

AS Silvano Fashion Group



Consolidated Interim Report for Q4 and 12 months of 2007

COMPANY PROFILE

Business name	AS Silvano Fashion Group
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Website	www.silvanofashion.com
Core activities	Design, manufacturing, distribution and retail of women's apparel and lingerie
Auditor	KPMG Baltics AS

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Management Report Q4 and 12 months of 2007

Consolidated Financial Results of Q4 and 12 months of 2007

In the fourth quarter of 2007, AS Silvano Fashion Group earned a net profit of EEK 24.1 million (EUR 1.5 million), which decreased by EEK 13.1 million (EUR 0.8 million) as compared to the fourth quarter of the previous year. The net margin of the fourth quarter of this year is 6.6% (Q4 2006: 11.6%). The fourth quarter sales resulted in EEK 365.3 million (EUR 23.3 million) and the Group's gross margin in Q4 2007 reached 46.5% compared to 42.1 % in the fourth quarter of 2006. Operating margin reached 14.9% (21.8% in Q4 2006) and operating profit was EEK 54.5 million (EUR 3.5 million) compared to EEK 69.9 million (EUR 4.5 million) in Q4 2006.

Cumulative 2007 sales of AS Silvano Fashion Group amounted to EEK 1,542.4 million (EUR 98.6 million), having increased 3.7 times compared to 2006. The Group's gross and operating margins in 2007 stood at 43.6% and 21.6% respectively (42.5% and 18.7% in 2006). Operating profit in 2007 amounted to EEK 333.6 million (EUR 21.3 million) compared to EEK 79.0 million (EUR 5.0 million) in 2006. Net profit for 2007 amounted to EEK 186.9 million (EUR 11.9 million) and net margin reached 12.1% (10.7% in 2006).

An outstanding growth in company's results and profits is explained by the acquisition of AS Silvano Fashion Group by the former PTA Grupp AS in 2006.

Sales Revenue

Sales by Products/Services

In 2007 sales revenue related to sales of women's apparel increased by EEK 44.6 million (EUR 2.9 million) compared to 2006, forming 10.1% of the Group's sales revenue (2006: 26.3%). Lingerie sales in 2007 amounted to EEK 1,347.4 million (EUR 86.1 million) forming 87.4% of total Group's sales revenue. Subcontracting services and other sales decreased by EEK 2.1 million (EUR 0.1 million) as compared to the same period of 2006. Subcontracting services and other sales in 2007 amounted to EEK 39.3 million (EUR 2.5 million) forming 2.5% of total sales revenue.

Sales by business segments

	2007 EEK million	2006 EEK million	Change EEK million	2007 EUR million	2006 EUR million	Change EUR million	2007 percentage from sales	2006 percentage from sales
Women's apparel	155.7	111.1	44.6	10.0	7.1	2.9	10.1%	26.3%
Lingerie	1,347.4	270.2	1077.2	86.1	17.3	68.8	87.4%	63.9%
Subcontracting services and other sales	39.3	41.4	-2.1	2.5	2.6	-0.1	2.5%	9.8%
Total	1,542.4	422.7	1,119.7	98.6	27.0	71.6	100.0%	100.0%

Sales by Markets

Women's apparel

Main driver of the growth for women's apparel sales was expansion of PTA retail chain. In 2007 retail sales were 76.5% from the total revenue of women's apparel. Sales volume in Baltic's increased by 22.4%, amounting EEK 111.9 million (EUR 7.2 million). Sales revenue in Russia was EEK 17.2 million (EUR 1.1 million) and in Ukraine EEK 2.6 million (EUR 0.2million). Russia and Ukraine are new markets for PTA apparel collection, first stores in Russia were open in the end of 2006 and first store in Ukraine in July 2007. In Finland revenue has increased by 5%, amounting EEK 18.7 million (EUR 1.2 million).

Lingerie

The majority of lingerie sales revenue in 2007 was earned on the Russian markets (amounting to EEK 747.9 million (EUR 47.8 million) giving 68.3% of all lingerie sales volume for 2007). Sales in Russia comprise both retail sales and wholesale. The second biggest region of lingerie sales is Belarus, amounting to EEK 275.4 million (EUR 17.6 million) giving 25.1 % of all lingerie sales revenue (also comprising both retail sales and wholesale). As lingerie sales is a new business line for the Group, comparable figures of previous periods are not available.

In terms of lingerie brands, the sales of "Milavitsa" core brand accounted for 75.7% of total lingerie sales revenue in 2007 and amounted to EEK 788.6 million (EUR 50.4 million). The sales of "Lauma" core brand accounted for 7.2% of total lingerie sales and amounted to EEK 122.0 million (EUR 7.8 million). Other brands such as "Alisee", "Aveline", "Laumelle", "Lauma Aqua", "Laumelle Aqua" and "Bellita" comprised 17.1% of total lingerie sales in 2007 amounting to EEK 184.6 million (EUR 11.8 million).

Total sales by markets

	2007 EEK million	2006 EEK million	Change EEK million	2007 EUR million	2006 EUR million	Change EUR million	2007 percentage from sales	2006 percentage from sales
Estonia	167.4	96.9	70.5	10.7	6.2	4.5	10.9%	22.9%
Finland	39.1	34.0	5.1	2.5	2.2	0.3	2.5%	8.0%
Latvia	50.1	30.7	19.4	3.2	2.0	1.2	3.2%	7.3%
Belarus	278.5	59.9	218.6	17.8	3.8	14.0	18.1%	14.2%
Ukraine	100.1	18.4	81.7	6.4	1.2	5.2	6.5%	4.4%
Russia	766.7	145.6	621.1	49.0	9.3	39.7	49.7%	34.4%
Other markets	140.5	37.2	103.3	9.0	2.3	6.7	9.1%	8.8%
Total	1,542.4	422.7	1,119.7	98.6	27.0	71.6	100.0%	100.0%

Retail Sales

Total retail sales of the Group in 2007 amounted to EEK 280.1 million (EUR 17.9 million), increasing 3.4 times compared to 2006.

Retail operations were conducted in Estonia, Latvia, Russia, Belarus, Poland, Lithuania and Ukraine. At the end of 2007 the Group operated 115 retail outlets with a total area of 12,454 square meters.

Women's apparel retail operations were conducted in Estonia, Latvia, Lithuania, Russia and Ukraine. At the end of December 2007 Group operated 30 women's apparel stores with a total sales area of 5,741 square meters (2006: 2,688 square meters).

Lingerie retail operations were conducted in Russia, Belarus, Latvia, Lithuania and Poland. At the end of 2007 Group operated 85 lingerie stores with a total area of 6,713 square meters.

Within 2007 60 new stores were opened: 17 women's apparel stores operating under the PTA brand (9 in Russia, 4 in Lithuania, 1 in Estonia and 3 in Ukraine), and 22 lingerie stores under the Oblicie brand (20 in Russia, 1 in Poland and 1 in Ukraine). 16 lingerie stores were acquired in Lithuania.

