. Segment reporting – geographical segments	29
NOTE 19. Cost of sales.....	29
NOTE 20. Administrative expenses	30
NOTE 21. Other operating income and expenses	30
NOTE 22. Financial income and expenses.....	30
NOTE 23. Income tax expense.....	30
NOTE 24. Transactions with related parties	31
Signatures	32

DIRECTORS' REPORT

Eesti Ehitus is a group of construction companies whose core business is general contracting and construction management in the construction of buildings and structures in Estonia, Latvia, Lithuania and Ukraine. In addition, in Estonia our companies act as independent contractors in road construction and maintenance, environmental engineering, the assembly of reinforced concrete elements, and the performance of cast-on-site concrete works. The parent of the Group is AS Eesti Ehitus, a company registered and located in Tallinn, Estonia. Since 18 May 2006, the company's shares have been quoted in the main list of the Tallinn Stock Exchange.

Our mission

We are committed to providing premier value added design and construction services by creating a successful partnership with our customers.

We seek to add value to the company by motivating our employees and providing them with clear development opportunities and a contemporary work environment.

Our vision

We strive to be a construction group which can always surpass the customer's expectations.

Shared values

Quality

We are professionals – we apply appropriate and effective construction techniques and technologies and observe generally accepted quality standards. We provide our customers with integrated cost efficient solutions. We are environmentally aware and operate sustainably. We value our employees by providing them with a modern work environment which encourages creativity and a motivation system which fosters initiative.

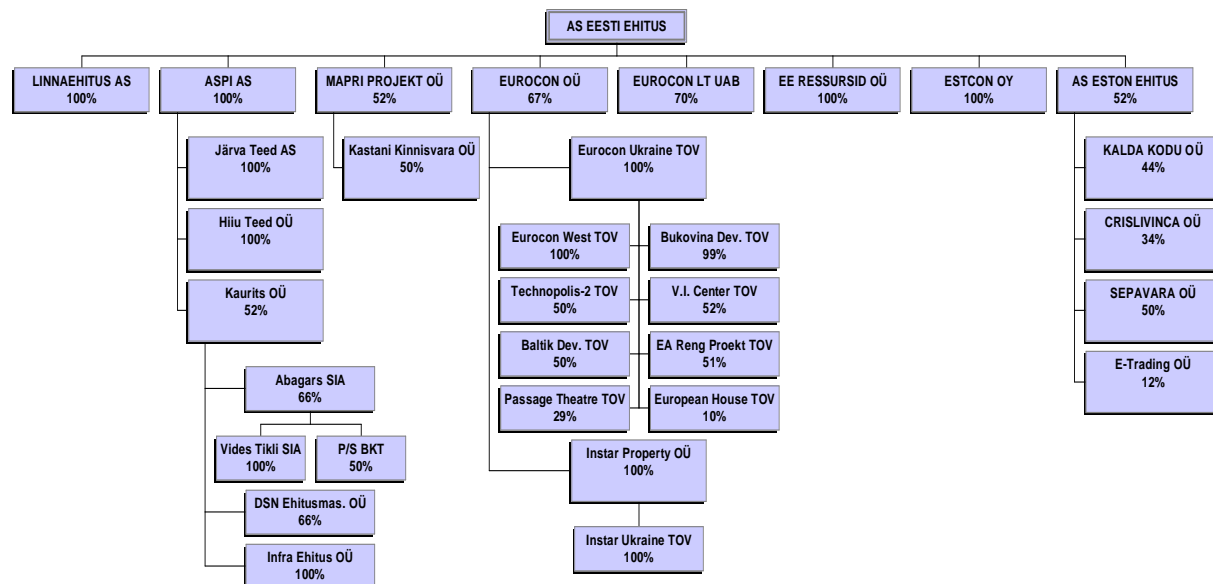
Reliability

We always keep our promises and honour our agreements. We act openly and transparently. We consistently support and promote the best construction practices. We do not take risks at the expense of our customers.

Innovation

We are innovative and creative engineers. We take maximum advantage of the benefits offered by information technology. We inspire our employees to grow through continuous training and balanced career opportunities.

Eesti Ehitus Group as at 31 March 2008



Direct and indirect ownership interests of AS Eesti Ehitus:

Company		31 March 2008	31 March 2007	31 December 2007
AS Linnaehitus	Estonia	100.0%	100.0%	100.0%
AS Aspi	Estonia	100.0%	100.0%	100.0%
AS Järva Teed	Estonia	100.0%	100.0%	100.0%
OÜ Hiiu Teed	Estonia	100.0%	100.0%	100.0%
Estcon OY	Finland	100.0%	100.0%	100.0%
OÜ EE Ressursid	Estonia	100.0%	100.0%	100.0%
UAB Eurocon LT	Lithuania	70.0%	0.0%	70.0%
OÜ Eurocon	Estonia	66.5%	64.0%	64.0%
TOV Eurocon Ukraine	Ukraine	66.5%	61.4%	61.4%
TOV Eurocon West	Ukraine	66.5%	61.4%	61.4%
Instar Property OÜ	Estonia	66.5%	0%	0%
TOV Instar Property	Ukraine	66.5%	0%	0%
TOV Bukovina	Ukraine	65.8%	60.8%	60.8%
Developments				
OÜ Mapri Projekt	Estonia	52.0%	52.0%	52.0%
AS Eston Ehitus	Estonia	52.0%	0%	52.0%
OÜ Kaurits	Estonia	52.0%	52.0%	52.0%
OÜ DSN Ehitusmasinad	Estonia	34.3%	0.0%	34.3%
Infra Ehitus OÜ	Estonia	52.0%	52.0%	52.0%
SIA Abagars	Latvia	34.3%	34.3%	34.3%
SIA Vides Tikli	Latvia	34.3%	34.3%	34.3%
TOV V.I. Center	Ukraine	34.6%	32.0%	32.0%
TOV EA Reng Proekt	Ukraine	33.9%	31.3%	31.3%
TOV Eurobeton	Ukraine	0%	30.7%	0%
TOV Technopolis-2	Ukraine	33.3%	30.7%	30.7%
TOV Baltik	Ukraine	33.3%	0.0%	30.7%
Development				
OÜ Kastani Kinnisvara	Estonia	26.0%	26.0%	26.0%
OÜ Sepavara	Estonia	26.0%	0%	26%
OÜ Kalda Kodu	Estonia	22.9%	0%	22.9%
TOV Passage Theatre	Ukraine	19.3%*	55.3%	17.8%*
OÜ Crislivnica	Estonia	17.7%	0%	17.7%
P/S BKT	Latvia	17.2%	17.2%	17.2%
TOV European House	Ukraine	6.7%	0%	6.1%
OÜ E-Trading	Estonia	6.2%	0%	6.2%

* Based on preliminary agreements already signed, 61 per cent of the investment in TOV Passage Theatre has been recognised as a non-current asset held for sale (see note 5 to the consolidated financial statements).

Changes in the Group's structure during the first quarter of 2008

Acquisitions of interests and establishment of subsidiaries

On 5 February 2008, OÜ Eurocon acquired a further 4 per cent stake in TOV Eurocon Ukraine, raising its interest in the entity to 100 per cent.

On 12 February 2008, AS Eesti Ehitus acquired a 2.5 per cent stake in OÜ Eurocon from a minority shareholder, increasing its interest in OÜ Eurocon to 66.5 per cent.

On 18 February 2008, AS Eesti Ehitus' subsidiary OÜ Eurocon established a wholly-owned subsidiary – Instar Property OÜ. At the date of establishment, the share capital of Instar Property OÜ was 40,000 kroons (approx. 2,557 euros). Instar Property OÜ is going to operate as a holding company for the Group's direct and indirect interests in development projects performed in Ukraine.

