

INFORMATIONAL MEMORANDUM (TRANSLATION)



E.L.L. KINNISVARA AS

DISPOSSESSION OF THE PARTICIPATION OF MERKO EHITUS IN E.L.L. KINNISVARA

CONSULTANTS



BALTIC CRESCO INVESTMENT GROUP

BALTIC CRESCO INVESTMENT GROUP
LAW OFFICE LEPIK & LUHAÄÄR

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THE DISPOSSESSION OF PARTICIPATION OF MERKO EHITUS IN E.L.L. KINNISVARA

On the 5th July 1999 the Extraordinary General Meeting of AS Merko Ehitus (hereinafter Merko Ehitus) confirmed and gave an approval to the Board for dispossession of up to 100% participation in the subsidiary company E.L.L. Kinnisvara AS (hereinafter company or E.L.L. Kinnisvara).

On the 6th July 1999 the Council of Merko Ehitus gave the right to the Board to give out the call options which give the right to acquire the shares of E.L.L. Kinnisvara to the shareholders of Merko Ehitus. Merko Ehitus disposes the shares of E.L.L. Kinnisvara to the shareholders of Merko Ehitus who exercise the call options in conditions described in "The conditions of dispossession"

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A BRIEF OVERVIEW OF E.L.L. KINNISVARA

AS Merko Kinnisvara was established in 1997 as the 100% subsidiary company of Merko Ehitus. The company was registered at the Register of Firms on the 26 September 1997 under the registry no 1027889. According to the decision of the General Meeting of Shareholders of 4th July 1998 the business name of the company is E.L.L. Kinnisvara.

The main business activities of E.L.L. Kinnisvara are development of real estate projects and management of real estate. See "An overview of the real estate development projects".

THE GOAL OF DISPOSSESSION

The Board of Merko Ehitus regards it expedient to dispossess participation in E.L.L. Kinnisvara in order to resign from the activities of real estate development and focus on the main field of activity — construction.

According to the standpoint of the management of AS Merko Ehitus construction and real estate development have very different business nature and investors evaluate the mentioned industrial sectors differently. Because of that the separation of real estate development from the construction should have a positive impact on the efficiency and through this to the value of both companies.

THE CONDITIONS OF DISPOSSESSION

AN ISSUE OF CALL OPTIONS

Merko Ehitus will issue to the shareholders of Merko Ehitus up to 9 999 500 call options with the relation of 1.1299 call options per 1 share of Merko Ehitus. If the number of shares of Merko Ehitus owned by the shareholder of Merko Ehitus does not give the right to acquire a whole number of call options, the number of call options issued to the shareholder of Merko Ehitus is rounded down to the closest integer. Each call option will give the right to acquire 1 share of E.L.L. Kinnisvara with the exercise price of the call option and during the validity period of the call option. The list of shareholders of Merko Ehitus, to whom the call options will be issued, will be fixed on the 19th July 1999 at 8 AM. The options will be carried to the accounts of the shareholders of Merko Ehitus at the Estonian Central Depository for Securities Ltd. (hereinafter ECDS) on the 19th July 1999.

The validity period (i.e. time period, during which the shareholders of Merko Ehitus have the right to exercise the call options, i.e. acquire the shares of E.L.L. Kinnisvara) is a time period from 19th to 30th July, 1999. The Board of Merko Ehitus will have the right to extend the validity period according to its decision.

The call options can be exercised only by the shareholders of Merko Ehitus, to whom according to the list of shareholders as of 19th July 1999 at 8 AM the call options were issued. The number of call options that the shareholder of Merko Ehitus can exercise is not limited. If the call option is dispossessed to another person the call option loses its validity and can not be exercised any more.

The call option loses its validity after the end of the validity period.

The call options can be dispossessed through mediation of the member banks of ECDS during the validity period.

The member banks of ECDS are:

- ◆ Eesti Krediidipank, Narva Rd 4, Tallinn.
- ◆ Eesti Ühispank, Tornimäe 2, Tallinn;
- ◆ Hansapank, Liivalaia 8, Tallinn;
- ◆ Optiva Pank, Narva Rd 11, Tallinn.

The shares of E.L.L. Kinnisvara, for which the options were not exercised, will remain to Merko Ehitus.

AN EXERCISE OF THE CALL OPTIONS

The call options can be exercised from the 19th to 30th July 1999. The exercise price of the call options is 2 EEK.

The shareholder of Merko Ehitus, who wants to exercise the call option belonging to him, submits in the bank where its security account is opened an application to exercise the options. The payment for the shares will be made to the bank account of ECDS no 3000161496, code 302 in Eesti Pank. In the application in the column of explanations must be posted the number of the security account on which the call options of E.L.L. Kinnisvara of the person who exercises the options are registered.

The exercise price paid for the exercise of the call options must come in to the bank account of ECDS no later than 3 workdays after the end of the validity period at 3 PM. If the money has not come in for the above-mentioned time, the investor will lose the right for the shares of E.L.L. Kinnisvara.

If the shareholder of Merko Ehitus exercises the call option the shares of E.L.L. Kinnisvara will be carried to the securities account of the shareholder of Merko Ehitus no later than 4 banking days after the end of the validity period.

TAXATION

The acquisition of E.L.L. Kinnisvara shares through exercising the call options will not be considered as an income.

The income from the sale of call options will be taxed with taxation rate of 26%, whereby the acquisition cost of call options is 0 EEK.

THE IMPACT OF THE DISPOSSESSION OF THE PARTICIPATION ON MERKO EHITUS

As of the 31st March 1999 the value of E.L.L. Kinnisvara in the Balance Sheet of Merko Ehitus was 84 517 855 EEK, which differs from the owners' capital of E.L.L. Kinnisvara (98 038 361 EEK) as of the same date because of the following adjustments (see also "Share capital — Changes in the share capital").

	(EEK)	Explanation
Unrealized profits in connection with the real estates:		
Mustamäe Rd 24	57 078	profit from the sale of real estate
Nõmme Rd 87 / Kajaka 37	670 788	write-up of the property deposit - contract fee (673 987 - 3 199)
Tartu Rd 87	4 712 401	write-up of the property deposit - contract fee - the difference in the amounts of depreciation of Merko Ehitus and E.L.L. Kinnisvara (4 788 874 - 14 423 - 62 050)
Sadama Str 1, 1A, 1B ¹	7 414 021	write-up of the property deposit (land lease) - contract fee - write-down of the real estate (16 000 000 - 21 507 - 8 564 472 ²)
Total	12 854 288	
Unrealized profits and losses in connection with the construction services:		
Vilmsi Str. 44/46	682 543	difference between the income and the self-cost
Mustamäe Rd 24	-13 210	difference between the income and the self-cost
Nõmme Rd 87 / Kajaka 37	-3 115	difference between the income and the self-cost
Total	666 218	
Total	13 520 506	

Under the unrealized profits/losses are shown the profits/losses which appear from the transactions inside the group.