Number of stores

	31.12.2007	31.12.2006
Estonia	8	7
Latvia	6	6
Poland	10	7
Belarus	23	20
Russia	44	15
Lithuania	20	-
Ukraine	4	-
Total stores	115	55
Total sales area, m²	12,454	6,997

Women's apparel retail sales revenue increased in 2007 by 46% compared to 2006, amounting to EEK 118.4 million (EUR 7.6 million). The increase in retail sales was supported by the increase in sales in the like-for-like spaces as well as the considerably greater number of stores. The increase in retail sales of women's apparel of the like-for-like spaces was 9% compared to 2006. In Baltic's the growth of PTA retail revenue was 22%. Growth in Baltic's was supported by expansion to Lithuanian market. As Russia and Ukraine are new markets for women's apparel comparable figures are not available.

The like-for-like increase in the Oblicie lingerie retail chain is about 41% for stores operating more than one year. Group's main objectives in lingerie retail operations is opening of new stores in Russia. In addition to the general seasonal marketing campaigns directed to the new markets, marketing operations were focused on campaigns supporting the expansion on the Russian market.

As lingerie sale is a new business line for Group, comparable figures of previous years cannot be presented.

Wholesale

In 2007 wholesales amounted to EEK 1,223.6 million (EUR 78.2 million) giving 79.3% of the Group's total revenue. Main wholesales regions in the lingerie business of the Group were Russia, Ukraine, the Baltic republics and Belarus, and in the women's apparel business – Finland and the Baltic States. Sales revenue from wholesales of women's apparel increased by 28.9% in 2007 compared to same period of 2006, amounting to EEK 43.8 million (EUR 2.8 million).

Sales of subcontracting and other services

Subcontracting and other services amounted to EEK 39.3 million (EUR 2.5 million), a 5% decrease compared to 2006.

Profits

The Group's gross margin in 2007 was 43.6% (2006: 42.5%). Gross profit for 2007 amounted to EEK 671.7 million (EUR 42.9 million) compared to EEK 179.9 million (EUR 11.5 million) in 2006.

The operating profit for 2007 amounted to EEK 333.6 million (EUR 21.3 million), resulting in an operating profit margin of 21.6% (2006: 18.7%). Within 2007 the Group increased its shareholding in its subsidiary Milavitsa resulting in gains from business combination booked in 2007 in the total amount of EEK 89.4 million (EUR 5.7 million).

The net profit of the Group (after taxes and minority shareholding) for 2007 amounted to EEK 186.9 million (EUR 11.9 million). The net profit margin for 2007 was 12.1% compared to 10.7% in the same period of the previous year.

Balance sheet

The total assets on the consolidated balance sheet amounted to EEK 1,090 million (EUR 69.6 million) as of 31 December 2007. Compared to the end of the previous year the balance sheet total assets have increased by EEK 278.0 million (EUR 17.7 million). Both assets and liabilities have increased in connection with rapid retail expansion and funds obtained from the issue of additional shares.

As of the end of December the inventories of the Group amounted to EEK 337.5 million (EUR 21.6 million) increasing by EEK 107.3 million (EUR 6.9 million) over the end of the year 2006. The increase in the balance of inventories is related to the expansion of activities in Russia and other retail markets.

Trade receivables have increased by EEK 46.8 million (EUR 3.0 million) amounting to EEK 158.5 million (EUR 10.1 million). Trade receivables balance grown due to the growth of business and a change in the payment terms of agreements with some customers made in order to retain competitiveness, especially in the CIS markets.

Trade payables have increased by EEK 35.3 million (EUR 2.3 million) compared to the end of previous year amounting to EEK 122.9 million (EUR 7.9 million). The volumes of trade payables increased on account of the increase in sales volumes and the stores opening .

At the end of December 2007, the Group's borrowings amounted to EEK 25.2 million (EUR 1.6 million), having decreased by EEK 4.7 million (EUR 0.3 million) since the beginning of the year.

Investments

During 2007 the Group's investments totaled EEK 156.3 million (EUR 10.0 million). A total of EEK 44.3 million (EUR 2.8 million) was invested in retail operations, other investments were connected to equipment and facilities to maintain effective production operations.

Personnel

By the end of December of 2007, the Group employed 3,581 employees, including 552 in retail operations and 2,243 in production. The rest of the employees are employed in wholesale, administration and support operations. The average number of employees in 2007 was 3,450.

The total salaries and wages for 2007 amounted to EEK 293.6 million (EUR 18.8 million). The remuneration paid to members of the Management Board and Supervisory Board totaled EEK 1.8 million (EUR 0.1 million).

Selected financial data 2007

Key figures and ratios	31.12.2007	31.12.2006	Change
Net sales (EEK million)	1,542.4	422.7	1,119.7
Net income, attributable to shareholders (EEK million)	186.9	45.0	141.9
Earnings before interest, taxes and depreciation (EBITDA) (EEK million)	372.0	90.7	281.3
Earnings before interest and taxes (EBIT) (EEK million)	333.6	79.0	254.6
Net sales (EUR million)	98.6	27.0	71.6
Net income attributable to shareholders (EUR million)	11.9	2.9	9.0
Earnings before interest, taxes and depreciation (EBITDA) (EUR million)	23.8	5.8	18.0
Earnings before interest and taxes (EBIT) (EUR million)	21.3	5.1	16.2
Operating margin, %	21.6%	18.7%	-
Net margin, %	12.1%	10.6%	-
ROA, %	17.1%	10.4%	-
ROE, %	21.4%	19.3%	-
Earnings per share (EPS), in EEK	4.81	4.08	-
Earnings per share (EPS), in EUR	0.31	0.26	-
Current ratio	3.6	3.6	-
Quick ratio	2.1	2.3	-

Underlying formulas:

Operating margin = operating profit / sales revenue

Net margin = net profit attributable to equity holders of the parent / sales revenue

ROA (return on assets) = net profit attributable to equity holders of the parent / average total assets

ROE (return on equity) = net profit attributable to equity holders of the parent / average equity

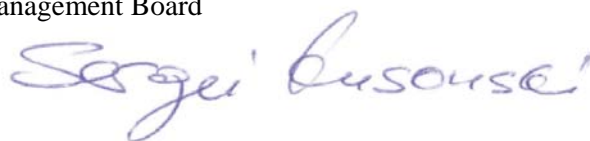
EPS (earnings per share) = net profit attributable to equity holders of the parent / weighted average number of ordinary shares

Current ratio = current assets / current liabilities

Quick ratio = (current assets – inventories) / current liabilities

Sergei Kusonski

CEO, Member of the Management Board



General Information and Approval of the Management Board for the Consolidated Interim Report for 12 months 2007

AS Silvano Fashion Group (the “Company” or together with its subsidiaries the “Group”) is an international apparel distribution group involved in the design, manufacturing and marketing of women’s apparel and lingerie. In addition, the Group provides a limited volume of sewing services to other manufacturers of women’s apparel. The Group operates the “PTA”, “Oblicie”, “Milavitsa”, “Lauma”, “Amadea Line” and “Splendo Intime” retail chains which distribute the “PTA”, “Mastercoat”, “Milavitsa”, “Alisee”, “Lauma”, “Laumelle” and certain other brands in Estonia, Latvia, Lithuania, Russia, Belarus, Ukraine and Poland. The Group’s products are also distributed through wholesale channels.

