

AS Silvano Fashion Group



Consolidated interim report for Q1 2008

COMPANY PROFILE

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

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Management report

Business results

Profits

AS Silvano Fashion Group and its subsidiaries (the “Group”) ended the first quarter of 2008 with consolidated net sales of EEK 428.8 million (EUR 27.4 million), representing a 16.4% increase on the first quarter of 2007. The Group’s gross margin in the first quarter of 2008 reached 44.8% compared to 41.2% in the first quarter of 2007. Consolidated operating profit amounted to EEK 55.5 million (EUR 3.6 million), representing a 12.0% decline compared to Q1 2007. The consolidated operating margin reached 13.0% (down from 17.1% in Q1 2007).

Consolidated net profit attributable to equity holders amounted to EEK 14.0 million (EUR 0.9 million), compared to EEK 33.5 million (EUR 2.1 million in Q1 2007), and the net margin was 3.3% (down from 9.1% in Q1 2007).

In Q1 2008, the Group’s return on equity was 1.9% (down from 7.1% in Q1 2007) and return on assets was 1.3% (down from 4.0% in Q1 2007).

The substantial increase in sales and the decline in profitability compared to Q1 2007 are a function of the rapid expansion of the Group’s retail network (as detailed below), and is in line with the management’s expectations.

Balance sheet

At 31 March 2008, consolidated assets amounted to EEK 1,117 million (EUR 71.4 million), up from EEK 1,090 million (EUR 69.6 million) at 31 December 2007. The increases in both assets and liabilities are related mainly to retail expansion.

Trade receivables remained stable, given that the subsidiaries SP ZAO Milavitsa and AS Lauma Lingerie sell their products mostly on credit.

Inventories increased by EEK 19.8 million (EUR 1.3 million) to reach EEK 357.3 million (EUR 22.8 million) at 31 March 2008. The growth in inventory results primarily from the retail expansion. Due to the expansion of the retail network, the Group made rental prepayments and deposits for store premises, which increased other receivables and prepayments.

Property, plant and intangibles increased by EEK 4.3 million (EUR 0.3 million).

Current liabilities increased by EEK 36.1 million (EUR 2.3 million). Tax liabilities, other payables, including payables to employees, and provisions amounted to EEK 86.6 million (EUR 5.5 million), remaining at the expected level.

Current and non-current loans and borrowings decreased by EEK 5.8 million (EUR 0.4 million) to EEK 23.4 million (EUR 1.5 million). This includes finance lease liabilities of EEK 7.8 million (EUR 0.5 million.)

Equity declined by EEK 11.9 million (EUR 0.8 million) to reach EEK 721.8 million (EUR 46.1 million) due to an increase currency translation differences.

Sales

Sales by business segments

	3 months 2008 EEK million	3 months 2007 EEK million	Change EEK million	3 months 2008 EUR million	3 months 2007 EUR million	Change EUR million	3 months 2008 percentage from sales	3 months 2007 percentage from sales
Women’s apparel	43.4	36.8	6.6	2.8	2.3	0.5	10.2%	9.7%
Lingerie	367.2	320.2	47.0	23.4	20.6	2.8	85.4%	87.3%
Subcontracting services and other sales	18.2	11.5	6.7	1.2	0.7	0.5	4.4%	3.0%
Total	428.8	368.5	60.3	27.4	23.6	3.8	100.0%	100.00%

Sales by markets

In 2008, we continued our focus on East European markets, mainly the Baltic states, Russia, Belarus and Ukraine.

Total sales by markets

	3 months 2008 EEK million	3 months 2007 EEK million	Change EEK million	3 months 2008 EUR million	3 months 2007 EUR million	Change EUR million	3 months 2008 percentage from sales	3 months 2007 percentage from sales
Estonia	37.1	49.0	-11.9	2.4	3.1	-0.7	8.8%	13.3%
Finland	14.9	16.3	-1.4	1.0	1.0	0.0	3.6%	4.4%
Latvia	10.8	11.9	-1.1	0.7	0.7	0.0	2.6%	3.3%
Belarus	70.2	53.0	17.2	4.5	3.4	1.1	16.4%	14.4%
Ukraine	35.1	26.3	8.8	2.2	1.6	0.6	8.0%	7.1%
Russia	223.5	178.0	45.5	14.3	11.3	3.0	52.2%	48.3%
Other markets	37.2	34.0	3.2	2.3	2.5	-0.2	8.4%	9.2%
Total	428.8	368.5	60.3	27.4	23.6	3.8	100.0%	100.0%

Women's apparel

The main driver of growth for women's apparel sales was the expansion of the PTA retail chain. In Q1 2008, retail sales were 84,6% from the total revenue of the women's apparel segment. Sales volume in the Baltics increased by 2.6%, amounting to EEK 22.1 million (EUR 1.4 million). Sales revenue in Russia was EEK 10,9 million (EUR 0,7 million) and in Ukraine EEK 3.4 million (EUR 0.2million).

Lingerie

The majority of lingerie sales revenue in Q1 2008 was earned on the Russian market (amounting to EEK 212.6 million (EUR 13.6 million), amounting to 57.9% of all lingerie sales volume for Q1 2008). Sales in Russia comprise both retail sales and wholesale. The second biggest region of lingerie sales is Belarus, amounting to EEK 70.2 million (EUR 4.5 million) contributing 19.1% of all lingerie sales revenue (also comprising both retail sales and wholesale). There was slowdown in lingerie sales in the Baltics mainly caused by a noticeable economic recession (significantly higher inflation) in the region which resulted in some stagnation in consumer spendings.

