

Merko Ehitus Group

9 months 2012

November 2012



Key financials

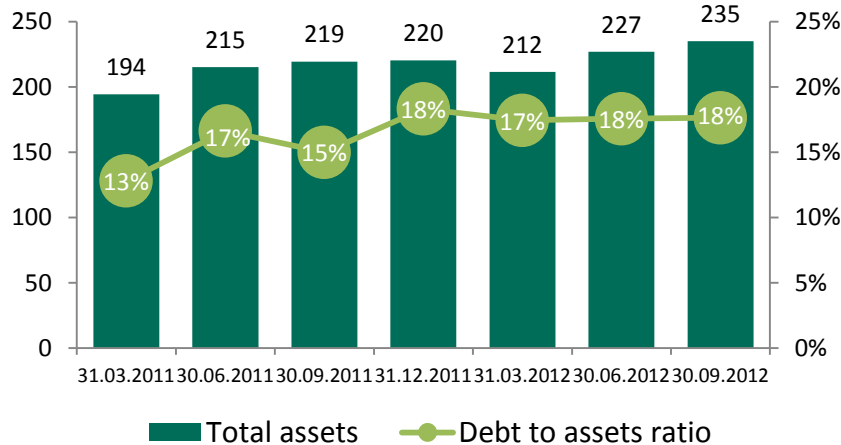
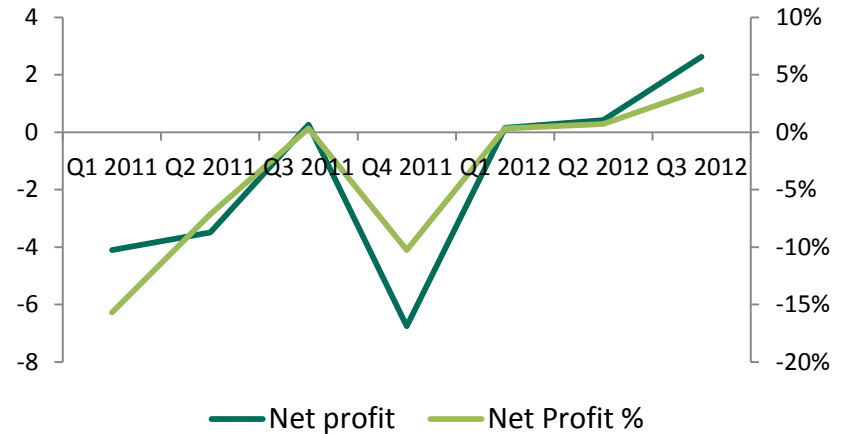
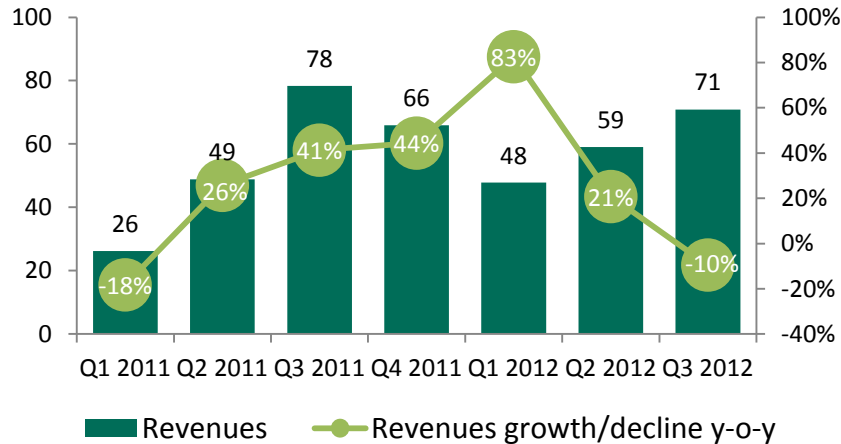
EUR millions

	9M 2012	9M 2011	9M 2010
Revenue	177.7	153.4	126.3
Gross profit margin	6%	0.2%	10.3%
Net profit, attributable to equity holders of the parent	3.2	(7.3)	5.2
Earnings per share (EPS), in euros	0.18	(0.41)	0.29
Cash and equivalents, at the end of period	15.5	5.5	21.2

- ❖ Profitability shows a positive trend
- ❖ Revenue meets expectations
- ❖ Financial position has improved

