



# Abc Grupp

ABC GRUPI AS  
BOND ISSUE PROSPECTUS

TOTAL NOMINAL VALUE OF THE ISSUE  
EUR 6 500 000

6 500 BONDS WITH INTEREST RATE 6 MONTH EURIBOR + 6.0 % PER ANNUM

BOND ISSUE WITH MATURITY DATE JUNE 18, 2010

ISIN CODE EE3300091123

TALLINN  
June 2008

Arranger: AS SEB Pank

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Finantsinspektsioonis

KÄTTESAADUD

15. juuni 2008. a

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## **ANNEXES**

- 1) Copy of the resolution of the Board of Issuer as of 18 June 2007;
- 2) Copy of the protocol of the general meeting of the shareholders as of 6 June 2008;
- 3) Copy of the Articles of Association of the Issuer;
- 4) Financial report 2007 of the Issuer;
- 5) Financial report 2006 of the Issuer;
- 6) Terms and Conditions of the Bond Issue;
- 7) Financial collateral agreement.

## 1. PERSONS RESPONSIBLE

ABC Grupi AS (registry code in Estonian Commercial Register: 10419384), located at Laki 25, 12915 Tallinn, Estonia (hereinafter referred to as "the Issuer" or "the Group"), represented by the Member of the Board:

Jüri Vips

Chairman of the Board

shall be responsible for the authenticity and completeness of all the data presented in this Bonds prospectus (hereinafter referred to as "the Prospectus").

The signatory certifies that he has adopted all appropriate and reasonable measures to verify the authenticity and completeness of the data contained in the Prospectus and that to their knowledge nothing has been omitted which would have a significant effect on the content or meaning of the data contained within.

Tallinn, 06 June 2008



Jüri Vips

Chairman of the Board

## 2. SUMMARY

This section of the Prospectus is a summary and it should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of all information in the Prospectus by the Potential Investor.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff Investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

The responsible for the information included in the Prospectus hold civil liability, but only in the case if the summary is misleading, inaccurate or conflicting to the other sections of the Prospectus. Before deciding to invest, potential investor should thoroughly and objectively consider the risks associated to investing into the offered bonds.

### Issuer

Legal name:	ABC Grupi AS
Reg. code in Estonian Commercial Register:	10419384
Registration place:	Tallinn, Estonia
Legal address and permanent location:	Laki 25, 12915 Tallinn
Telephone:	+372 6 505 505
Fax:	+372 6 505 556
E-mail:	info@abc.ee
Web page address:	<a href="http://www.abc.ee/">http://www.abc.ee/</a>

The Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

The owners of ABC Grupi AS are: 50% Jüri Vips, 50% Landcom OÜ. Landcom OÜ belongs to the family of Jüri Vips. Landcom shareholders are: 80 % Jüri Vips, 7,5% Jüri Vips jr, 7,5% Mihkel Vips, 5% Marge Vips.

Jüri Vips founded his first company 27.02.1987, which was one of the first three private enterprises in Estonia. The first trade company - Vend AS and the wholesale company AbeStock AS were founded in 1991. The foundation of Eesti Forekspank (1993), Comarket AS (2000) and ABC Motors AS (2002) followed.

ABC Grupi AS is parent undertaking. The company has 10 subsidiaries and 2 associated companies as of date of Prospectus. The primary fields of activity of the companies in the ABC Group are retail and wholesale trading, sale of vehicles, real estate development, and in the near future also manufacturing business segment.

Last five years the ABC Grupi AS has presented consolidated financial statements.

### Important agreements, patents and licenses

The Issuer has no knowledge of any important agreements that are not concluded in the course of the Issuer's usual business activities, which could affect the Issuer's capability to fulfill his liabilities due to investors regarding the issued Bonds.

## Financial information summary

Balance sheet	31.12.2007	31.12.2006
Total current assets	308 450 392	221 695 035
Total fixed assets	614 381 687	340 484 952
<b>TOTAL ASSETS</b>	<b>922 832 079</b>	<b>562 179 987</b>
Total current liabilities	305 915 389	169 149 390
Total long-term liabilities	303 977 606	143 477 732
<b>TOTAL LIABILITIES</b>	<b>609 892 995</b>	<b>312 627 122</b>
<b>TOTAL OWNERS' EQUITY</b>	<b>312 939 083</b>	<b>249 552 865</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>922 832 078</b>	<b>562 179 987</b>

Income statement	2007	2006
Sales revenue	1 149 315 241	954 252 140
Operating profit (loss)	88 072 232	96 833 407
Total financial income and expenses	-24 686 014	69 783 310
Profit (loss) before income tax	63 386 218	166 616 717
Net profit (loss) for financial year	63 386 218	166 616 717

Detailed information regarding the financial standing of the Issuer can be found from section 7 of the Prospectus.

### Auditor of the Issuer and legal advisory

The financial reports of the Issuer for financial years 2006-2007 were audited by Rimess AS (registry code 10384467). The leading auditors for these years were authorized public accountant Mati Nõmmiste.

More detailed information regarding the auditor of the Issuer can be found from section 4 of the Prospectus.

The company has an in-house legal department. However, throughout the years, the company has also used services from various law firms, including Raidla Lejins & Norcous Advokaadibüroo OÜ, Advokaadibüroo Glikman & Partnerid OÜ, Advokaadibüroo Aivar Pilv OÜ.

### Management of the Issuer

The main management bodies of the Issuer are the Supervisory Board and the Management Board.

The Supervisory Board of the Issuer consists of three members:

Valdo Kalm	Chairman of the Supervisory Board
Ülle Kuum	Member of the Supervisory Board
Siim Vips	Member of the Supervisory Board

The Management Board of the Issuer consists of one member:

Jüri Vips	Chairman of the Management Board
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More detailed information regarding the management of the Issuer can be found in section 8.2 of the Prospectus.

### **Risk factors**

The main risk factors that influence the Issuer are credit risk, market risks, liquidity risk and operational risks. Before the purchase of the Bonds the Investor should independently analyze risks related to the bonds, since risks can substantially influence the Issuer's ability to duly fulfil the obligations arising from the bonds.

Risks related to the Bonds are liquidity and price risk. Detailed information on the impact of different risks on the Issuer and its Bonds can be found in the section 3 of the Prospectus

### **Bonds**

A Bond is a floating rate debt security, representing the Issuer's secured and unsubordinated debt obligation, issued and redeemed in accordance with "ABC Grupi AS Bond Issue Term and Conditions".

The Issuer's debt obligations arising from the Bonds rank *pari passu* with the rest of the Issuer's secured and unsubordinated debt obligations. The issued Bonds are freely transferable and encumberable.

The term of the Bonds issued through primary issue shall be 3 years, with value date on June 18, 2007 and maturity date on June 18, 2010.

The Issuer shall pay interest to the Bonds, the rate of which consists of base rate and margin. Base rate shall be the 6-month EURIBOR rate determined from time to time by the Arranger. The margin shall be 6% (six per cent).

Interest Payment Days shall be on June 18<sup>th</sup> and December 18<sup>th</sup> each year. If the interest payment day is not a banking day, the interest payment shall be made on the following banking day.

The Bonds are nominated in euros (EUR). The nominal value of the Bonds is 1000 EUR.

The total value of the issued Bonds is EUR 6 500 000 (six million and five hundred thousand euros) in nominal value. The total number of the Bonds issued is 6500 (six thousand five hundred).

The Issuer has the right to redeem the Bonds early on early redemption date at a redemption price (i.e. nominal value of a Bond and accrued interest). Early redemption date can be any interest payment day starting from the June 18<sup>th</sup> 2008. Investor has the right to sell the Bonds back to the Issuer on June 18<sup>th</sup> 2009 at the redemption price.

The Bonds were registered with the Estonian Central Securities Register (ECSR) according to the Estonian Central Securities Register Act and other applicable legal acts under ISIN code EE3300091123 on June 18, 2007.

## Bond Issue

The primary distribution of the Bond issue was carried out by way of *private placement*. The duties of an arranger and a payment agent are performed by AS SEB Pank.

The subscription period of Bonds commenced June 7, 2007 and ended at 12 p.m. (Estonian time) on June 14, 2007. The total volume of the Bond issue in its nominal value was EUR 6 500 000 (six million and five hundred thousand euros). The issue price of a Bond was EUR 1000 (one thousand euros).

The Bonds shall be listed in the bond list of the Tallinn Stock Exchange in accordance with a respective decision of the listing committee within three months as of submission of the listing application by the Issuer. The listing prospectus together with other particulars and documents shall be submitted to the Tallinn Stock Exchange within one year of the primary Issue.

To guarantee complete fulfillment of principal and collateral claims of the Investors, arising from the Bonds, the Issuer has established pledges in favour of the Arranger. Issuer has pledged the shares of AbeStock AS (registry code 10344545) and ABC Motors AS (registry code 10844561).

## The use of the proceeds

Funds that have been raised as a result of Bond issue shall be used for general corporate purposes of the Issuer.

## Documents available to the public

All interested persons have the possibility to get acquainted with the following documents:

- Articles of association of the Issuer – Laki 25, 12915 Tallinn, Republic of Estonia and on the Issuer's website <http://www.abc.ee/>;
- Financial information of the Issuer – Laki 25, 12915 Tallinn, Republic of Estonia and on the Issuer's website <http://www.abc.ee/>;
- Prospectus – on The Financial Supervision Authority's website <http://www.fi.ee/>.

The aforementioned documents shall be available on the website of the Tallinn Stock Exchange after respective decision of the listing committee. The web page address of Tallinn Stock Exchange is <http://www.baltic.omxnordicexchange.com/>.



### **3. RISK FACTORS**

Each Investor should carefully review the risks described in this section. Risk factors that could influence the value of the Bonds are specific risks related to the Issuer (section 3.1.), issued securities (section 3.2.) or other risks (section 3.3). Besides risk factors outlined in this part of the Prospectus, other risks influencing the performance of the Bonds may exist and should be considered by a potential Investor before making the investment decision.

#### **3.1. Main risks associated to the Issuer**

The risks described below may negatively affect the Issuer and, at the extreme, may cause the Issuer's insolvency and default on the Bonds. The main risk factors influencing the financial performance of the Issuer are:

- credit risk;
- liquidity and financing risk;
- operational risks;
- entrepreneurial risks (profitability risk, business segment risks);
- internal transaction risk.

##### **3.1.1. Credit risk**

Credit risk is the risk that results from the sale of goods and services with payment deadlines, i.e. receivables risk.

In credit risk management, the following principles are observed when selling credit risk products:

- the credit eligibility of the purchaser is evaluated based on public reports, operative information obtained by the sales team, and by the field credit supervisor;
- the approved credit limits are observed;
- the help of banks is used to ascertain the clients that are eligible for factoring.

##### **3.1.2. Liquidity and financing risk**

Liquidity risk is a possibility that the Issuer may face difficulties in meeting his obligations duly, if the stock of goods has sharply increased and the speed of circulation decreases.