The parent company of the Group is AS Silvano Fashion Group, a company domiciled in Estonia and headquartered at Tartu mnt 2, Tallinn.

The shares of AS Silvano Fashion Group are listed at the Tallinn Stock Exchange and at the Warsaw Stock Exchange.

As of 31 December 2007, the Group employed 3,581 people (as of 31 December 2006: 2,796 people).

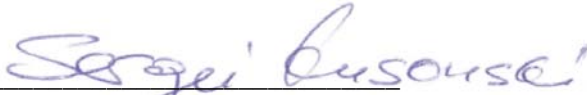
The Group comprises the following companies:

At 31 December 2007	Location	Main activity	Ownership interest 31.12.2007	Ownership interest 31.12.2006
Parent company				
AS Silvano Fashion Group	Estonia	Holding		
<u>Subsidiaries of SFG</u>				
AS Lauma Lingerie	Latvia	Manufacturing	100%	100%
SP ZAO Milavitsa	Belarus	Manufacturing	78.35%	62.53%
ZAO Linret	Russia	Retailing	100%	100%
Splendo Polska Sp. z o.o.	Poland	Retailing	90%	90%
PTA Grupp AS	Estonia	Retailing	100%	-
UAB Linret LT	Lithuania	Retailing	100%	-
<u>Subsidiaries of PTA Grupp AS</u>				
AS Klementi	Estonia	Manufacturing	100%	100%
Klementi Trading OY	Finland	Wholesaling	100%	100%
UAB PTA Prekyba	Lithuania	Retailing	100%	100%
SIA Vision	Latvia	Retailing	100%	100%
LLC PTA Ukraine	Ukraine	Retailing	100%	100%
<u>Subsidiaries of ZAO SP Milavitsa</u>				
SOOO Torgovaja Kompanija Milavitsa	Belarus	Retailing	51%	51%
SP Gimil OOO	Belarus	Manufacturing	52%	52%
ZAO Stolichnaja Torgovaja Kompanija Milavitsa	Russia	Wholesaling	100%	100%

The Management Board certifies that the consolidated interim report of AS Silvano Fashion Group for the fourth quarter and 12 months of 2007 set out on pages 11-31 is true and complete and:

1. the accounting policies applied in the preparation of the consolidated interim report comply with International Financial Reporting Standards as adopted by the European Union;
2. the consolidated interim report gives a true and fair view of the financial position of the Group and the results of its operations and its cash flows;
3. Silvano Fashion Group AS and its subsidiaries are going concerns.

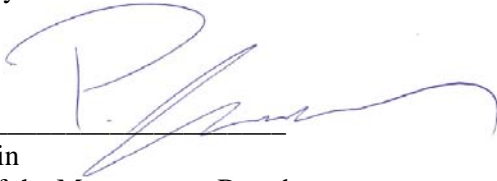
This interim report has not been audited or otherwise reviewed by auditors.



Sergei Kusonski
CEO, Member of the Management Board
28 February 2008



Dace Markevica
Member of the Management Board
28 February 2008



Peeter Larin
Member of the Management Board
28 February 2008

Balance Sheet

Consolidated, unaudited

	Notes	31.12.2007 EEK thousand	31.12.2006 EEK thousand	31.12.2007 EUR thousand	31.12.2006 EUR thousand
ASSETS					
Current assets					
Cash and cash equivalents	1	180,233	200,460	11,519	12,812
Trade receivables	2	158,531	111,729	10,132	7,141
Other receivables	3	29,713	10,680	1,899	682
Prepayments	4	51,680	34,414	3,303	2,200
Current tax assets		24,471	31,568	1,564	2,017
Inventories	5	337,528	230,255	21,572	14,716
Total current assets		782,156	619,106	49,989	39,568
Non-current assets					
Intangible assets	7	27,976	16,551	1,788	1,058
Property, plant and equipment	6	246,541	172,281	15,757	11,011
Investments in equity accounted investees		876	78	56	5
Available-for-sale financial assets		8,480	1,772	542	113
Investment property		22,954	0	1,467	0
Other receivables		595	2,349	38	150
Total non-current assets		307,422	193,031	19,648	12,337
TOTAL ASSETS		1 089,578	812,137	69,637	51,905
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	8	25,160	29,907	1,608	1,911
Trade payables		122,888	87,534	7,854	5,594
Corporate income tax liability		3,192	5,976	204	382
Other tax liabilities		23,486	19,369	1,501	1,238
Other payables	9	17,430	10,366	1,113	663
Provisions		22,462	17,461	1,436	1,116
Accrued expenses		125	0	8	0
Total current liabilities		214,743	170,613	13,724	10,904
Non-current liabilities					
Loans and borrowings	8	4,068	9,544	260	610
Other liabilities		360	0	23	0
Provisions		139	139	9	9
Deferred tax liabilities		201	201	13	13
Total non-current liabilities		4,768	9,884	305	632
Total liabilities		219,511	180,497	14,029	11,536
Equity					
Share capital at par value		400,000	379,472	25,565	24,252
Share premium		223,293	83,011	14,271	5,305
Statutory capital reserve		1046	1,046	67	67
Translation reserve		-76,512	-10,710	-4,890	-684
Retained earnings		185,927	-987	11,883	-63
Total equity attributable to equity holders of the parent		733,754	451,832	46,896	28,877
Minority interest		136,313	179,808	8,712	11,492
Total equity		870,067	631,640	55,608	40,369
TOTAL LIABILITIES AND EQUITY		1 089,578	812,137	69,637	51,905

Income Statement-12 months 2007

Consolidated, unaudited

	Notes	2007 12 months EEK thousand	2006 12 months EEK thousand	2007 12 months EUR thousand	2006 12 months EUR thousand
Net sales	12	1 542,438	422,682	98,580	27,014
Costs of goods sold		-870,780	-242,847	-55,653	-15,521
Gross Profit		671,658	179,835	42,927	11,493
Other operating income		119,829	12,778	7,658	817
Distribution costs		-213,958	-59,085	-13,674	-3,776
Administrative expenses		-170,552	-42,019	-10,900	-2,686
Other operating expenses		-73,350	-12,502	-4,688	-799
Operating profit		333,627	79,007	21,323	5,049
Interest expenses		-2,921	-1,371	-187	-88
Gains/losses on conversion of foreign currencies		-7,818	645	-500	42
Other financial income / expenses		13,077	3,213	836	205
Total financial income / expenses		2,338	2,487	149	159
Share of profit of equity accounted investees		988	44	63	3
Profit before corporate income tax		336,953	81,538	21,535	5,211
Corporate income tax		-92,943	-19,362	-5,940	-1,237
Net profit for period		244,010	62,176	15,595	3,974
Net profit attributable to parent company		186,914	44,990	11,946	2,876
Net profit attributable to minority shareholders		57,096	17,186	3,649	1,098
Earnings per share					
Basic earnings per share (EEK/EUR)	10	4,81	4,08	0,31	0,26
Diluted earnings per share (EEK/EUR)	10	4,81	4,08	0,31	0,26