Financial Highlights - 9M 2012

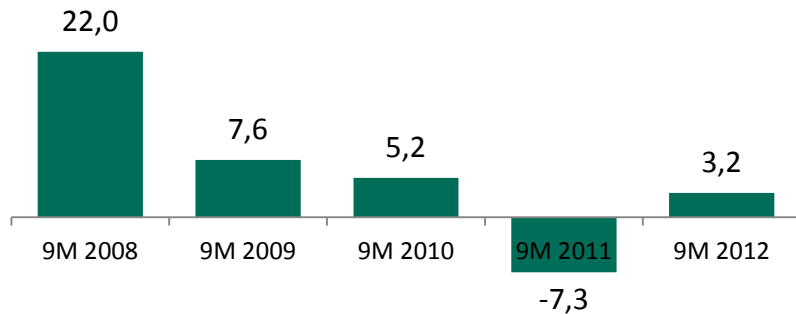
EUR millions



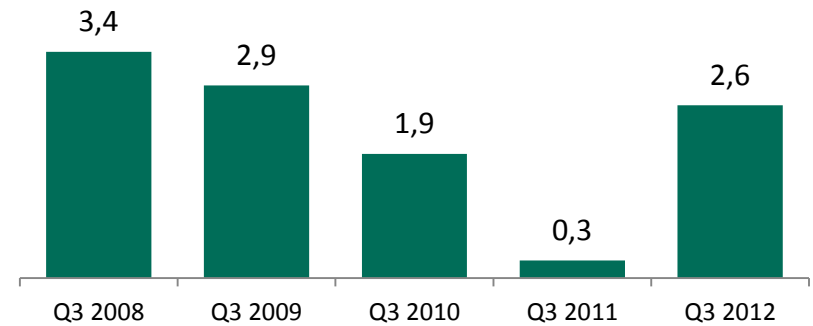
- ❖ Q3 2012 revenues up by 22% compared to 2011 (if EUR 20 million one-off items eliminated in 2011). 9 month revenues 15.9% higher than in 2011
- ❖ Gross profit margin has increased by 5.8% (first 9 months of 2012: 6.0%) compared to previous year
- ❖ Debt ratio has still remained at modest level of 17.6%

Profitability

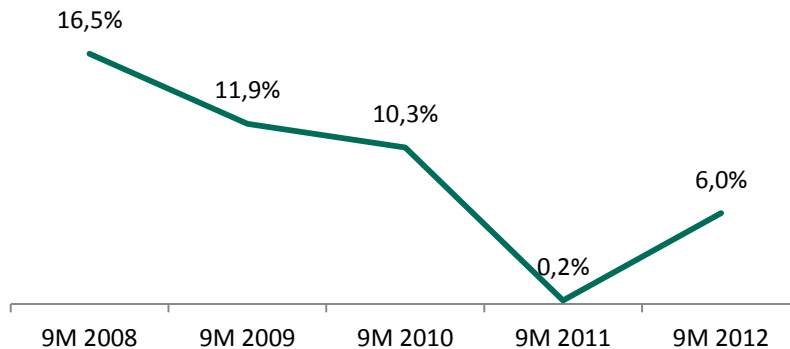
Group net profit
in million euros



Group quarterly net profit
in million euros



Group gross profit margin



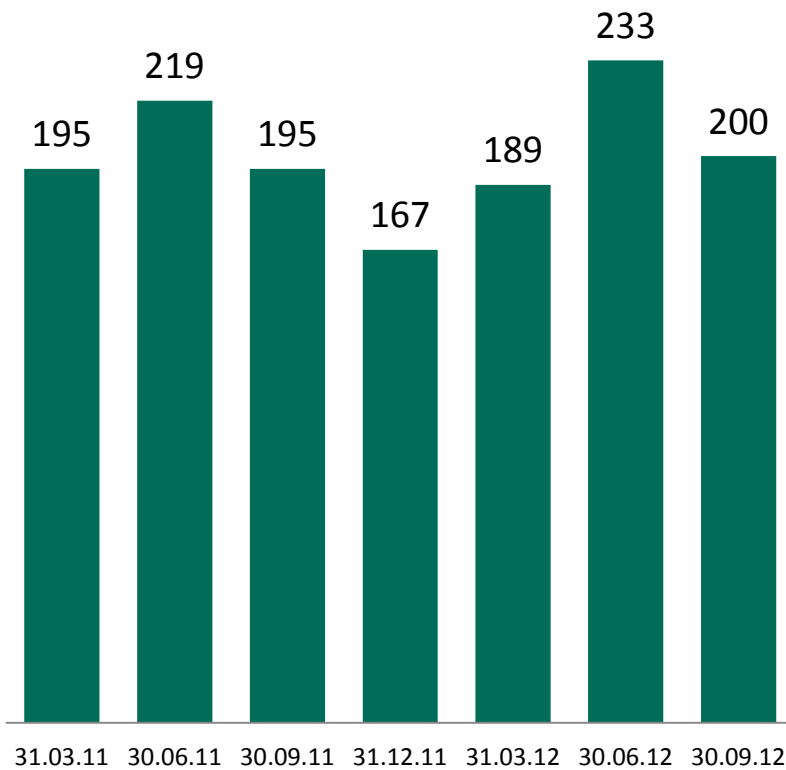
- ❖ We are focused on improving the profitability and enhancing the efficiency of the cost base