If E.L.L. Kinnisvara sells the assets acquired from Merko Ehitus to the company not belonging to Merko Ehitus group, then the profit of Merko Ehitus calculated by the equity method increases by the sum of unrealized profit and decreases by the sum of unrealized loss.

The value of the call option will be the difference between the value in the Balance Sheet of Merko Ehitus 84,5 million EEK i.e. 8.45 EEK per one call option and the exercise price of the call option 64,5 million EEK i.e. 6.45 EEK per one call option.

The owners' equity of Merko Ehitus will decrease from the dispossession of the 100% participation in E.L.L. Kinnisvara for 64.5 million EEK (loss from the dispossession of the participation 84,5 million EEK + income

¹ See also "The real estates in the possession of E.L.L. Kinnisvara — The real estate at the Sadama street "

² the decrease of 8 564 472 EEK of the unrealized profit in connection with the property deposit of land lease of Sadama Str 1 was calculated as follows:

the total write-down of the real estate was 53.6% (11 311 000 / 21 105 840). Accordingly was decreased the value of the investment in the Balance Sheet of Merko Ehitus ((16 000 000 - 21 507) * 53.6 % = 8 564 472 EEK).

from the exercise of the call options 20 million EEK). The *pro forma* consolidated financial statements of Merko Ehitus after the dispossession as of 31.03.1999 are given in the appendix no 2.

According to the income tax law (herewith ITL) §22 the loss from the dispossession of the shares of E.L.L. Kinnisvara does not reduce the taxable income of Merko Ehitus, if the loss from the dispossession of the assets exceeds the income from the dispossession of the assets during the same accounting period. According to the ITL §16 the loss from the dispossession of the assets to the related parties, i.e. to the shareholders whose participation is over 10%, to the members of the Board and employees, is not computed in taxation.

AN OVERVIEW OF THE REAL ESTATE DEVELOPMENT PROJECTS

Vilmsi 44/Poska 4 dwelling - office building

The dwelling - office building built by E.L.L. Kinnisvara for sale and rent was completed on the 1 May 1999. There are 36 apartments for sale (2 824 m²) and 1 000 m² space for rent. The construction of the building has been partially financed with the loan from Eesti Ühispank. As of 16th June 1999 the sale of 11 apartments have been drawn up by notary, the sale of 10 more apartments have been agreed with part payments. During the first half of 1999 4 rental contracts were concluded for the business space on the first and second floor of the building. 618 m² space in total has been rented out.

Ekspresshotell

In 1998, E.L.L. Kinnisvara acquired 50% participation in OÜ Hansa Hotel (hereinafter Hansa Hotel). During 1999 E.L.L. Kinnisvara made additional deposits to the holding of Hansa Hotel increasing its participation up to 66%, the increase of the holding is at registration in the Register of Firms.

Hansa Hotel owns Ekspresshotell and its management is the only field of activity of the company. Ekspresshotell is a two star hotel located at Sadama 1, Tallinn and is targeted for the tourists who arrive to Tallinn with a ferry. The hotel has 164 rooms. Construction of the hotel took place during the first half of 1999 and it was opened on the 1st June 1999. The operating company of Ekspresshotell is Reval Hotel Group.

The main building of Electrolux located at Mustamäe Rd 24

E.L.L. Kinnisvara has concluded a 10-year contract of tenancy with AS Electrolux Eesti (hereinafter Electrolux Eesti) to the building located at Mustamäe tee 24, Tallinn. The mentioned building was finished in July 1998 and the 100% tenant is Electrolux Eesti.

The building has been partially given to sublease through E.L.L. Kinnisvara to various other tenants. There is 4748 m² space for rent in the building. The given development project has been partially financed with the loan from Hansapank.

OÜ Pankrotivara

E.L.L. Kinnisvara bought OÜ Pankrotivara (herewith Pankrotivara) on the 13th April 1999. The only field of activity of Pankrotivara is the ownership of the 3937 m² real estate at Hobujaama 5 in Tallinn. The mentioned real estate is planned to build up and to rent out. At the moment the negotiations with different possible tenants are in progress.

OÜ Sikupilli Kaubanduskeskus

At the beginning of 1999 continued the negotiations for the construction of the trade center at Tartu Rd 87 in Tallinn. According to the business plan 25 000 m² of commercial- and office space will be built to the mentioned plot. The total planned volume of construction is around the magnitude of 250 mEEK. At the moment the negotiations with the possible financiers and tenants are in progress.

Plots of residential housings in Viimsi

E.L.L. Kinnisvara acquired on the 2nd June 1999 the land lease at the Viimsi residential house region at seaside close to Tallinn. E.L.L. Kinnisvara plans to establish the communications and to consolidate scattered landholdings and to sell the plots of residential houses to the builders of residential houses.

Other projects

After the sale of apartments in previously mentioned Vilmsi 44 / Poska 4 building, E.L.L. Kinnisvara has planned to continue the construction of dwelling- and office buildings for sale. For this purpose the negotiations with several sellers of plots in Tallinn are in progress.

Presently the negotiations with several service corporations with foreign share for construction of service buildings, where E.L.L. Kinnisvara would remain the owner of the building and the service corporations would be tenants, are in progress.

Other services

E.L.L. Kinnisvara offers the services of carrying through and consulting of registry, parceling and consolidation of landholdings by using the know-how gained from the experiences.