The following principles are observed to plan and monitor liquidity:

- Liquidity reserves of 12-15% of the total bank loan amount are maintained;
- The level of central reserves, receivables and compensations are planned and monitored;
- Monetary resources and investments from cash flow are planned for the short and long term.

Loan risk is a risk that results from changes in EURIBOR levels or the loan policies of credit institutions.

The loan and lease agreements entered into by the Investor include several restrictive covenants and requirements to obtain the lender's consent for, among other things, further financing, payment of dividends, changes in the Group's corporate structure or the nature of its business, and consolidating or merging with another corporation.

Some of the Investor's loan agreements with financial institutions contain customary events of default, including cross-default provisions. These cross-default clauses expose the Group to default risks based on performance under other agreements with the financial institutions in question or other creditors. In addition, under most loan agreements, it is an event of default if the borrower takes significant additional financial obligations or a third party acquires in whole or in part the issued share capital of the borrower without the prior consent of the lender.

Most of the Investor's loans are tied to EURIBOR (Euro Interbank Offered Rate) and have floating interest rates. Changes in EURIBOR and/or interest rates applicable to the Investor's borrowings affect the Investor's interest expenses. No financial instruments are used to hedge interest rate risks.

Loan risk is managed according to the following principles:

- No more than 20% of total loans will be taken in long-term loans from one credit institution;
- Once a year, a loan-refinancing competition will be held for at least 50% of the total volume of loans.

### 3.1.3. Operational risks

Operational risks are risks that may realize due to various internal and external factors.

In general - the management board of the Issuer is responsible for the operational risk management. On the operational scale, operational risk management is carried out by department managers (e.g. manager of IT department, manager of legal department, manager of client service department etc).

Operational risks facing the Issuer consist of the following risks:

- **technological risk** – potential loss that may arise from various failures of hard- or software the Issuer is using;

Governance of info-technological risk is carried out following the rules stipulated by the Issuer, among which the following actions are envisaged: usage of recovery plans, usage of backup copies, restrictions on access to workstations and servers, and recording of actions and alterations.

- **risk of procedures** – potential loss that may realize as a result of not applying internal rules or applying inefficient or inadequate internal rules;

Risk of procedures is managed following the internal rules stipulated by the management board of the Issuer. In addition to regulated daily procedures, the risk of procedures is managed by regular training of personnel.

- **risk of personnel** – potential loss that may arise, if the Issuer employs disloyal or incompetent personnel for reaching its goals. Successful operations of the Issuer depend on the ability to motivate and retain personnel and on opportunities to attract new employees;

Personnel risk is managed following the principles, including:

- Personnel eligible to take obligations in the name of the Issuer have strict restrictions on the scope of the obligations taken;
- Material liability contracts are concluded between the Issuer subsidiaries and personnel responsible for material assets.

- In hiring new personnel, standard qualification principles, established by the Human Resources Comities, are followed: complying with the requirements of skills and education necessary for the office, background check and personnel tests, and probationary period is used.
- **legal risk** – potential loss that may arise, if the Issuer inadequately evaluates legal matters affecting the Issuer.

Legal risk is managed through the following means:

- Legal contracts are concluded using standard contract forms which have been drawn up by the legal department of the Issuer, any variation from a standard contract form requires a special decision by authorized personnel;
- In case of need, legal opinions of external legal experts are used.

### **3.1.4. Entrepreneurial risks**

**Entrepreneurial risks** are risks that may cause financial losses, if the value of a certain asset held by the Issuer changes. The most important entrepreneurial risks affecting the Issuer are:

- **profitability risk** – a risk that the Issuer bears losses, which result from the deceleration of the growth of the goods and services market;

For profitability risk management, the company has effective marketing strategies to support purchasing and sales. The general principles are the following:

- Maximum supports are requested from the suppliers to reduce the purchase price of goods;
- The most effective sales support is used to increase sales;
- The best price-to-quality ratio, which is based on competitive goods and services, as well as one's image, is used for price formation.
- **Business segment risks** are based on factors that affect the financial success of principal activities.

### **Wholesale segment risk**

According to the annex 21 Segmentation reporting of the Group's audited consolidated annual report 2007 the wholesales segment comprise 44,5 % of total Group's revenues.

As a distributor for Procter & Gamble and Nestlé, the subsidiary Abestock AS is directly dependent on the marketing and logistics policies of these influential suppliers. In total, Abestock AS is a distributor for the products on 50 companies in the Estonian market. Logistics services are bought from the subsidiary Agora Logistika AS. This structure allows the logistics company to use vacant warehouse space to provide services to other sales companies.

Some of the retail trading companies are developing their own logistics companies with the goal of buying goods directly from the owners of the goods.

Wholesale segment market risk is managed according to the following principles:

- Existing product portfolio will be expanded;
- Expansion of activities is supported by the new 8,300-square-meter warehouse;

- We are improving the motivation system for the sales team in order to guarantee the precise fulfillment of the cooperation partners' initiatives (key result areas).

### **Retail segment risk**

According to the annex 21 Segmentation reporting of the Group's audited consolidated annual report 2007 the retail segment comprise 41,7 % of total Group's revenues.

The subsidiary Comarket AS operates in the market segment of small supermarkets. The stores are located primarily in residential areas.

The retail segment has the following risks:

- In connection with increased competition, the risk of losing clients or experiencing a decrease in the size of average purchases;
- Expanding too slowly;
- Not increasing efficiency in proportion to increases in costs;
- Getting smaller discounts than the competitors from the suppliers of goods.

Retail segment risk is managed according to the following principles:

- The number of clients and their satisfaction level will be increased with the help of monthly sales support campaigns;
- Sales volumes will be increased and special costs reduced by opening new stores;
- Efficiency will be increased by raising labor productivity and improving technology in the stores;
- Margins will be increased by negotiating for better delivery terms from the suppliers;
- New stores will be developed in the best possible locations.

### **Car segment risk**

According to the annex 21 Segmentation reporting of the Group's audited consolidated annual report 2007 the car segment comprise 12,8 % of total Group's revenues.

As a Renault distributor, the subsidiary ABC Motors AS is dependent on the marketing and logistics policies of Renault Polska.

The risk for the car company is choosing and assembling the models and modification of cars in a way that satisfies the needs of the majority of potential buyers.

Under conditions of economic downturn, there is a risk that the leasing period for cars leased by clients may increase from 2 years to 3-4 years, which will, in turn, reduce the sales volumes of new cars.

Car segment risk is managed according to the following principles:

- In order to reduce the risk of increases in purchase prices, models in greater demand and with more sales support will be purchased;
- Car market risk is related primarily to a decrease in market volumes. Additional sales channels for new cars will be sought and emphasis will be placed on the sale of models suitable for price-sensitive clients. Additional sales methods, requiring small expenditures, will be implemented for selling outside the sales showroom.

### **Real estate segment risk**

According to the annex 21 Segmentation reporting of the Group's audited consolidated annual report 2007 the real estate segment comprise 0,5 % of total Group's revenues.

The real estate segment has the following risks:

Real estate market risk is caused by a situation in which the developer cannot realize the developed object at the desire time because of a decrease in demand.

Performance risk is related to indirect factors that affect the processing of detail planning and construction projects, as well as construction schedules that the developer cannot influence. External factors are related to the operating speed of local government bodies, infrastructure companies and designers.

Risks related to planning are related to the acquisition of land without detailed planning. Local government bodies may start to impose restrictions and requirement that increased the price of the desired development project and lengthen the development period.

Construction company risk is related to adherence to construction schedules and prices, as well guarantees.

Real estate development financing risk is related to the ratio of external financing in the investment project.

Real estate particulars risk is related to the existence of demand resulting from the purpose for use of the real estate being developed and changes therein.

Real estate segment risk is managed according to the following principles:

- Investments will only be made in real property that supports the sale of food and essential consumer goods;
- After the valuation of developed real property based on cash flow, it will be sold to a real estate investor.
- The Issuer's companies have narrowly specialized on the development of commercial real estate. The Issuer develops cash-flow-generating shopping centers and stores, the market prices of which are some of the most stable in the real estate segment.
- The plans for developing real estate related to the car business and logistics have been halted for 3-4 years.
- Construction price risk has decreased significantly in connection with the economic downturn; prices for construction work have decreased and the deadlines for the execution of construction work have become shorter.

### **3.1.5. Internal transaction risk**

Internal transaction risk develops from the sale of goods and services related to the principal internal activities of the concern.

In the case of internal transactions, there is the risk of making sales transactions for goods and services at prices differing from market prices, i.e. the transactions do not conform to the requirements of transfer prices. The volume of sales transactions between the concern's subsidiaries may become significant, i.e. more than 5% of sales revenue.

Internal transaction risk is managed according to the following principles:

- The intra-concern sales of goods and services are conducted at market prices, the transfer price and claims on transactions with associated parties is tracked.
- The volume of intra-concern transactions for the sale of goods with subsidiaries is insignificant, forming less than 5% of sales revenues.

### **3.2. Risk factors associated to the type of securities issued**

Security-specific risks related to the issued bonds could be outlined as follows:

- market risk (liquidity risk);
- credit risk of the bonds;
- interest rate risk.

**Market risk** alias liquidity risk should be evaluated by a potential investor considering that despite listing the bonds on Tallinn Stock Exchange, there is no guarantee of sufficient liquidity in the secondary market of the bonds and the investor might bear a loss due to not being able to sell the securities on the secondary market or having to sell them at an unfavourable price.

As a **credit risk of the bonds**, a potential investor should assess specific credit risks associated with the Issuer as well as general credit risk of the bonds. As a specific credit risk, events that undermine the creditworthiness of the Issuer should be considered. As a general credit risk, a possibility should be considered that future bond issuers with similar profile offer higher yield to attract investors, and as a result of that the yield on the Bonds should have been higher as well.

**Interest rate risk** should be assessed by a potential investor considering that besides the activities of the Issuer the developments of financial markets may affect the value of the bonds and when the interest rates are rising, the value of existing bonds may go down, and vice versa.

### **3.3. Other risks**

**Country risk or political risk** – a risk that in the country or area, where the Issuer is active, goes through major (political) changes or events occur, as a result of which there is a risk that the Issuer may lose all or part of his investments in this country or area, or that the investments made in this country or area lose all or part of their value. As country or political risks, radical changes in economic and legal environment (e.g. nationalising certain objects), social or domestic policy crises (e.g. riots), etc should be considered.

**System risk** – a risk of (mainly) technical failures in the systems of security depository, clearing house, stock exchange, or similar institutions may cause loss to investor due to unfulfilled or delayed transactions or incorrectly carried out transactions.

**Risk of external attacks** – a loss that may arise from illegal behaviour of clients, counterparties or other persons, who act for the purpose of personal gain (attack, fraud).

**Counterparty risk** – a risk that the investor bears losses due to a counterparty's failure to duly meet his obligations arising from a certain securities' trade.