Secured Order Book

EUR millions

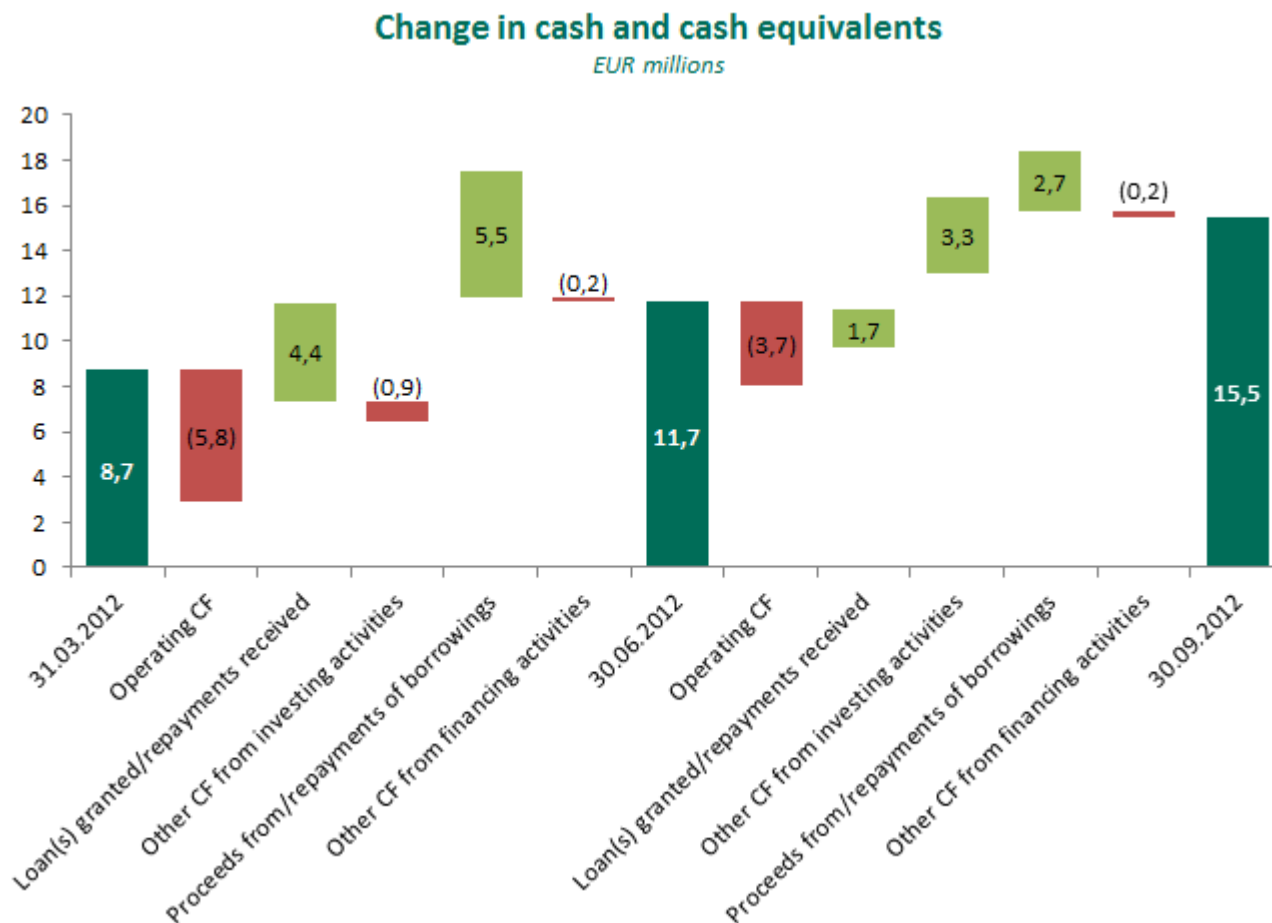
Secured Order Book

At the end of the period



- ❖ **Secured order book has remained stable**
- ❖ During the first 9 months of the year, group companies entered into new contracts in the total amount of EUR 211 million (first 9 months of 2011: EUR 148 million), with