THE REAL ESTATES IN THE POSSESSION OF E.L.L. KINNISVARA

no	Address		Field of use	Value in the Balance Sheet	Shown in the Balance Sheet
1	Mustamäe Rd 24, Tallinn	5 764 m ²	commercial land	2 880 971 45 005 772	noncurrent asset; land noncurrent asset; building
2	Suur-Trepimäe, Valga, Pühajärve, Põlkuse	25.2 ha	agricultural land	1 263 844	noncurrent asset; land
3	Sadama Str 1A, Tallinn	149 m ²	industrial land		current asset; land
4	Sadama Str 1B, Tallinn	2 797 m ²	commercial land	5 889 969	current asset; land
5	J. Vilmsi 44 / J. Poska 4, Tallinn	307 m ²	commercial- and dwelling land	327 571 7 449 863	noncurrent asset; land noncurrent asset; offices
		841 m ²	commercial- and dwelling land	896 836 19 558 186	current asset; land current asset; apartments
6	Nõmme Rd 87 / Kajaka Str 37, Tallinn	6 800 m ²	commercial- and dwelling land	2 392 432	noncurrent asset; land
7	Riia Rd 1e, Pärnu	7 132 m ²	commercial land	2 859 690	noncurrent asset; land
8	Tartu Rd 87, Tallinn	36 476 m ²	commercial land	10 614 058	noncurrent asset; land-lease
9	Järvevana Rd 9E Tallinn	43 m ²	industrial land		
	Järvevana Rd 9G Tallinn	2 018 m ²	agricultural land	682 448	noncurrent asset; land
	Järvevana Rd 9F Tallinn	3 109 m ²	commercial land		
10	Möldre Rd 35 / Soovildiku Str 19, Tallinn	1 454 m ²	dwelling land	494 360	current asset; land
11	Harjumaa, Viimsi, Pringi	26 204 m ²	dwelling land	2 430 000	current asset; land-lease

The real estate at the Sadama Street

Next an overview of the establishment of the real estates at Sadama 1, Sadama 1A and Sadama 1B is given:

1. Merko Ehitus put to the share capital of E.L.L. Kinnisvara the land lease of Sadama 1, the value of which was appraised to 16 000 000 EEK. E.L.L. Kinnisvara expressed it in its accounting under the merchandise.
2. E.L.L. Kinnisvara bought on the 11th August 1998 the real estate at Sadama 1 from the state with the price of 5 000 000 EEK and expressed it in its accounting under the merchandise.
3. Beside the purchasing prices the deed costs and taxes were added to the price of the merchandise, so that the value of the merchandise before the write-down was 21 105 840 EEK.
4. During the compilation of the Annual Report the value of the merchandise was wrote-down in the sum of 11 311 000 EEK. The value of the merchandise Sadama 1 as of 31st December 1998 was 9 794 840 EEK.
5. On the 8th January 1999 a value of an individual portion belonging to the plot of Sadama 1 was sold to Hansa Hotel with the value in the Balance Sheet of 3 904 871 EEK
6. On the 22nd January 1999 the land lease in the dual ownership of E.L.L. Kinnisvara and Hansa Hotel was ended and the real estates was divided into three plots: Sadama 1 (sold to Hansa Hotel), Sadama 1A and Sadama 1B.
7. Sadama 1A and Sadama 1B are planned to sell with the value in the Balance Sheet.

FINANCIAL DATA

<i>in EEK</i>	1997	1998	3 months 1999
Total revenue	0	19 348 442	15 252 760
Net profit (-loss)	211 257	1 874 713	-4 046 839
Dividends per share	0	0	0
Profit (loss) per share	0.21	1.57	-0.40
Owners' equity	10 211 257	102 080 016	98 038 361
Share capital	10 000 000	99 995 000	99 995 000
Total assets	10 285 483	141 510 958	133 771 801

FINANCIAL REPORTS

The following financial data is based on the annual accounting reports of the company and on the data of the first quarter of 1999. The reports of 1997 and 1998 are audited by Audit EA. The reports of the first quarter of 1999 are unaudited.

Income Statement

<i>in EEK</i>	1997	1998	I quarter 1999
Net Sales	0	19 348 442	2 791 285
Change in work-in-progress and finished	0	14 028 700	12 461 475
Capitalized self-constructed assets	0	47 011 944	0
Other revenue	0	187 000	0
TOTAL REVENUE	0	80 576 086	15 252 760
Materials, consumables and supplies	0	61 128 837	12 481 725
Other operating expenses	49 723	2 674 938	4 888 038
Personnel expenses	0	908 658	284 456
incl. wages and salaries	0	683 202	213 877
social security cost	0	225 457	70 579
Depreciation	0	12 196 810	532 704
incl. depreciation of non-current assets, amortization and value adjustments	0	885 810	532 704
value adjustments of current assets	0	11 311 000	0
Other expenses	0	187 003	34
TOTAL EXPENSES	49 723	77 096 246	18 186 957
OPERATING PROFIT (- LOSS)	-49 723	3 479 840	-2 934 197
Financial income	335 701	305 622	23 003
Financial income from stocks of subsidiary enterprises	0	165	127
Other interest and similar income	335 701	305 457	22 876
Financial expenses	495	1 080 069	1 135 645
Financial expenses related to subsidiary enterprises	0	0	3 608
Financial expenses related to associated enterprises	0	21 929	420 630
Interest expense	0	1 058 140	711 407
Other financial expenses	495	0	0
PROFIT FROM NORMAL OPERATIONS	285 483	2 705 393	-4 046 839
Income tax	74 226	0	0
Deferred income tax	0	830 680	0
NET PROFIT (- LOSS) FOR THE FINANCIAL YEAR	211 257	1 874 713	-4 046 839

Income Statement

Scheme 2 up to the operating profit

<i>in EEK</i>	1997	1998	I quarter 1999
Net Sales	0	19 348 442	2 791 285
Cost of goods sold	0	2 263 626	679 881
GROSS PROFIT (- LOSS)	0	17 084 816	2 111 404
Marketing expenses	0	91 445	4 786 579
Administration and general expenses	49 723	2 389 528	259 022
Other income	0	187 000	0
Other expenses	0	11 311 003	0
incl. value adjustments of current assets	0	11 311 000	0
OPERATING PROFIT (-LOSS)	-49 723	3 479 840	-2 934 197

