

TALLINNA KAUBAMAJA AS

**Consolidated Interim Report
for the third quarter and first nine months 2010
(unaudited)**

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COMPANY PROFILE AND CONTACT DETAILS

The primary areas of activity of the companies of the Tallinna Kaubamaja AS Group include retail and wholesale trade and rental activities. The Tallinna Kaubamaja Group employs more than 3,200 employees.

The Company is listed on the Tallinn Stock Exchange.

Registered office:	Gonsiori 2, 10143 Tallinn Republic of Estonia
Registry code:	10223439
Beginning of financial year:	1 January 2010
End of financial year:	31 December 2010
Beginning of interim report period:	1 January 2010
End of interim report period:	30 September 2010
Auditor:	PricewaterhouseCoopers AS
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MANAGEMENT REPORT

The primary areas of activity of the companies of the Tallinna Kaubamaja Group include retail and wholesale trade.

Management

In order to manage the Tallinna Kaubamaja AS the general meeting of the shareholders, held at least once in a year, elects supervisory board, which according to the articles of association may have 3 to 6 members. Members of the Tallinna Kaubamaja AS supervisory board are Jüri Kõo (chairman of the supervisory board), Andres Järving, Enn Kunila, Gunnar Kraft and Meelis Milder. Members of Tallinna Kaubamaja AS supervisory board are elected for three years. The mandates of current supervisory board members will expire: Andres Järving 20 May 2012, Jüri Kõo 20 May 2012, Enn Kunila 20 May 2012, Meelis Milder 20 May 2012 and Gunnar Kraft 20 May 2012. During the period between the general meetings the supervisory board plans actions of the company, organises management and accomplishes supervision over management actions. Regular supervisory board meetings are held at least 11 times in a year. In order to manage daily activities the supervisory board appoints member(s) of the management board of the Tallinna Kaubamaja AS in accordance with the Commercial Code. In order to elect a member of the management board, his or her consent is required. By the articles of association a member of the management board shall be elected for a specified term of three years. Extension of the term of office of a member of the management board shall not be decided earlier than one year before the planned date of expiry of the term of office, and not for a period longer than the maximum term of office prescribed by the articles of association. Currently the management board of Tallinna Kaubamaja AS has one member. The term of office of the management board member Raul Puusepp was extended on 6 March 2008 and his term of office expires on 6 March 2011.

The law, the articles of association, decisions and goals stated by the shareholders and supervisory board are followed for managing the company. By Commercial Code a resolution on amendment of the articles of association shall be adopted, if at least two-third of the votes represented at a general meeting is in favour. A resolution on amendment of the articles of association shall enter into force as of making of a corresponding entry in the commercial register. The articles of association of the Tallinna Kaubamaja AS prescribe no greater majority requirement and the public limited company does not possess several classes of shares.

Company's structure

The following companies belong to the group as of September 30, 2010:

	Location	Shareholding as of 30.09.2010	Shareholding as of 31.12.2009
A-Selver AS	Estonia	100%	100%
AS Tartu Kaubamaja	Estonia	100%	100%
Tartu Kaubamaja Kinnisvara OÜ	Estonia	100%	100%
Tallinna Kaubamaja Kinnisvara AS	Estonia	100%	100%
SIA TKM Latvija	Latvia	100%	100%
Selver Latvia SIA	Latvia	100%	100%
OptiGroup Invest OÜ	Estonia	100%	100%
KIA Auto AS	Estonia	100%	100%
Ülemiste Autokeskus OÜ	Estonia	100%	100%
KIA Auto UAB	Lithuania	100%	100%
KIA Automobiles SIA	Latvia	100%	100%
OÜ TKM Beauty	Estonia	100%	100%
OÜ TKM Beauty Eesti	Estonia	100%	100%
OÜ Suurtüki NK	Estonia	100%	100%
SIA Suurtüki	Latvia	100%	100%
AS ABC King	Estonia	100%	100%
SIA ABC King	Latvia	100%	100%
Rävala Parkla AS	Estonia	50%	50%

Economic development

The euro zone economy is estimated to have grown 1.9% year-on-year in the third quarter. According to the preliminary estimates of Statistics Estonia, the gross domestic product (GDP) of Estonia grew 4.7% year-on-year in the third quarter of 2010. The increase in total production was mainly driven by the growth of added value in the export of processing industry products, transport, warehousing and communications sectors. Added value was also increased in wholesale and retail sale sectors that have experience a long-term decline. Unemployment decreased somewhat in the third quarter, and analysts expect a slight growth in private consumption in the fourth quarter.