the secured order book amounting to EUR 200 million as at 30 September 2012 (as at 30 September 2011: EUR 195 million).

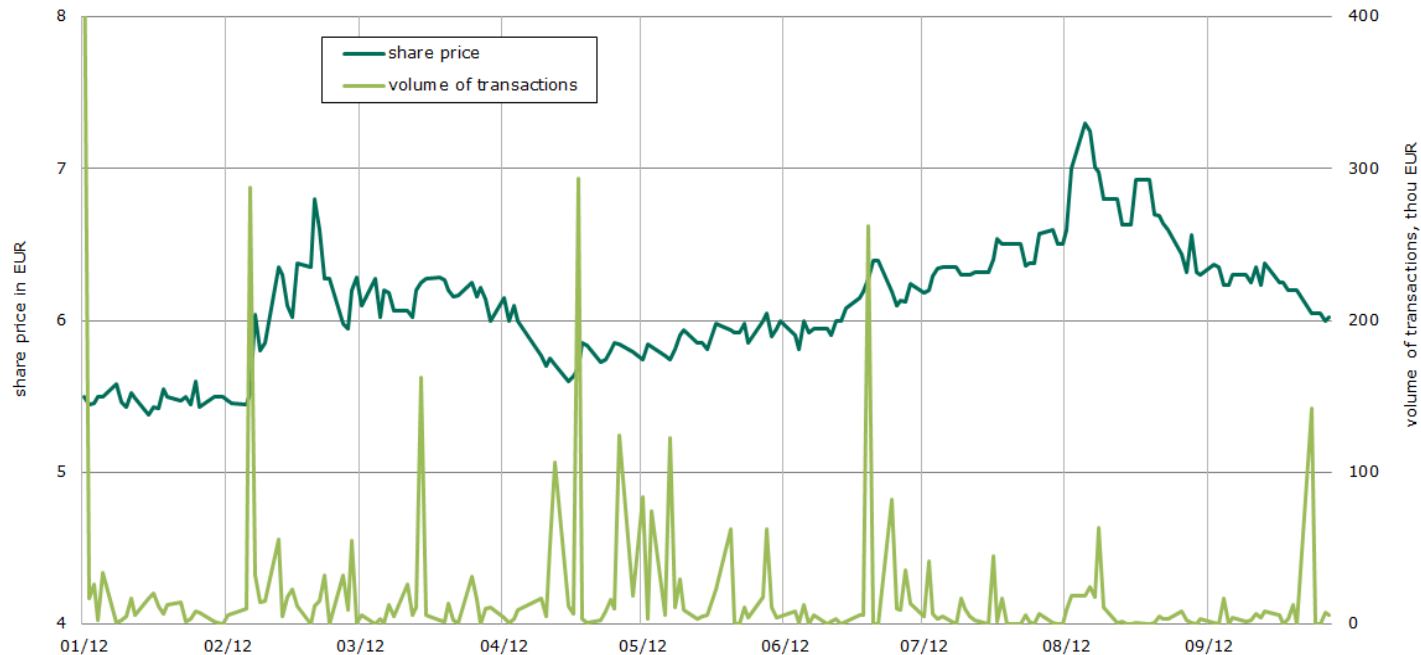
Financial position



- ❖ Financial position has improved
- ❖ Operating activities still mainly affected by public sector projects
- ❖ Support from investing activities