Balance Sheet

<i>in EEK</i>	31.12.97	31.12.98	31.03.99
CURRENT ASSETS	7 404 512	64 367 489	49 861 964
Cash and bank	104 512	860 922	1 704 754
Marketable securities	7 300 000	0	511 000
Receivables from clients	0	260 952	304 103
Accounts receivable	0	260 952	304 103
Miscellaneous receivables	0	37 583 834	12 887 077
Receivables from subsidiary and parent enterprises	0	37 471 845	12 802 897
Other short-term receivables	0	111 989	84 180
Accrued income	0	0	11 113
Interest receivable	0	0	11 113
Prepaid expenses	0	164 110	191 898
Prepaid taxes	0	0	18 540
Other prepaid expenses	0	164 110	173 358
Inventories	0	25 497 671	34 252 019
Work-in-progress	0	14 028 700	26 490 175
Merchandise purchased for resale	0	11 468 971	7 761 844
NONCURRENT ASSETS	2 880 971	77 143 469	83 909 837
Long-term financial investments	0	9 807 639	17 106 712
Shares of subsidiary enterprises	0	47 364	82 586
Shares of associated enterprises	0	28 071	4 557 441
Other shares and securities	0	1 450 000	1 450 000
Miscellaneous long-term receivables	0	8 282 204	11 016 685
Noncurrent physical assets	2 880 971	67 335 830	66 803 125
Land and buildings	2 880 971	55 848 787	55 848 787
Land lease	0	10 812 401	10 812 401
Plant and other equipment and fixtures	0	337 383	337 383
Accumulated depreciation	0	-885 810	-1 418 515
Self-constructed physical assets under construction	0	1 184 147	1 184 147
Prepayments for noncurrent physical assets	0	38 922	38 922
TOTAL ASSETS	10 285 483	141 510 958	133 771 801
<i>in EEK</i>	31.12.97	31.12.98	31.03.99
CURRENT LIABILITIES	74 226	12 056 262	8 358 760
Short-term debt	0	8 848 327	2 590 916
Current portion of long-term debt repayment	0	3 456 000	2 590 589
Short-term loans from financial institutions	0	5 392 327	327
Customer prepayments	0	2 680 038	5 092 890
Payables to suppliers	0	159 721	236 494
Accounts payable to suppliers	0	159 721	236 494
Miscellaneous liabilities	0	19 980	202 911
Payables to subsidiary or parent enterprises	0	19 980	202 911
Tax liabilities	74 226	135 099	116 202
Accrued expenses	0	213 097	119 347
Payables to employees	0	98 147	119 347
Interests payable	0	114 950	0
NONCURRENT LIABILITIES	0	27 374 680	27 374 680
Long-term debt	0	26 544 000	26 544 000
Long-term loans from financial institutions	0	26 544 000	26 544 000
Noncurrent provisions	0	830 680	830 680
Deferred income tax	0	830 680	830 680
OWNERS' EQUITY	10 211 257	102 080 016	98 038 361
Share capital	10 000 000	99 995 000	99 995 000
Reserves	0	100 000	100 000
Mandatory legal reserve	0	100 000	100 000
Retained earnings	0	111 257	1 985 970
Net profit (- loss) for the financial year	211 257	1 874 713	-4 046 839
Rate fluctuations	0	-954	4 230
TOTAL LIABILITIES AND OWNERS' EQUITY	10 285 483	141 510 958	133 771 801

SIGNIFICANT CHANGES IN BUSINESS ACTIVITIES IN 1999

More significant business transactions in 1999 accounting year:

1. Vilmsi 44 / Poska 4 apartment house was finished
2. Ekspresshotel of E.L.L. Kinnisvara 66% subsidiary Hansa Hotel was finished
3. OÜ Pankrotivara was bought
4. OÜ Sikupilli Kaubanduskeskus was established
5. The acquisition of land for development of residential house building in Viimsi

DEBTSDebts as of 1st June 1999:

creditor	Hansapank
amount	3 750 000 DEM
balance	28 557 480 EEK
due date	20 th May, 2003
interest	DEM 6 months LIBOR + marginal 4.8%
purpose	financing the office building of Electrolux
guarantee	the office building of Electrolux, Mustamäe tee 24, guarantee of Merko Ehitus

creditor	Merko Ehitus
amount	with the limit of 1 200 000 EEK
balance	200 000 EEK
due date	28 th Feb., 2000
interest	0%
purpose	for the acquisition of Möldre 35 / Soovildiku 19
guarantee	all assets of E.L.L. Kinnisvara

In addition there has been concluded a loan contract which comes to force on the 1st July 1999:

creditor	Uhispank
amount	750 000 DEM
balance	0
due date	11 th July 2005
interest	DEM 6 month LIBOR + 7%
purpose	for the construction of dwelling-office building at Vilmsi 44 / Poska
guarantee	Vilmsi 44 / Poska 4

THE STRUCTURE OF THE SHAREHOLDERS

The sole owner of E.L.L. Kinnisvara is Merko Ehitus.

THE SHARECAPITAL**IN GENERAL**

According to the articles of association the share capital can be from 60 million up to 240 million EEK. The share capital is divided into shares with the nominal value of 10 EEK.

The common stockholders have one vote for the matters given to stockholders for voting. A common stock gives the right to get dividends, if the decision to pay dividends has passed and to participate in the allotment of the assets of the company at the liquidation of the company after the other claims are settled.

The share capital of the company of 99 995 000 EEK is divided into 9 999 500 equity shares.

The shareholder has the right to dispossess his or her shares. The shareholder can pledge or encumber the shares with a usufruct.

The account operator and the registry of shares of the company is the Estonian Central Depository for Securities. The shares of the company were registered in the ECDS on the 19th May 1998 with the registry no EE3100006149.

CHANGES IN THE SHARECAPITAL

In the following table are given the changes in the share capital, number of the shares issued and par value of shares since 1997.

Registration at the Registry of Firms	No. of shares	Par-value (EEK)	Share capital (EEK)	The contents of the change
26. Sept 1997	1 000 000	10	10 000 000	Foundation of the company
23. Dec 1998	9 999 500	10	99 995 000	Issue of 8 999 500 shares with par

The General Meeting of shareholders of the company decided on the 4th June 1998 increase the share capital of the company by 89 995 000 EEK, issuing 8 999 500 shares with par. Merko Ehitus had the prior right in subscribing the shares. Merko Ehitus made the cash deposit of 56 585 000 EEK and property deposit of 33 410 000 EEK.

The following assets were remitted by Merko Ehitus as a property deposit to E.L.L. Kinnisvara:

<i>in EEK</i>	In the balance sheet of Merko Ehitus (residual value)	In the balance sheet of E.L.L. Kinnisvara (after the write-up or -down)
real estate at Nõmme Str 87 / Kajaka 37, Tallinn	1 706 013	2 380 000
real estate at Riia Rd 1e, Pärnu	3 266 520	2 850 000
Land lease at Tartu Rd 87, Tallinn	5 941 129 ³	10 730 000
Land lease at Sadama Str. 1, Tallinn		16 000 000
Shares of AS Betola	2 335 500	1 450 000
Total		33 410 000

The expert evaluations to the property deposits were ordered from the following real estate companies:

real estate at Nõmme Str. 87 / Kajaka 37, Tallinn	AS Arco Vara
real estate at Riia Rd 1e, Pärnu	AS Arco Vara and AS Kinnisvaraekspert
Land lease at Tartu Rd 87, Tallinn	AS Arco Vara
Land lease at Sadama Str. 1, Tallinn	AS Arco Vara, AS Kinnisvaraekspert and AS Uus Maa

The expert evaluations are controlled and confirmed by the auditing firms KPMG Estonia and Audit EA.