In terms of lingerie brands, the sales of "Milavitsa" core brand accounted for 78.6% of total lingerie sales revenue in Q1 2008 and amounted to EEK 288.6 million (EUR 18.4 million). The sales of "Lauma" core brand accounted for 6.0% of total lingerie sales and amounted to EEK 22.0 million (EUR 1.4 million). Other brands such as "Alisee", "Aveline", "Laumelle", "Lauma Aqua" and "Laumelle Aqua" comprised 15.4% of total lingerie sales in Q1 2008, amounting to EEK 56.5 million (EUR 3.6 million).

Retail operations

Total retail sales of the Group in Q1 2008 amounted to EEK 91.4 million (EUR 5.8 million), representing a 2.9-fold increase on Q1 2007.

Retail operations were conducted in Estonia, Latvia, Russia, Belarus, Poland, Lithuania and Ukraine. At the end of Q1 2008, the Group operated 120 retail outlets with a total area of 13,111 square metres.

Women's apparel was retailed in Estonia, Latvia, Lithuania, Russia and Ukraine. At the end of Q1 2008, the Group operated 31 women's apparel stores with a total sales area of 5,905 square metres.

Lingerie was retailed in Russia, Belarus, Latvia, Lithuania, Ukraine and Poland. At the end of Q1 2008, the Group operated 89 lingerie stores with a total area of 7,206 square metres.

In Q1 2008, 6 new stores were opened: 1 women's apparel store operating under the PTA brand in Ukraine, and 1 lingerie store under the Oblicie brand in Russia, 3 stores under the Milavitsa name in Belarus, including the flagship Milavitsa store opened in Minsk after renovation, and 1 store under the Lauma Lingerie brand in Latvia. One Milavitsa store was closed.

The number of stores at 31 March:

	31.03.2008	31.12.2007
Estonia	8	8
Latvia	7	6
Poland	10	10
Belarus	25	23
Russia	45	44
Lithuania	20	20
Ukraine	5	4
Total stores	120	115
Total sales area, sq m	13,111	12,454

In Q1 2008, women's apparel retail revenue compared to Q1 2007 increased by 54%, amounting to EEK 36.4 million (EUR 2.3 million). Total like-for-like growth was -6% mainly because of drop of sales in Baltics. Like-for-like growth in Russia was +72%, in Estonia -7% and in Latvia -16% in Q1 2008. Results in Baltics are influenced by overall macro economical situation. Cold and snowy weather in March did not support sales of spring collections differently from Q1 2007.

The like-for-like increase in the Oblicie lingerie retail chain is about 40% for stores operating longer than one year, offering strong evidence to the viability of the continuing expansion of the Group's operations into the retail sector. The major objective in the lingerie business was rapid retail expansion, mainly in Russia. In addition to the general seasonal marketing campaigns directed to new markets, marketing operations were focused on campaigns supporting the expansion on the Russian market. The pace of store openings was caused by delays in shopping centre openings which has become a regular practice in Russia. The existing shops are fully met their quarterly expectations.

Stores by concept

Market	PTA stores	Oblicie stores	Milavitsa stores	Other stores	Total	Sales area, sq m
Russia	11	34	-	-	45	4,932
Ukraine	4	1	-	-	5	686
Estonia	8	-	-	-	8	1,759
Latvia	4	-	-	3	7	1,196
Lithuania	4	-	-	16	20	1,626
Belarus	-	-	25	-	25	2,424
Poland	-	1	-	9	10	488
Total	31	36	25	28	120	13,111

Wholesale

In Q1 2008, wholesale amounted to EEK 319.2 million (EUR 20.4 million), representing 74.5% of the Group's total revenue (Q1 2007: 91.0%). The main wholesale regions were Russia, Ukraine, the Baltic states and Belarus for lingerie, and Finland and the Baltic states for women's apparel. In Q1 2008, revenue from wholesale of women's apparel decreased by 29.5% compared to Q1 2007, amounting to EEK 7.1 million (EUR 0.5 million). Lingerie wholesale in Q1 2008 increased by 10.3% compared to Q1 2007, as focus is being shifted to retail operations. Most of the lingerie wholesale partners are located in Russia.

Investment

In Q1 2008, the Group's investments totalled EEK 29.5 million (EUR 1.9 million). A total of EEK 12.2 million (EUR 0.8 million) was invested in retail operations, while other investments were made in plant and facilities to maintain effective production.

Personnel

At the end of March 2008, the Group employed a staff of 3,616 including 668 in retail and 2,235 in production. The rest are employed in wholesale, administration and support operations. The average number of employees in Q1 2008 was 3,543.

The total salaries and wages for Q1 2008 amounted to EEK 92.1 million (EUR 5.9 million). The remuneration paid to members of the Management Board totalled EEK 1.0 million (EUR 0.1 million). Four members of the Management Board also serve as executives for the Group's subsidiaries.

Selected financial data

The Group's operating results are best summarised in the following figures and ratios:

Key figures and ratios	31.03.2008	31.03.2007	Change
Net sales (EEK million)	428.8	368.5	60.3
Net income, attributable to shareholders (EEK million)	14.0	33.5	-19.5
Earnings before interest, taxes and depreciation (EBITDA) (EEK million)	67.1	73.0	-5.9
Earnings before interest and taxes (EBIT) (EEK million)	55.5	63.1	-7.6
Net sales (EUR million)	27.4	23.6	3.8
Net income attributable to shareholders (EUR million)	0.9	2.1	-1.2
Earnings before interest, taxes and depreciation (EBITDA) (EUR million)	4.3	4.7	-0.4
Earnings before interest and taxes (EBIT) (EUR million)	3.6	4.0	-0.4
Operating margin, %	13.0%	17.1%	-
Net margin, %	3.3%	9.1%	-
ROA, %	1.3%	4.0%	-
ROE, %	1.9%	7.1%	-
Earnings per share (EPS), in EEK	0.35	0.88	-
Earnings per share (EPS), in EUR	0.02	0.06	-
Current ratio	3.2	3.5	-
Quick ratio	1.8	2.2	-

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 Q1 2008

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 March 2008, the Group employed 3,616 people (as of 31 December 2007: 3,581 people).