Changes in the Group's structure after the reporting date

Acquisitions of interests

On 2 May 2008, AS Eesti Ehitus' wholly-owned subsidiary AS ASPI acquired a 56 per cent stake in the Latvian entity SIA Abagars. ASPI acquired the interest from its subsidiary OÜ Kaurits.

Divestment of interests

On 4 April 2008, AS Eesti Ehitus transferred a 4 per cent interest in Eurocon OÜ to a Ukrainian resident. The divestment was performed by increasing share capital.

On 10 April 2008, AS Eesti Ehitus' subsidiary Eurocon Ukraine LLC divested a 33 per cent stake in the Ukrainian company TOV Passage Theatre.

On 14 April 2008, AS Eesti Ehitus' subsidiary Eurocon Ukraine LLC divested itself of a 50 per cent stake in the Ukrainian company TOV Baltic Development.

Financial review

Profitability and cash flows

Compared with a year ago, the Group's profitability indicators have improved. Gross margin for the first quarter was 13 per cent (Q1 2007: 12 per cent), the ratio of administrative expenses to revenue was around 5 per cent (Q1 2007: around 5 per cent), and operating margin was 8 per cent (Q1 2007: 7 per cent).

The Group ended the reporting period with consolidated net profit of 44.9 million kroons (2.9 million euros), a 43 per cent increase on the 31.4 million kroons (2 million euros) earned a year ago. The profit attributable to equity holders of the parent amounted to 46.1 million kroons (2.9 million euros) against 29.5 million kroons (1.9 million euros) for the first quarter of 2007.

Net operating cash flow was significantly better than in the first quarter of 2007: operating activities generated cash inflow of 36 million kroons (2.3 million euros), whereas the first quarter of 2007 ended with net cash outflow of 5.5 million kroons (0.35 million euros). Negative investing cash flows are mainly attributable to payments made under contracts concluded in prior periods. Thanks to strong positive operating and financing cash flows, cash and cash equivalents grew by 136 million kroons (8.7 million euros).

Key financial figures and ratios

Ratio / figure	Q1 2008	Q1 2007	Q1 2006	2007
Weighted average number of shares	30,756,728	30,756,728*	30,756,728*	30,756,728
Earnings per share (in kroons)	1.50	0.96	0.59	8.70
Earnings per share (in euros)	0.1	0.06	0.04	0.56
Revenue growth	38.2%	63.8%	7.8%	49.9%
Average number of employees	1102	1009	772	1103
Revenue per employee (in thousands of kroons)	702	555	443	3,402
Revenue per employee (in thousands of euros)	45	35	28	217
Personnel expenses to revenue, %	13.6%	13.3%	12.9%	12.3%
Administrative expenses to revenue, %	5.6%	5.3%	6.1%	4.7%
EBITDA (in thousands of kroons)	77,166	51,619	33,990	370,574
EBITDA (in thousands of euros)	4,932	3,299	2,172	23,684
EBITDA margin, %	10.0%	9.2%	9.9%	9.9%
Gross margin, %	13.1%	11.8%	8.8%	13.3%
Operating margin, %	7.9%	6.7%	8.1%	8.2%
Operating margin excluding gains on asset sales, %	7.6%	6.2%	2.7%	8.0%
Net margin, %	5.8%	5.6%	5.1%	7.7%

Ratio / figure	Q1 2008	Q1 2007	Q1 2006	2007
Return on invested capital, %	3.9%	5.7%	5.5%	32.7%
Return on assets, %	3.3%	2.7%	2.9%	17.1%
Return on equity, %	5.4%	6.2%	8.8%	44.7%
Equity ratio, %	38.0%	38.3%	21.8%	36.9%
Gearing, %	18.9%	19.3%	12.3%	13.5%
Current ratio	1.65	1.41	1.17	1.30
	31 March 2008	31 March 2007	31 March 2006	31 December 2007
Order backlog (in thousands of kroons)	3,368,680	3,197,000	1,775,931	2,526,652
Order backlog (in thousands of euros)	215,298	204,326	113,503	161,482

* For comparability, the weighted average number of shares is the number of shares after the bonus issues.

<i>Earnings per share (EPS) = net profit attributable to equity holders of the parent / weighted average number of shares outstanding</i>	<i>Operating margin excluding gains on asset sales = (operating profit - gains on sale of property, plant and equipment - gains on sale of real estate) / revenue</i>
<i>Revenue per employee = revenue / average number of employees</i>	<i>Net margin = net profit for the period / revenue</i>
<i>Personnel expenses to revenue = personnel expenses / revenue</i>	<i>Return on invested capital = (profit before tax + interest expense) / the period's average (interest-bearing liabilities + equity)</i>
<i>Administrative expenses to revenue = administrative expenses / revenue</i>	<i>Return on assets = operating profit / the period's average total assets</i>
<i>EBITDA = earnings before interest, taxes, depreciation and amortisation</i>	<i>Return on equity = net profit for the period / the period's average total equity</i>
<i>EBITDA margin = EBITDA / revenue</i>	<i>Equity ratio = total equity / total equity and liabilities</i>
<i>Gross margin = gross profit / revenue</i>	<i>Gearing = (interest-bearing liabilities – cash and cash equivalents) / (interest bearing liabilities + equity)</i>
<i>Operating margin = operating profit / revenue</i>	<i>Current ratio = total current assets / total current liabilities</i>

Revenue

Revenue distribution by geographical segments

	Q1 2008	Q1 2007	Q1 2006	2007
Estonia	81.9%	83.3%	95.4%	87.9%
Ukraine	16.2%	16.7%	4.6%	11.6%
Lithuania	1.9%	0%	0%	0.5%
Latvia	0%	0%	0%	0%

The Group has launched operations in Lithuania, thereby implementing the strategy of dispersing risks by expanding to different geographical areas. In addition, the Group has consistently increased its operations in Ukraine and has penetrated the Latvian market. Latvian revenue should grow in connection with an increase in the Group's interest in Abagars SIA (see *Changes in the Group's structure* on page 5).

Business review

The core business of Eesti Ehitus Group is general contracting and construction management in the construction of buildings and structures. In addition, the Group is involved in road construction and maintenance, environmental engineering, concrete works and real estate development.

Consolidated revenue for the first quarter of 2008 amounted to 773.5 million kroons (49.4 million euros), 38 per cent up on the 559.7 million kroons (35.8 million euros) generated in the first quarter of 2007. The Group tries to maintain the revenues generated by its two segments in balance as this helps disperse risks and provides a more solid foundation under stressed circumstances. In line with the corporate strategy, the proportion of development revenue is consistently maintained at a relatively low level (at or below 20 per cent).

The residential and non-residential segment contributed 648.2 million kroons (41.4 million euros) and the civil engineering segment 116.7 million kroons (7.5 million euros) of total construction contract revenue. The corresponding figures for the first quarter of 2007 were 307.4 million kroons and 248.0 million kroons (19.6 million euros and 15.8 million euros) respectively. It should be noted that in contrast to the first quarter of 2007, the beginning of 2008 was customary for the civil engineering segment and more comparable with 2006 because the number of large projects was small and operating volumes therefore less significant.

Revenue by segments

Business segments	Q1 2008	Q1 2007	Q1 2006	2007
Residential and non-residential	85%	55%	73%	53%
Civil engineering	15%	45%	27%	47%

Revenue distribution in the Residential and non-residential segment

	Q1 2008	Q1 2007	Q1 2006	2007
Residential buildings	9%	18%	19%	12%
Public buildings	14%	18%	10%	16%
Commercial buildings	63%	50%	45%	61%
Industrial and warehouse facilities	14%	14%	26%	11%

Revenue distribution in the Civil engineering segment

	Q1 2008	Q1 2007	Q1 2006*	2007
Road construction and maintenance	53%	24%	-	41%
Port construction	14%	58%	-	33%
Environmental engineering	6%	18%	-	13%
Other engineering	27%	-	-	13%

* In 2006, the Civil engineering segment was not divided into sub-segments.