Income Statement-Q4

Consolidated, unaudited

	2007	2006	2007	2006
	Q4	Q4	Q4	Q4
	EEK	EEK	EUR	EUR
	thousand	thousand	thousand	thousand
Net sales	365,313	321,784	23,348	20,565
Costs of goods sold	-195,488	-186,449	-12,494	-11,916
Gross Profit	169,825	135,335	10,854	8,649
Other operating income	26,278	12,494	1,679	799
Distribution costs	-73,624	-35,592	-4,705	-2,275
Administrative expenses	-45,254	-30,714	-2,892	-1,963
Other operating expenses	-22,749	-11,550	-1,454	-738
Operating profit	54,476	69,973	3,482	4,472
Interest expenses	-903	-477	-58	-31
Gains/losses on conversion of foreign currencies	-4,078	647	-261	42
Other financial income / expenses	6,865	3,261	439	208
Total financial income / expenses	1,884	3,431	120	219
Share of profit of equity accounted investees	988	44	63	3
Profit before corporate income tax	57,348	73,448	3,665	4,694
Corporate income tax	-20,562	-19,098	-1,314	-1,220
Net profit for period	36,786	54,350	2,351	3,474
Net profit attributable to parent company	24,094	37,164	1,540	2,376
Net profit attributable to minority shareholders	12,692	17,186	811	1,098
Earnings per share				
Basic earnings per share (EEK/EUR)	4,81	4,08	0,31	0,26
Diluted earnings per share (EEK/EUR)	4,81	4,08	0,31	0,26

Cash flow statement

Consolidated, unaudited

	Notes	2007 12 months thousand EEK	2006 12 months thousand EEK	2007 12 months thousand EUR	2006 12 months thousand EUR
Cash flows from operating activities					
Profit for the period		244,010	62,176	15,595	3,974
Adjustments for:					
Depreciation fixed assets		29,259	10,663	1,870	681
Amortization of intangible assets		2,144	1,006	137	64
(Reversal of) impairment losses on intangible assets		1,830	0	117	0
(Reversal of) impairment losses on property, plant and equipment		203	313	13	20
Impairment losses on goodwill (+) and negative goodwill gain (-)		-87,637	-9,468	-5,601	-605
Share of profit of equity accounted investees		-798	-44	-51	-3
Gains on the sale of property, plant and equipment (-)		-907	-194	-58	-12
Income tax expense		92,943	19,362	5,940	1,237
Acquisition of minority interest		3,161	0	202	0
Change in inventories		-156,325	-36,054	-9,991	-2,304
Change in trade and other receivables		-116,389	-42,887	-7,439	-2,740
Change in trade and other payables		69,565	-17,003	4,446	-1,087
Interests paid (-)		-2,848	-1,312	-182	-84
Income tax paid (-)		-95,648	-16,966	-6,113	-1,084
Total cash flow from operating activities		-17,437	-30,408	-1,115	-1,943
Cash flow from investing activities					
Interest received		11,907	2,176	761	139
Dividends received		1,643	387	105	25
Proceeds from sale of property, plant and equipment		1,314	273	84	17
Proceeds from repayments of loans granted		69,533	43,029	4,444	2,750
Acquisition of subsidiary, net of cash acquired		-13,722	263,213	-877	16,822
Acquisition of minority interest		0	-3,401	0	-217
Acquisition of property, plant and equipment		-106,537	-27,211	-6,809	-1,739
Acquisition of intangible non-current assets		-6,180	-263	-395	-16
Acquisition of investment property		-20,278	0	-1,296	0
Acquisition of other non-current assets		-3,567	0	-228	0
Trademarks fees paid		0	-4,112	0	-263
Loans granted		-78,092	-43,318	-4,991	-2,769
Development expenditure					
Total cash flow from investing activities		-143,979	230,773	-9,202	14,749
Cash flow from financing activities					
Proceeds from issue of share capital		160,810	0	10,278	0
Proceeds from borrowings		20,935	31,958	1,338	2,042
Repayment of borrowings		-25,332	-32,385	-1,619	-2,069
Repayment of finance lease		-10,874	-2,309	-695	-148
Dividends paid		-2,973	0	-190	0
Factoring paid		-1,377	0	-88	0
Total cash flow from financing activities		141,189	-2,736	9,024	-175
Net increase in cash and cash equivalents		-20,227	197,629	-1,293	12,631
Cash and cash equivalents at the beginning of the period	1	200,460	2,831	12,812	181
Effect of exchange rate fluctuations on cash held					
Cash and cash equivalents at the end of the period	1	180,233	200,460	11,519	12,812

Statement of changes in equity

Consolidated, unaudited

<i>In thousands kroons</i>	Note	Equity attributable to equity holders of the parent					Minority interest	Total equity	
		Share capital	Share premium	Statutory reserve	Translation reserve	Retained earnings			Total
Balance at 31 December 2005		19,469	40,994	1,046	26	-45,977	15,558	0	15,558
Profit for the period		0	0	0	0	44,990	44,990	17,186	62,176
Effect on consolidation of foreign subsidiaries		0	0	0	-10,736	0	-10,736	-8,034	-18,770
Total recognized income and expense for 12 months of 2006		0	0	0	-10,736	44,990	34,254	9,152	43,406
Issue of share capital		360,003	42,017	0	0	0	402,020	0	402,020
Minority interest from business combination		0	0	0	0	0	0	183,525	183,525
Acquisition of minority interest		0	0	0	0	0	0	-12,869	-12,869
Balance at 31 December 2006		379,472	83,011	1,046	-10,710	-987	451,832	179,808	631,640
Profit for the period		0	0	0	0	186,914	186,914	57,096	244,010
Effect on consolidation of foreign subsidiaries		0	0	0	-65,802	0	-65,802	-12,407	-78,209
Total recognized income and expense for 12 months of 2007		0	0	0	-65,802	186,914	121,112	44,689	165,801
Issue of share capital		20,528	140,282	0	0	0	160,810	0	160,810
Acquisition of minority interest	11	0	0	0	0	0	0	-86,275	-86,275
Dividends paid		0	0	0	0	0	0	-1,909	-1,909
Balance at 31 December 2007		400,000	223,293	1,046	-76,512	185,927	733,754	136,313	870,067