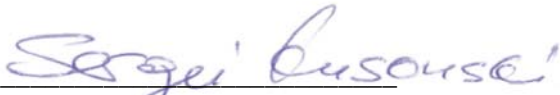
The Group comprises the following companies:

At 31 March 2008	Location	Main activity	Ownership interest 31.03.2008	Ownership interest 31.12.2007
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%	78.35%
ZAO Linret	Russia	Retail	100%	100%
Splendo Polska Sp. z o.o.	Poland	Retail	90%	90%
PTA Grupp AS	Estonia	Retail	100%	100%
UAB Linret LT	Lithuania	Retail	100%	100%
<u>Subsidiaries of PTA Grupp AS</u>				
AS Klementi	Estonia	Manufacturing	100%	100%
Klementi Trading OY	Finland	Wholesale	100%	100%
UAB PTA Prekyba	Lithuania	Retail	100%	100%
SIA Vision	Latvia	Retail	100%	100%
LLC PTA Ukraine	Ukraine	Retail	100%	100%
<u>Subsidiaries of ZAO SP Milavitsa</u>				
SOOO Torgovaja Kompanija Milavitsa	Belarus	Retail	51%	51%
SP Gimil OOO	Belarus	Manufacturing	52%	52%
ZAO Stolichnaja Torgovaja Kompanija Milavitsa	Russia	Wholesale	100%	100%


The Management Board certifies that the consolidated interim report of AS Silvano Fashion Group for the first quarter of 2008 set out on pages 10-28 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
27 May 2008



Dace Markevica
Member of the Management Board
27 May 2008



Peeter Larin
Member of the Management Board
27 May 2008

Balance Sheet

Consolidated, unaudited

	Notes	31.03.2008 EEK thousands	31.03.2007 EEK thousands	31.12.2007 EEK thousands	31.03.2008 EUR thousands	31.03.2007 EUR thousands	31.12.2007 EUR thousands
ASSETS							
Non-current assets							
Property, plant and equipment	1	251,848	195,097	246,541	16,096	12,469	15,757
Intangible assets	2	26,959	16,538	27,976	1,723	1,057	1,788
Investment property		21,389	0	22,954	1,367	0	1,467
Investments in equity accounted investees		1,017	78	876	65	5	56
Available-for-sale financial assets		7,933	1,768	8,480	507	113	542
Other receivables		4,788	4,617	595	306	295	38
Total non-current assets		313,934	218,098	307,422	20,064	13,939	19,648
Current assets							
Inventories	3	357,321	229,114	337,528	22,837	14,643	21,572
Prepaid taxes		26,834	6,399	24,471	1,715	409	1,564
Trade receivables	4	202,952	232,868	158,531	12,971	14,883	10,132
Other receivables	5	45,938	20,588	29,713	2,936	1,316	1,899
Prepayments	6	60,005	37,649	51,680	3,835	2,406	3,303
Cash and cash equivalents	7	109,620	109,182	180,233	7,006	6,978	11,519
Total current assets		802,670	635,800	782,156	51,300	40,635	49,989
TOTAL ASSETS		1 116,604	853,898	1,089,578	71,364	54,574	69,637
LIABILITIES AND EQUITY							
Equity							
Share capital at par value		400,000	379,472	400,000	25,565	24,252	25,565
Share premium		223,293	83,011	223,293	14,271	5,305	14,271
Statutory capital reserve		1,046	1,046	1,046	67	67	67
Translation reserve		-102,501	-23,057	-76,512	-6,551	-1,473	-4,890
Retained earnings		199,962	50,457	185,927	12,780	3,225	11,883
Total equity attributable to equity holders of the parent		721,800	490,929	733,754	46,132	31,376	46,896
Minority interest		140,225	170,485	136,313	8,962	10,896	8,712
Total equity		862,025	661,414	870,067	55,094	42,272	55,608
Non-current liabilities							
Loans and borrowings	8	3,035	8,058	4,068	194	515	260
Deferred tax liabilities		201	203	201	13	13	13
Other liabilities		360	0	360	23	0	23
Provisions		133	141	139	8	9	9
Total non-current liabilities		3,729	8,402	4,768	238	537	305
Current liabilities							
Loans and borrowings	8	20,403	25,692	25,160	1,304	1,642	1,608
Trade payables		143,716	103,580	122,888	9,185	6,620	7,854
Corporate income tax liability		8,621	6,665	3,192	551	426	204
Other tax liabilities		28,917	21,013	23,486	1,848	1,343	1,501
Other payables	9	27,397	16,167	17,430	1,751	1,033	1,113
Provisions		21,671	10,965	22,462	1,385	701	1,436
Accrued expenses		125	0	125	8	0	8
Total current liabilities		250,850	184,082	214,743	16,032	11,765	13,724
Total liabilities		254,579	192,484	219,511	16,270	12,302	14,029
TOTAL LIABILITIES AND EQUITY		1 116,604	853,898	1 089,578	71,364	54,574	69,637