At 31 March 2008 the Group's order backlog was 3,369 million kroons (215 million euros), only a slight improvement on the 3,197 million kroons (204 million euros) posted a year ago, but a fairly strong result considering the changes in the construction market and the economic environment in the second half of 2007 and the first quarter of 2008.

The largest construction contracts signed in the first quarter of 2008:

Brief description of contract	Cost (EEK '000 / EUR '000)	Expected delivery
Rehabilitation of the Rõhu-Puhja Section of National Road 92	92,336 / 5,901	August 2009
Construction of Berths No 8 and 9 at Paldiski South Harbour	316,363 / 20,219	May 2009
Design and construction of Science Centre AHHA Building	179,100 / 11,447	August 2010

People and personnel expenses

In the first quarter of 2008, the Group employed, on average, 1102 people, including 500 engineers. The proportion of engineers and technical personnel (ETP) has increased significantly during the past couple of years due to the growth of the Group and the size of the contracts. We expect the trend to continue, among other things, because of the Group's growth in Lithuania, Latvia and Ukraine.

Number of employees:

Period	ETP	Workers	Total average
Q1 2008	456	646	1102
Q1 2007	396	613	1009
Q1 2006	292	480	772
2007	425	678	1103

The Group's personnel expenses for the first quarter of 2008 totalled 105.4 million kroons (6.7 million euros), a 42 per cent increase on the first quarter of 2007. The rise in personnel expenses is attributable to the acquisition of subsidiaries and the Group's personnel policy.

In the first quarter of 2008, the remuneration of the Group's council totalled 270 thousand kroons (17 thousand euros) and the remuneration of the Group's board amounted to 2,575 thousand kroons (165 thousand euros). The corresponding figures for the first quarter of 2007 were 270 thousand kroons (17 thousand euros) and 1,788 thousand kroons (114 thousand euros) respectively.

Share and shareholders

ISIN code	EE3100039496
Short name of the security	EEH1T
Nominal value	10.00 kroons / 0.64 euros
Total number of securities	30,756,728
Number of listed securities	30,756,728
Listing date	18 May 2006

The following chart reflects movements in the Eesti Ehitus' share price (in euros) and traded volume in the first quarter of 2008:



Risks

Business risks

To manage daily construction risks, Group companies purchase Contractors' All Risks insurance. Depending on the nature of the project, both general frame agreements and specially tailored project-specific contracts are used. In addition, as a rule, subcontractors are required to secure the performance of their obligations with a bank guarantee issued for the benefit of AS Eesti Ehitus. To remedy builder-caused deficiencies which may be detected during the warranty period, all Group companies create warranty provisions. At the end of the first quarter of 2008, the provisions totalled 11.8 million kroons (0.76 million euros). The corresponding figure for the first quarter of 2007 was 7 million kroons (0.5 million euros).

Credit risk

For credit risk management, a potential customer's settlement behaviour and creditworthiness are analysed already in the tendering stage. Subsequent to the conclusion of a contract, customers' settlement behaviour is monitored on an ongoing basis from the making of an advance payment to adherence to the contractual settlement schedule, which usually depends on the documentation of the delivery of work performed. We

believe that the system in place allows us to respond to customers' settlement difficulties with sufficient speed. As at the end of the reporting period, our customers' settlement practice was good.

Liquidity risk

Free funds are placed in overnight or fixed-interest term deposits with the largest banks in Estonia. To ensure timely settlement of liabilities, approximately two weeks' working capital is kept in current accounts or overnight deposits. Where necessary, overdraft facilities are used.

Interest rate risk

The loans taken from banks operating in Estonia and Ukraine have fixed interest rates. Finance lease contracts have floating interest rates and are linked to EURIBOR. Compared with the first quarter of 2007, the Group's loan liabilities have increased by 368 million kroons (24 million euros) or 127 per cent and interest expense has grown by 5.2 million kroons (0.33 million euros).

Currency risk

As a rule, construction contracts and subcontractors' service contracts are made in the currency of the host country: in Estonia, contracts are made in Estonian kroons, in Ukraine in Ukrainian grivnas. In Ukraine, some materials supply contracts are made in euro. In addition, the Group's parent AS Eesti Ehitus settles accounts with its Ukrainian subsidiary Eurocon Ukraine LLC in euro but the volumes are immaterial. The Ukrainian grivna fluctuates slightly against the US dollar. Therefore, in Ukraine the fluctuations of the grivna against the euro give rise to a currency risk but possibilities for hedging the risk in cooperation with local banks are almost non-existent. In the first quarter of 2008, the Group's foreign exchange loss from Ukrainian operations amounted to 11.4 million kroons (0.73 million euros).




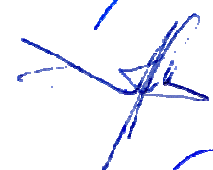

Outlook for the near future

We believe that in the construction sector the deceleration in economic growth will trigger the following trends:

- The construction sector will become more dependent on public procurement tenders and the number and pricing of infrastructure, environment and other projects launched with the support of European Union funds.
- The importance of infrastructure projects will increase and, accordingly, critical success factors will include specialised engineering expertise and the availability of specialised resources.
- Housing development and construction volumes will shrink and the number of related companies will decrease (consolidation). The consolidation process will heighten competition and exert downward pressure on profit margins.
- The past few years' labour deficit in the construction sector will decline and, consequently, the growth in personnel expenses will normalise.
- Real estate developers' ability to service existing loans and take new ones will weaken due to a decrease in their creditworthiness. For construction companies, this may mean an increase in doubtful and irrecoverable receivables.

We have prepared ourselves for changes in the economic environment by dispersing our risks between activities (for a number of years the proportion of residential construction has not exceeded 10-15 per cent) and markets (the importance of the Estonian market will decline as the importance of other markets increases).

The board confirms that the directors' report presents fairly the development, performance and financial position of AS Eesti Ehitus, the company and the Group, and provides an overview of the main risks and uncertainties.






Jaano Vink	Chairman of the Board		6 May 2008
Sulev Luiga	Member of the Board		6 May 2008
Erkki Suurorg	Member of the Board		6 May 2008
Avo Ambur	Member of the Board		6 May 2008
Priit Pluutus	Member of the Board		6 May 2008

Consolidated interim financial statements

Statement of management's responsibility

The board of AS Eesti Ehitus acknowledges its responsibility for the preparation of the Group's consolidated interim financial statements (unaudited) for the first quarter of 2008 and confirms that:

- The policies applied on the preparation of the consolidated interim financial statements comply with International Financial Reporting Standards as adopted by the European Union.
- The consolidated interim financial statements, which have been prepared in accordance with effective financial reporting standards, give a true and fair view of the assets and liabilities of the Group comprising of the parent company and other Group entities as well as its financial position, its results of operations, and its cash flows.
- All significant events that occurred before the date on which the consolidated interim financial statements were authorised for issue (6 May 2008) have been properly recognised and disclosed.
- AS Eesti Ehitus and its subsidiaries are going concerns.