## 4. AUDITOR AND LEGAL ADVISORS OF THE ISSUER

### 4.1. Auditor of the Issuer

The last available audited financial report is as of December 31, 2007. The financial reports of the Issuer for financial years 2006 and 2007 were audited by Rimess AS.

Rimess is a company, which has been operating in the Baltic States since from 1992. Rimess offers assurance, internal audit, tax advisory, legal advisory, corporate finance, and accounting services; outsourcing of chief financial officer and chief accountant functions as well as audit of projects financed by EU and other funds and related advisory services.

Since 1995, the membership of Rimess in MRI, a top 10 global accounting grouping, has facilitated the development of Rimess' professionalism and competence. Today Rimess and many members of MRI have joined Praxity, a global alliance of accounting firms. Starting from 2005, Rimess is a correspondent member of Mazars, an international organisation of assurance and advisory firms.

The leading auditors for these financial years were authorized public accountant Mati Nõmmiste.

#### Information about the auditor

Reg. code in Estonian Commercial Register:	10384467
Registration place:	Tallinn
Legal address:	Ahtri 6A, 10151 Tallinn
Telephone:	+372 626 4500
Fax:	+372 626 4501
E-mail:	<a href="mailto:rimesse@rimesse.ee">rimesse@rimesse.ee</a>
Web page address:	<a href="http://www.rimesse.ee/">http://www.rimesse.ee/</a>

Pursuant to the opinion of the sworn auditor, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of ABC Grupi AS as of 31 December 2006 and 2007, and its consolidated financial performance and its consolidated cash flows for the year then ended. Until the end of 2006, the Concern compiled its financial statement according to good Estonian accounting practices. 2007 annual report is the first that has been compiled according to the International Financial Reporting Standards (IFRS) as they have been approved by the European Union. The transfer to the IFRS is based on the requirements of IFRS 1 "First-time Adoption of International Financial Reporting Standards". The date of the Concern's transfer is 1 January 2007. A more detailed review of how the transition was made from one accounting method to the other is included in the 2007 annual report.

The Issuer affirms that the independent auditor's report presented in the financial reports attached to the Prospectus has been presented accurately and correctly. According to the Issuer's knowledge no facts or other information have been omitted that might render the information given in the Prospectus on the auditor or its independent report false or misleading.

### 4.2. Legal advisors of the Issuer

The company has an in-house legal department. However, throughout the years, the company has also used services from various law firms including Raidla Lejins & Norcous Advokaadibüroo OÜ, Advokaadibüroo Glikman & Partnerid OÜ, Advokaadibüroo Aivar Pilv OÜ.



## 5. THE ISSUER

### 5.1. General information on the Issuer

Legal name:	ABC Grupi AS
Legal address:	Laki 25, 12915 Tallinn, Estonia
Permanent location:	Laki 25, 12915 Tallinn, Estonia
Telephone:	+ 372 6 505 505
Fax:	+ 372 6 505 556
E-mail:	<a href="mailto:info@abc.ee">info@abc.ee</a>
Web page address:	<a href="http://www.abc.ee/">http://www.abc.ee/</a>
Place of registration:	Tallinn, Estonia
Registration code:	10419384
Incorporation date:	23.02.1998
Registration date:	26.03.1998 (Register of enterprises)
Legal form:	public limited company
Legislation under which the Issuer operates:	the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

### 5.2. Share capital

Amount of share capital:	EEK 21 800 000
Number of shares:	218 000
Nominal value:	EEK 100
ISIN code:	EE 3100060195
Rights of a shareholder:	Ordinary shares. Each share grants the shareholder one vote at shareholders' meeting of the Issuer, allowing the shareholder to participate in the management of the company, profit distribution decisions and residual assets' distribution decisions (in case of the dissolution of the company).

In June 2008, the share capital of the Issuer will be increased from EEK 21,8 million to EEK 100 million. Share capital will be increased through bonus issue using retained earnings. According to the articles of association of the Issuer, the minimum and maximum authorised share capital will be amount from 100 million kroons to 400 million kroons. The articles of association of the Issuer will be updated in June 2008 to correspond to increased minimal and maximal amount of share capital.

### 5.3. Articles of association of the Issuer

The articles of association of the Issuer have been drawn up according to the Commercial Code of Estonia. The articles of association of the Issuer are attached to the Prospectus.

According to the articles of association the Issuer's fields of activity include:

- provision of administrative and management services;
- execution of financial studies and analyses for the implementation of various business projects;
- trading activities.



## **6. BUSINESS ACTIVITY**

### **6.1. ABC Grupi AS overview**

#### **History and owners**

Jüri Vips founded his first company 27.02.1987, which was one of the first three private enterprises in Estonia. The first trade company – Vend AS was founded in 1991. The foundation of AbeStock AS (1991), Eesti Foreksbank (1993), Comarket AS (2000), and ABC Motors AS (2002) followed.

The owners of ABC Grupi AS are: 50 % Jüri Vips, 50 % Landcom OÜ. Landcom OÜ belongs to the family of Jüri Vips. Landcom OÜ shareholders are:

Name: Marge Vips

Personal code: 47509020342

Address: Läänekaare 15, Tallinn 11611

Number of shares: 100

Name: Jüri Vips jr

Personal code: 50008100922

Address: Läänekaare 15, Tallinn 11611

Number of shares: 150

Name: Mihkel Vips

Personal code: 50302050908

Address: Läänekaare 15, Tallinn 11611

Number of shares: 150

Name: Jüri Vips

Personal code: 35606230300

Address: Laki 25, Tallinn 12915

Number of shares: 1600

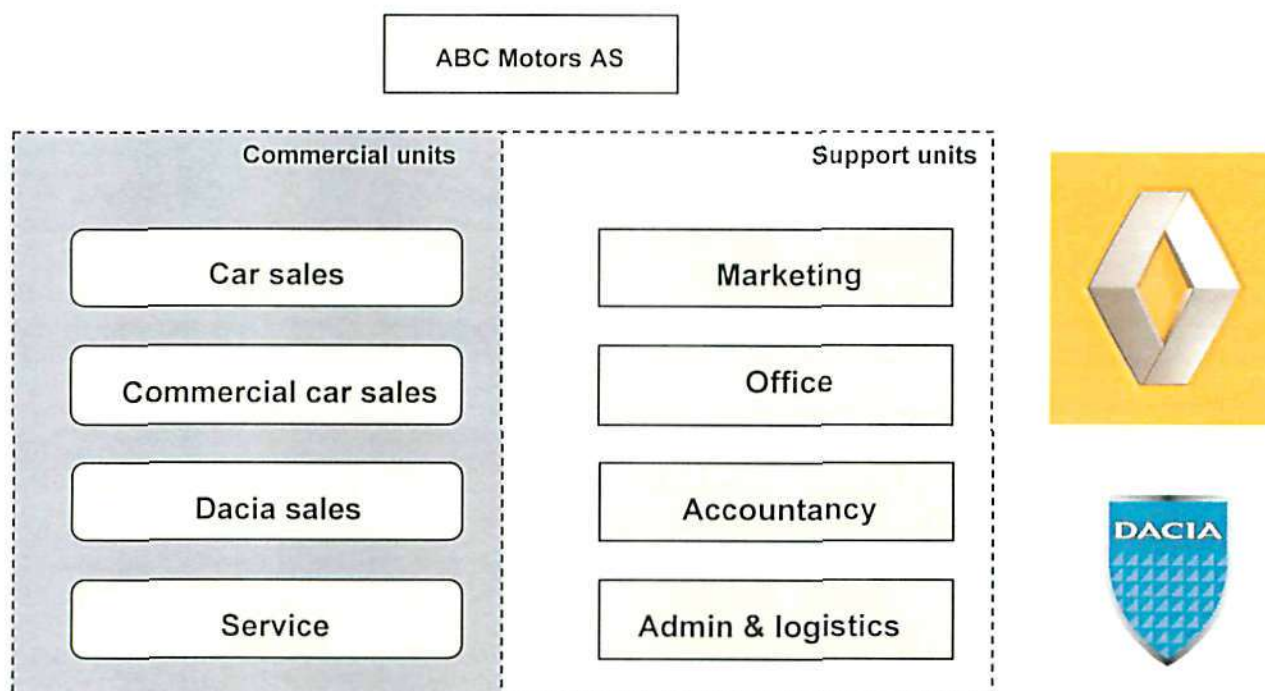
#### **6.1.1. Overview of the subsidiaries of the Issuer**

**ABC Motors AS** - the sale and maintenance of vehicles. The distributor of Renault and Dacia

AS ABC Motors is a 100% subsidiary of the Issuer incorporated in the Republic of Estonia.

Legal name:	AS ABC Motors
Legal address:	Paldiski mnt 105, 10617 Tallinn, Estonia
Permanent location:	Paldiski mnt 105, 10617 Tallinn, Estonia
Registration code:	10844561
Incorporation date:	15.01.2002
Registration date:	21.02.2002 (Commercial Register)
Legal form:	public limited company
Share capital:	EEK 7,5 million
Equity (as of 31.12.07):	EEK 31,4 million
Legislation under which the Issuer operates:	the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

- Mission  
Making purchasing and maintenance of vehicles a pleasant experience
- Vision  
To be the best customer-oriented automotive sales organization in Estonia
- Structure and brands



**Abestock AS** - the wholesale of food and non-food products. The distributor of Procter & Gamble, Gillette, Nestle, etc

AS Abestock is a 100% subsidiary of the Issuer incorporated in the Republic of Estonia.

Legal name:	AS Abestock
Legal address:	Laki 25, 12915 Tallinn, Estonia
Permanent location:	Laki 25, 12915 Tallinn, Estonia
Registration code:	10344545
Incorporation date:	20.10.1991
Registration date:	26.01.1994 (Register on enterprises)
Legal form:	public limited company
Share capital:	EEK 32,0 million
Equity (as of 31.12.07):	EEK 82,0 million
Legislation under which the Issuer operates:	the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

- Mission

- The mission of AbeStock AS is to expand into the leading importer and distributor of food and non-food products and brands in Estonia.
- Our purpose is to satisfy professionally the needs of customers, to guarantee the planned economic goals with high quality and innovation.
- Our effort is to guarantee stable development of main activities, reacting quickly upon to the changes of market situation.

- Structure and brands



- 16 years experience of professional sales and marketing
- Developed information system and tested distribution system
- Customer service system for supporting field sales management
- Flexible organisation of sales and marketing companies

Biggest clients in 2006 (58% of the portfolio)

- A-Selver AS
- Rimi Eesti Food AS
- Prisma Peremarket AS
- ETK AS
- MAXIMA Eesti OÜ
- Comarket AS
- Tallinna Kaubamaja AS
- Elektra OG AS
- Kaupmees & Ko AS
- Keila Tarbijate Ühistu

**Agora Logistika AS - the logistics company supporting the sales of Abestock**

AS Agora Logistika is a 100% subsidiary of the Issuer incorporated in the Republic of Estonia.