Income Statement-Q1

Consolidated, unaudited

		2008	2007	2008	2007
		Q1	Q1	Q1	Q1
		EEK	EEK	EUR	EUR
		thousands	thousands	thousands	thousands
Net sales	12	428,795	368,526	27,405	23,553
Costs of goods sold		-236,639	-216,784	-15,124	-13,855
Gross Profit		192,156	151,742	12,281	9,698
Other operating income		4,287	3,003	274	192
Distribution costs		-68,923	-40,088	-4,405	-2,562
Administrative expenses		-54,356	-43,624	-3,474	-2,788
Other operating expenses		-17,618	-7,918	-1,126	-506
Operating profit		55,546	63,115	3,550	4,034
Interest expenses		-657	-788	-42	-50
Gains/losses on conversion of foreign currencies		-3,052	-131	-195	-9
Other financial income / expenses		2,723	3,760	174	240
Total financial income / expenses		-986	2,841	-63	181
Share of profit of equity accounted investees		188	0	12	0
Profit before corporate income tax		54,748	65,956	3,499	4,215
Corporate income tax		-28,117	-23,835	-1,797	-1,523
Net profit for period		26,631	42,121	1,702	2,692
Net profit attributable to parent company		14,035	33,473	897	2,139
Net profit attributable to minority shareholders		12,596	8,648	805	553
Earnings per share					
Basic earnings per share (EEK/EUR)	10	0.35	0.88	0.02	0.06
Diluted earnings per share (EEK/EUR)	10	0.35	0.88	0.02	0.06

Cash flow statement

Consolidated, unaudited

	Notes	2008 Q1 thousands EEK	2007 Q1 thousands EEK	2008 Q1 thousands EUR	2007 Q1 thousands EUR
Cash flows from operating activities					
Profit for the period		26,631	42,121	1,702	2,692
Adjustments for:					
Depreciation fixed assets		13,347	9,575	853	612
Amortization of intangible assets		923	282	59	18
(Reversal of) impairment losses on property, plant and equipment		47	0	3	0
Share of profit of equity accounted investees		-141	0	-9	0
Gains on the sale of property, plant and equipment (-)		-266	-28	-17	-2
Income tax expense		28,117	23,835	1,797	1,523
Change in inventories		-24,284	1,142	-1,552	73
Change in trade and other receivables		-89,043	-115,393	-5,691	-7,376
Change in trade and other payables		43,466	16,995	2,778	1,086
Interests paid (-)		-391	-788	-25	-50
Income tax paid (-)		-22,688	-23,146	-1,450	-1,479
Total cash flow from operating activities		-24,282	-45,405	-1,552	-2,903
Cash flow from investing activities					
Interest received		1,909	2,132	122	136
Proceeds from sale of property, plant and equipment		282	49	18	3
Acquisition of property, plant and equipment		-35,878	-34,688	-2,293	-2,217
Acquisition of intangible non-current assets		-282	-408	-18	-26
Acquisition of other non-current assets		-4,475	0	-286	0
Total cash flow from investing activities		-38,444	-32,915	-2,457	-2,104
Cash flow from financing activities					
Proceeds from borrowings		1,361	6,550	87	418
Repayment of borrowings		-5,993	-10,389	-383	-663
Repayment of finance lease		-2,050	-1,964	-131	-126
Dividends paid		-751	0	-48	0
Factoring paid		-454	-376	-29	-24
Repayment of other liabilities		0	-6,910	0	-440
Total cash flow from financing activities		-7,887	-13,089	-504	-835
Net increase in cash and cash equivalents		-70,613	-91,409	-4,513	-5,842
Cash and cash equivalents at the beginning of the period	7	180,233	200,460	11,519	12,812
Effect of exchange rate fluctuations on cash held		0	131	0	8
Cash and cash equivalents at the end of the period	7	109,620	109,182	7,006	6,978

Statement of changes in equity

Consolidated, unaudited

<i>In thousands EUR</i>	Note	Equity attributable to equity holders of the parent					Total	Minority interest	Total equity
		Share capital	Share premium	Capital reserve	Translation reserve	Accumulated profit (losses)			
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	2,139	2,139	553	2,692
Effect on consolidation of foreign subsidiaries		0	0	0	-789	0	-789	0	-789
Total recognized income and expense for 3 months of 2007		0	0	0	-789	2,139	1,350	553	1,903
Acquisition of minority interest		0	0	0	0	1,149	1,149	-1,149	0
Balance at 31 March 2007		24,252	5,305	67	-1,473	3,225	31,376	10,896	42,272
Balance at 31 December 2007		25,565	14,271	67	-4,890	11,883	46,896	8,712	55,608
Profit for the period		0	0	0	0	897	897	805	1,702
Effect on consolidation of foreign subsidiaries		0	0	0	-1,661	0	-1,661	-516	-2,177
Total recognized income and expense for 3 months of 2008		0	0	0	-1,661	897	-764	289	-475
Dividends paid		0	0	0	0	0	0	-39	-39
Balance at 31 March 2008		25,565	14,271	67	-6,551	12,780	46,132	8,962	55,094

Statement of changes in equity

Consolidated, unaudited

<i>In thousands EEK</i>	Note	Equity attributable to equity holders of the parent					Total	Minority interest	Total equity
		Share capital	Share premium	Capital reserve	Translation reserve	Accumulated profit (losses)			
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	33,473	33,473	8,648	42,121
Effect on consolidation of foreign subsidiaries		0	0	0	-12,347	0	-12,347	0	-12,347
Total recognized income and expense for 3 months of 2007		0	0	0	-12,347	33,473	21,126	8,648	29,774
Acquisition of minority interest		0	0	0	0	17,971	17,971	-17,971	0
Balance at 31 March 2007		379,472	83,011	1,046	-23,057	50,457	490,929	170,485	661,414
Balance at 31 December 2007		400,000	223,293	1,046	-76,512	185,927	733,754	136,313	870,067
Profit for the period		0	0	0	0	14,035	14,035	12,596	26,631
Effect on consolidation of foreign subsidiaries		0	0	0	-25,989	0	-25,989	-8,074	-34,063
Total recognized income and expense for 3 months of 2008		0	0	0	-25,989	14,035	-11,954	4,522	-7,432
Dividends paid		0	0	0	0			-610	-610
Balance at 31 March 2008		400,000	223,293	1,046	-102,501	199,962	721,800	140,225	862,025

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 2007.