The adequacy of the value of dispossession of the participation of 11.9% of AS Betola compared to the common value of this participation are confirmed by the auditing firms KPMG Estonia and Audit EA.

The impact of the transactions inside the group to the financial indicators of Merko Ehitus

The impact of property deposits to the financial reports of Merko Ehitus:

1. write-ups do not appear in the reports of Merko Ehitus;
2. write-downs appear in the reports of Merko Ehitus as follows:
 - a) the loss from the write-down of the real estate at Riia Rd 1e, Pärnu under the other expenses in the sum of 416 520 EEK
 - b) the loss from the write-down of the shares AS Betola under the other financial expenses in the sum of 885 500 EEK.

In compiling the Annual Report 1998 of Merko Ehitus group IAS 25 p 3 (a) was taken into account, according to which in the consolidated financial statements the transactions taken place within the group are not required to be reported.

LEGAL DISPUTES

There are no proceedings in court or arbitration.

THE CONTRACTS IN FORCE BETWEEN MERKO EHITUS AND E.L.L. KINNISVARA

1. Construction contract no. 6430 (construction of dwelling-office building at Vilmsi Str 44/46 / Poska 4; contractual price 38 million EEK).
2. Construction contract no. 6507 (construction of sample house at Veskimöldre residential sector, contractual price 1.6 million EEK).
3. Loan contract (from 12.03.1999 until 28.02.2000, interest 0%, with the limit of 1.2 million EEK, presently in use 200 thousand EEK).

MANAGEMENT

Members of the Council

Toomas Annus, Tõnu Toomik, Ülo Metsaots

Members of the Board

Jaak Vende, Almar Otter

³ The acquisition cost of land lease at Tartu Rd 87 in the balance Sheet of Merko Ehitus: 6 061 853 EEK.

AFFIRMATION

Herewith the signer takes the responsibility for the correctness and completeness of the data included in this informational memorandum. The signer affirms that he has taken into use all appropriate means to control the correctness and completeness of the data presented in this informational memorandum and that from the presented information has not been left out anything, which would have an impact on the content or meaning of the data presented in this informational memorandum.

Ülo Metsaots

13th July 1999

APPENDIXES

APPENDIX 1

THE ANNUAL REPORT 1998 OF E.L.L. KINNISVARA

Activities Report

1998 was the first year of activity for E.L.L. Kinnisvara. The main attention was paid to the development of the plots gained from the parent company to a profitable real estate.

In the August 1999 Merko Ehitus as the 100% shareholder of previously named Merko Kinnisvara changed the business name of Merko Kinnisvara to E.L.L. Kinnisvara. Three first letters of E.L.L. Kinnisvara symbolize the goals of E.L.L. Kinnisvara to expand to each of the Baltic States with its agencies during the 1998/99 (accordingly Estonia, Latvia, and Lithuania).

In 1998 the substantial projects for E.L.L. Kinnisvara were:

1. construction and renting out of the commercial building to Electrolux Eesti at Mustamäe tee 24;
2. beginning of construction of commercial- and dwelling house at Vilmsi Str. 44/ Poska 4;
3. preparation for construction- and development activities of the Sikupilli block at Tartu Rd 87;
4. acquisition of the 50% participation in Hansa Hotel (Hansa Hotel builds Ekspresshotell at Sadama 1, Tallinn);
5. conclusion of the contract for subscription of shares of AS Tornimäe Kinnisvara for the acquisition of the 50% participation (the contract of purchase was concluded on the 11th January 1999);
6. preparation for the establishment of the real estate development company E.L.L. Nekilnojamis Turtas to operate in Lithuania;
7. the establishment of the 100% owned subsidiary SIA E.L.L. Real Estate in Latvia

The net sales of E.L.L. Kinnisvara were 19,3 million and net profits 1,8 million EEK.

The total revenues of 80,5 million EEK consisted of net sales of 19,3 million EEK, changes in work-in-progress and finished of 14,0 million EEK, capitalized self-constructed assets of 47,0 million EEK, and other revenue of 0,18 million EEK. From the total revenues 8% resulted from the rental income and 16,5% from the income from the sale of services.

The percentage of the noncurrent assets in the Balance Sheet of E.L.L. Kinnisvara is 54%. The structure of the noncurrent assets is the following:

buildings	58 %
land-lease	14 %
land	13 %
financial investments	13 %
other	2 %

The substantial ratios describing the business activities of E.L.L. Kinnisvara in 1998 were:

Current ratio	5.3 x
Liquidity ratio	3.2 x
Equity capital ratio	72%
Coverage ratio of interest expenses	3.3 x
Net profit margin	9.6%
ROE	1.8%
ROA	1.3%

The relatively modest figures of ROE and ROA are mainly due to the fact that 1998 was the year of beginning for E.L.L. Kinnisvara and investments were made that started to gain income at the end of the year (the building of Electrolux) or in the long term during the coming years.

In the middle of 1998 was carried through directed enlargement of share capital, during which the share capital of E.L.L. Kinnisvara was increased for 89 995 000 EEK up to 99 995 000 EEK. The additional 8 999 500 shares were subscribed 100% by Merko Ehitus.

The main goals for 1999 are the completion of the previously mentioned projects started in 1998 and the development and preparation for construction of the real estates belonging to E.L.L. Kinnisvara.

During 1999 is planned to finish the construction of the commercial- and dwelling house at Vilmsi Str. 44/ Poska 4, the sale of the majority (90%) of apartments and to rent out the commercial space, also to increase the participation in Hansa Hotel up to 66% of the holding, investing 19,9 million EEK in addition to the invested 6,5 million EEK.

The main attention as to the started real estate project will be paid to the development and sale or rent of the Sikupilli block to various corporations.

The Council of E.L.L. Kinnisvara consists of three and the Board of two members. The members of the Council and the Board do not receive any remuneration for their work. The members of the Board are in full-time employ with E.L.L. Kinnisvara, in 1998 their earnings before taxes were 294 000 EEK. The average number of full-time personnel in 1998 was 4, whose earnings before taxes were 683 202 EEK.