Statement of changes in equity

Consolidated, unaudited

<i>In thousands EUR</i>	Note	Equity attributable to equity holders of the parent					Minority interest	Total equity	
		Share capital	Share premium	Statutory reserve	Translation reserve	Retained earnings			Total
Balance at 31 December 2005		1,244	2,620	67	2	-2,939	994	0	994
Profit for the period		0	0	0	0	2,876	2,876	1,098	3,974
Effect on consolidation of foreign subsidiaries		0	0	0	-686	0	-686	-513	-1,199
Total recognized income and expense for 12 months of 2006		0	0	0	-686	2,876	2,190	585	2,775
Issue of share capital		23,008	2,685	0	0	0	25,693	0	25,693
Minority interest from business combination		0	0	0	0	0	0	11,729	11,729
Acquisition of minority interest		0	0	0	0	0	0	-822	-822
Balance at 31 December 2006		24,252	5,305	67	-684	-63	28,877	11,492	40,369
Profit for the period		0	0	0	0	11,946	11,946	3,649	15,595
Effect on consolidation of foreign subsidiaries		0	0	0	-4,206	0	-4,206	-793	-4,999
Total recognized income and expense for 12 months of 2007		0	0	0	-4,206	11,946	7,740	2,856	10,596
Issue of share capital		1,313	8,966	0	0	0	10,279	0	10,279
Acquisition of minority interest	11	0	0	0	0	0	0	-5,514	-5,514
Dividends paid		0	0	0	0	0	0	-122	-122
Balance at 31 December 2007		25,565	14,271	67	-4,890	11,883	46,896	8,712	55,608

Accounting Methods and Valuation Principles Used for Preparing the Consolidated Interim Report

Bases for Preparation

This Interim Report has been made pursuant to the requirements of IAS 34 “Interim Financial Reporting” of the International Accounting Standards and the International Financial Reporting Standards (IFRS) adopted by the European Union. The same accounting methods were used in the preparation of interim reports as in the Annual Report for the financial year which ended on 31 December 2006.

This Interim Report shows results in thousands of Estonian kroons (EEK) and thousands of euros (EUR). The Estonian kroon is pegged to the euro at the rate of 1 EUR = 15.6466 EEK.

The comparative data presented in the Interim Report are the financial ratios of PTA Grupp AS for 2006.

This Interim Report has not been audited.

Notes on the Consolidated Interim Report

Note 1. Cash and bank

	31.12.2007 EEK thousand	31. 12. 2006 EEK thousand	31.12.2007 EUR thousand	31.12.2006 EUR thousand
Cash and hand	1,408	859	90	55
Bank accounts in kroons	31,919	1,011	2,040	65
Bank accounts in foreign currencies	44,155	97,039	2,822	6,202
Money in transfer	97,729	12,702	6,246	812
Deposits	5,022	88,849	321	5,678
Total	180,233	200,460	11,519	12,812

Note 2. Trade Receivables

	31.12.2007 EEK thousand	31. 12. 2006 EEK thousand	31.12.2007 EUR thousand	31.12.2006 EUR thousand
Trade receivables	163,465	114,255	10,447	7,302
Allowance for uncollectible accounts	-4,934	-2,526	-315	-161
Total	158,531	111,729	10,132	7,141

The trade receivables are accounted in nominal value on the date of emergence of the claim (transaction date) and later at the adjusted acquisition cost (less the possible write-downs arising from a decrease of the value). If it is likely that the Group cannot collect all the amounts receivable pursuant to the terms of the claims, the claims will be written down. Upon assessment of claims the accrual of each specific claim is treated separately, considering the information available on the solvency of the debtor.

Receivables the accrual of which is unlikely are written down in the Balance Sheet to the collectible amount and written off.

Within the 12 months of 2007 receivables were found to be uncollectible in the amount of EEK 2.929 thousand (EUR 187.2 thousand). Receipt of the receivables or reversal of the impairment losses previously provided for has occurred in the amount of EEK 294 thousand (EUR 18.8 thousand) and irrecoverable receivables were taken off the Balance Sheet in the amount of EEK 227 thousand (EUR 14.5 thousand).

Irrecoverable receivables in the amount of EEK 202 thousand (EUR 13 thousand) were written off the Balance Sheet within the 12 months of 2006.

Note 3. Other receivables

	31.12.2007 EEK thousand	31.12.2006 EEK thousand	31.12.2007 EUR thousand	31.12.2006 EUR thousand
Receivables from customers on services contracts	344	910	22	58
Loans to companies	5,555	447	355	28
Interest receivable from related parties	313	434	20	28
Employees receivables	1,705	272	109	17
Receivable related to sale of shares	0	200	0	13
Other current receivables	21,796	8,417	1,393	538
Total	29,713	10,680	1,899	682

Note 4. Prepayments

	31.12.2007 EEK thousand	31.12.2006 EEK thousand	31.12.2007 EUR thousand	31.12.2006 EUR thousand
Prepayments	51,680	34,414	3,303	2,200
Total	51,680	34,414	3,303	2,200

Prepayments include tax prepayments, tax reclaims, VAT on unpaid invoices, prepaid insurance premiums, lease charges, newspaper and magazine subscriptions, IT service charges, prepayments to suppliers, etc.

Note 5. Inventories

	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	EEK thousand	EEK thousand	EUR thousand	EUR thousand
Raw materials	89,201	84,408	5,701	5,395
Work in progress	38,585	31,450	2,466	2,010
Finished goods	169,249	90,372	10,817	5,776
Goods for resale	34,470	24,022	2,203	1,535
Other inventories	6,023	3	385	0
Total	337,528	230,255	21,572	14,716

Within the 12 months of 2007 the amount of inventories written off totals EEK 3.855.3 thousand (EUR 246.4 thousand). Within the 12 months of 2006 inventories in the amount of EEK 618.0 thousand (EUR 39.0 thousand) were written off.