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 AS Silvano Fashion Group for 2007.

This Interim Report has not been audited.

Notes on the consolidated interim report

Note 1. Property, plant and equipment

<i>In thousands of EUR</i>	Land and buildings	Plant and equipment	Other equipment and fixtures	Assets under construction	Total
Cost at 31 December 2006	3,975	13,720	4,563	26	22,284
Movements in 2007					
Acquisition	0	0	757	1,460	2,217
Transfers and reclassifications	74	1,371	8	-1,453	0
Disposals	0	-152	-12	0	-164
Effect of movements in foreign exchange on cost	237	-424	242	0	55
Cost at 31 March 2007	4,286	14,515	5,558	33	24,392
Cost at 31 December 2007	3,962	15,218	7,059	1,353	27,592
Movements in 2008					
Acquisition	0	59	414	1,395	1,868
Transfers and reclassifications	775	567	160	-1,502	0
Disposals	0	-10	0	0	-10
Impairment	0	-47	-12	0	-59
Effect of movements in foreign exchange on cost	-289	-852	-245	-49	-1,435
Cost at 31 March 2008	4,448	14,935	7,376	1,197	27,956
Accumulated depreciation at 31 December 2006	1,417	7,856	2,000	0	11,273
Movements in 2007					
Depreciation	28	437	147	0	612
Effect of movements in foreign exchange on accumulated depreciation	-86	227	-103	0	38
Accumulated depreciation at 31 March 2007	1,359	8,520	2,044	0	11,923
Accumulated depreciation at 31 December 2007	1,349	8,108	2,378	0	11,835
Movements in 2008					
Depreciation	25	328	334	0	687
Transfers and reclassification	0	-24	24	0	0
Disposals	0	-10	0	0	-10
Impairment	0	-47	-9	0	-56
Effect of movements in foreign exchange on accumulated depreciation	-86	-421	-89	0	-596
Accumulated depreciation at 31 March 2008	1,288	7,934	2,638	0	11,860
Carrying amounts					
At 31 December 2006	2,558	5,864	2,563	26	11,011
At 31 March 2007	2,927	5,995	3,514	33	12,469
At 31 December 2007	2,613	7,110	4,681	1,353	15,757
At 31 March 2008	3,160	7,001	4,738	1,197	16,096

<i>In thousands of EEK</i>	Land and buildings	Plant and equipment	Other equipment and fixtures	Assets under construction	Total
Cost at 31 December 2006	62,193	214,687	71,384	414	348,678
Movements in 2007					
Acquisition	0	0	11,844	22,844	34,688
Transfers and reclassifications	1,158	21,451	125	-22,734	0
Disposals	0	-2,379	-188	0	-2,567
Effect of movements in foreign exchange on cost	3,708	-6,634	3,802	-10	866
Cost at 31 March 2007	67,059	227,125	86,967	514	381,665
Cost at 31 December 2007	61,989	238,125	110,439	21,170	431,723
Movements in 2008					
Acquisition	0	923	6,478	21,827	29,228
Transfers and reclassifications	12,126	8,872	2,503	-23,501	0
Disposals	0	-156	0	0	-156
Impairment	0	-735	-188	0	-923
Effect of movements in foreign exchange on cost	-4,522	-13,331	-3,833	-765	-22,451
Cost at 31 March 2008	69,593	233,698	115,399	18,731	437,421
Accumulated depreciation at 31 December 2006	22,170	122,932	31,295	0	176,397
Movements in 2007					
Depreciation	438	6,838	2,299	0	9,575
Effect of movements in foreign exchange on accumulated depreciation	-1,346	3,552	-1,610	0	596
Accumulated depreciation at 31 March 2007	21,262	133,322	31,984	0	186,568
Accumulated depreciation at 31 December 2007	21,105	126,878	37,199	0	185,182
Movements in 2008					
Depreciation	391	5,132	5,226	0	10,749
Transfers and reclassification	0	-375	375	0	0
Disposals	0	-156	0	0	-156
Impairment	0	-735	-141	0	-876
Effect of movements in foreign exchange on accumulated depreciation	-1,346	-6,587	-1,393	0	-9,326
Accumulated depreciation at 31 March 2008	20,150	124,157	41,266	0	185,573
Carrying amounts					
At 31 December 2006	40,023	91,755	40,089	414	172,281
At 31 March 2007	45,797	93,803	54,983	514	195,097
At 31 December 2007	40,884	111,247	73,240	21,170	246,541
At 31 March 2008	49,443	109,541	74,133	18,731	251,848

Note 2. Intangible assets

<i>In thousands of EUR</i>	Software	Trademarks	Goodwill	Projects in progress	Total
Cost at 31 December 2006	307	434	235	473	1,449
Movements in 2007					
Acquisition	25	3	0	0	28
Effect of movements in foreign exchange on cost	0	3	0	-9	-6
Cost at 31 March 2007	332	440	235	464	1,471
Cost at 31 December 2007	882	443	852	163	2,340
Movements in 2008					
Acquisition	10	3	0	2	15
Effect of movements in foreign exchange on cost	-26	-3	0	-8	-37
Cost at 31 March 2008	866	443	852	157	2,318
Accumulated amortization at 31 December 2006	205	186	0	0	391
Movements in 2007					
Amortisation	9	9	0	0	18
Effect of movements in foreign exchange on amortisation	0	5	0	0	5
Accumulated amortisation at 31 March 2007	214	200	0	0	414
Accumulated amortisation at 31 December 2007	325	227	0	0	552
Movements in 2008					
Amortisation	38	11	0	0	49
Effect of movements in foreign exchange on amortisation	-5	-1	0	0	-6
Accumulated amortisation at 31 March 2008	358	237	0	0	595
Carrying amounts					
At 31 December 2006	102	248	235	473	1,058
At 31 March 2007	118	240	235	464	1,057
At 31 December 2007	557	216	852	163	1,788
At 31 March 2008	508	206	852	157	1,723