The prices that were falling in the beginning of the year have been growing again since March. The consumer price index grew in Estonia 2.2% in nine months and 3.3% year-on-year in the third quarter. Transport and alcohol prices have seen the highest growth, and communications and foodstuffs prices have grown in the third quarter.

According to Statistics Estonia, the decline in the total volume of retail sales in current prices (motor vehicles and motorbikes not included) in Estonia was 2.6% in the first nine months of 2010. The retail sales in non-specialised stores (predominantly foodstuffs) decreased in current prices 3.7% year-on-year in the first nine months. The retail sales in non-specialised stores (predominantly industrial goods) increased 1.0% year-on-year in the first nine months.

Economic results**FINANCIAL RATIOS 2009–2010**

	EEK		EUR		Change
	9 months 2010	9 months 2009	9 months 2010	9 months 2009	
Sales revenue	4,584	4,755	293,0	303.9	-3.6%
Operating profit/loss	169.3	6.5	10.8	0.4	2505%
Net profit/loss	144.7	-23.0	9.3	-1.5	729%
Return on equity (ROE)	8.6%	-1.3%	8.6%	-1.3%	
Return on assets (ROA)	3.7%	-0.5%	3.7%	-0.5%	
Net profit margin	3.16%	-0.48%	3.16%	-0.48%	
Gross profit margin	23.52%	21.77%	23.52%	21.77%	
Quick ratio	1.15	1.07	1.15	1.07	
Debt ratio	0.55	0.57	0.55	0.57	
Sales revenue per employee (million)	1.43	1.28	0.09	0.08	
Inventory turnover	3.77	3.50	3.77	3.50	
SHARE					
Average number of shares (1000 pcs)	40,729	40,729	40,729	40,729	
Equity capital per share (EEK/share)	42.51	44.10	2.72	2.82	
Share's closing price (EEK/share)	88.24	78.23	5.64	5.00	
Earnings per share	3.6	-0.6	0.2	0.0	
Average number of employees	3,209	3,710	3,209	3,710	

	EEK		EUR		Change
	III quarter 2010	III quarter 2009	III quarter 2010	III quarter 2009	
Sales revenue	1,575	1,569	100.6	100.3	0.4%
Operating profit/loss	86.2	26.5	5.5	1.7	225%
Net profit/loss	73.2	15.4	4.7	1.0	377%
Return on equity (ROE)	4.4%	0.8%	4.4%	0.8%	
Return on assets (ROA)	1.9%	0.4%	1.9%	0.4%	
Net profit margin	4.65%	0.98%	4.65%	0.98%	
Gross profit margin	24.31%	22.29%	24.31%	22.29%	
Quick ratio	1.15	1.07	1.15	1.07	
Debt ratio	0.55	0.57	0.55	0.57	
Sales revenue per employee (million)	0.49	0.43	0.03	0.03	
Inventory turnover	1.95	1.81	1.95	1.81	
SHARE					
Average number of shares (1000 pcs)	40,729	40,729	40,729	40,729	
Equity capital per share (EEK/share)	42.51	44.10	2.72	2.82	
Share's closing price (EEK/share)	88.24	78.23	5.64	5.00	
Earnings per share	1.8	0.4	0.1	0.0	
Average number of employees	3,225	3,637	3,225	3,637	

Return on equity (ROE)	= Net profit / Average owners' equity * 100%
Return on assets (ROA)	= Net profit / Average total assets * 100%
Sales revenue per employee	= Sales revenue / Average number of employees
Inventory turnover (multiplier)	= Cost of goods sold / inventories
Net profit margin	= Net profit / Sales revenue * 100%
Gross profit margin	= (Sales revenue - Cost of goods sold) / Sales revenue
Quick ratio	= Current assets / Current liabilities
Debt ratio	= Total liabilities / Balance sheet total

The consolidated unaudited sales revenue of the Tallinna Kaubamaja Group, earned in the first nine months of 2010, was 4.6 billion kroons (293.0 million euros). In the reference period of 2009, the sales revenue was 4.8 billion kroons (303.9 million euros), representing a decline of 3.6% year-on-year. The sales revenue earned in the third quarter was 1.6 billion kroons (100.6 million euros), being thus higher by 0.4% year-on-year. The Group's sales revenue in Estonia grew by 0.2% in the first nine months and 4.0% in the third quarter. In the first nine months, the Group managed to earn a profit of 144.7 million kroons (9.3 million euros). The quarters II and III of the fiscal year were profitable for the Group. The profit amounted to 73.2 million kroons (4.7 million euros) in the third quarter. The loss sustained in the first nine months of 2009 was 23.0 million kroons (1.5 million euros), while the profit earned in the third quarter of the previous year was 15.4 million kroons (1.0 million euros).