Stock Exchange overview

- ❖ Market capitalisation €104 million (current share price €5.90)
- ❖ **TOP 4 shareholders:**
 1. AS Riverito (management) 72%
 2. ING Luxembourg 5,5%
 3. Skandinaviska Enskilda Banken 4,9%
 4. Firebird Republics Fund 1,7%

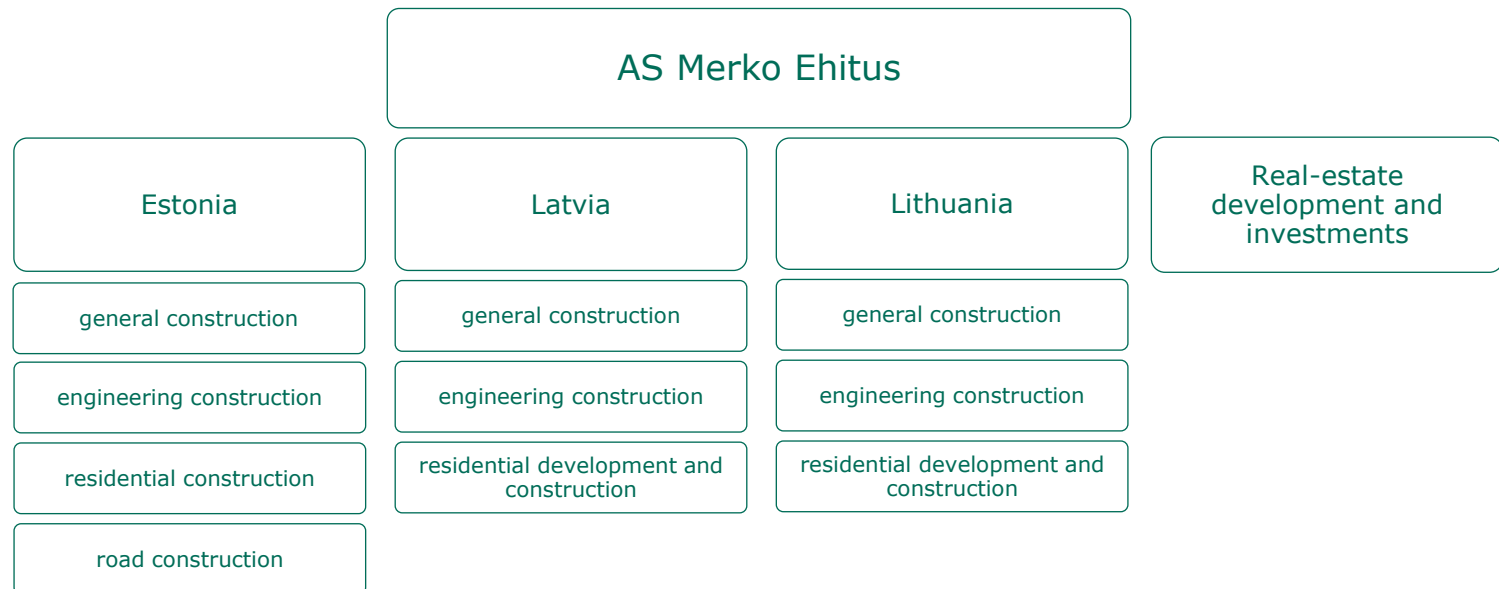


About Merko Ehitus Group

- ❖ AS Merko Ehitus is a holding company incorporating construction and real estate development companies offering integrated construction solutions in Estonia, Latvia and Lithuania. Major construction companies incorporated under the holding company include AS Merko Ehitus Eesti (100%), SIA Merks (100%), UAB Merko Statyba (100%), as well as the AS Merko Ehitus Eesti group companies Tallinna Teede AS (100%) and AS Merko Infra (100%).
- ❖ Merko Ehitus is the largest construction company in the Baltics – with revenues of €219 million in 2011 (€178 million in 9M 2012)
- ❖ Home markets are – Estonia (86%), Latvia (11%), Lithuania (3%)
- ❖ Core activities include - general construction (24%), civil engineering (49%), roads (18%) and residential property development (9%)
- ❖ 920 employees at the end of September 2012

Business Focus

The business focus of AS Merko Ehitus subsidiary companies is on improving profitability, enhancing the efficiency of the cost base and strengthening the long-term liquidity position, concentrating on general contracting and real estate development at the domestic markets of Estonia, Latvia and Lithuania. The structure of the group's business areas as at 30 September 2012 has been presented below:



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