<i>In thousands of EEK</i>	Software	Trademarks	Goodwill	Projects in progress	Total
Cost at 31 December 2006	4,801	6,800	3,670	7,408	22,679
Movements in 2007					
Acquisition	392	48	0	0	440
Effect of movements in foreign exchange on cost	0	48	0	-141	-93
Cost at 31 March 2007	5,193	6,896	3,670	7,267	23,026
Cost at 31 December 2007	13,799	6,941	13,324	2,559	36,623
Movements in 2008					
Acquisition	156	47	0	31	234
Effect of movements in foreign exchange on cost	-407	-47	0	-124	-578
Cost at 31 March 2008	13,548	6,941	13,324	2,466	36,279
Accumulated amortization at 31 December 2006	3,208	2,920	0	0	6,128
Movements in 2007					
Amortisation	141	141	0	0	282
Effect of movements in foreign exchange on amortisation	0	78	0	0	78
Accumulated amortisation at 31 March 2007	3,349	3,139	0	0	6,488
Accumulated amortisation at 31 December 2007	5,085	3,562	0	0	8,647
Movements in 2008					
Amortisation	595	172	0	0	767
Effect of movements in foreign exchange on amortisation	-78	-16	0	0	-94
Accumulated amortisation at 31 March 2008	5,602	3,718	0	0	9,320
Carrying amounts					
At 31 December 2006	1,593	3,880	3,670	7,408	16,551
At 31 March 2007	1,844	3,757	3,670	7,267	16,538
At 31 December 2007	8,714	3,379	13,324	2,559	27,976
At 31 March 2008	7,946	3,223	13,324	2,466	26,959

Note 3. Inventories

	31.03.2008	31.12.2007	31.03.2008	31.12.2007
	EEK thousands	EEK thousands	EUR thousands	EUR thousands
Raw and other materials	75,573	89,201	4,830	5,701
Work in progress	45,297	38,585	2,895	2,466
Finished goods	198,540	169,249	12,689	10,817
Goods purchased for resale	31,450	34,470	2,010	2,203
Other inventories	6,461	6,023	413	385
Total	357,321	337,528	22,837	21,572

Within the 3 months of 2008 the amount of inventories written off totals EEK 455.3 thousands (EUR 29.1 thousands). Within the first 3 months of 2007 inventories in the amount of EEK 54.0 thousands (EUR 3.5 thousands) were written off.

Note 4. Trade receivables

	31.03.2008	31.12.2007	31.03.2008	31.12.2007
	EEK thousands	EEK thousands	EUR thousands	EUR thousands
Trade receivables	206,493	163,465	13,197	10,447
Allowance for uncollectible accounts	-3,541	-4,934	-226	-315
Total	202,952	158,531	12,971	10,132

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 3 months of 2008 receivables were found to be uncollectible in the amount of EEK 1,075.7 thousands (EUR 68.7 thousands). Receipt of the receivables or reversal of the impairment losses previously provided for has occurred in the amount of EEK 2,469.0 thousands (EUR 157.8 thousands) and none of irrecoverable receivables were taken off the Balance Sheet.

Irrecoverable receivables in the amount of EEK 3 thousands (EUR 0.2 thousands) were written off the Balance Sheet within the first 3 months of 2007.

Note 5. Other receivables

	31.03.2008	31.12.2007	31.03.2008	31.12.2007
	EEK thousands	EEK thousands	EUR thousands	EUR thousands
Due from customers for contract work	751	344	48	22
Loans to companies	19,543	5,555	1,249	355
Interest receivable from related parties	344	313	22	20
Employees receivables	1,596	1,705	102	109
Miscellaneous receivables	23,704	21,796	1,515	1,393
Total	45,938	29,713	2,936	1,899

Note 6. Prepayments

	31.03.2008	31.12.2007	31.03.2008	31.12.2007
	EEK thousands	EEK thousands	EUR thousands	EUR thousands
Prepayments to suppliers	60,005	51,680	3,835	3,303
Total	60,005	51,680	3,835	3,303

Prepayments include prepaid insurance premiums, lease charges, newspaper and magazine subscriptions, IT service charges, prepayments to suppliers, etc.

Note 7. Cash and cash equivalents

	31.03.2008	31.12.2007	31.03.2008	31.12.2007
	EEK thousands	EEK thousands	EUR thousands	EUR thousands
Cash and hand	2,331	1,408	149	90
Bank accounts in kroons	297	31,919	19	33
Bank accounts in foreign currencies	62,164	44,155	3,973	4,829
Money in transfer	18,213	5,022	1,164	321
Deposits	26,615	97,729	1,701	6,246
Total	109,620	180,233	7,006	11,519

Note 8. Loans and borrowings

The Group has the following debts as of 31 March 2008:

	Short-term EEK thousands	Long-term EEK thousands	Short-term EUR thousands	Long-term EUR thousands	Interest rate	Due date of repayment
Secured loans and borrowings						
Overdraft from Hansapank	6,165	0	394	0	6.5%	08.04.2008
Loan from Hansapank	5,000	0	320	0	6.5%	21.06.2008
Loan from Hansapank	1,705	0	109	0	6 months	19.10.2008
					Euribor+2.5%	
Loan from Hansabankas	908	0	58	0	6.6%	02.05.2008
Unsecured loans and borrowings						
Financial lease payables	4,788	3,035	306	194	6.5-14%	2007-2011
Other borrowings	1,837	0	117	0	6-13%	2008
Total	20,403	3,035	1,304	194		