The Group managed to improve its profit by 167.8 million kroons (10.7 million euros) year-on-year in the first nine months, primarily by saving on payroll and operating costs and improving inventory management that resulted in a slightly better profitability. The depreciation costs have decreased after the write-down of fixed assets performed in 2009. Lower EURIBOR contributed to the decrease in the amount of financial costs year-on-year. In order to achieve profitability in all its segments of activity, the Group is striving to find an assortment of goods that the clients would appreciate and that would have the best price-quality ratio. Continued efforts are made to achieve even lower operating costs, primarily through improved internal efficiency.

The internal growth of the Group is supported by an investment made into updating the business accounting system which is planned to be launched in the beginning of 2011. In March this year, a Selver store with a selling space of 1.5 thousand square metres was opened at Rannarootsi centre in Haapsalu. Instead of the former Suurtüki stores, several new SHU footwear stores have been opened. The fourth store of the I.L.U. stores chain as well as the stores of SHU and ABC King opened their doors in the extension to the Kristiine centre on September 30.

Tallinna Kaubamaja AS

On 30 September 2010, the volume of assets of the Tallinna Kaubamaja Group was 3.9 billion kroons (247.7 million euros), a decline of 105.4 million kroons (6.7 million euros) or 2.6% compared to the end of 2009.

By the end of the reporting period, there were more than 429 thousand loyal customers, showing an increase of 12%. The share of loyal customers in the business segment of department stores in annual turnover is continuously high – 75%. More than 10,000 Partner Credit Cards had been issued by the end of the half year.

Share market

Since 19 August 1997, the shares of AS Tallinna Kaubamaja have been listed in the main list of securities of the Tallinn Stock Exchange. Tallinna Kaubamaja AS has issued 40,729.2 thousand registered shares, each with the nominal value of 10 kroons (0.64 euros). The shares are freely transferable, no statutory restrictions apply. There are no restrictions on transfer of securities to the company as provided by contracts between the company and its shareholders. We do not have information about contracts between the shareholders restricting the transfer of securities. NG Investeeringud OÜ has direct significant participation. Shares granting special rights to their owners have not been issued.

The members of the management board of Tallinna Kaubamaja AS have no right to issue or buy back shares. In addition, there are no commitments between the company and its employees providing for compensation in mergers and acquisitions under article 19¹ of Stock Market Trade Act.

The share with a price of 56.48 kroons (3.61 euros) at the end of 2009 was closed in late September at 88.24 kroons (5.64 euros), increased by 56% within the nine months of the year.

According to the notice of regular annual general meeting of the shareholders published on 23 April 2010, the management board proposed to pay dividends 0.65 kroons (0.04 euros) per share. The general meeting of shareholders approved it.

Share price and trading statistics on the Tallinn Stock Exchange from 01.01.2009 to 30.09.2010.

in Estonian kroons



In euros



Department stores

The sales revenue of the department stores business segment was 802.5 million kroons (51.3 million euros) in the 9 months of 2010, decreasing 5.9% year-on-year. Of this figure, the third quarter sales revenue was 264.5 million kroons (16.9 million euros), which was 0.8% lower compared to the revenue of the third quarter of 2009. The department stores' operating loss for the nine months of 2010 was 14.0 million kroons (0.9 million euros), which was 3.7 million kroons (0.2 million euros) smaller compared to the same period of 2009. The reference base for the summer discounts conducted in the previous year was influenced by the much stronger discount campaigns that already started in June, whereas the same discount campaigns were held in July this year. This enabled to earn a considerably higher gross margin with a lower turnover. The operating costs of the department stores incurred in 9 months were lower by 4.3 million kroons (0.3 million euros) year-on-year, which is 2.1% less than in the previous year. However, due to the events celebrating the 50th jubilee of Tallinna Kaubamaja, marketing costs are 11.1% higher this year. The personnel costs incurred in 9 months were 6.3% lower year-on-year. The loss of the department stores in the 9 months of 2010 was 9.5 million kroons (0.6 million euros), increased by 3.4 million kroons (0.2 million euros) compared to the previous year. The loss in the third quarter of 2010 was 4.3 million kroons (0.3 million euros), the loss for the same period of 2009 was 6.3 million kroons (0.4 million). In 9 months of 2010, the net loss was also influenced by lower internal financial revenue earned due to much lower interest rates.