Jaano Vink	Chairman of the Board		6 May 2008
Sulev Luiga	Member of the Board		6 May 2008
Erkki Suurorg	Member of the Board		6 May 2008
Avo Ambur	Member of the Board		6 May 2008
Priit Pluutus	Member of the Board		6 May 2008

Consolidated interim balance sheet

Unaudited EEK '000	Note	31 March 2008	31 March 2007	31 Dec 2007
ASSETS				
Current assets				
Cash and cash equivalents		372,537	133,446	236,112
Trade receivables	2	359,718	332,990	511,819
Other receivables and prepayments	3	245,195	179,173	264,551
Deferred tax assets		1,905	1,015	1,905
Inventories	4	431,055	293,298	393,529
Non-current assets held for sale	5	43,362	0	43,362
Total current assets		1,453,772	939,922	1,447,963
Non-current assets				
Long-term investments	7	91,828	51,051	111,686
Investment property	8	133,753	24,199	133,984
Property, plant and equipment	9	276,167	233,859	221,748
Intangible assets	10	290,356	164,581	273,223
Total non-current assets		792,104	473,690	740,641
TOTAL ASSETS		2,245,876	1,413,612	2,191,919
LIABILITIES				
Current liabilities				
Interest-bearing loans and borrowings	12	151,184	77,270	135,856
Trade payables		291,656	185,979	335,754
Tax liabilities		48,411	44,900	54,771
Other payables and advances received	13	382,168	352,058	574,722
Provisions	14	8,078	5,214	12,458
Total current liabilities		881,497	665,421	1,113,561
Non-current liabilities				
Interest-bearing loans and borrowings	12	506,308	211,761	263,723
Other liabilities		761	490	714
Provisions	14	3,739	1,885	4,328
Total non-current liabilities		510,808	214,136	268,765
TOTAL LIABILITIES		1,392,305	879,557	1,382,326
EQUITY				
Minority interest		87,067	35,271	90,095
Share capital	15	307,567	153,784	307,567
Share premium	15	0	108,465	0
Statutory capital reserve		21,426	4,158	11,766
Translation reserve		4,574	2,292	2,354
Retained earnings	15	432,937	230,085	397,810
Total equity attributable to equity holders of the parent		766,504	498,784	719,497
TOTAL EQUITY		853,571	534,055	809,592
TOTAL LIABILITIES AND EQUITY		2,245,876	1,413,612	2,191,918

Consolidated interim balance sheet

Unaudited EUR '000	Note	31 March 2008	31 March 2007	31 Dec 2007
ASSETS				
Current assets				
Cash and cash equivalents		23,809	8,529	15,090
Trade receivables	2	22,990	21,282	32,711
Other receivables and prepayments	3	15,671	11,451	16,908
Deferred tax assets		122	65	122
Inventories	4	27,549	18,745	25,151
Non-current assets held for sale	5	2,771	0	2,771
Total current assets		92,913	60,072	92,542
Non-current assets				
Long-term investments	7	5,869	3,263	7,138
Investment property	8	8,548	1,547	8,563
Property, plant and equipment	9	17,650	14,946	14,172
Intangible assets	10	18,557	10,519	17,462
Total non-current assets		50,625	30,274	47,336
TOTAL ASSETS		143,538	90,346	140,089
LIABILITIES				
Current liabilities				
Interest-bearing loans and borrowings	12	9,662	4,938	8,683
Trade payables		18,640	11,886	21,459
Tax liabilities		3,094	2,870	3,501
Other payables and advances received	13	24,425	22,501	36,731
Provisions	14	516	333	796
Total current liabilities		56,338	42,528	71,170
Non-current liabilities				
Interest-bearing loans and borrowings	12	32,359	13,534	16,855
Other liabilities		49	31	46
Provisions	14	239	120	277
Total non-current liabilities		32,647	13,686	17,177
TOTAL LIABILITIES		88,985	56,214	88,347
EQUITY				
Minority interest				
Share capital	15	19,657	9,829	19,657
Share premium	15	0	6,932	0
Statutory capital reserve		1,369	266	752
Translation reserve		292	146	150
Retained earnings	15	27,670	14,705	25,425
Total equity attributable to equity holders of the parent		48,989	31,878	45,984
TOTAL EQUITY		54,553	34,132	51,742
TOTAL LIABILITIES AND EQUITY		143,538	90,346	140,089

Consolidated interim income statement

Unaudited EEK '000	Note	Q1 2008	Q1 2007	2007
Revenue	17, 18	773,510	559,735	3,752,028
Cost of sales	19	672,156	493,785	3,252,051
Gross profit		101,354	65,950	499,977
Marketing expenses		827	532	2,395
Administrative expenses	20	43,493	29,856	176,273
Other operating income	21	7,122	2,970	16,411
Other operating expenses	21	3,113	1,234	30,256
Operating profit		61,043	37,298	307,464
Financial income	22	4,559	9,825	31,486
Financial expenses	22	19,851	6,037	30,028
Net financial items		-15,292	3,788	1,458
Share of profit of equity accounted investees		16	757	856
Share of loss of equity accounted investees		728	238	4,031
Net share of profit and loss of equity accounted investees		-712	519	-3,175
Profit before income tax		45,039	41,605	305,747
Income tax expense	23	145	10,192	15,976
Profit for the period		44,894	31,413	289,771
Attributable to:				
Equity holders of the parent		46,138	29,492	267,482
Minority interest		-1,244	1,921	22,289
Basic earnings per share (in kroons)*	15	1.50	0.96	8.70
Diluted earnings per share (in kroons)*	15	1.50	0.96	8.70

* For comparability, the weighted average number of shares used is the number of shares after the bonus issues, i.e. 30,756,728 shares

Consolidated interim income statement

Unaudited EUR '000	Note	Q1 2008	Q1 2007	2007
Revenue	17, 18	49,436	35,774	239,798
Cost of sales	19	42,959	31,559	207,844
Gross profit		6,478	4,215	31,954
Marketing expenses		53	34	153
Administrative expenses	20	2,780	1,908	11,266
Other operating income	21	455	190	1,049
Other operating expenses	21	199	79	1,934
Operating profit		3,901	2,384	19,651
Financial income	22	291	628	2,012
Financial expenses	22	1,269	386	1,919
Net financial items		-977	242	93
Share of profit of equity accounted investees		1	48	55
Share of loss of equity accounted investees		47	15	258
Net share of profit and loss of equity accounted investees		-46	33	-203
Profit before income tax		2,879	2,659	19,541
Income tax expense	23	9	651	1,021
Profit for the period		2,869	2,008	18,520
Attributable to:				
Equity holders of the parent		2,949	1,885	17,095
Minority interest		-80	123	1,425
Basic earnings per share (in euros)*	15	0.10	0.06	0.56
Diluted earnings per share (in euros)*	15	0.10	0.06	0.56

* For comparability, the weighted average number of shares used is the number of shares after the bonus issues, i.e. 30,756,728 shares.

Consolidated interim statement of cash flows

	EEK '000		EUR '000	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Cash flows from operating activities				
Cash receipts from customers	1,041,501	654,582	66,564	41,835
Cash paid to suppliers	-869,455	-558,751	-55,568	-35,711
Cash paid to and for employees	-136,073	-101,174	-8,697	-6,466
Income taxes paid	-20	-116	-1	-7
Net cash from / used in operating activities	35,953	-5,459	2,298	-349
Cash flows from investing activities				
Acquisition of property, plant and equipment	-2,473	-3,367	-158	-215
Acquisition of intangible assets	-464	0	-30	0
Proceeds from sale of property, plant and equipment and intangible assets	3,342	1,950	214	125
Acquisition of subsidiaries	-195,418	-9,225	-12,489	-590
Proceeds from sale of subsidiaries	1,482	0	95	0
Transformation of an associate into a subsidiary	699	0	45	0
Proceeds from sale of associates	0	8,449	0	540
Acquisition of other investments	0	-4,036	0	-258
Loans granted	-7,973	-3,073	-510	-196
Repayment of loans granted	31,111	4,020	1,988	257
Interest received	5,099	5,330	326	341
Net cash used in / from investing activities	-164,595	48	-10,520	3
Cash flows from financing activities				
Proceeds from loans received	333,701	11,632	21,327	743
Repayment of loans received	-49,421	-6,700	-3,159	-428
Payment of finance lease liabilities	-13,499	-15,311	-863	-979
Interest paid	-5,693	-4,907	-364	-314
Other settlements	0	-1,832	0	-117
Net cash from / used in financing activities	265,088	-17,118	16,942	-1,094
Net cash flow	136,446	-22,529	8,720	-1,440
Cash and cash equivalents at beginning of period	236,092	155,980	15,089	9,969
Effect of exchange rate fluctuations	-98	-5	-6	0
Increase / decrease in cash and cash equivalents	136,446	-22,529	8,720	-1,440
Cash and cash equivalents at end of period	372,538	133,446	23,810	8,529