Legal name:	Agora Logistika AS
Legal address:	Laki 25, 12915 Tallinn, Estonia
Permanent location:	Kalmistu tee 26, 11216 Tallinn, Estonia
Registration code:	10343865
Incorporation date:	10.11.1994
Registration date:	22.05.1995 (Commercial register)
Legal form:	public limited company
Share capital:	EEK 6,0 million
Equity (as of 31.12.07)	EEK 29,6 million
Legislation under which the Issuer operates:	the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

- Mission

Our goal is to be a reliable cooperation partner. To provide customers with high-quality services, flexible and fast customer service, and a personal approach.

- Overview

Agora Logistika AS was founded based on the logistics division of AbeStock AS and started active operations in 2002. The company's field of activity is the provision of logistics services. Our principal service is the warehousing and assembling of goods; we execute collection and distribution transport of consignments, and operations related to customs clearing. For the creation of added value, we provide clients with packing and labeling services.

Current usable warehousing space totals 8,300 m<sup>2</sup> and 70 people are employed by the company.

**Comarket AS - the operator of supermarkets with the sales area of 300-1000 m<sup>2</sup>**

AS Comarket is a 100% subsidiary of the Issuer incorporated in the Republic of Estonia.

Legal name:	AS Comarket
Legal address:	Ädala 1A, 10614 Tallinn, Estonia
Permanent location:	Ädala 1A, 10614 Tallinn, Estonia
Registration code:	10714195
Incorporation date:	20.07.2000
Registration date:	11.12.2000 (Commercial Register)
Legal form:	public limited company
Share capital:	EEK 15,4 million
Equity (as of 31.12.07)	EEK 17,7 million
Legislation under which the Issuer operates:	the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

- Mission

We believe that our business is to offer our clients fresh and necessary food products and convenience goods with the best price and quality ratio. The same goods can also be bought in hypermarkets or supermarkets but we offer the best prices for the key products. The clients prefer to buy goods from our

shops as we offer the opportunity of convenient shopping with efficient and good service in their neighbourhood.

Our mission is to satisfy the needs of our clients concerning the purchase of food products and convenience goods and receiving additional services by offering them fresh and necessary food products and convenience goods with the best price and quality ratio in the suitable area.

- Structure



- Overview

Comarket AS is a groceries and consumer goods retailer. The company operates 24 shops, 17 of them under the Comarket brand, in 6 towns in Estonia. 15 shops are located in Tallinn area and 5 in Tartu. The strategy of Comarket is to operate as an attractively priced close-to-home retailer, with stress on excellent client service, pleasant shopping environment, and the best price/quality relationship in the market. Depending on the location, the sales area of the shop is 300-1000 m<sup>2</sup> and the variety of goods on sale is 5500-8500 unit categories. The company employs 320 people. Every month, 850 000 clients visit Comarket shops. Comarket has an estimated 2.2% market share in the Estonian market (as a percentage of total food and primary consumer goods turnover published in the Statistical Database). The company expects to increase the market share to 5.7% by the end of 2009, via both rising operational efficiency and opening at new locations.

The turnover of company's shops has grown from 10 to 50 % (average 20 %) in 2007 compared to 2006. In 2008 we will expect the growth 20 % and in 2009 15 %. Companies effectivity has increased 23 % in 2007 compared to 2006. In 2008 we expect the growth 15 % and in 2009 10 %.

**Oma Varahalduse AS** - real estate development and maintenance company (trade-related real estate)

AS Oma Varahalduse is a 100% subsidiary of the Issuer incorporated in the Republic of Estonia.

Legal name:	Oma Varahalduse AS
Legal address:	Laki 25, 12915 Tallinn, Estonia
Permanent location:	Laki 25, 12915 Tallinn, Estonia
Registration code:	10349471



Incorporation date:	03.02.1995
Registration date:	28.02.1995 (Register of enterprises)
Legal form:	public limited company
Share capital:	EEK 23,8 million
Equity (as of 31.12.07)	EEK 176,4 million
Legislation under which the Issuer operates:	the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

Oma Varahalduse AS was established in 1995, and is active in real estate and other property investments, management, and rent.

The company belongs to ABC Group; owned 100% by ABC Grupi AS.

Oma Varahalduse AS is the group's property management arm: it looks for attractive investment opportunities in the market, invests into property, manages and develops the property and rents the assets out, both to other member companies of the group as well as third parties.

The company is active in:

- Real estate investments and development
- Investments in vehicles
- Investments in other equipment and machinery

In the 9 months ended 30/09/07, 68,7% of the net revenues on the company came from other group member companies and 31.3% from third parties.

• Oma Varahalduse AS real estate investments

The 3 largest real estate investments of Oma Varahalduse AS held are the following:

Real estate name, location	Balance sheet classification	value (millions of EEK)
1. Viimsi Shopping Center, Viimsi	Commercial	100 EEK
2. Marja Center, Tallinn	Commercial	52 EEK
3. Liivalaia shop, Tallinn	Commercial	13 EEK

**ABC Vara AS - real estate development and maintenance company (car business -related real estate)**

AS ABC Vara is a 100% subsidiary of the Issuer incorporated in the Republic of Estonia.

Legal name:	ABC Vara AS
Legal address:	Laki 25, 12915 Tallinn, Estonia
Permanent location:	Laki 25, 12915 Tallinn, Estonia
Registration code:	10454920
Incorporation date:	13.06.1994
Registration date:	02.12.1994 (Register of enterprises)
Legal form:	public limited company
Share capital:	EEK 10,0 million
Equity (as of 31.12.07)	EEK 102,5 million

Legislation under which the Issuer operates: the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

- ABC Vara AS real estate investments

The 3 largest real estate investments of ABC Vara AS held are the following:

Real estate name, location	Balance sheet classification	value (millions of EEK)
1. Renault car center, Tallinn	Commercial	66 EEK
2. Mai Selver, Pärnu	Commercial	66 EEK
3. Workshop and ware house	Commercial	35 EEK

#### **Modera Consulting OÜ - business consultation and IT services**

OÜ Modera Consulting is a 100% subsidiary of the Issuer incorporated in the Republic of Estonia.

Legal name:	Modera Consulting OÜ
Legal address:	Laki 25, 12915 Tallinn, Estonia
Permanent location:	Laki 25, 12915 Tallinn, Estonia
Registration code:	10685909
Incorporation date:	20.07.2000
Registration date:	21.08.2000 (Commercial Register)
Legal form:	private limited company
Share capital:	EEK 0,4 million
Equity (as of 31.12.07)	EEK 2,4 million
Legislation under which the Issuer operates:	the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

- Overview

Modera Consulting OÜ is a development and supervision company serving the ABC Group of companies, one department of which operates under the trademark Modera.net, in order to provide IT solutions in several foreign countries.

#### **6 PO AS – Operating of digital telephone systems**

6 PO AS is a 100% subsidiary of the Issuer incorporated in the Republic of Estonia.

Legal name:	6 PO AS
Legal address:	Laki 25, 12915 Tallinn, Estonia
Permanent location:	Laki 25, 12915 Tallinn, Estonia
Registration code:	10481420
Incorporation date:	22.04.1998
Registration date:	31.08.1998 (Commercial Register)
Legal form:	public limited company
Share capital:	EEK 0,4 million
Equity (as of 31.12.07)	EEK 1,0 million

Legislation under which the Issuer operates: the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

**Supersam OÜ – Retail sales of food products and industrial goods**

OÜ Supersam is a 100% subsidiary of the Issuer incorporated in the Republic of Estonia.

Legal name:	OÜ Supersam
Legal address:	Laki 25, 12915 Tallinn, Estonia
Permanent location:	Laki 25, 12915 Tallinn, Estonia
Registration code:	11404060
Incorporation date:	31.05.2007
Registration date:	17.07.2007 (Commercial Register)
Legal form:	private limited company
Share capital:	EEK 0,04 million
Equity (as of 31.12.07)	EEK 0,04 million
Legislation under which the Issuer operates:	the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

**ABC Rent Eesti OÜ – The rental and operating leasing of passenger cars and small busses**

OÜ ABC Rent Eesti is a 100% subsidiary of the Issuer incorporated in the Republic of Estonia.

Legal name:	OÜ ABC Rent Eesti
Legal address:	Laki 25, 12915 Tallinn, Estonia
Permanent location:	Laki 25, 12915 Tallinn, Estonia
Registration code:	11443261
Incorporation date:	01.10.2007
Registration date:	25.10.2007 (Commercial Register)
Legal form:	private limited company
Share capital:	EEK 0,04 million
Equity (as of 31.12.07)	EEK 0,04 million
Legislation under which the Issuer operates:	the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

**6.1.2 Overview of associated companies of the Issuer**

**Vending Automaadid OÜ** - The principal field of activity is the sale, rental and maintenance of various beverage dispensers.

OÜ Vending Automaadid is a 26% associated company of the Issuer incorporated in the Republic of Estonia.

Legal name:	OÜ Vending Automaadid
Legal address:	Suur-Sõjamäe 44, 11415 Tallinn, Estonia
Permanent location:	Suur-Sõjamäe 44, 11415 Tallinn, Estonia
Registration code:	10714203
Incorporation date:	20.07.2000
Registration date:	11.12.2000 (Commercial Register)



Legal form:	private limited company
Share capital:	EEK 0,1 million
Equity (as of 31.12.07)	EEK 3,7 million
Legislation under which the Issuer operates:	the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

**Modera Software AS** - Modera Software is software licensing company, responsible of delivering of Modera.net platform based licences using various sales channels.

AS Modera Software is a 50% associated company of the Issuer incorporated in the Republic of Estonia.

Legal name:	AS Modera Software
Legal address:	Rännaku pst 12, 10917 Tallinn, Estonia
Permanent location:	Rännaku pst 12, 10917 Tallinn, Estonia
Registration code:	11383889
Incorporation date:	27.04.2007
Registration date:	27.04.2007 (Commercial Register)
Acquisition date:	27.12.2007
Legal form:	public limited company
Share capital:	EEK 0,4 million
Equity (as of 31.12.07)	EEK 0,4 million
Legislation under which the Issuer operates:	the Issuer is incorporated and validly existing under the legislation of the Republic of Estonia.

## 6.2. Key Events in 2007 and 2008

### 6.2.1. Key Events in 2007

- Four year evolution of ABC Motors AS to most successful sales and service organization for Renault in the Baltic's.
- First year of operation with complete back-office management team, key year of standardization and process management. Implementation of management support software using Oracle development tools. Completion of the motivation and assurance system implementation.
- Year of recognition for Abestock AS management team. Global leader in consumer goods Procter & Gamble decided to contract Abestock AS as sole representative in Estonia. Decision was driven by the merger of Gillette and Procter & Gamble. Abestock AS as representative of Gillette, was the only company in Europe, that received the honour of representing Procter & Gamble next to Gillette.
- Oma Varahalduse AS designed and built the Viimsi Shopping Center the first part of which will be opened for business in July 2008.
- Modera Consulting OÜ expanded and restructured it's IT team, followed by increase in capacity of about 3 times, assuring the ongoing controlled evolution of all ABC Group companies.