Income Statement

<i>in EEK</i>		1997	1998
Net Sales	<i>Note 1</i>	0	19 348 442
Change in work-in-progress and finished	<i>Note 2</i>	0	14 028 700
Capitalized self-constructed assets	<i>Note 3</i>	0	47 011 944
Other revenue	<i>Note 4</i>	0	187 000
TOTAL REVENUE		0	80 576 086
Materials, consumables and supplies	<i>Note 5</i>	0	61 128 837
Other operating expenses	<i>Note 6</i>	49 723	2 674 938
Personnel expenses		0	908 658
incl. wages and salaries		0	683 202
social security cost		0	225 457
Depreciation		0	12 196 810
incl. depreciation of non-current assets, amortization and value adjustments		0	885 810
value adjustments of current assets	<i>Note 14</i>	0	11 311 000
Other expenses	<i>Note 7</i>	0	187 003
TOTAL EXPENSES		49 723	77 096 246
OPERATING PROFIT (- LOSS)		-49 723	3 479 840
Financial income		335 701	305 622
Financial income from stocks of subsidiary enterprises		0	165
Other interest and similar income	<i>Note 9</i>	335 701	305 457
Financial expenses		495	1 080 069
Financial expenses related to subsidiary enterprises		0	0
Financial expenses related to associated enterprises		0	21 929
Interest expense		0	1 058 140
Other financial expenses		495	0
PROFIT FROM NORMAL OPERATIONS		285 483	2 705 393
Income tax		74 226	0
Deferred income tax	<i>Note 10</i>	0	830 680
NET PROFIT (- LOSS) FOR THE FINANCIAL YEAR		211 257	1 874 713

Income Statement

Scheme 2 up to the operating profit

<i>in EEK</i>		1997	1998
Net Sales		0	19 348 442
Cost of goods sold		0	2 263 626
GROSS PROFIT (- LOSS)		0	17 084 816
Marketing expenses		0	91 445
Administration and general expenses	<i>Note 8</i>	49 723	2 389 528
Other income		0	187 000
Other expenses		0	11 311 003
incl. value adjustments of current assets		0	11 311 000
OPERATING PROFIT (-LOSS)		-49 723	3 479 840

Balance Sheet

<i>in EEK</i>	31.12.97	31.12.98
CURRENT ASSETS	7 404 512	64 367 489
Cash and bank	104 512	860 922
Marketable securities	7 300 000	0
Receivables from clients	0	260 952
Accounts receivable	<i>Note 11</i>	0
Miscellaneous receivables	0	37 583 834
Receivables from subsidiary and parent enterprises	0	37 471 845
Other short-term receivables	<i>Note 12</i>	0
Prepaid expenses	<i>Note 13</i>	0
Other prepaid expenses	0	164 110
Inventories	<i>Note 14</i>	0
Work-in-progress	0	25 497 671
Merchandise purchased for resale	0	14 028 700
	0	11 468 971
NONCURRENT ASSETS	2 880 971	77 143 469
Long-term financial investments	0	9 807 639
Shares of subsidiary enterprises	<i>Note 15</i>	0
Shares of associated enterprises	<i>Note 16</i>	0
Other shares and securities	<i>Note 17</i>	0
Miscellaneous long-term receivables	<i>Note 18</i>	0
Noncurrent physical assets	<i>Note 19</i>	0
Land and buildings	2 880 971	67 335 830
Land lease	0	55 848 787
Plant and other equipment and fixtures	0	10 812 401
Accumulated depreciation	0	337 383
Self-constructed physical assets under construction	0	-885 810
Prepayments for noncurrent physical assets	0	1 184 147
	0	38 922
TOTAL ASSETS	10 285 483	141 510 958
<i>in EEK</i>	31.12.97	31.12.98
CURRENT LIABILITIES	74 226	12 056 262
Short-term debt	0	8 848 327
Current portion of long-term debt repayment	0	3 456 000
Short-term loans from financial institutions	<i>Note 24</i>	0
Customer prepayments	<i>Note 20</i>	0
Payables to suppliers	0	2 680 038
Accounts payable to suppliers	0	159 721
Miscellaneous liabilities	0	159 721
Payables to subsidiary or parent enterprises	0	19 980
Tax liabilities	<i>Note 21</i>	0
Accrued expenses	74 226	19 980
Payables to employees	0	135 099
Interests payable	0	213 097
	0	98 147
	0	114 950
NONCURRENT LIABILITIES	0	27 374 680
Long-term debt	0	26 544 000
Long-term loans from financial institutions	<i>Note 24</i>	0
Noncurrent provisions	0	26 544 000
Deferred income tax	0	830 680
	0	830 680
OWNERS' EQUITY	10 211 257	102 080 016
Share capital	<i>Note 22</i>	10 000 000
Reserves	0	99 995 000
Mandatory legal reserve	0	100 000
Retained earnings	0	100 000
Net profit (- loss) for the financial year	211 257	0
Rate fluctuations	0	111 257
	0	1 874 713
	0	-954
TOTAL LIABILITIES AND OWNERS' EQUITY	10 285 483	141 510 958

Statement of cash flows

<i>in EEK</i>	1997	1998
Cash flows from operating activities		
Profit from normal operations (before taxation)	285 483	2 705 393
Adjustments		
Depreciation	0	885 810
Other adjustments	<i>Note 23</i> -335 701	811 643
Working capital changes		
Short-term financial investments	-7 300 000	7 300 000
Receivables	0	-37 844 786
Prepaid expenses	0	-164 110
Inventories	0	-25 497 671
Customer prepayments	0	2 680 038
Accounts payable to suppliers	0	159 721
Miscellaneous liabilities	0	8 868 307
Tax liabilities	0	135 099
Accrued expenses	0	60 951
Cash generated from operations	-7 350 218	-39 899 605
Interests		
Interests received	335 701	305 457
Interests paid	0	-943 189
Income tax		
Income taxes paid	0	-74 226
Net cash from operating activities	-7 014 517	-40 611 563
Cash flows from investment activities		
Acquisition of subsidiary	0	-47 681
Acquisition of associates	0	-50 000
Acquisition of portfolio investments	0	-9 376 992
Long-term loans made to other parties	0	-355 685
Purchase of property, plant and equipment	-2 880 971	-65 340 669
Net cash used in investment activities	-2 880 971	-75 171 027
Cash flows from financing activities		
Proceeds from issuance of share capital	10 000 000	89 995 000
Proceeds from borrowings	0	26 544 000
Net cash from financing activities	10 000 000	116 539 000
Net increase/decrease in cash and cash equivalents	104 512	756 410

Accounting principles

Financial statements of E.L.L. Kinnisvara are compiled in accordance with the Accounting Laws of Republic of Estonia and principles set forth in the International Accounting Standards. The statements are compiled in EEK.