Loan Collateral

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

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

	Short-term EEK thousands	Long-term EEK thousands	Short-term EUR thousands	Long-term EUR thousands	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	19.10.2008
					Euribor+2.5%	
Loan from Hansabankas	908	0	58	0	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		

Note 9. Other payables

	31.03.2008	31.12.2007	31.03.2008	31.12.2007
	EEK thousands	EEK thousands	EUR thousands	EUR thousands
Customer prepayments for goods and services	3,098	2,378	198	152
Payables to employees	19,355	13,472	1,237	861
Interest and other accruals	0	16	0	1
Other payables	4,944	1,564	316	99
Total	27,397	17,430	1,751	1,113

Note 10. Earnings per share

	2008	2007
	Q1	Q1
Number of ordinary shares as of January 1 (Qty)	40,000,000	37,947,198
Number of ordinary shares as of March 31 (Qty)	40,000,000	37,947,198
Weighted average number of ordinary shares (Qty)	40,000,000	37,947,198
Net profit (loss) for financial year, EEK thousands	14,035	33,473
Net profit (loss) for financial year, EUR thousands	897	2,139
Basic earnings per share (EEK)	0.35	0.88
Basic earnings per share (EUR)	0.02	0.06
Diluted earnings per share (EEK)	0.35	0.88
Diluted earnings per share (EUR)	0.02	0.06

The diluted earnings of the first 3 months of 2008 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 March 2008 share capital of AS Silvano Fashion Group amounted to EEK 400,000 thousands (EUR 25,565 thousands), which is divided into 40,000,000 shares with a nominal value of EEK 10 (EUR 0.64) each. All the shares of AS Silvano Fashion Group 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 AS Silvano Fashion Group 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 March 2008 AS Silvano Fashion Group had 993 shareholders.

As of 31 March 2008 shareholders whose interest in AS Silvano Fashion Group exceeded 1% included:

Name	Number of shares	Shareholding
Major shareholders	36,530,537	91.3%
ALTA CAPITAL PARTNERS S.C.A, SICAR	15,664,286	39.2%
Krajowy Depozyt Papierow Wartoosciowych S.A.[J]	7,984,364	19.9%
SIA ALTA CAPITAL PARTNERS	5,460,000	13.7%
SEB PANK AS KAUPLEMINE	1,913,988	4.8%
BANK AUSTRIA CREDITANSTALT AG CLIENT`S	1,443,475	3.6%
Skandinaviska Enskilda Banken Ab Clients	670,142	1.7%
THE BANK OF NEW YORK / ING BANK SLASKI AC LM AKCJI FIO	629,584	1.6%
BRYUM ESTONIA AS	536,063	1.3%
STATE STREET MUNICH CARE OF SSB BOSTON/ PZU FIO AKCJI KRAKOWIAK	487,828	1.2%
JPMORGAN CHASE BANK, N.A. ON BEHALF OF BELGIAN RESIDENTS	456,496	1.1%
AS HANSAPANK	442,973	1.1%
HANSABANKAS CLIENTS	441,338	1.1%
STATE STREET LONDON CARE OF SSB BOSTON/ ALLIANZ		
GLOBAL INVESTORS IRELAND LIMITED	400,000	1.0%
Other shareholders	3,469,463	8.7%
Total number of shares	40 000 000	100.0%

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

As of 31 December 2007 shareholders whose interest in AS Silvano Fashion Group 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%
ALTA CAPITAL PARTNERS SIA	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 AC LM AKCJI FIO	679,584	1.7%
BRYUM ESTONIA AS	542,463	1.4%
STATE STREET MUNICH CARE OF SSB BOSTON/ PZU FIO AKCJI KRAKOWIAK	487,828	1.2%
JPMORGAN CHASE BANK, N.A. ON BEHALF OF BELGIAN RESIDENTS	456,496	1.1%
HANSAPANK AS	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%

During the first quarter of 2008, the highest and lowest prices of the AS Silvano Fashion Group` share on the Tallinn Stock Exchange were EEK 68.06 (EUR 4.35) and EEK 45.53(EUR 2.91), 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 AS Silvano Fashion Group are listed on the basic list of the Tallinn Stock Exchange.

Share price development and turnover on the Tallinn Stock Exchange in 3 months 2008



Note 12. Sales revenue

	Q1 2008	Q1 2007	Q1 2008	Q1 2007
	EEK thousands	EEK thousands	EUR thousands	EUR thousands
<i>Sales revenue</i>				
Apparel sales	43,435	37,098	2,776	2,371
Lingerie sales	367,194	320,209	23,468	20,465
Subcontracting and services	12,204	9,717	780	621
Other sales	5,962	1,502	381	96
Total sales revenue	428,795	368,526	27,405	23,553

Sales revenue by countries is presented in Note 14.

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:

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

	Q1 2008 EEK thousands	Q1 2007 EEK thousands	Q1 2008 EUR thousands	Q1 2007 EUR thousands
Purchase of goods and services				
Companies related to members of the management and supervisory boards	49,506	37,223	3,164	2,379
Total purchases	49,506	37,223	3,164	2,379

	Q1 2008 EEK thousands	Q1 2007 EEK thousands	Q1 2008 EUR thousands	Q1 2007 EUR thousands
Loans to shareholders				
Opening balance	626	0	40	0
Given	15,647	0	1,000	0
Repaid	-626	0	-40	0
Closing balance	15,647	0	1,000	0
Accrued interest income	344	0	22	0

	31.03.2008 EEK thousands	31.12.2007 EEK thousands	31.03.2008 EUR thousands	31.12.2007 EUR thousands
Balances with related parties				
Companies related to the members of the Management Board and Supervisory Board	17,086	15,365	1,092	982
Total current liabilities	17,086	15,365	1,092	982