### 6.2.2. Key Events in 2008

- Agora Logistika AS started operations in a new 8,300-square-meter warehouse.
- Comarket AS started up its first store that has over 1000 m<sup>2</sup> of sales space.

### **6.3. Patents and licenses**

The issuer does not hold any patents or other licenses which considerably influence the business activities and economic results of the issuer.

### **6.4. Important agreements**

The Issuer has no knowledge of any important agreements that are not concluded in the course of the Issuer's usual business activities, which could affect the Issuer's capability to fulfill his liabilities due to investors regarding the issued Bonds.

### **6.5. Legal proceedings and arbitration**

Since the foundation of the Issuer in 1998, there has not been and at the moment of registration of the Prospectus there are no government interventions, lawsuits or arbitration processes which could affect or have affected substantially financial situation of the Issuer.

The Issuer lacks information on any action, which is planned to be filed in arbitration court or a court of law by third persons and which has or which may have a significant effect on the activity and/or financial state of the Issuer. Nor does the Issuer intend to file any action in the near future which has or which may have a significant effect on the activity and/or financial state of the Issuer.

### **6.6. Investments**

ABC Group invests primarily into the development of trading companies and real estate that supports these activities. In 2008, investment into manufacturing will be added.

An important investment in 2008 is the development of the Viimsi Shopping Center, stage I of which will be completed in July. The construction volume for stage I is 5,300 m<sup>2</sup> and the cost is 135 million EEK, of which 84 million EEK is being financed by a loan from SEB Pank. The cost of stage I also partially includes investments for the stage II in the second half of 2008. During the first half of 2009, we plan to develop stage II of the Viimsi Shopping Center, the construction volume of which is 7,000 m<sup>2</sup> and the cost 120 million EEK, to start up ABC Rent Eesti OÜ, by investing 5 million EEK into share capital, and to participate in the start up of Finnish Biooil OY, by investing 15 million EEK into share capital.

An important objective during the next two years is to increase the sales space of our supermarkets by 2,500-3,000 m<sup>2</sup> per year. New stores will be opened in space built by the real estate developers in the concern as well as in rented space.

The goal in the real estate segment is not to increase the volume of investments, but to realize cash-flow-generating real estate and to conservatively invest available resources into new development projects.

The important sources for investment financing are equity, long-term and debt instruments.

The Issuer plans to increase its equity to external financing ratio on the balance sheet from 34/66 to 40/60. The Issuer has interest-bearing obligations to the following banks: Hansapank, SEB Pank, the Estonian branch of the UniCredit Bank, the Estonian branch of Nordea Pank and DnB Nord Pank. In respect to the issuance of debt instruments, we are cooperating with SEB Pank.

By the end of 2007, the Issuer's loan obligations reached 410 million EEK. In 2008, there are plans to reduce the volume of debt instruments by 65-95 million EEK and to increase the volume of bank loans by 90-120 million EEK. We plan to reduce the volume of debt instruments from 161.3 million EEK to 66-96 million EEK.

## **6.7. Main markets and development of competition**

### **6.7.1. Markets and economic environment**

Issuer investments are directed primarily at the development of the real estate supporting the retail trading segment and the development of a car rental company in Estonia. During the last few years, the development of Issuer companies has only taken place in the domestic market, by distributing business risks between retail, wholesaling, and motor vehicle trading and the real estate related to these businesses. During the deceleration in economic growth and a period of economic downturn, efficiency and the market share in the domestic market will be increased. Outside of Estonia, there are plans to start up a manufacturing company in Finland, where the state provides support of at least 30% for the investment and the local government is investing in the development of the infrastructure for the manufacturing enterprise.

Estonia's economic environment has cooled quickly in 2008. The retail sales sector for food and essential consumer products has remained at last year's levels; there has been a small decline in real estate related to retail trading; and in the car business, the sale of new cars has dropped.

### **6.7.2. The competitive position of the Issuer**

Since the Issuer has distributed business risks between trading, real estate development and manufacturing, we will describe the competitive position by segment.

In retailing trading, the 2007 sales of non-specialized food stores (predominantly food) increased by 16.6% compared to 2006. At the same time, Comarket AS sales increased in a comparative monthly calculation by ~20%; the rate of growth slowed in the first quarter of 2008 and stabilized at 15-16 %. At the same time, the increase in salary costs has decelerated. Under conditions of a cooling economy, the business segment has better preconditions for sustainable development. The niche for supermarkets in residential districts is the most stable in this field of activity.

In wholesale trading, Abestock AS is the cooperation partner for Procter & Gamble, the world's largest consumer products company, and Nestle, the largest food company. Abestock AS's goal in the cooling market is to increase sales by 10%. There are plans to expand the existing product portfolio and to increase sales volumes. The expansion of activities is supported by the new 8,300-square-meter warehouse that was opened in February 2008. The brands sold by Abestock AS compete with other brands in all sales channels. In today's market situation, an important goal is to increase market share in cooperation with the suppliers.

In the car business, ABC Motors AS has been a Renault dealer for five years. Today, the company has ~4,000 permanent clients that have their cars maintained and repaired at the Renault Center. The sale of new cars has decreased in 2008 and become marginal as far as earnings. The same trend is predominant in most European countries. Maintenance and repair services, as well as used car sales, are increasingly important. To prevent the loss of market share, ABC Rent Eesti OÜ, a car rental company, will be started

up in this business segment, which will enable better control over the activities in the field of full-service leasing and car rental.

In the real estate segment, the Issuer's companies have narrowly specialized on the development of commercial real estate. The Issuer develops cash-flow-generating shopping centers and stores, and sells them at the first good opportunity. The primary objective of the activity is to support the development of the company's retailing companies. The plans for developing real estate related to the car business and logistics have been halted for 3-4 years.

In the manufacturing segment, the technology of the company to be created is theoretically 30-40% less expensive than the pyrolysis technologies applied in the world market today. The use of more advantageous technological equipment and a higher efficiency provide a competitive advantage in respect to companies that burn wood waste.

## 7. FINANCIAL INFORMATION OF THE ISSUER

### 7.1. Financial statements

Audited consolidated annual reports of 2007 and 2006 have been attached to the Prospectus.

#### Consolidated balance sheet

ASSETS	31.12.2007	31.12.2006
<b>Current assets</b>		
Cash	6 908 629	10 481 375
Other financial assets	160 284	202 467
Trade receivable	85 846 457	39 253 697
Other receivable	19 692 114	106 475 460
Accrued income and prepayments	6 999 078	11 178 907
Inventories	188 843 830	54 103 129
<b>Total current assets</b>	<b>308 450 392</b>	<b>221 695 035</b>
<b>Fixed assets</b>		
Long-term investments	6 148 304	3 069 546
Real estate investments	375 235 848	267 547 745
Tangible assets	158 802 342	68 567 055
Intangible assets	74 195 193	1 300 606
<b>Total fixed assets</b>	<b>614 381 687</b>	<b>340 484 952</b>
<b>TOTAL ASSETS</b>	<b>922 832 079</b>	<b>562 179 987</b>
<b>LIABILITIES AND OWNERS EQUITY</b>		
<b>Current liabilities</b>		
Loan payable	115 586 024	70 895 948
Prepayments received	525 312	3 782
Trade creditors	155 108 326	72 816 238
Other payables	4 556 927	6 167 523
Taxes payables	16 066 690	9 117 246
Accrued expenses	14 072 110	10 148 653
<b>Total current liabilities</b>	<b>305 915 389</b>	<b>169 149 390</b>
<b>Long-term liabilities</b>	<b>294 761 439</b>	<b>118 290 631</b>
Other long-term liabilities	9 216 167	25 187 101
<b>Total long-term liabilities</b>	<b>303 977 606</b>	<b>143 477 732</b>
<b>TOTAL LIABILITIES</b>	<b>609 892 995</b>	<b>312 627 122</b>
<b>Owners' equity</b>		
Share capital	21 800 000	21 800 000
Share premium	18 575 267	18 575 267
Legal reserve	2 180 000	2 180 000
Retained profit (loss)	206 997 598	40 380 881
Net profit (loss) for financial year	63 386 218	166 616 717
<b>TOTAL OWNERS' EQUITY</b>	<b>312 939 083</b>	<b>249 552 865</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>922 832 078</b>	<b>562 179 987</b>

## Consolidated income statement

	2007	2006
Sales revenue	1 149 315 241	954 252 140
Other operating revenue	89 747 962	89 886 378
Goods, raw materials and services	-963 353 814	-794 316 132
Other operating expenses	-69 247 570	-59 690 130
Staff costs		
Wages and salaries	-79 402 661	-62 195 293
Social security costs	-26 441 639	-20 708 620
Total staff costs	-105 844 300	-82 903 913
Depreciation and impairment of fixed assets	-10 927 582	-9 446 666
Other operating charge	-1 617 705	-948 270
Operating profit (loss)	88 072 232	96 833 407
Financial income and expenses		
Share of profit (loss)	0	78 696 154
Share of profit (loss)	289 790	500 502
Interest expenses	-26 032 564	-6 620 110
Profit (loss) on conversion of foreign currencies	-176 478	-177 253
Other finance income and costs	1 233 238	-2 615 983
Total financial income and expenses	-24 686 014	69 783 310
Profit (loss) before income tax	63 386 218	166 616 717
Net profit (loss) for financial year	63 386 218	166 616 717

## 7.2. Debt obligations of the Issuer

Information regarding the debt obligations of the Issuer can be found from the consolidated annual report 2007 of Issuer.

### Loans from AS SEB Pank (Arranger of Bond issue)

Company	Product	Limit (in millions kroons)	Loan balance (in millions kroons)
AbeStock AS	Overdraft	24,10	12,80
AbeStock AS	Loan	2,00	2,00
AbeStock AS	Guarantee	28,50	22,60
Agora Logistika AS	Real estate loan	1,10	0,70
Oma Varahalduse AS	Real estate loan	83,00	75,00
ABC Vara AS	Real estate loan	45,00	43,30

### **7.3. Operating capital**

The issuer has enough operating capital for economic activity.