Note 6. Tangible Assets

	Land and buildings	Machinery and equipment	Other fixed assets	Construction in progress	Total
	EUR thousand	EUR thousand	EUR thousand	EUR thousand	EUR thousand
At 31.12.2005					
Cost	0	1,520	905	11	2,436
Accumulated depreciation	0	-1,173	-590	0	-1,763
Carrying amount	0	347	315	11	673
Movements in 12 months 2006					
Acquired through business combinations	2,496	5,580	1,542	154	9,772
Acquisition	174	352	988	95	1,609
Sales of fixed assets	0	-18	-2	0	-20
Impairments	0	-1	-10	-4	-15
Depreciation	-20	-417	-244	0	-681
Transfers	0	216	11	-227	0
Foreign currency translation differences	-92	-195	-37	-3	-327
At 31.12.2006					
Cost	2,524	7,105	3,269	26	12,924
Accumulated depreciation	34	-1,241	-706	0	-1,913
Carrying amount	2,558	5,864	2,563	26	11,011
Movements in 12 months of 2007					
Acquired through business combinations	12	29	1	0	42
Acquisition	0	293	2,978	5,082	8,353
Sales of fixed assets	-12	-5	-28	0	-45
Impairments	0	-5	-8	-3	-16
Depreciation	-96	-1,300	-891	0	-2,287
Transfers	457	2,950	254	-3,661	0
Foreign currency translation differences	-306	-716	-188	-91	-1,301
At 31.12.2007					
Cost	2,512	8,579	5,757	1,353	18,201
Accumulated depreciation	101	-1,469	-1,076	0	-2,444
Carrying amount	2,613	7,110	4,681	1,353	15,757

	Land and buildings EEK thousand	Machinery and equipment EEK thousand	Other fixed assets EEK thousand	Construction in progress EEK thousand	Total EEK thousand
At 31.12.2005					
Cost	0	23,789	14,157	169	38,115
Accumulated depreciation	0	-18,348	-9,231	0	-27,579
Carrying amount	0	5,441	4,926	169	10,536
Movements in 12 months 2006					
Acquired through business combinations	39,060	87,300	24,125	2,416	152,901
Acquisition	2,729	5,511	15,456	1,486	25,182
Sales of fixed assets	0	-287	-37	0	-324
Impairments	0	-11	-159	-62	-232
Depreciation	-312	-6,529	-3,822	0	-10,663
Transfers	0	3,382	169	-3,551	0
Foreign currency translation differences	-1,454	-3,052	-569	-44	-5,119
At 31.12.2006					
Cost	39,496	111,171	51,129	414	202,210
Accumulated depreciation	527	-19,416	-11,040	0	-29,929
Carrying amount	40,023	91,755	40,089	414	172,281
Movements in 12 months 2007					
Acquired through business combinations	187	454	16	0	657
Acquisition	0	4,584	46,597	79,516	130,697
Sales of fixed assets	-187	-78	-437	0	-702
Impairments	0	-78	-124	-47	-249
Depreciation	-1,502	-20,341	-13,941	0	-35,784
Transfers	7,150	46,157	3,974	-57,281	0
Foreign currency translation differences	-4,787	-11,206	-2,934	-1,432	-20,359
At 31.12.2007					
Cost	39,304	134,232	90,077	21,170	284,783
Accumulated depreciation	1,580	-22,985	-16,837	0	-38,242
Carrying amount	40,884	111,247	73,240	21,170	246,541

Note 7. Intangible Assets

	Software EUR thousand	Trademarks EUR thousand	Goodwill EUR thousand	Projects in progress EUR thousand	Total EUR thousand
At 31.12.2005					
Cost	264	365	120	0	749
Accumulated amortization	-180	-146	0	0	-326
Carrying amount	84	219	120	0	423
Movements in 12 months of 2006					
Acquired through business combination	4	67	115	313	499
Acquisition	43	0	0	175	218
Amortization	-29	-35	0	0	-64
Foreign currency translation differences	0	-3	0	-15	-18
At 31.12.2006					
Cost	306	430	235	473	1444
Accumulated amortization	-204	-182	0	0	-386
Carrying amount	102	248	235	473	1,058
Movements in 12 months of 2007					
Acquired through business combination	0	0	732	0	732
Acquisition	176	6	0	302	484
Transfers	434	6	0	-440	0
Impairments	-1	0	-115	-143	-259
Amortization	-127	-41	0	0	-168
Foreign currency translation differences	-27	-3	0	-29	-59
At 31.12.2007					
Cost	882	443	852	163	2,340
Accumulated depreciation	-325	-227	0	0	-552
Carrying amount	557	216	852	163	1,788

	Software EEK thousand	Trademarks EEK thousand	Goodwill EEK thousand	Projects in progress EEK thousand	Total EEK thousand
At 31.12.2005					
Cost	4,139	5,717	1,876	0	11732
Accumulated amortization	-2,814	-2,296	0	0	-5,110
Carrying amount	1,325	3,421	1,876	0	6,622
Movements in 12 months of 2006					
Acquired through business combination	63	1,044	1,794	4,906	7,807
Acquisition	666	0	0	2,736	3,402
Amortization	-458	-548	0	0	-1,006
Foreign currency translation differences	-3	-37	0	-234	-274
At 31.12.2006					
Cost	4,789	6,721	3,670	7,408	22,588
Accumulated amortization	-3,196	-2,841	0	0	-6,037
Carrying amount	1,593	3,880	3,670	7,408	16,551
Movements in 12 months of 2007					
Acquired through business combination	0	0	11,453	0	11,453
Acquisition	2,754	94	0	4,725	7,573
Transfers	6,791	94	0	-6,885	0
Impairments	-15	0	-1,799	-2,237	-4,051
Amortization	-1,987	-642	0	0	-2,629
Foreign currency translation differences	-422	-47	0	-452	-921
At 31.12.2007					
Cost	13,799	6,931	13,324	2,559	36,613
Accumulated depreciation	-5,085	-3,552	0	0	-8,637
Carrying amount	8,714	3,379	13,324	2,559	27,976

Note 8. Loans and borrowings

The Group has the following debts as of 31 December 2007:

	Short-term EEK thousand	Long-term EEK thousand	Short-term EUR thousand	Long-term EUR thousand	Interest rate	Due date of repayment
Secured loans and borrowings						
Overdraft from Hansapank	10,327	0	660	0	6.5%	08.04.2008
Loan from Hansapank	5,000	0	320	0	6.5%	21.06.2008
Loan from Hansapank	2,425	0	155	0	6 months Euribor+2.5%	19.10.2008
Loan from Hansabankas	908		58		6.6%	02.05.2008
Unsecured loans and borrowings						
Financial lease payables	5,398	4,068	345	260	6.5-14%	2007-2011
Other borrowings	1,102	0	70	0	6-13%	2008
Total	25,160	4,068	1,608	260		

Loan Collateral

The loans and overdraft taken from Hansapank are secured by a commercial pledge of movable property amounting to EEK 29,000 thousand (EUR 1,853 thousand).