Income Statement scheme 1 is used to show income, expenses and profit. To show marketing expenses and general administration costs breakdown the Income Statement scheme 2 is compiled additionally.

Accounting principles of affiliated and associated companies

Investments in affiliated and associated companies are calculated with equity method.

Merchandise and inventories

Merchandise and inventories are appraised according to the acquisition cost or net realizable value whichever is lower. Costs are calculated by FIFO method.

Noncurrent physical assets

On the balance sheet under the noncurrent physical assets are shown assets with working life longer than a year and acquisition cost 5000 EEK and over. Noncurrent physical assets are taken into an account with the acquisition cost, depreciation is calculated by straight-line method.

Note 1

Net sales	19 348 442
income from the sale of services	13 195 546
rental income	6 152 896

Note 2

Work-in-progress	14 028 700
J. Vilmsi 44/ J. Poska 4 dwelling-commercial building	14 028 700

Note 3

Capitalized self-constructed assets	47 011 944
Main office of Electrolux Eesti at Mustamäe tee 24	45.8 mil
Designing costs of terraced houses at Nõmme tee 87/ Kajaka 37	0.8 mil
Holiday village at Trepimäe	0.4 mil

Note 4

Other revenue	187 000
electricity of the rented spaces at Tartu Rd 87	187 000

Note 5

Commodities, materials and sub-contractor services	61 128 837
Main office of Electrolux Eesti at Mustamäe tee 24	45.8 mil
J. Vilmsi 44/ J. Poska 4 dwelling-commercial building	14.0 mil
Designing costs of terraced houses at Nõmme tee 87/ Kajaka 37	0.8 mil
Holiday village at Trepimäe	0.4 mil

Note 6

Various operation costs and expenses	2 659 671
Rental expenses	200 934
Sub-rental expenses	1 242 896
Insurance costs	47 254
Taxes and stamp taxes	349 981
Other services	818 606

Note 7

Other business costs and expenses	187 003
electricity and interest of the rented spaces at Tartu Rd 87	187 003

Note 8

Administration and general expenses	2 389 528
Labor costs	908 658
Transportation	91 445
Rental costs, maintenance	200 934
Postal-, communication-, small office inventory- and representative expenses	241 071
Other expenses	947 420

Note 9

Other interest and financial income	305 457
Interests from securities of interest bearing funds	299 990
Interests from the balances of bank accounts	5 467

Note 10

Deferred corporate income tax Deferred corporate income tax of 830 680 EEK resulted from the use of different rates of depreciation in accounting and taxation

Note 11

Accounts receivable Accounts receivable from clients for the sub-rent services.

Note 12

Other current receivables Short term loans of 110 724 EEK and advances to accountable persons of 1 265 EEK

Note 13

Prepaid costs and expenses of future periods	164 110
Insurance	12 718
Semi-annual cost of land lease	95 750
Other prepaid costs	55 642

Note 14**Stock**

FIFO method is used for the estimation of the stock of raw materials.

Stock is shown in acquisition cost.

Work-in-progress unfinished building at Vilmsi 44 / Poska 2, for construction services 14 028 700 EEK.

Merchandise purchased for resale: real estate at Sadama 1 — 9 794 840 EEK and land Vilmsi/Poska — 1 674 131 EEK.

Under the current assets has been written-down real estate at Sadama 1 with acquisition cost of 21 105 840 EEK, write-down in the sum of 11 311 000 EEK.^{4 5}

Note 15**The shares of subsidiary companies**

Subsidiary company SIA E.L.L. REAL ESTATE

Address: Latvia, Riga, Republicas Laukums 2

Share capital at the founding was 2000 LVL, of which E.L.L. Kinnisvara AS owns 100%

acquisition cost	47 846
as of 31.12.98 re-evaluated	-482
Investment at the end of the year	47 364

Note 16

The shares of associated companies

⁴ The reason for write-down of the real estate at Sadama Str 1 was the difference between the value in the balance sheet and market price. The basis for the evaluation given by the management of E.L.L. Kinnisvara were the contracts for the sale of the real estate closed by the time the report was compiled.

⁵.See also "The real estates in the possession of E.L.L. Kinnisvara — The real estate at the Sadama street "

Associated company HANSA HOTELL — participation 50%

Address: Mustamäe tee 4, Tallinn

Share capital at the founding was 100 000 EEK, of which E.L.L. Kinnisvara AS owns 50%.

Share capital	50 000
Loss of 1998	-17 209
accumulated loss	-4 720
Investment at the end of the year	28 071

Note 17

~~Other stocks, shares and securities~~

AS Betola — 1 450 000

Note 18

Miscellaneous long-term receivables	8 282 204
OÜ Hansa Hotel	6 450 000
AS Tornimäe Kinnisvara	1 443 000
E.L.L. Nekilnojamas Turtas UAB	33 519
ELKE Autorendi AS	355 685

Note 19

~~Non-current physical and intangible assets~~

	residual value 01/01/98	acquisition	depreciation	residual value 31/12/98
Buildings		45 769 402	-763 630	45 005 772
Land	2 880 971	7 198 413		10 079 384
Land-lease		10 812 401	-90 100	10 722 301
Other equipment		337 383	-32 080	305 303
	2 880 971	64 117 599	-885 810	66 112 760

The depreciation rates used for different types of non-current physical and intangible assets are the following: land-lease 2%, buildings 4%, other equipment 25%.

Note 20

~~Customer advances for goods and services~~

In connection with the completion of Vilmsi/Poska apartment house in spring 1999 pre-contracts have been closed for partial payments.

Note 21

~~Tax liabilities~~

VAT	108 386
Social security payments	26 713

Note 22

~~The statement of changes in the owners' equity~~

	Share capital	Mandatory legal reserve	Accumulated profit
As of 31.12.1997	10 000 000		211 257
Change in reserve capital		100 000	-100 000
Share issue	89 995 000		
As of 31.12.1998	99 995 000	100 000	111 257

The impact from changes in exchange rate of foreign currencies 954 EEK is the reassessment of investments acquired with foreign currencies.

Note 23

Other adjustments	811 643
Change in vacation reserve	37 196
Profit from long term financial investments	-165
Loss from long term financial investments	21 929
interest gain	-305 457
interest expenses	1 058 140

Note 24

Guaranties and pledged assets

As of 31.12.98 the following contract between E.L.L. Kinnisvara and Hansapank were in force: loan contract no. 98-04952-1 in the sum of 30 million EEK and notarized guarantee for the liability: mortgage of the first place to the real estate at Mustamäe tee 24, joint guarantee of Merko Ehitus.