### **7.4. Recent significant developments**

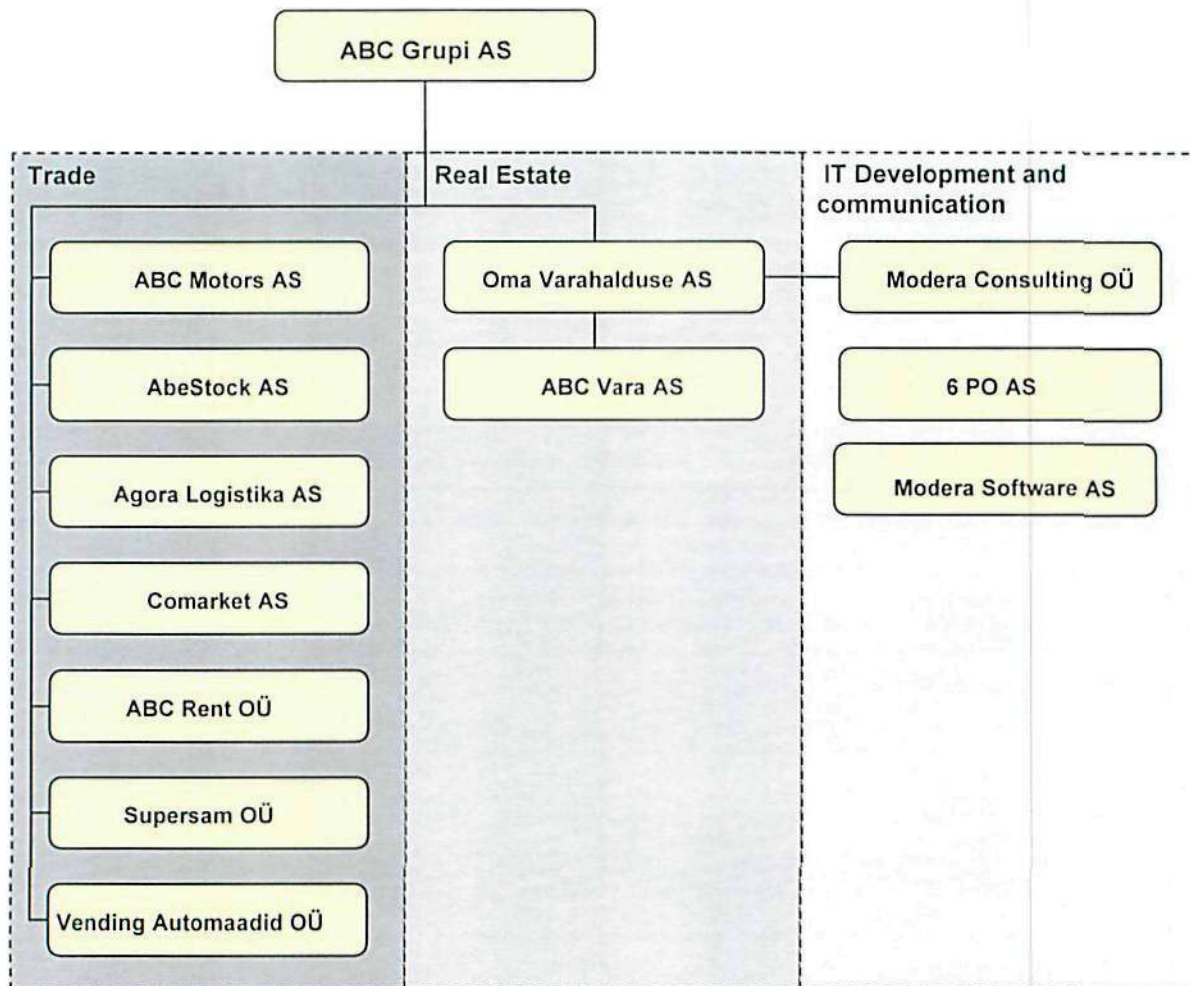
There has been no material adverse change in the prospects of the Issuer and any recent significant developments relevant to the Issuer's solvency since the date of its last published audited financial statements.

### **7.5. Financial forecast**

The Issuer does not prepare public projections of future financial results.

## 8. ORGANISATIONAL STRUCTURE

### 8.1. Structure of the Group



### 8.2. Management Bodies of the Issuer

The main management bodies of the Issuer are the Supervisory Board and the Management Board.

#### 8.2.1 Supervisory Board

The Supervisory Board of the Issuer consists of three members:

**Valdo Kalm**                      **Chairman of the Supervisory Board**

Valdo Kalm has 17 years of experience in top management. He is a knowledgeable specialist in strategic management and general management of public listed companies.

Personal code: 36604270244

Address: Valge 16, Tallinn

Education: Tallinn Technical University, Diploma of Engineer, Estonia



Occupation ( last five years): EMT AS - Member of the Board  
Eesti Telekom AS - Member of the Board

Participation in other companies:  
Elion Ettevõtte AS – Member of the Supervisory Board  
Microlink AS – Member of the Supervisory Board

**Ülle Kuum**                      **Member of the Supervisory Board**

She is a knowledgeable specialist in financial management and accounting

Personal code: 47403140013

Address: Toomiku tee 28, Tallinn

Education: Tallinn Technical University, Diploma of Accounting, Estonia

**Siim Vips**                      **Member of the Supervisory Board**

He is a knowledgeable specialist in IT solutions and international business development.

Personal code: 37901110280

Address: Villardi 32-6, Tallinn

Education: Estonian Business School, Diploma of International Business Management, Estonia

## **8.2.2 Management Board**

The Management Board of the Issuer consists of one member:

**Jüri Vips**                      **Chairman of the Management Board**

Jüri Vips has 25 years of experience in top management. He is a knowledgeable specialist in entrepreneurship, business development and total quality management systems.

Personal code: 35606230300

Address: Laki 25, Tallinn 12915

Education: Tallinn Technical University, Diploma of Engineer, Estonia

Participation in subsidiaries and associated companies:

Abestock AS - Member of the Board

Comarket AS - Member of the Board

Oma Varahalduse AS - Member of the Board

ABC Vara AS - Member of the Board

6 PO AS - Member of the Board

Modera Consulting OÜ - Member of the Board

Supersam OÜ – Member of the Board

ABC Motors AS – Member of the Supervisory Board

Agora Logistika AS – Member of the Supervisory Board

Landcom OÜ - Member of the Board

### 8.2.3 Conflicts of interest of administration, management and supervision bodies

The persons mentioned in sections 8.2 have no conflict of interests between their obligations towards the Issuer and their private benefit or any other obligations. In order to prevent possible conflicts of interests, the Issuer abides by all restrictions stipulated under the regulations of Estonia regarding transactions with members of supervisory board, management board, or employees of internal audit division.

### 8.2.4 Clauses regulating management and supervision of the Issuer

Management and supervision of the Issuer is carried out in accordance with Commercial Code of Estonia. There are no clauses in the articles of association that would restrict or extend the powers of the management board or supervisory board compared to the powers outlined in the Commercial Code. According to the articles of association of the Issuer, each member of the management board has the right to represent the company by himself.

### 8.2.5 Specific transactions with related parties

Detailed information regarding the specific transactions with related parties can be found from the annex 24 of the consolidated annual report 2007 of ABC Grupi AS.

### 8.2.6 Clauses regulating management and supervision of the Issuer

Management and supervision of the Issuer is carried out in accordance with Commercial Code of Estonia. There are no clauses in the articles of association that would restrict or extend the powers of the management board or supervisory board compared to the powers outlined in the Commercial Code. According to the articles of association of the Issuer, each member of the management board has the right to represent the company by himself.

### 8.2.7 Information on following Corporate Governance Codes

In matters related to the governance of the Issuer, the Issuer follows principles laid down in the Corporate Governance Codes of Tallinn Stock Exchange. The Corporate Governance Codes can be found on the web page of Tallinn Stock Exchange with address of <http://www.baltic.omxnordicexchange.com/?id=2700>.

## 8.3. Principal shareholders

- Legal name: Landcom OÜ  
Legal form: private limited company  
Registration code: 10505557  
Registration date: 12.11.1998 Commercial Register  
Legal address: Laki 25, Tallinn 12915, Estonia  
Number of Shares: 109 000, 50%
- Name: Jüri Vips  
Personal code: 35606230300  
Address: Laki 25, Tallinn 12915, Eesti  
Number of Shares: 109 000, 50%

#### 8.4. Personnel of the Issuer

As a general principle the Issuer supports top-level personnel growth from inside the group rather than hiring new people from outside the group. This principle has been applied on one hand - in order to offer good career opportunities to employees; on the other – to be sure that executives are familiar with the group and its developments, that they carry on corporate culture and they are emotionally attached to the group.

The personnel of the Issuer are youthful, active and purpose-oriented. The average age of the personnel of the Issuer is 36 years and more than 23 % of them have higher education (see the following table). As an employer the Issuer offers his employees friendly, stable work environment with clearly stated scope of liability. Improving professional skills of the employees are supported by well-established training system as well as development prospects inside the group.

**Personnel of the Issuer**

<i>Company</i>	<i>Year</i>	<i>The average number of personnel</i>	<i>The average age of personnel</i>	<i>% of them have higher education</i>
<b>Comarket AS</b>	2006	325	38	18%
	2007	329	39	19%
<b>ABC Motors AS</b>	2006	54	30	22%
	2007	68	32	22%
<b>Agora Logistika AS</b>	2006	32	40	6%
	2007	40	38	8%
<b>AbeStock AS</b>	2006	59	39	31%
	2007	61	39	28%
<b>Modera Consulting OÜ</b>	2006	22	31	100%
	2007	28	32	81%
<b>Oma Varahalduse AS</b>	2006	3	34	67%
	2007	6	34	50%
<b>Total</b>	2006	489	35	23%
	2007	532	36	23%

## 9. INFORMATION ON THE BOND ISSUE

### 9.1. Terms and Conditions

The Bond is a floating rate debt security, representing the Issuer's secured and unsubordinated debt obligations, issued and redeemed in accordance with "ABC Grupi AS Bond Issue Terms and Conditions" (hereinafter referred to as the Terms and Conditions).

The Issuer's debt obligations arising from the Bonds rank *pari passu* with the rest of the Issuer's secured and unsubordinated debt obligations. The issued Bonds are freely transferable and encumberable.

The Bonds were nominated in euros (EUR). The nominal value of the Bonds was 1000 EUR. The issue price of the Bond was its nominal value, i.e. á 1000 EUR. The redemption price of the Bond was its nominal value with the cumulative interest accrued.

The term of the Bonds, issued through primary distribution, shall be 3 (three) years, with value date on June 18, 2007 and maturity date on June 18, 2010.

The primary distribution of the Bond issue was carried out by way of *private placement*. The duties of an arranger and a payment agent are performed by AS SEB Pank.

The subscription period of Bonds commenced June 7, 2007 and ended at 12 p.m. (Estonian time) on June 14, 2007. The total volume of the Bond issue in its nominal value was EUR 6 500 000 (six million and five hundred thousand euros) and 6500 (six thousand five hundred) Bonds were issued. The issue price of a Bond was EUR 1000 (one thousand euros).

The Issuer has the right to redeem Bonds early on early redemption date at redemption price (nominal value of a Bond plus accrued interest). Early redemption date can be any interest payment day since June 18<sup>th</sup> 2008. Investor has the right to sell the Bonds back to the Issuer on June 18<sup>th</sup> 2009 at redemption price.

The Terms and Conditions of Bond Issue have been attached to the Prospectus. Therefore, the Issuer shall not undertake to set out all information related to the Terms and Conditions of the Bond issue in this Prospectus.

#### 9.1.1 Interest

The Issuer shall pay interest to the Bonds, the rate of which consists of base rate and margin. Base rate shall be the 6-month EURIBOR rate determined from time to time by the Arranger. The margin shall be 6% (six per cent).