The Group has the following debts as of 31 December 2006:

	Short-term EEK thousand	Long-term EEK thousand	Short-term EUR thousand	Long-term EUR thousand	Interest rate	Due date of repayment
Secured loans and borrowings						
Overdraft from Hansapank	2,414	0	154	0	5.5%	19.04.2007
Loan from Hansapank	5,000	0	320	0	5.5%	21.06.2007
Loan from Hansapank	6,629	0	424	0	Euribor+2.5%	19.10.2007
Unsecured loans and borrowings						
Financial lease liabilities	7,392	9,544	472	610	6.5-12.5%	2007-2011
Other liabilities	8,472	0	541	0	5.0-13.0%	31.07.2007
Total	29,907	9,544	1,911	610		

Note 9. Other payables

	31.12.2007 EEK thousand	31.12.2006 EEK thousand	31.12.2007 EUR thousand	31.12.2006 EUR thousand
Customer prepayments for goods and services	2,378	638	152	41
Payables to employees	13,472	9,111	861	583
Interest and other accruals	16	228	1	14
Interest payable to related parties	0	306	0	20
Deferred income	0	83	0	5
Other payables	1,564	0	99	0
Total	17,430	10,366	1,113	663

Note 10. Earnings per Share

	2007 12 months	2006 12 months
Number of ordinary shares as of January 1 (Qty)	37,947,198	1,946,875
Number of ordinary shares as of December 31 (Qty)	40,000,000	37,947,198
Weighted average number of ordinary shares (Qty)	38,852,681	11,020,929
Net profit (loss) for financial year, EEK thousand	186,914	44,990
Net profit (loss) for financial year, EUR thousand	11,946	2,876
Basic earnings per share (EEK)	4.81	4.08
Basic earnings per share (EUR)	0.31	0.26
Diluted earnings per share (EEK)	4.81	4.08
Diluted earnings per share (EUR)	0.31	0.26

The diluted earnings of the 12 months of 2007 per share do not differ from the basic earnings per share, because Silvano Fashion Group AS does not have the financial instruments to allow for diluting the earnings per share in the future.

Note 11. Owners' Equity

Shares

As of 31 December 2007 share capital of Silvano Fashion Group AS amounted to EEK 400,000 thousand (EUR 25,565 thousand), which is divided into 40,000 shares with a nominal value of EEK 10 (EUR 0.64) each. All the shares of Silvano AS are ordinary shares and all are registered. Each ordinary share gives the shareholder one vote at the general meeting. No share certificates are issued for registered shares. The share register is electronic and maintained at the Estonian Central Depository for Securities.

According to the revised wording of the Articles of Association, the minimum share capital and maximum share capital of Silvano Fashion Group AS amount to 250,000,000 kroons and 1,000,000,000 kroons respectively (the maximum number of shares is 100,000,000). All shares have been paid for.

As of 31 December 2007 Silvano Fashion Group AS had 996 shareholders.

As of 31 December 2007 shareholders whose interest in Silvano Fashion Group AS exceeded 1% included:

Name	Number of shares	Shareholding
Major shareholders	35,750,615	89.4%
ALTA CAPITAL PARTNERS S.C.A, SICAR	15,989,241	40.0%
Krajowy Depozyt Papierow Wartoosciowych S.A.[J]	7,877,661	19.7%
SIA ALTA CAPITAL PARTNERS	5,460,000	13.7%
SEB Eesti Ühispank As KAUPLEMINE	1,969,913	4.9%
BANK AUSTRIA CREDITANSTALT AG CLIENTS	1,438,290	3.6%
THE BANK OF NEW YORK/ ING BANK SLASKI	679,584	1.7%
BRYUM ESTONIA AS	542,463	1.4%
STATE STREET MUNICH CARE OF SSB BOSTON/ PZU FIO AKCJI MALYCH I SREDNICH SPOLEK	487,828	1.2%
JPMORGAN CHASE BANK, N.A. ON BEHALF OF BELGIAN RESIDENTS	456,496	1.1%
AS HANSAPANK	449,139	1.1%
STATE STREET LONDON CARE OF SSB BOSTON/ ALLIANZ GLOBAL INVESTORS IRELAND LIMITED	400,000	1.0%
Other shareholders	4,249,385	10.6%
Total number of shares	40 000 000	100.0%

As of 31 December 2006 Silvano Fashion Group AS had 654 shareholders.

As of 31 December 2006 shareholders whose interest in Silvano Fashion Group AS exceeded 1% included:

Name	Number of shares	Interest in share capital
Major shareholders	35,360,283	93.2%
SIA ALTA CAPITAL PARTNERS	28,024,309	73.9%
Skandinaviska Enskilda Banken Ab Clients	2,195,827	5.8%
NORDEA BANK FINLAND PLC/NON-RESIDENT LEGAL ENTITIES	1,058,214	2.8%
BRYUM ESTONIA AS	984,063	2.6%
EVLI BANK PLC/MUTUAL FUND BALTIC EQUITY	656,511	1.7%
JPMORGAN CHASE BANK,NATIONAL ASSOCIATION ON BEHALF OF SWEDISH RESIDENTS	639,150	1.7%
DZ BANK INTERNATIONAL S.A.CLIENTS	561,760	1.5%
THE BANK OF NEW YORK/ING BANK SLASKI	440,000	1.2%
Clearstream Banking Luxembourg S.A. Clients	400,449	1.0%
STATE STREET LONDON CARE OF SSB BOSTON/DIT-GLOBAL STRATEGIES FUND	400,000	1.0%
Other shareholders	2,586,915	6.8%
Total number of shares	37,947,198	100.0%

During the 12 months of 2007, the highest and lowest prices of the Silvano Fashion Group AS's share on the Tallinn Stock Exchange were EEK 111.40 (EUR 7.12) and EEK 54.61 (EUR 3.49), respectively.

Legal Reserve

The reserve indicated under the owners' equity is a legal reserve established pursuant to the Commercial Code, which can be used for covering losses or increasing the share capital by way of a bonus issue based on a decision of the shareholders. The minimum legal reserve amount is 1/10 of the share capital.

Information about Shares

As of 21 November 2006 the shares of Silvano Fashion Group AS are listed on the basic list of the Tallinn Stock Exchange.

During the 12 months of 2006 the highest and lowest prices of the Silvano Fashion Group AS share on the Tallinn Stock Exchange were EEK 69.63 (EUR 4.45) and EEK 31.29 (EUR 2.00), respectively.

Share Price in EEK and Trading Statistics on the Tallinn Stock Exchange in 12 months 2007



Minority interest

Within 2007 Silvano Fashion Group subsidiary Milavitsa SPZAO completed share repurchase program. According to decision of Milavitsa extraordinary general meeting repurchased shares were cancelled. Total amount of repurchased shares was 2,490 shares. After cancellation minority interest in Milavitsa decreased for EEK 86.3 million (EUR 5.5 million).

Note 12. Sales Revenue

	2007	2006	2007	2006
	EEK thousand	EEK thousand	EUR thousand	EUR thousand
Sales revenue				
Apparel sales	155,684	111,030	9,950	7,097
Lingerie sales	1 347,423	270,223	86,116	17,270
Subcontracting and services	27,898	36,326	1,783	2,321
Other sales	11,433	5,103	731	326
Total sales revenue	1 542,438	422,682	98,580	27,014

Sales revenue by countries is presented in Note 13.

Note 13. Transactions with Related Parties

For the purposes of these financial statements, parties are related if one controls the other or exerts significant influence on the other's financial and operating policies. Related parties include:

- a. SIA Alta Capital Partners and individuals with a shareholding that provides them with control or significant influence;
- b. members of the governing bodies (management and supervisory boards) of shareholders that have control or significant influence;
- c. members of the Group's management and supervisory boards;
- d. close family members of and companies controlled or significantly influenced by the above;
- e. associated companies.