Consolidated interim statement of changes in equity

EEK '000	Equity attributable to equity holders of the parent						Minority interest	Total
	Share capital	Share premium	Statutory capital reserve	Other reserves	Retained earnings	Total		
Balance at 31 December 2006	153,784	108,465	4,158	2,196	196,326	464,929	39,291	504,220
Foreign exchange differences	0	0	0	96	0	96	59	155
Profit for the period	0	0	0	0	29,492	29,492	1,921	31,413
Total recognised income and expense for the period	0	0	0	96	29,492	29,588	1,980	31,568
Increase / decrease of minority interests	0	0	0	0	4,266	4,266	-6000	4,266
Balance at 31 March 2007	153,784	108,465	4,158	2,292	230,085	498,784	35,271	534,055
Balance at 31 December 2007	307,567	0	11,766	2,354	397,810	719,497	90,095	809,592
Foreign exchange differences	0	0	0	2,220	0	2,220	111	2,331
Profit for the period	0	0	0	0	46,138	46,138	-1,244	44,894
Total recognised income and expense for the period	0	0	0	2,220	46,138	48,358	-1,133	47,225
Transfer to capital reserve	0	0	9,660	0	-9,660	0	0	0
Increase / decrease of minority interests	0	0	0	0	-1,351	-1,351	-1,895	-3,246
Balance at 31 March 2008	307,567	0	21,426	4,574	432,937	766,504	87,067	853,571

Consolidated interim statement of changes in equity

EUR '000	Equity attributable to equity holders of the parent					Total	Minority interest	Total
	Share capital	Share premium	Statutory capital reserve	Other reserves	Retained earnings			
Balance at 31 December 2006	9,829	6,932	266	140	12,548	29,714	2,511	32,226
Foreign exchange differences	0	0	0	6	0	6	4	10
Profit for the period	0	0	0	0	1,885	1885	123	2,008
Total recognised income and expense for the period	0	0	0	6	1,885	1,891	127	2,018
Increase / decrease of minority interests	0	0	0	0	273	273	-383	273
Balance at 31 March 2007	9,829	6,932	266	146	14,705	31,878	2,254	34,132
Balance at 31 December 2007	19,657	0	752	150	25,425	45,984	5,758	51,742
Foreign exchange differences	0	0	0	142	0	142	7	149
Profit for the period	0	0	0	0	2,949	2,949	-80	2,869
Total recognised income and expense for the period	0	0	0	142	2,949	3,091	-72	3,018
Transfer to capital reserve	0	0	617	0	-617	0	0	0
Increase / decrease of minority interests	0	0	0	0	-86	-86	-121	-207
Balance at 31 March 2008	19,657	0	1,369	292	27,670	48,989	5,565	54,553

Notes to the consolidated interim financial statements

NOTE 1. Significant accounting policies

AS Eesti Ehitus is a company registered in Estonia. Since 18 May 2006 the shares of AS Eesti Ehitus have been listed on the Tallinn Stock Exchange; 61 per cent of the shares are held by AS Nordecon.

The consolidated interim financial statements as at and for the three months ended 31 March 2008 have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union.

According to management's assessment, the consolidated interim financial statements of AS Eesti Ehitus as at and for the three months ended 31 March 2008 give a true and fair view of the Group's result of operations and the parent and all its subsidiaries which are included in the consolidated financial statements are going concerns. The interim consolidated financial statements have not been audited or otherwise checked by auditors and they contain only the consolidated financial statements of the Group.

The consolidated interim financial statements are presented in Estonian kroons (EEK) and in euro (EUR). Numeric data is in thousands of currency units unless indicated otherwise. According to the quotation of Eesti Pank (Bank of Estonia), the Estonian kroon – euro exchange rate is 15.6466 kroons to 1 euro.

NOTE 2. Trade receivables

	EEK '000		EUR '000	
As at 31 March	2008	2007	2008	2007
Trade receivables	377,276	333,463	24,112	21,312
Allowance for impairment	-17,558	-473	-1,122	-30
Total trade receivables	359,718	332,990	22,990	21,282

In the first quarter of 2008, the Group recognised additional impairment allowances of 761 thousand kroons (49 thousand euros) and recovered receivables of 945 thousand kroons (60 thousand euros) which had been considered impaired in prior periods.

NOTE 3. Other receivables and prepayments

	EEK '000		EUR '000	
As at 31 March	2008	2007	2008	2007
Receivables from group companies	43,339	25,054	2,770	1,601
Receivables from associates	23,351	28,662	1,492	1,832
Miscellaneous receivables	74,055	21,487	4,733	1,373
Due from customers for contract work	75,876	69,491	4,849	4,441
Accrued income	3,149	113	201	7
Prepaid taxes	8,070	7,460	516	477
Prepayments for services	17,355	26,906	1,109	1,720
Total other receivables and prepayments	245,195	179,173	15,671	11,451

Receivables from group companies comprise receivables related to the performance of construction contracts. Receivables from associates comprise loan receivables, associated interest accruals, and accounts receivable. Miscellaneous receivables represent construction contract retentions receivable in 2008. Due from customers for contract work is related to accounting for construction work in progress.

Prepaid taxes consist of prepaid VAT and prepayments include mainly prepaid insurance premiums.

NOTE 4. Inventories

	EEK '000		EUR '000	
	2008	2007	2008	2007
As at 31 March				
Raw and other materials	28,467	34,450	1,819	2,202
Work in progress	231,399	162,986	14,789	10,417
Prepayments to materials suppliers	38,770	5,001	2,478	320
Property held for resale	132,419	90,861	8,463	5,807
Total inventories	431,055	293,298	27,549	18,745

Raw and other materials of 28,467 thousand kroons (1,819 thousand euros) comprise materials acquired for construction projects. Work in progress comprises the costs related to construction contracts in progress at the balance sheet date (the costs incurred in respect of apartment houses under construction) of 231,399 thousand kroons (14,789 thousand euros). Property held for resale comprises registered immovable properties of 132, 419 thousand kroons (8,463 thousand euros) acquired for residential construction purposes.

NOTE 5. Non-current assets held for sale

	EEK '000		EUR '000	
	2008	2007	2008	2007
As at 31 March				
Investment property	198	0	13	0
TOV Passage Theatre	37,458	0	2,394	0
European House	5,706	0	365	0
Total non-current assets held for sale	43,362	0	2,771	0

NOTE 6. Acquisition of minority interests

On 12 February 2008, AS Eesti Ehitus purchased from a minority shareholder 2.5 per cent of the minority shareholder's stake in OÜ Eurocon. After the transaction, AS Eesti Ehitus' interest in OÜ Eurocon amounts to 66.5 per cent.

Subsidiary OÜ Eurocon's net assets at the date of acquisition

	EEK '000			EUR '000		
	Pre-acquisition carrying amount	Total fair value (100%)	Recognised value on acquisition (2.5%)	Pre-acquisition carrying amount	Total fair value (100%)	Recognised value on acquisition (2.5%)
Current assets	145,618	145,618	3,640	9,307	9,307	233
Non-current assets	89,634	89,634	2,241	5,729	5,729	143
Current liabilities	-91,950	-91,950	-2,299	-5,877	-5,877	-147
Non-current liabilities	-111,765	-111,765	-2,794	-7,143	-7,143	-179
Net identifiable assets and liabilities	31,537	31,537	788	2,016	2,016	50
Goodwill			6,655			425
Cost			7,443			476
Paid in cash			7,443			476

On 5 February 2008, OÜ Eurocon purchased a 4 per cent stake in TOV Eurocon Ukraine from an individual and became the entity's sole shareholder.