As of 31.12.98 the following contract of working capital credit between E.L.L. Kinnisvara and Ühispank: loan contract no. 98195 according to the written request of 24 million EEK, of which 5 393 327 EEK is used — guaranteed with mortgage of real estate located at Vilmsi 44/ Poska 4.

The list of shareholders holding more than 10% of the voting shares as of 31.12.98:

MERKO EHITUS, Tule 21, 76505 Saue; registry code 10068022.

The company has in total 9 999 500 personal common shares with nominal value of 10 EEK.

AUDITOR'S REPORT TO THE SHAREHOLDERS OF E.L.L. Kinnisvara

We have audited the annual financial statements of E.L.L. Kinnisvara for the year ended 31 December 1998. The management of the company is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements.

We conducted our audit in accordance with the regulations for auditing activities of the Republic of Estonia. The mentioned regulations require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of substantial misstatements. An audit includes examination, on a trial basis, of evidence relevant to the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles applied and evaluating the overall presentation of financial statement. We believe that our audit provides a reasonable basis for our opinion on the Annual Report.

In our opinion the financial statements, prepared in accordance with the Accounting Law of Republic of Estonia, which state for the financial result of 1998 the profit of 1 874 713 EEK and total assets as of 31.12.1998 of 141 510 958 EEK, give a true and fair view of the financial position of E.L.L. Kinnisvara at 31 December 1998 and the results of its operations in 1998 accounting year.

Tallinn; February 4, 1999

Audit EA

Malle Rannik

Authorized Public Accountant

APPENDIX 2

THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF MERKO EHITUS AFTER THE DISPOSSESSION

As of 31.03.1999

Income Statement

<i>in thousand EEK</i>	ACTUAL	PRO FORMA
Net Sales	155 867	169 225
Change in work-in-progress and finished	12 110	-47
Other revenue	3 857	3 857
TOTAL REVENUE	171 834	173 035
Materials, consumables and supplies	132 684	132 684
Other operating expenses	16 397	15 177
Personnel expenses	11 021	10 736
incl. wages and salaries	8 290	8 076
social security cost	2 731	2 660
Depreciation of non-current assets and value adjustments	2 274	1 764
Other expenses	637	637
TOTAL EXPENSES	163 013	160 998
OPERATING PROFIT (- LOSS)	8 821	12 037
Financial income from stocks of associated enterprises	1 579	1 579
Foreign exchange gain	389	389
Other interest and similar income	1 736	1 713
Financial income	3 704	3 681
Financial expenses related to subsidiary enterprises	0	68 848
Financial expenses related to associated enterprises	1 016	595
Interest expense	1 732	1 021
Foreign exchange loss	49	45
Other financial expenses	64	64
Financial expenses	2 861	70 573
PROFIT FROM NORMAL OPERATIONS	9 664	-54 855
Profit before taxes	9 664	-54 855
Income tax	3 295	3 295
Deferred income tax	-111	-111
NET PROFIT (- LOSS) FOR THE FINANCIAL YEAR	6 480	-58 039
incl. minority interest	292	292
NET PROFIT	6 188	-58 331

Balance Sheet

<i>in thousand EEK</i>	ACTUAL	PRO FORMA
CURRENT ASSETS	220 581	210 754
Cash and bank	18 953	17 165
Marketable securities	43 397	42 886
Total receivables from clients	84 157	84 056
Receivables from clients	84 187	84 086
Allowance for doubtful receivables	-30	-30
Total miscellaneous receivables	26 052	45 967
Receivables from associated enterprises	1 131	1 131
Other short-term receivables	24 921	44 836
Total accrued income	2 551	2 539
Interest receivable	727	715
Other accrued income	1 824	1 824
Prepaid expenses	12 652	12 460
Prepaid taxes	5 051	5 032
Other prepaid expenses	7 601	7 428
Total inventories	32 819	5 681
Raw materials	1 664	1 664
Work-in-progress	26 791	0
Finished goods	53	53
Merchandise purchased for resale	3 823	3 476
Prepayments to suppliers	488	488
NONCURRENT ASSETS	134 779	56 375
Long-term financial investments	30 531	13 507
Shares of associated enterprises	12 741	8 184
Other shares and securities	2 317	867
Miscellaneous long-term receivables	15 473	4 456
Noncurrent assets	102 693	41 313
Land and buildings	88 078	32 943
Land lease	7 765	1 687
Plant and equipment	11 718	11 718
Other equipment and fixtures	9 005	8 667
Accumulated depreciation	-15 118	-13 721
Self-constructed physical assets under construction	1 206	19
Prepayments for noncurrent physical assets	39	0
Intangible assets	1 555	1 555
Development costs	5	5
Goodwill	1 550	1 550
TOTAL ASSETS	355 360	267 129

<i>in thousand EEK</i>	ACTUAL	PRO FORMA
CURRENT LIABILITIES	155 838	159 501
Short-term debt	14 806	12 215
Debentures (except bank loans)	182	182
Current portion of long-term debt repayment	2 590	0
Short-term loans from financial institutions	12 034	12 033
Customer prepayments	20 123	14 046
Accounts payable to suppliers	42 859	55 425
Miscellaneous liabilities	8 719	8 719
Payables to subsidiary or parent enterprises	1 816	1 816
Payables to associated enterprises	6 903	6 903
Tax liabilities	3 729	3 613
Accrued expenses	7 036	6 917
Payables to employees	5 117	4 998
Interests payable	195	195
Other accrued expenses	1 724	1 724
Short-term provisions	2 642	2 642
Other pre-paid revenue	55 924	55 924
NONCURRENT LIABILITIES	36 892	9 517
Long-term debt	34 629	8 085
Non-convertible debt	8 085	8 085
Long-term loans from financial institutions	26 544	0
Loans from subsidiary or parent enterprises	42	42
Other non-current provisions	2 221	1 390
OWNERS' EQUITY	159 955	95 436
Share capital	88 500	88 500
Reserves	2 950	2 950
Mandatory legal reserve	2 950	2 950
Retained earnings	58 753	58 753
Net profit (- loss) for the financial year	6 188	-58 331
Rate fluctuations	614	614
MINORITY INTERESTS	2 675	2 675
TOTAL LIABILITIES AND OWNERS' EQUITY	355 360	267 129