The sales revenue of OÜ TKM Beauty Eesti that has been operating the three I.L.U. cosmetics stores so far was 21.5 million kroons (1.4 million euros) in the first 9 months of 2010 and 7.5 million kroons (0.5 million euros) in the third quarter. In the comparable periods of 2009, only the I.L.U. store in Pärnu was operating. Its sales revenue was 4.4 and 1.9 million kroons (0.3 and 0.1 million euros), respectively. The net loss in the third quarter of 2010 was 1.9 million kroons (0.1 million euros), which was partly caused by one-time costs related to the opening of the fourth store of the I.L.U. stores chain. The net loss sustained by the I.L.U. stores chain in nine months was 5.3 million kroons (0.3 million euros). In 2011, the focus will be on increasing the chain's market share and improving the profitability of the stores.

Selver supermarkets

The consolidated sales revenue of the supermarkets' business segment earned in the nine months of 2010 was 3.5 billion kroons (221.0 million euros), of which the sales revenue of the third quarter accounted for 1.2 billion kroons (76.3 million euros). The sales revenue earned in 9 months declined by 2.7% year-on-year and the third quarter sales revenue declined by 1.3% year-on-year. The average consolidated sales revenue earned in nine months per a square metre of selling space in one month was 5.6 thousand kroons, which means a growth of 3.9% year-on-year. The sales revenue earned in III quarter per a square metre of selling space in one month was 5.7 thousand kroons, which means a growth of 9.4% year-on-year. The consolidated earnings before taxes of the supermarkets' segment were 93.1 million kroons (6.0 million euros) in the first nine months of 2010, indicating a growth of 101.8

million kroons (6.5 million euros) as compared to the same period of 2009. The consolidated earnings before taxes earned in the third quarter were 59.5 million kroons (3.8 million euros), a growth of 41.6 million kroons (2.7 million euros) year-on-year. The consolidated net profit was 86.1 million kroons (5.5 million euros) in the first nine months of 2010, a growth of 99.1 million kroons (6.3 million euros) year-on-year.

The sales revenue produced in the first nine months of 2010 in the supermarkets' segment in Estonia was 3.5 billion kroons (221.0 million euros), a growth of 0.7% compared to 2009. The sales revenue was 1.2 billion kroons (76.3 million euros) in the third quarter, exceeding year-on-year sales revenue by 2.8%. The average sales revenue earned in 9 months in Estonia per one square metre of selling space in one month was 5.6 thousand kroons, indicating a year-on-year decrease of 1.9%. The third quarter sales revenue earned per a square metre in one month was 5.7 thousand kroons, indicating a year-on-year growth of 0.6%. The sales revenue per a square metre of selling space in comparable stores was 5.6 thousand kroons in 9 months, decreasing by 1.6% compared to the reference base. The sales revenue earned in the third quarter per a square metre of selling space in comparable stores was 5.8 thousand kroons, growing by 0.7% compared to the previous year. In Selver stores, 25.1 million purchases were made in Estonia in the first nine months of 2010, exceeding the number of purchases made a year ago by 1.7%. The share of Selver stores in the republic's retail sales volume of non-specialised stores, carrying predominantly foodstuffs, beverages and tobacco products, was 18.3% in the first 9 months of 2010. The market share of Selver stores grew by 0.5 percentage points in the first 9 months of the year. The earnings before taxes gained in Estonia were 128.9 million kroons (8.2 million euros) in the first nine months of 2010, of which, 70.4 million kroons (4.5 million euros) were earned in the third quarter. The growth in profits compared to year-on-year figures was 65.4 million kroons (4.2 million euros) and 27.0 million kroons (1.7 million euros), respectively. The net profit earned by supermarkets in Estonia in the first nine months of 2010 was 121.9 million kroons (7.8 million euros). The year-on-year net profit was 59.2 million kroons (3.8 million euros). The growth of the net profit more than doubled compared to the previous year. Successful marketing activities that helped increase the number of purchases had a positive impact on the economic results produced in 9 months. Apart from the increased number of purchases, the increased volume of the average market basket, which has risen compared to the reference period for the first time after the economic depression, has also had a positive impact on the sales revenue earned in the third quarter. In some regions, a more intensive competition, different value added tax rates applied in the reporting year and the reference year and the sales tax that was levied in Tallinn in June have all had a negative impact on the sales revenue. In 2010, significant efficiency in personnel costs has been achieved. Although the turnover has increased, the personnel costs have decreased in the first 9 months of 2010, making up 10.6% compared to the previous year. In regards to operating costs, additional agreements have been made to reduce fixed costs and possible areas of saving variable costs have been reviewed. The volume of stocks held at stores has been optimised.