	2007 EEK thousand	2006 EEK thousand	2007 EUR thousand	2006 EUR thousand
Sales of goods and services				
Companies related to the members of the Management Board and Supervisory Board	375	3	24	0
Total sales of goods and services	375	3	24	0

	2007 EEK thousand	2006 EEK thousand	2007 EUR thousand	2006 EUR thousand
Compensation paid to members of the Management Board				
Pay and compensation	3,395	1,754	217	112
Total	3,395	1,754	217	112

	31.12.2007 EEK thousand	31.12.2006 EEK thousand	31.12.2007 EUR thousand	31.12.2006 EUR thousand
Balances relating to related parties				
Companies related to the members of the Management Board and Supervisory Board	626	1,108	40	70
Interest liabilities to related parties	313	306	20	20
Total current liabilities	939	1,414	60	90

	2007 EEK thousand	2006 EEK thousand	2007 EUR thousand	2006 EUR thousand
Purchase of goods and services				
Companies related to the members of the Management Board and Supervisory Board	0	700	0	45
Total receivables	0	700	0	45

	2007 EEK thousand	2006 EEK thousand	2007 EUR thousand	2006 EUR thousand
Loans from shareholders				
Opening balance	0	0	0	0
Received	0	8,039	0	514
Repaid	0	0	0	0
Closing balance	0	8,039	0	514
Accrued interest expense	0	77	0	0

Note 14. Segments

a) Primary Segment – Business Segment by Products

	Apparel	Lingerie	Other activities	Inter-segment transactions	Total	Apparel	Lingerie	Other activities	Inter-segment transactions	Total
	2007 EEK thousand	2007 EEK thousand	2007 EEK thousand	2007 EEK thousand	2007 EEK thousand	2007 EUR thousand	2007 EUR thousand	2007 EUR thousand	2007 EUR thousand	2007 EUR thousand
Extra-group sales revenue	155,684	1 347,423	39,331	0	1 542,438	9,950	86,116	2,514		98,580
Inter-segment sales revenue			1,909	-1,909	0			122	-122	0
Total sales revenue	155,684	1 347,423	41,240	-1,909	1,542,438	9,950	86,116	2,636	-122	98,580
Operating profit/loss of segment	13,487	268,261	79,516	0	361,264	862	17,145	5,082	0	23,089
Unallocated operating revenue and operating charges					-27,637					-1,766
Total operating profit / loss					333,627					21,323
Other financial income and expenses					3,326					212
Corporate income tax					-92,943					-5,940
Net profit / loss					244,010					15,595
Assets and receivables	104,879	884,674	99,966	0	1 089,519	6,703	56,541	6,389	0	69,633
Unallocated assets of group					59					4
Total assets					1 089,578					69,637
Liabilities	61,147	124,688	15,021	0	200,856	3,908	7,969	960	0	12,837
Unallocated liabilities of group					18,655					1,192
Total liabilities					219,511					14,029
Capital expenditure	22,046	114,095	2,129	0	138,270	1,409	7,292	136	0	8,837
Depreciation and amortization expense	5,633	31,340	1,565	0	38,538	360	2,003	100	0	2,463

The assets and liabilities set out in the Note are disclosed as of the Balance Sheet date, i.e. 31 December 2007.

Primary Segment – Business Segment by Products

	Apparel	Lingerie	Other activities	Inter-segment transactions	Total	Apparel	Lingerie	Other activities	Inter-segment transactions	Total
	2006 EEK thousand	2006 EEK thousand	2006 EEK thousand	2006 EEK thousand	2006 EEK thousand	2006 EUR thousand	2006 EUR thousand	2006 EUR thousand	2006 EUR thousand	2006 EUR thousand
Extra-group sales revenue	111,030	270,223	41,429		422,682	7,097	17,270	2,647	0	27,014
Inter-segment sales revenue			36,425	-36,425	0	0	0	2,328	-2,328	0
Total sales revenue	111,030	270,223	77,854	-36,425	422,682	7,097	17,270	4,975	-2,328	27,014
Operating profit/loss of segment	19,754	57,969	963	0	78,686	1,262	3,705	62	0	5,029
Unallocated operating revenue and operating charges					-8,628					-551
Total operating profit / loss					70,058					4,478
Other financial income and expenses					11,480					733
Corporate income tax					-19,362					-1,237
Net profit / loss					62,176					3,974
Assets and receivables	36,725	621,199	14,744	0	672,668	2,347	39,702	942	0	42,991
Unallocated assets of group					139,469					8,914
Total assets					812,137					51,905
Liabilities	18,028	142,627	6,814	0	167,469	1,152	9,116	435	0	10,703
Unallocated liabilities of group					13,028					833
Total liabilities					180,497					11,536
Capital expenditure	3,467	25,050	67	0	28,584	222	1,601	4	0	1,827
Depreciation and amortization expense	4,806	6,151	712	0	11,669	307	393	46	0	746

The assets and liabilities set out in the Note are disclosed as of the Balance Sheet date, i.e. 31 December 2006.

b) Secondary Segment – Sales Revenue, Total Assets and Investments in Fixed Assets

	Sales revenue	Sales revenue	Assets	Assets	Investments in fixed assets	Investments in fixed assets	Sales revenue	Sales revenue	Assets	Assets	Investments in fixed assets	Investments in fixed assets
	2007 EEK thousand	2006 EEK thousand	31.12.2007 EEK thousand	31.12.2006 EEK thousand	2007 EEK thousand	2006 EEK thousand	2007 EUR thousand	2006 EUR thousand	31.12.2007 EUR thousand	31.12.2006 EUR thousand	2007 EUR thousand	2006 EUR thousand
Russia	766,011	145,624	248,108	154,074	37,802	10,855	48,957	9,307	15,857	9,847	2,416	694
Belarus	278,932	59,941	533,017	458,126	81,206	12,258	17,827	3,831	34,066	29,280	5,190	783
Estonia	167,278	96,882	112,452	91,330	2,754	1,713	10,691	6,192	7,187	5,837	176	109
Ukraine	99,528	18,430	11,735	70	2,597	0	6,361	1,177	750	4	166	0
Finland	39,586	34,026	78	51	0	0	2,530	2,175	5	3	0	0
Latvia	50,053	30,734	153,963	102,125	8,230	2,873	3,199	1,964	9,840	6,527	526	184
Lithuania	15,631	4,127	16,851	0	4,960	0	999	264	1,077	0	317	0
Poland	10,468	1,266	13,374	3,207	721	78	669	81	855	205	46	5
Other markets	114,951	31,652	0	3,154	0	807	7,347	2,023	0	202	0	52
Total	1 542,438	422,682	1 089,578	812,137	138,270	28,584	98,580	27,014	69,637	51,905	8,837	1,827