Subsidiary TOV Eurocon Ukraine's net assets at the date of acquisition

	EEK '000			EUR '000		
	Pre-acquisition carrying amount	Total fair value (100%)	Recognised value on acquisition (4%)	Pre-acquisition carrying amount	Total fair value (100%)	Recognised value on acquisition (4%)
Current assets	131,391	131,391	5,256	8,397	8,397	336
Non-current assets	42,647	42,647	1,706	2,726	2,726	109
Current liabilities	-77,499	-77,499	-3,100	-4,953	-4,953	-198
Non-current liabilities	-74,100	-74,100	-2,964	-4,736	-4,736	-189
Net identifiable assets and liabilities	22,439	22,439	898	1,434	1,434	57
Goodwill			-163			-10
Cost			735			47
Paid in cash			735			47

Negative goodwill of 163 thousand kroons (10 thousand euros) arisen on the acquisition has been recognised as financial income in the income statement.

NOTE 7. Long-term investments

As at 31 March	EEK '000		EUR '000	
	2008	2007	2008	2007
Investments in associates	33,556	21,712	2,145	1,388
Long-term loans to associates	45,416	13,107	2,903	838
Other investments	414	4,341	26	277
Long-term trade receivables	5,992	5,813	383	372
Miscellaneous long-term receivables	6,450	6,078	412	388
Total long-term investments	91,828	51,051	5,869	3,263

Long-term loans to associates comprise outstanding loan balances together with accrued interest. Other investments include a 12.2 per cent shareholding in AS E-Trading. Long-term trade receivables have been recognised based on the settlement schedule.

Miscellaneous long-term receivables of 6,450 thousand kroons (412 thousand euros) comprise the outstanding balance of the loan granted to European House together with accrued interest.

NOTE 8. Investment property

	EEK '000		EUR '000	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Investment property at 1 January	133,984	24,199	8,563	1,547
Depreciation	-231	0	-15	0
Investment property at 31 March	133,753	24,199	8,548	1,547

NOTE 9. Property, plant and equipment

EEK '000	Land and buildings	Plant and equipment	Other items of PP&E	Assets under construction and prepayments	Total
Cost					
At 1 January 2008	15,959	337,194	45,158	2,091	400,402
2008					
Acquisitions through business combinations	0	433	1,751	56,955	59,139
Additions	0	14,341	963	485	15,789
Disposals	0	-15,839	0	0	-15,839
Effect of movements in exchange rates	0	-496	-414	0	-910
At 31 March 2008	15,959	335,633	47,458	59,531	458,581
Depreciation					
At 1 January 2008	1,396	157,821	19,437	0	178,654
2008					
Depreciation charge for the period	141	13,269	2,153	0	15,563
Disposals	0	-12,747	-1,201	0	-13,948
Effect of movements in exchange rates	0	53	2,092	0	2,145
At 31 March 2008	1,537	158,396	22,481	0	182,414
Carrying amount					
At 1 January 2008	14,563	179,373	25,721	2,091	221,748
At 31 March 2008	14,422	177,237	24,977	59,531	276,167

EUR '000	Land and buildings	Plant and equipment	Other items of PP&E	Assets under construction and prepayments	Total
Cost					
At 1 January 2008	1,020	21,551	2,886	134	25,590
2008					
Acquisitions through business combinations	0	28	112	3,640	3,780
Additions	0	917	62	31	1,009
Disposals	0	-1,012	0	0	-1,012
Effect of movements in exchange rates	0	-32	-26	0	-58
At 31 March 2008	1,020	21,451	3,033	3,805	29,309
Depreciation					
At 1 January 2008	89	10,087	1,242	0	11,418
2008					
Depreciation charge for the period	9	848	138	0	995
Disposals	0	-815	-77	0	-891
Effect of movements in exchange rates	0	3	134	0	137
At 31 March 2008	98	10,123	1437	0	11,658
Carrying amount					
At 1 January 2008	931	11,464	1,644	134	14,172
At 31 March 2008	922	11,328	1,596	3,805	17,650

Additions of 2008 include mainly road construction equipment.

NOTE 10. Intangible assets

EEK '000	Positive goodwill	Software licences	Trademarks	Research and development costs	Total
Cost					
At 1 January 2008	262,316	1,360	10,000	3,716	277,392
2008					
Acquisitions through business combinations	17,230	0	0	0	17,230
Additions	0	0	0	464	464
Effect of movements in exchange rates	0	-2	0	0	-2
At 31 March 2008	279,546	1,358	10,000	4,180	295,084
Amortisation					
At 1 January 2008	0	669	3,500	0	4,169
2008					
Amortisation charge for the period	0	60	500	0	560
Effect of movements in exchange rates	0	-1	0	0	-1
At 31 March 2008	0	728	4,000	0	4,728
Carrying amount					
At 1 January 2008	262,316	691	6,500	3,716	273,223
At 31 March 2008	279,546	630	6,000	4,180	290,356

EUR '000	Positive goodwill	Software licences	Trademarks	Research and development costs	Total
Cost					
At 1 January 2008	16,765	87	639	237	17,729
2008					
Acquisitions through business combinations	1,101	0	0	0	1,101
Additions	0	0	0	30	30
Effect of movements in exchange rates	0	0	0	0	0
At 31 March 2008	17,866	87	639	267	18,859
Amortisation					
At 1 January 2008	0	43	224	0	266
2008					
Amortisation charge for the period	0	4	32	0	36
Effect of movements in exchange rates	0	0	0	0	0
At 31 March 2008	0	47	256	0	302
Carrying amount					
At 1 January 2008	16,765	44	415	237	17,462
At 31 March 2008	17,866	40	383	267	18,557

NOTE 11. Finance and operating leases

Finance lease liability		EEK '000		EUR '000	
As at 31 March		2008	2007	2008	2007
Payable in less than one year		35,673	39,816	2,280	2,545
Payable between one and five years		88,216	72,525	5,638	4,635
Total		123,889	112,341	7,918	7,180
Principal payments made during the period		13,499	15,426	863	986
Interest payments made during the period		1,626	1,318	104	84
Base currency	EUR	120,910	111,510	7,728	7,127
Base currency	UAH	2,979	831	190	53
Settlement term	Monthly	Monthly	Monthly	Monthly	Monthly
Interest rates in Estonia	3.0%-8.0%	3.0%-8.0%	3.0%-8.0%	3.0%-8.0%	3.0%-8.0%
Interest rates in Ukraine	10%-12%	10%-12%	10%-12%	10%-12%	10%-12%

Operating lease rentals paid for		EEK '000		EUR '000	
		Q1	Q1	Q1	Q1
		2008	2007	2008	2007
Cars		4,081	3,325	261	213
Construction equipment		5,418	4,576	346	292
Premises		2,108	1,837	135	117
Software		1,989	1,674	127	107
Total operating lease rentals paid		13,596	11,412	869	729

NOTE 12. Interest-bearing loans and borrowings

		EEK '000		EUR '000	
As at 31 March		2008	2007	2008	2007
Short-term bank loans		26,755	18,816	1,710	1,203
Current portion of long-term bank loans		69,712	18,638	4,455	1,191
Other loans		19,044	0	1,217	0
Finance lease liabilities		35,673	39,816	2,280	2,545
Total current loans and borrowings		151,184	77,270	9,662	4,938
Long-term bank loans		395,347	139,236	25,267	8,899
Other loans		22,745	0	1,454	0
Long-term finance lease liabilities		88,216	72,525	5,638	4,635
Total non-current loans and borrowings		506,308	211,761	32,359	13,534

On 9 January 2008, AS Eesti Ehitus borrowed 11,966 thousand euros from Sampo Pank under a long-term loan agreement in order to finance the acquisition of the shares in AS Eston Ehitus. The loan is secured with a pledge of the shares in AS Eston Ehitus. The loan is repaid in quarterly instalments. The loan term expires in January 2013.