By the end of the first quarter of this year, all six Selver stores in Latvia were closed and the monthly costs were reduced to minimum following the decision made in autumn 2009 to freeze the business operations of SIA Selver Latvia, a subsidiary company in Latvia. In quarters II and III, no sales revenue was earned in Latvia. The sales revenue of Selver stores in Latvia was 0.2 million kroons (10 thousand euros) in the first 9 months of 2010 compared to 128.3 million kroons (8.2 million euros) year-on-year. The net loss of SIA Selver Latvia was 35.7 million kroons (2.3 million euros) in the first 9 months of 2010, a decrease of 36.4 million kroons (2.3 million euros) year-on-year. The net loss sustained in the third quarter were 10.9 million kroons (0.7 million euros), a decrease of 14.6 million kroons (0.9 million euros) year-on-year.

The chain of Selver stores includes 35 stores.

Real Estate

In the first three quarters of 2010, the sales revenue of the business segment of real estate outside the group was 29.3 million kroons (1.9 million euros), decreasing by 10% compared to the same period of the previous year due to the decrease of rental activities in Latvia. The segment's profit of the first nine months amounted to 77.2 million kroons (4.9 million euros). This result is 23.1 million kroons (1.5 million euros) better than the profit of the first nine months of the previous year and it is caused by the reduction of operating expenses in Latvia and decrease of depreciable costs.

Car Trade

The sales revenue of this segment without the intra-segment transactions was 147.8 million kroons (9.4 million euros) in the first nine months of 2010, making up a decrease of 17.3% year-on-year. The third quarter sales revenue was 51.0 million kroons (3.3 million euros), which is 63.3% higher year-on-year. The profit earned in 9 months amounted to 2.4 million kroons (0.2 million euros) thanks to sales made at a better margin and the significant reduction in cost base as well as financing and storage costs. A year ago, the segment sustained a loss in nine months that amounted to 18.3 million kroons (1.2 million euros). In the third quarter, a profit of 1.9 million kroons (0.1 million euros) was earned, a loss of 1.9 million kroons (0.1 million euros) was sustained year-on-year.

The car trade market started to recover in the third quarter. In this period, altogether 2,580 passenger cars were sold in Estonia, which is 31% more than a year ago. In Latvia, the sales grew 113%, which translates into the sale of 1,514 vehicles. In Lithuania, 1,875 passenger cars were sold, and the resulting sales growth was 22%. In the Baltic region, 203 KIA vehicles were registered in the third quarter, which is 86% more than a year ago. In nine months, the market share of KIA vehicles in the Baltic region was 3%. The launch of KIA Sportage, an urban-friendly compact sports utility vehicle with an all-new futuristic design that came on sale in July, has been successful and the market has accepted the new model very well.

Footwear trade

The consolidated sales revenue of the footwear business segment earned in the first nine months of 2010 was 147.0 million kroons (9.4 million euros), growing by 8.0% compared to the same period of 2009. The third quarter sales revenue was 55.1 million kroons (3.5 million euros), growing by 8.5% compared to the third quarter of 2009. The loss sustained in the first three quarters of 2010 amounted to 11.5 million kroons (0.6 million euros), including the loss of 1.1 million kroons (0.1 million euros) of the Latvian companies. Compared to the first three quarters of 2009 the loss decreased by 71.0%. The loss sustained in the third quarter was 2.9 million kroons (0.2 million euros), decreasing 73.3% year-on-year. The total loss incurred in the quarter III of 2009 was 11.0 million kroons (0.7 million euros).

The increased sales revenue, which was supported by the sales of the end of the summer season and the successfully launched new SHU and ABC King stores in Tartu Kaubamaja centre, has played an important role in decreasing the amount of loss. The Suurtüki store at Maardu centre and the ABC King store at Tasku centre in Tartu were closed in the third quarter. The first ever sales campaign targeted at customers who wish to buy winter footwear at favourable prices will be held in the SHU stores chain in the IV quarter. In December, the traditional birthday campaign of ABC King, always welcomed by the consumers, will be conducted. We also expect a positive impact on the last quarter of 2010 from the new SHU and ABC King stores opened at the Kristiine centre extension in the last days of September.