Calculation of interest shall be based on the actual number of days during the period between the two consecutive Interest payment days and a year of 360 days ( $\text{Act}/360$ ). Interest is calculated for each interest period starting from the previous Interest payment day (included) until the next Interest payment day (excluded). The first interest period shall commence on the value date and shall end on the first Interest payment day. Every next interest period shall commence on the previous Interest payment day and shall end on the next Interest payment day.

Interest payment days shall be on June 18<sup>th</sup> and December 18<sup>th</sup> each year. If the interest payment day is not a banking day, the interest payment shall be made on the following banking day.

#### **9.1.2 Redemption**

The Bonds shall be redeemed, i.e. the redemption amount shall be paid to the Investors on the maturity date.

The Bonds shall be redeemed, i.e. the redemption amount shall be paid to the investors on the maturity date, i.e. on June 18, 2010.

As the redemption payment the Issuer shall pay the total redemption price of the owned Bonds to the Investor. The redemption price of the Bond shall be the nominal value of the Bond and the unpaid interest calculated to the same.

The redemption payments of the Bonds shall be paid to the Investors, who according to the Estonian Central Securities Register's information are the owners of the Bonds at 9 a. m. on the maturity date.

Following the receipt of the redemption payments in the Investors' current accounts, the Bonds shall be considered redeemed and shall be removed from the Register.

#### **9.2. Registration and listing of the Bonds**

The Bonds were registered with the ECSR in compliance with the Estonian Central Securities Register Act and other applicable legal acts under ISIN code EE3300091123 on June 18, 2007.

The Bonds shall be listed in the bond list of the Tallinn Stock Exchange in accordance with a respective decision of the listing committee within three months as of submission of the listing application by the Issuer. The listing prospectus together with other particulars and documents shall be submitted to the Tallinn Stock Exchange within one year of the primary issue

#### **9.3. The use of the proceeds**

Funds that have been raised as a result of Bond issue shall be used for general corporate purposes of the Issuer.

#### **9.4. Payment agent**

Aktsiaselts SEB Pank (registry code in Estonian Commercial Register: 10004252), located at Tornimäe 2, 15010 Tallinn, Estonia, performs duties of the payment agent of Bond issue, mediating the issue-related payments. The Issuer also acts as a mediator of the information and documents between the Issuer and the Investors and shall perform other duties provided in the Terms and Conditions of the Bond Issue.

#### **9.5. Legal information**

The basis for arranging the issue was the ABC Grupi AS management board resolution from 18 June 2007. Copy of the said resolution is enclosed to this Prospectus as Annex 1.

The Securities Market Act, the decree of the Minister of Finance No 14 on Listing Requirements, from 21.01.2003, the European Parliament and Council of Europe directive 2003/71/EC (Prospectus Directive), Commission regulation (EC) No 809/2004 (Prospectus Regulation) and the requirements established by the Tallinn Stock Exchange shall be applied to the Bond issue.

## **9.6. Taxation**

The Bonds proceeds are subject to taxation in accordance to the legislation, effective in the Republic of Estonia or in the Investor's home country.

The Payment Agent shall withhold income tax, if pursuant to the legal acts effective in the Republic of Estonia, income tax is to be withheld from the payments related to Bonds.

## **9.7. Collateral**

To guarantee complete fulfillment of principal and collateral claims of the Investors, arising from the Bonds, the Issuer has established pledges in favour of the Arranger. In order to establish the pledge of shares, the Issuer has concluded with the Arranger a financial collateral agreement for the purpose of Section 314<sup>1</sup> of the Law of Property Act.

Should any of the circumstances, stipulated in clause 13 of the Terms and Conditions of the Bond Issue, occur and the Investor has presented justified demand(s) to the Issuer for extraordinary early redemption of the Bonds as laid down in clause 13, and the Issuer refuses of extraordinary early redemption of the Bonds, or the Issuer does not fulfill any of his monetary obligations under the Terms and Conditions of the Bond Issue, including the obligation to pay the redemption price, the Investor(s) shall have the right to demand realization of the pledged shares in order to satisfy the claims deriving from the Bonds. The Arranger shall assess relevance of the demand, stipulated in this clause before realization of the pledged shares in accordance with good faith and his best professional knowledge, considering the viewpoints of the Investors as well as the Issuer and evaluating the evidence presented by the same. After the listing the Bonds on the Tallinn Stock Exchange the Arranger shall before realization of the collateral ask the opinion of the listing committee, if supervision over the execution of violated rights pursuant to the Stock Exchange Rules and other legal acts is within the competence of the supervisory body of the Stock Exchange.

The Arranger shall have the right to sell the pledged shares at an auction under the claims assigned to the Arranger from the Investors. The claims are considered to be assigned to the Arranger, if the Investor(s) have transferred the Bonds to the Arranger's securities account. After the claims have been assigned, the Arranger undertakes to dispose of the pledged shares at the best possible price.

All obligations of an Arranger towards the Investors are based on the Bond issue terms. A Bond issue arranging agreement is concluded between the Issuer and the Arranger, regulating the legal relationship (incl. responsibilities, obligations, fees etc) of the Arranger and the Issuer. It may be concluded that by accepting the Terms and Conditions of the Bond Issue a mandate agreement is created between the Investors and the Arranger in respect of disposal of the collateral under the request from the Investors.

The Investors acquire all rights deriving from the Terms and Conditions of the Bond Issue on the moment of purchasing the Bonds from the secondary market. Notwithstanding of the transfer of the Bonds the obligations of the Arranger remain unaltered. Respectively, security given by the Issuer in favour of the Arranger to secure the claims of the Investors deriving from the purchased Bonds shall transfer to the new owner of the Bonds upon assignment of the claim.

The Arranger shall transfer the funds, received from the sale of the pledged shares, proportionally to the amount of claims gathered from the Investors, to the current accounts of the Investors. Following the receipt of the payments in the current accounts of Investors, the Bonds shall be considered to be redeemed and shall be removed from the Estonian Securities Register.

Issuer has pledged the shares of following companies in favour of the Arranger:

**1) the shares of a public limited company AbeStock AS (register code 10344545)**

Amount: 320 663 shares  
Nominal value: 100 Estonian kroons (EEK)  
ISIN code: EE3100058124  
Holder of pledge: AS SEB Pank  
Registration of the pledge: Estonian Central Securities Depository  
The pledge includes all the outstanding shares of AbeStock AS.

**2) the shares of a public limited company ABC Motors AS (register code 10844561)**

Amount: 75 000 shares  
Nominal value: 100 Estonian kroons (EEK)  
ISIN code: EE3100017591  
Holder of pledge: AS SEB Pank  
Registration of the pledge: Estonian Central Securities Depository  
The pledge includes all the outstanding shares of ABC Motors AS.

The financial collateral agreement is enclosed to this Prospectus as Annex 7.

**9.7.1. Expiry of claims**

According to the § 146 of the General Part of the Civil Code Act the limitation period for a claim arising from a transaction shall be three years. The limitation period for a claim for payment of remuneration agreed upon shall commence as of the end of the year when the claim falls due (§ 147).

**9.8. Interests of physical and legal persons related to the Bond issue**

The member of the Issuer's management board and the owners of the Issuer have an interest in the organization of the issue of Bonds in respect to its success, since the investment of the capital to be involved in the course of the issue will make it possible to increase the value of the Issuer and to execute the acquisition of new planned investments.

The Arranger of the issue of Bonds, AS SEB Pank, has an interest regarding the success of the Bond issue and trading on the secondary market, since AS SEB Pank is connected to the Issuer by the loan contracts stipulated in section 7.2 of the Prospectus and a contract to organize the Bond issue (the service fees to be paid to the Arranger will depend on the success of the Bond issue). At the same time, the popularity of the Bonds among Investors will be the basis for the future positive relationship between the Issuer, Arranger and Investors.

As far as the Issuer knows, no other legal or physical persons have significant interests related to this issue.

## 10. DOCUMENTS AVAILABLE TO THE PUBLIC

All interested persons have the possibility to get acquainted with the following documents:

- Articles of association of the Issuer – Laki 25, 12915 Tallinn, Republic of Estonia and on the Issuer's website <http://www.abc.ee/>;
- Financial information of the Issuer – Laki 25, 12915 Tallinn, Republic of Estonia and on the Issuer's website <http://www.abc.ee/>;
- Prospectus – on The Financial Supervision Authority's website <http://www.fi.ee/>.

The aforementioned documents shall be available on the website of the Tallinn Stock Exchange after the respective decision of the listing committee. The web page address of Tallinn Stock Exchange is <http://www.baltic.omxnordicexchange.com/>.





ABC GRUPI AS  
VÕLAKIRJADE NOTEERIMISPROSPEKTI KOKKUVÕTE

VÕLAKIRJADE EMISSIOONI KOGUMAHT  
EUR 6 500 000

6 500 VÕLAKIRJA INTRESSIMÄÄRAGA 6 KUU EURIBOR + 6,0% AASTAS

LUNASTAMISTÄHTAJAGA 18. JUUNI 2010

ISIN KOOD EE3300091123

TALLINN  
Juuni 2008

Emissiooni korraldaja on AS SEB Pank

AS SEB Pank, Tornimäe 2, 15010 Tallinn, Eesti Vabariik  
Tel: +372 665 5100 Fax: +372 665 5102 <http://www.seb.ee>

FINANTSINSPEKTSIOONI  
SISSE TULNUD

17. 06. 2008  
Nr 43-49/1644-

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## 1. SISSEJUHATUS

Käesolev kokkuvõte põhineb prospekti teistes osades ja lisades esitatud täpsemal informatsioonil ning seda tuleb vaadelda ja tõlgendada nendega koos. Kokkuvõtet tuleb käsitleda prospekti sissejuhatusena ning investeerimisotsuse langetamisel peab investor tutvuma prospektiga ja selle lisadega tervikuna.

Prospektis sisalduva teabega seonduva nõude esitamisel võib hagejast investorile liikmesriikide siseriiklike õigusaktide alusel langeda kohustus kanda prospekti tõlkimise kulud enne kohtumenetluse algatamist.

Ühegi isiku suhtes ei kohaldata tsiviilvastutust ainuüksi kokkuvõtte, ka mitte selle tõlke põhjal, välja arvatud juhul, kui see on eksitav, ebatäpne või prospekti muude osadega vastuolus. Potentsiaalne investor kohustub enne investeerimisotsuse tegemist iseseisvalt igakülgset ja objektiivset kaaluma pakutavatesse kommerts-päberitesse investeerimisega kaasnevaid riske.

## 2. EMITENT

Ettevõtte ärinimi on ABC Grupi AS. Ettevõtte on Eesti Vabariigi õiguse kohaselt asutatud aktsiaselts. Ettevõtte on registreeritud Eesti äriregistris registrikoodiga 10419384.

Ettevõtte on asutatud tähtajatult.