NOTE 13. Other payables and advances received

Current payables and advances received

	EEK '000		EUR '000	
As at 31 March	2008	2007	2008	2007
Payables to the parent and other group companies	7,414	2,213	474	141
Payables to associates	147	0	9	0
Payables to employees	59,693	50,706	3,815	3,241
Progress payments received in excess of contract work completed	110,504	153,935	7,062	9,838
Accrued expenses	6,746	9,446	431	604
Miscellaneous payables	171,642	122,690	10,970	7,841
Customer advances for goods and services	26,022	13,068	1,663	835
Total other payables and advances received	382,168	352,058	24,425	22,501

Payables to employees comprise remuneration and bonuses payable and accrued vacation pay liabilities.

Accrued expenses include unpaid loan interest of 5,490 thousand kroons (351 thousand euros) which is not due yet.

Progress payments received in excess of contract work completed is related to the accounting for construction contracts and comprises the difference between progress billings and contract revenue recognised by reference to the stage of completion of contract activity.

Miscellaneous payables include estimated project expenses.

NOTE 14. Provisions

Warranties provisions

	EEK '000		EUR '000	
As at 31 March	2008	2007	2008	2007
Current warranties provisions	8,078	5,214	516	333
Non-current warranties provisions	3,739	1,885	239	120
Total warranties provisions	11,817	7,099	755	454

In accordance with the contracts for construction services, the Group is liable for its work during the post-construction warranty period which usually lasts for two years from the date the instrument of delivery and receipt is signed. Construction projects are established provisions on an individual basis. The provisions are classified as current and non-current based on the expiry of the warranty period.

NOTE 15. Equity

Shares

According to the Articles of Association the minimum and maximum authorised share capital of AS Eesti Ehitus amount to 120,000 thousand kroons (7,669 thousand euros) and 480,000 thousand kroons (30,677 thousand euros) respectively. Share capital consists of ordinary shares with a par value of ten kroons each.

Dividends

The board has proposed that the profit for 2007 be used to make the following dividend distribution:

In 2008:	3.00 kroons per share	92,270 thousand kroons (30,756,728 shares)
	0.19 euros per share	5,897 thousand euros (30,756,728 shares)

Earnings per share

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period, both adjusted for the effects of all dilutive equity instruments.

The weighted average number of shares has been found considering the effect of the bonus issue.

	Unit	EEK '000		EUR '000	
		Q1 2008	Q1 2007	Q1 2008	Q1 2007
Profit for the period	Thousands of currency units	46,138	29,492	2,949	1,885
Weighted average number of shares	Thousands	30,757	30,757	30,757	30,757
Basic earnings per share		1.50	0.96	0.10	0.06
Diluted earnings per share		1.50	0.96	0.10	0.06

AS Eesti Ehitus has not issued any share options or other convertible instruments. Therefore, diluted earnings per share equal basic earnings per share.

NOTE 16. Participation in joint ventures

Under a partnership contract, the Group is involved in the rehabilitation of Tallinn Airport airside area (Partnership contract I). The project is under the joint control of three parties. The Group's share in the profit of the contract is one third. Each party is responsible for the delivery and risks of the contract to the extent of its share in the venture. The penalty for a deliberate breach of contract is 100 thousand euros.

In addition, the Group participates in the construction of the Vaida-Aruvalla road section under another partnership contract (Partnership contract II). The project is under the joint control of four parties. The Group's share in the profit of the contract is one fourth. Each party is responsible for the delivery and risks of the contract to the extent of its share in the venture.

Venture partners have not established a company for the performance of the contracts. Therefore, each venturer recognises in its financial statements the assets it controls, the liabilities it incurs, the expenses it incurs and the share of income that it earns, and the consolidated financial statements are not adjusted or subjected to any other consolidation procedures.

	For Q1 or at 31 March 2008				For Q1 or at 31 March 2007	
	EEK '000	EUR '000	EEK '000	EUR '000	EEK '000	EUR '000
	Partnership contract I		Partnership contract II		Partnership contract I	
Income	82,596	5,279	95,778	6,121	20,609	1,317
Including the reporting period	-1,738	-111	9,507	608	11,795	754
Expenses	74,881	4,786	83,657	5,347	19,295	1,233
Including the reporting period	-647	-41	8,304	531	11,016	704
Receivables	7,779	497	5,728	366	12,229	782
Payables	4,692	300	15,886	1,015	9,477	606
Including to venture partners	0	0	13,085	836	0	0

NOTE 17. Segment reporting – business segments

The Group's primary segment reporting format is business segments. In 2007, the Group implemented reporting by geographical segments. Inter-segment pricing is determined, in all material respects, on an arm's length basis.

Business segments

EEK '000	Residential and non-residential		Civil engineering		Eliminations		Consolidated	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Construction contract revenue	648,223	307,442	116,739	247,956	0	0	764,962	555,398
Other revenue	4,983	2,257	3,565	2,080	0	0	8,548	4,337
Total revenue from external customers	653,206	309,699	120,304	250,036	0	0	773,510	559,735
Inter-segment revenue	15,336	70,850	1,648	11,912	-16,984	-82,762	0	0
Total revenue	668,542	380,549	121,952	261,948	-16,984	-82,762	773,510	559,735
Segment result	77,527	49,158	23,827	18,713	0	0	101,354	65,950
Unallocated expenses	0	0	0	0	0	0	-40,311	-28,652
Operating profit	0	0	0	0	0	0	61,043	37,298
Net financial items	0	0	0	0	0	0	-15,292	3,788
Share of profit / loss of equity accounted investees	-728	-135	16	654	0	0	-712	519
Income tax expense	0	0	0	0	0	0	-145	-10,192
Profit for the period							44,894	31,413
Segment assets	1,294,489	831,324	917,831	560,576	0	0	2,212,320	1,391,900
Investments in associates	22,995	17,869	10,561	3,843	0	0	33,556	21,712
Total assets							2,245,876	1,413,612
Segment liabilities	356,722	284,700	366,274	560,576	0	0	722,996	583,427
Warranty liabilities	10,765	5,007	1,052	2,092	0	0	11,817	7,099
Unallocated liabilities	0	0	0	0	0	0	657,492	289,031
Total liabilities							1,392,305	879,557
Cash flows from operating activities	53,205	12,496	-17,252	-17,955	0	0	35,953	-5,459
Cash flows from investing activities	-166,266	18,889	1,671	-18,841	0	0	-164,595	48
Cash flows from financing activities	268,293	-464	-3,205	-16,654	0	0	265,088	-17,118
Net cash flows	155,232	30,921	-18,786	-53,450	0	0	136,446	-22,529
Capital expenditure	31,904	5,394	1,579	21,241	0	0	33,483	26,635
Depreciation and amortisation expense	3,667	2,047	12,456	12,274	0	0	16,123	14,321

Business segments (continued)

EUR '000	Residential and non-residential		Civil engineering		Eliminations		Consolidated	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Construction contract revenue	41,429	19,649	7,461	15,847	0	0	48,890	35,496
Other revenue	318	144	228	133	0	0	546	277
Total revenue from external customers	41,747	19,793	7,689	15,980	0	0	49,436	35,774
Inter-segment revenue	980	4,528	105	761	-1,085	-5,289	0	0
Total revenue	42,728	24322	7,794	16742	-1,085	-5,289	49,436	35,774
Segment result	4,955	3,142	1,523	1,196	0	0	6,478	4,215
Unallocated expenses	0	0	0	0	0	0	-2,576	-1,831
Operating profit	0	0	0	0	0	0	3,901	2,384
Net financial items	0	0	0	0	0	0	-977	242
Share of profit / loss of equity accounted investees	-47	-9	1	42	0	0	-46	33
Income tax expense	0	0	0	0	0	0	-9	-651
Profit for the period							2,869	2,008
Segment assets	82,733	53,131	58,660	35,827	0	0	141,393	88,959
Investments in associates	1470	1142	675	246	0	0	2,145	1,388
Total assets							143,538	90,346
Segment liabilities	22,799	18,196	23,409	35,827	0	0	46,208	37,288
Warranty liabilities	688	320	67	134	0	0	755	454
Unallocated liabilities	0	0	0	0	0	0	42,021	18,472
Total liabilities							88985	56,214
Cash flows from operating activities	3,400	799	-1,103	-1,148	0	0	2,298	-349
Cash flows from investing activities	-10,626	1,207	107	-1,204	0	0	-10,520	3
Cash flows from financing activities	17,147	-30	-205	-1,064	0	0	16,942	-1,094
Net cash flows	9,921	1,976	-1,201	-3,416	0	0	8,720	-1,440
Capital expenditure	2,039	345	101	1,358	0	0	2,140	1,702
Depreciation and amortisation expense	234	131	796	784	0	0	1,030	915

Unallocated liabilities include loans and borrowings.