	31.03.2008 EEK thousands	31.12.2007 EEK thousands	31.03.2008 EUR thousands	31.12.2007 EUR thousands
Balances with related parties				
Interest receivable from related parties	344	313	22	20
Total receivables	344	313	22	20

	Q1 2008 EEK thousands	Q1 2007 EEK thousands	Q1 2008 EUR thousands	Q1 2007 EUR thousands
Benefits to members of the management board				
Remuneration and benefits	954	393	61	25
Total	954	393	61	25

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
	Q1 2008 EEK thousands	Q1 2008 EEK thousands	Q1 2008 EEK thousands	Q1 2008 EEK thousand	Q1 2008 EEK thousands	Q1 2008 EUR thousands	Q1 2008 EUR thousands	Q1 2008 EUR thousands	Q1 2008 EUR thousands	Q1 2008 EUR thousands
Extra-group sales revenue	43,435	367,194	18,166	0	428,795	2,776	23,468	1,161	0	27,405
Inter-segment sales revenue	0	0	0	0	0	0	0	0	0	0
Total sales revenue	43,435	367,194	18,166	0	428,795	2,776	23,467	1,161	0	27,405
Operating profit/loss of segment	-7,150	82,145	-6,791	0	68,204	-457	5,250	-434	0	4,359
Unallocated operating revenue and operating charges					-12,658					-809
Total operating profit / loss					55,546					3,550
Other financial income and expenses					-798					-51
Corporate income tax					-28,117					-1,797
Net profit / loss					26,631					1,702
Assets and receivables	120,369	929,518	66,717	0	1 116,604	7,693	59,407	4,264	0	71,364
Unallocated assets of group					0					0
Total assets					1 116,604					71,364
Liabilities	102,691	109,810	42,078	0	254,579	6,563	7,018	2,689	0	16,270
Unallocated liabilities of group					0					0
Total liabilities					254,579					16,270
Capital expenditure	7,072	22,124	266	0	29,462	452	1,414	17	0	1,883
Depreciation and amortization expense	2,519	8,793	313	0	11,625	161	562	20	0	743

The assets and liabilities set out in the Note are disclosed as of the Balance Sheet date, i.e. 31 March 2008.

Primary segment – business segment by products

	Apparel	Lingerie	Other activities	Inter-segment transactions	Total	Apparel	Lingerie	Other activities	Inter-segment transactions	Total
	Q1 2007 EEK thousands	Q1 2007 EEK thousands	Q1 2007 EEK thousands	Q1 2007 EEK thousands	Q1 2007 EEK thousands	Q1 2007 EUR thousands	Q1 2007 EUR thousands	Q1 2007 EUR thousands	Q1 2007 EUR thousands	Q1 2007 EUR thousands
Extra-group sales revenue	37,098	320,209	11,219	0	368,526	2,371	20,465	717	0	23,553
Inter-segment sales revenue	0	0	6,354	-6,354	0	0	0	406	-406	0
Total sales revenue	37,098	320,209	17,573	-6,354	368,526	2,371	20,465	1,123	-406	23,553
Operating profit/loss of segment	6,269	59,705	497	0	66,471	401	3,815	32	0	4,248
Unallocated operating revenue and operating charges					-3,356					-214
Total operating profit / loss					63,115					4,034
Other financial income and expenses					2,841					181
Corporate income tax					-23,835					-1,523
Net profit / loss					42,121					2,692
Assets and receivables	59,842	772,353	12,599	0	844,794	3,825	49,362	805	0	53,992
Unallocated assets of group					9,104					582
Total assets					853,898					54,574
Liabilities	15,826	150,935	6,353	0	173,114	1,011	9,647	406	0	11,064
Unallocated liabilities of group					19,370					1,238
Total liabilities					192,484					12,302
Capital expenditure	1,175	23,845	10,073	0	35,096	75	1,524	644	0	2,243
Depreciation and amortization expense	445	8,580	832	0	9,857	28	549	53	0	630

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

b) Secondary segment – sales revenue, total assets and capital expenditures

	Sales revenue	Sales revenue	Assets	Assets	Capital expenditures	Capital expenditures	Sales revenue	Sales revenue	Assets	Assets	Capital expenditures	Capital expenditures
	Q1 2008 EEK thousands	Q1 2007 EEK thousands	31.03.2008 EEK thousands	31.03.2007 EEK thousands	Q1 2008 EEK thousands	Q1 2007 EEK thousands	Q1 2008 EUR thousands	Q1 2007 EUR thousands	31.03.2008 EUR thousands	31.03.2007 EUR thousands	Q1 2008 EUR thousands	Q1 2007 EUR thousands
Russia	223,449	178,026	407,297	45,024	11,484	9,341	14,281	11,378	26,031	2,878	734	597
Belarus	70,175	53,773	436,102	438,550	12,987	22,985	4,485	3,437	27,872	28,028	830	1,469
Estonia	37,114	49,025	82,364	71,027	125	952	2,372	3,133	5,264	4,539	8	61
Ukraine	35,080	26,356	14,504	0	4,037	0	2,242	1,684	927	0	258	0
Finland	14,943	16,368	78	50	0	0	955	1,046	5	3	0	0
Latvia	10,812	11,762	146,828	296,780	688	1,187	691	752	9,384	18,968	44	76
Lithuania	8,684	3,646	17,352	0	141	631	555	233	1,109	0	9	40
Poland	1,643	2,973	12,079	2,467	0	0	105	190	772	158	0	0
Other markets	26,895	26,597	0	0	0	0	1,719	1,700	0	0	0	0
Total	428,795	368,526	1 116,604	853,898	29,462	35,096	27,405	23,553	71,364	54,574	1,883	2,243