Ettevõtte asukoht on Eestis, Tallinnas ning Ettevõtte registreeritud aadress on Laki 25, 12915 Tallinn, Eesti, Ettevõtte üldtelefoni number on +372 6505505.

Ettevõtte majandusaasta kestab 1. jaanuarist kuni 31. detsembrini.

ABC Grupi AS omanikud on: 50% Jüri Vips ja 50% Landcom OÜ.

Landcom OÜ omanikud on: 80 % Jüri Vips, 7,5% Jüri Vips jr, 7,5% Mihkel Vips, 5% Marge Vips.

Jüri Vips asutas esimese firma 27.02.1987.a, olles esimese kolme eraettevõtte hulgas Eestis. Esimene jaekaubandusfirma Vend AS ja hulgikaubanduse firma Abestock AS asutati 1991. aastal, järgnevalt asutati Eesti Foreksbank AS (1993), Comarket AS (2000) ja ABC Motors AS (2002).

Viimased viis aastat on konsolideeritud ettevõtted ABC Grupi AS kontserni.

ABC Grupi AS on grupi emaettevõtja. Prospekti kuupäevaga on ettevõttel 10 tütar- ja 2 sidusettevõtet. Ettevõtted tegutsevad jae-, hulgi- ja autokaubanduse ning kinnisvara valdkondades, millele lisandub tootmise valdkond.

## 3. OLULISED LEPINGUD, PATENDID JA LITSENTSID

Emitent ei ole sõlminud ühtegi põhitegevusega mitteseotud lepingut, mis avaldaks olulist mõju emitendi võimele täita võlakirjadest tulenevaid kohustusi. Samuti puuduvad emitendil äritegevust või kasumit oluliselt mõjutavad patendid ja litsentsid.

#### 4. EMITENDI FINANTSANDMED

Esitatud informatsioon baseerub auditeeritud majandusaasta aruannetel.

##### Konsolideeritud bilanss

VARAD	31.12.2007	31.12.2006
<b>Käibevara</b>		
Raha ja pangakontod	6 908 629	10 481 375
Aktsiad ja muud väärtpaberid	160 284	202 467
Nõuded ostjate vastu	85 846 457	39 253 697
Muud nõuded	19 692 114	106 475 460
Viitlaekumised ja ettemaksed	6 999 078	11 178 907
Varud ja müügioteel varad	188 843 830	54 103 129
<b>Käibevara kokku</b>	<b>308 450 392</b>	<b>221 695 035</b>
<b>Põhivara</b>		
Pikaajalised finantsinvesteeringud	6 148 304	3 069 546
Kinnisvarainvesteeringud	375 235 848	267 547 745
Materiaalne põhivara	158 802 342	68 567 055
Immateriaalne põhivara	74 195 193	1 300 606
<b>Põhivara kokku</b>	<b>614 381 687</b>	<b>340 484 952</b>
<b>VARAD KOKKU</b>	<b>922 832 079</b>	<b>562 179 987</b>
<b>KOHUSTUSED JA OMAKAPITAL</b>		
<b>Lühiajalised kohustused</b>		
Võlakohustused	115 586 024	70 895 948
Ostjate ettemaksed kaupade ja teenuste eest	525 312	3 782
Võlad tarnijatele	155 108 326	72 816 238
Muud lühiajalised võlad	4 556 927	6 167 523
Maksuvõlad	16 066 690	9 117 246
Viitvõlad ja tulevaste perioodide ettemakstud tulud	14 072 110	10 148 653
<b>Lühiajalised kohustused kokku</b>	<b>305 915 389</b>	<b>169 149 390</b>
<b>Pikaajalised kohustused</b>		
Pikaajalised võlakohustused	294 761 439	118 290 631
Muud pikaajalised võlad	9 216 167	25 187 101
<b>Pikaajalised kohustused kokku</b>	<b>303 977 606</b>	<b>143 477 732</b>
<b>KOHUSTUSED KOKKU</b>	<b>609 892 995</b>	<b>312 627 122</b>
<b>Omakapital</b>		
Aktsiakapital	21 800 000	21 800 000
Ülekurs	18 575 267	18 575 267
Kohustuslik reservkapital	2 180 000	2 180 000
Eelmiste perioodide jaotamata kasum	206 997 598	40 380 881
Aruandeaasta kasum (kahjum)	63 386 218	166 616 717
<b>OMAKAPITAL KOKKU</b>	<b>312 939 083</b>	<b>249 552 865</b>
<b>KOHUSTUSED JA OMAKAPITAL KOKKU</b>	<b>922 832 078</b>	<b>562 179 987</b>

## Konsolideeritud kasumiaruanne

	2007	2006
Müügitulu	1 149 315 241	954 252 140
Muud äritulud	89 747 962	89 886 378
Kaubad, toore, materjal ja teenused	-963 353 814	-794 316 132
Muud tegevuskulud	-69 247 570	-59 690 130
Tööjõu kulud		
Palgakulu	-79 402 661	-62 195 293
Sotsiaalmaks	-26 441 639	-20 708 620
Tööjõu kulud kokku	-105 844 300	-82 903 913
Põhivara kulum ja väärtuse langus	-10 927 582	-9 446 666
Muud ärikulud	-1 617 705	-948 270
Ärikasum	88 072 232	96 833 407
Finantstulud ja -kulud		
Finantskulud ja -tulud tütarettevõtete aktsiatelt ja osadelt	0	78 696 154
Finantskulud ja -tulud sidusettevõtete aktsiatelt ja osadelt	289 790	500 502
Intressikulud	-26 032 564	-6 620 110
Kasum/-kahjum valuutakursi muutusest	-176 478	-177 253
Muud finantstulud ja -kulud	1 233 238	-2 615 983
Finantstulud ja -kulud kokku	-24 686 014	69 783 310
Kasum enne tulumaksustamist	63 386 218	166 616 717
Aruandeaasta puhaskasum	63 386 218	166 616 717

## 5. EMITENDI AUDIITOR

Aastatel 2006-2007 on emitendi majandusaasta aruandeid auditeerinud Rimess AS (registrikood 10384467). Juhtivauditiitoriks nimetatud aastatel oli Mati Nõmmiste.

## 6. EMITENDI JUHTKOND

Emitendi põhilisteks juhtivorganiteks on juhatus ja nõukogu.

ABC Grupi AS nõukogu koosneb kolmest inimesest:

Valdo Kalm	Nõukogu esimees
Ülle Kuum	Nõukogu liige
Siim Vips	Nõukogu liige

ABC Grupi AS juhatus koosneb ühest inimesest:

Jüri Vips	Juhatuse esimees
-----------	------------------

## 7. RISKITEGURID

Emitendiga seonduvateks peamisteks riskiteguriteks on krediidirisk, tururisk, likviidsusrisk ja tegevusrisk. Enne võlakirjade ostu peaks investor iseseisvalt analüüsima riske, mis seonduvad

võlakirjadega, kuna allpool kirjeldatud riskid võivad olulisel määral mõjutada emitendi võimet täita võlakirjadest tulenevaid kohustusi.

Emiteeritud võlakirjadega seonduvateks peamisteks riskiteguriteks on likviidsusrisk ja hinnarisk.

## **8. TEAVE VÕLAKIRJADE EMISSIOONI KOHTA**

### **Võlakirjad**

Võlakiri on emitendi võlakohustust tõendav ujuva intressimääraga võlaväärtpaber, mis esindab emitendi tagatud ja allutamata võlakohustust. Võlakirjad on emiteeritud ja lunastatakse vastavalt „ABC Grupi AS Bond Issue Terms and Conditions“ tingimustele.

Võlakirjast tulenevad emitendi võlakohustused on *pari passu* võrdsed emitendi kõigi teiste tagatud ning allutamata võlakohustustega. Võlakirjad on vabalt võõrandatavad ja koormatavad.

Esmaemissioonis emiteeritud kommertspaberite tähtaeg on 3 (kolm) aastat, väljalaskepäevaga 18. juuni 2007.a ning lunastamispäevaga 18. juuni 2010.a.

Emitent maksab võlakirjadele intressi, mis koosneb baasmäärast ja marginaalist. Baasmääraks on 6 kuu EURIBOR. Marginaaliks on 6,0% (kuus protsenti).

Intressimaksete päevaks on iga aasta 18. juuni ja 18. detsember. Kui intressimakse päev ei ole pangapäev, makstakse intressi järgneval pangapäeval.

Võlakirjad on emiteeritud nomineerituna eurodes (EUR). Võlakirja nominaalväärtus on à EUR 1000 (tuhat eurot).

Võlakirjade väljalaske kogumaht nominaalväärtuses on EUR 6 500 000 (kuus miljonit viissada tuhat eurot) ning kokku emiteeriti 6 500 (kuus tuhat viissada) võlakirja.

Võlakirjad on registreeritud Eesti väärtpaberite keskregistris 18. juunil 2007.a, võlakirjade ISIN kood on EE3300091123.

### **Emissioon**

Võlakirjade esmalevitamist viidi läbi otsepakkumise (*private placement*) korras. Võlakirjade emissiooni korraldajaks oli aktsiaselts SEB Pank.

Võlakirjade märkimisperiood algas 07.06.2007.a ja lõppes 14.06.2007.a kell 12.00 Eesti aja järgi. Võlakirjade väljalaske kogumaht nominaalväärtuses oli EUR 6 500 000 (kuus miljonit viissada tuhat eurot). Võlakirjade väljalaskehind oli EUR 1000 (tuhat eurot).

Võlakirjad noteeritakse Tallinna Börsi võlakirjade nimekirjas pärast noteerimiskomisjoni vastavat otsust.

Vastavalt võlakirjade emissiooni tingimustele on emitent seadnud pandipidaja aktsiaseltsi SEB Pank kasuks väärtpaberite pandid, mis on registreeritud Eesti väärtpaberite keskregistris. Pandi esemeteks on AbeStock AS (registrikood 10344545) ja ABC Motors AS (registrikood 10844561) aktsiad.

## 9. TEAVE KAASATUD VAHENDITE KASUTAMISE KOHTA

Võlakirjade emiteerimise teel kaasatud vahendeid kasutatakse emitendi üldiseks majandustegevuse finantseerimiseks.

## 10. INVESTORILE KÄTTESAADAVAD DOKUMENDID

Investoril on võimalik emitendi dokumentidega tutvuda järgmistes kohtades:

- Emitendi põhikiri – Laki 25, 12195 Tallinn, Eesti Vabariik ja emitendi interneti koduleheküljel aadressiga <http://www.abc.ee/>;
- Emitendi finantsaruanded – Laki 25, 12195 Tallinn, Eesti Vabariik ja emitendi interneti koduleheküljel aadressiga <http://www.abc.ee/>;
- Prospekt – Finantsinspektsiooni koduleheküljel aadressiga <http://www.fi.ee/>;

Eelnevalt loetletud dokumendid on peale noteerimisotsust kättesaadavad ka Tallinna Börsi interneti koduleheküljel aadressiga <http://www.baltic.omxnordicexchange.com/>.