NOTE 18. Segment reporting – geographical segments

	EEK '000		EUR '000	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Revenue				
Estonia	633,283	466,290	40,474	29,801
Ukraine	125,541	94,581	8,024	6,045
Lithuania	15,052	0	962	0
Eliminations	-366	-1,136	-23	-73
Total revenue	773,510	559,735	49,436	35,774

Segment assets based on geographical location

Estonia	2,089,425	1,246,723	133,539	79,680
Ukraine	277,250	218,787	17,720	13,983
Lithuania	12,667	0	810	0
Eliminations	-133,465	-70,135	-8,530	-4,482
Total segment assets	2,245,877	1,395,375	143,538	89,181

EEK '000

Capital expenditures in Q1 2008	Estonia	Ukraine	Total
Property, plant and equipment	15,029	760	15,799
Intangible assets	7,119	10,575	17,694
Total capital expenditures in Q1 2008	22,148	11,335	33,483

EUR '000

Capital expenditures in Q1 2008	Estonia	Ukraine	Total
Property, plant and equipment	961	49	1,010
Intangible assets	455	676	1,131
Total capital expenditures in Q1 2008	1,416	724	2,140

EEK '000

Capital expenditures in Q1 2007	Estonia	Ukraine	Total
Property, plant and equipment	25,300	1,196	26,496
Intangible assets	139	0	139
Total capital expenditures in Q1 2007	25,439	1,196	26,635

EUR '000

Capital expenditures in Q1 2007	Estonia	Ukraine	Total
Property, plant and equipment	1,617	76	1,693
Intangible assets	9	0	9
Total capital expenditures in Q1 2007	1,626	76	1,702

NOTE 19. Cost of sales

	EEK '000		EUR '000	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Depreciation and amortisation expense	14,578	13,486	932	862
Personnel expenses	77,861	56,583	4,976	3,616
Cost of materials, goods and services used	573,864	420,497	36,677	26,875
Other expenses	5,853	3,219	374	206
Total cost of sales	672,156	493,785	42,959	31,559

NOTE 20. Administrative expenses

	EEK '000		EUR '000	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Depreciation and amortisation expense	1,545	835	99	53
Personnel expenses	27,531	17,788	1,760	1,137
Cost of materials, goods and services used	11,143	9,088	712	581
Other expenses	3,274	2,145	209	137
Total administrative expenses	43,493	29,856	2,780	1,908

NOTE 21. Other operating income and expenses

Other operating income

	EEK '000		EUR '000	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Gains on sale of property, plant and equipment and intangible assets	1,934	2,780	124	178
Foreign exchange gains	42	123	3	8
Other income	5,146	67	329	4
Total other operating income	7,122	2,970	455	190

Other operating expenses

	EEK '000		EUR '000	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Write-off of property, plant and equipment and intangible assets	33	880	2	56
Foreign exchange losses	470	45	30	3
Losses from doubtful and irrecoverable receivables	-184	0	-12	0
Membership fees	97	86	6	5
Other expenses	2,697	223	172	14
Total other operating expenses	3,113	1,234	199	79

NOTE 22. Financial income and expenses

Financial income

	EEK '000		EUR '000	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Gains on sale of shares in associates	0	6,309	0	403
Other financial income	4,556	1,886	291	121
Foreign exchange gains	1	1,630	0	104
Total financial income	4,559	9,825	291	628

Financial expenses

	EEK '000		EUR '000	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Interest expense	8,442	3,227	540	206
Other financial expenses	11	23	1	1
Foreign exchange losses	11,398	2,787	728	178
Total financial expenses	19,851	6,037	1,269	386

NOTE 23. Income tax expense

	EEK '000		EUR '000	
	Q1 2008	Q1 2007	Q1 2008	Q1 2007
Income tax on dividends paid	0	9,237	0	590
Income tax on profit earned	145	955	9	61
Total income tax expense	145	10,192	9	651

NOTE 24. Transactions with related parties

Parties are related if one controls the other or exerts significant influence on the other's business decisions. Related parties include:

1. AS Nordecon (the parent of AS Eesti Ehitus) and its shareholders
2. The subsidiaries and associates of AS Eesti Ehitus
3. Other companies of AS Nordecon Group
4. Members of the company's board and council and individual shareholders whose interest is significant, except where the above cannot exert significant influence on the company's business decisions. Related parties also include close family members of and companies related to the above.

In the preparation of the consolidated interim financial statements, all intra-group receivables and liabilities, intra-group transactions, and related unrealised gains and losses were eliminated.

During the reporting period, Group entities performed purchase and sales transactions with related parties in the following volumes:

Transactions performed in the reporting period	EEK '000		EUR '000	
	Purchases	Sales	Purchases	Sales
AS Nordecon	5,808	154	371	10
Subsidiaries of AS Nordecon	722	65,466	46	4,184
Companies related to a member of the council of AS Eesti Ehitus	0	988	0	63
Total	6,530	66,608	417	4,257

Substance of transactions performed	EEK '000		EUR '000	
	Purchases	Sales	Purchases	Sales
Construction contracts	0	66,454	0	4,247
Purchase and sale of goods	0	154	0	10
Leases and other services	6,530	0	417	0
Total	6,530	66,608	417	4,257




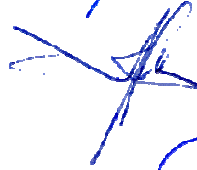

Receivables from and liabilities to related parties break down as follows:

	EEK '000				EUR '000			
	31 March 2008		31 March 2007		31 March 2008		31 March 2007	
	Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable	Payable
AS Nordecon	106	2,205	5	2,184	7	141	0	140
Subsidiaries of AS Nordecon	43,233	5,209	25,049	29	2,763	333	1,601	2
Companies related to a member of the council of AS Eesti Ehitus	0	1,189	1,614	0	0	76	103	0
Associates	68,766	147	41,769	0	4,395	9	2,670	0
Total	112,105	8,750	68,437	2,213	7,165	559	4,374	141

In the first quarter of 2008, the remuneration of the members of the council of AS Eesti Ehitus Group totalled 270 thousand kroons (17 thousand euros) and the remuneration of the members of the board of AS Eesti Ehitus amounted to 2,575 thousand kroons (165 thousand euros).

Signatures

The board of AS Eesti Ehitus has prepared the company's consolidated interim financial statements for the first quarter of 2008 (unaudited) which are presented on pages 3 to 31.

Jaano Vink	Chairman of the Board		6 May 2008
Sulev Luiga	Member of the Board		6 May 2008
Erkki Suurorg	Member of the Board		6 May 2008
Avo Ambur	Member of the Board		6 May 2008
Priit Pluutus	Member of the Board		6 May 2008