As of the end of September, Suurtüki NK OÜ owns 16 stores in Estonia, and ABC King AS owns 11 stores in Estonia and ABC King SIA owns 3 stores in Latvia.

Personnel

The average number of employees working for the Tallinna Kaubamaja Group was 3,209 in the first nine months of 2010, a decline of 13.5% year-on-year, and includes the decrease in the number of employees caused by the closing of the Latvian Selver stores. The total personnel costs (cost on wages and social taxes) were 407.8 million kroons (26.1 million euros) in the first nine months of 2010, decreasing 14.2% year-on-year. The average wage cost per employee in the first nine months of 2010 dropped by 1.4% compared to the same period of 2009. Personnel costs decreased in the third quarter by 11.5% and amounted to 134.2 million kroons (8.6 million euros). In the third quarter, the number of employees was smaller by 11.3%. The average salary has gained stability and fell slightly by 0.4% in the third quarter.

Approval of the chairman of the management board and signature to the report

The chairman of the management board confirms that the management report gives a true and fair overview of the most important events during the reporting period and their effects on the accounting report; it includes a description of the main risks and uncertainties during the remaining financial year and expresses the relevant contracts with partners.



Raul Puusepp
Chairman of the Management Board

Tallinn, 25th November 2010

CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT BOARD'S CONFIRMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Chairman of the Management Board confirms the correctness and completeness of Tallinna Kaubamaja AS consolidated interim financial statements (unaudited) as at and for the period of third quarter and nine months 2010, presented on pages 11 to 38.

The Chairman of the Management Board confirms that:

1. the accounting principles used in preparing the financial statements are in compliance with the International Financial Reporting Standards;
2. the financial statements give a true and fair view of the financial position of the parent company and the group, as well as the results of their operations and cash flows;
3. Tallinna Kaubamaja AS and its subsidiaries are able to continue as a going concern.



Raul Puusepp
Chairman of the Management Board

Tallinn, 25th November 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of

		EEK		EUR	
	Note	30.09.2010	31.12.2009	30.09.2010	31.12.2009
ASSETS					
Current assets					
Cash and bank	2	176,397	223,691	11,274	14,296
Trade receivables	3	85,403	75,655	5,458	4,835
Other short-term receivables	4	62,394	82,032	3,988	5,242
Prepaid and refundable taxes	5	9,908	8,820	633	564
Other prepayments	5	8,584	12,404	549	793
Inventories	6	664,684	616,554	42,481	39,405
Total current assets		1,007,370	1,019,156	64,383	65,135
Fixed assets					
Prepaid expenses	5	25,479	25,499	1,628	1,630
Shares in affiliated companies	8	22,559	20,323	1,442	1,299
Other long-term receivables	9	2,715	3,613	174	231
Investment property	10	55,800	55,800	3,566	3,566
Tangible fixed assets	11	2,599,782	2,689,639	166,156	171,900
Intangible fixed assets	12	56,972	62,018	3,641	3,964
Goodwill	12	104,993	104,993	6,710	6,710
Total fixed assets		2,868,300	2,961,885	183,317	189,300
TOTAL ASSETS		3,875,670	3,981,041	247,700	254,435
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	13,14	72,598	254,524	4,640	16,267
Prepayments received		5,566	5,314	2,983	340
Trade payables		685,779	713,855	43,829	45,623
Tax liabilities	15	53,742	63,490	3,435	4,058
Other current liabilities	15	56,245	62,720	3,595	4,009
Provisions	15	2,161	445	138	28
Total current liabilities		875,839	1,098,017	55,977	70,175
Long-term liabilities					
Borrowings	13,14	1,266,774	1,267,096	80,962	80,982
Provisions	15	1,538	1,736	97	111
Total long-term liabilities		1,268,312	1,268,832	81,059	81,093
TOTAL LIABILITIES		2,144,151	2,366,849	137,036	151,268
Equity					
Share capital	16	407,292	407,292	26,031	26,031
Statutory reserve capital		40,729	40,729	2,603	2,603
Revaluation reserve		667,228	673,976	42,644	43,075
Retained earnings		625,734	500,730	39,992	32,004
Currency translation differences		-9,464	-8,535	-606	-546
TOTAL EQUITY		1,731,519	1,614,192	110,664	103,167
TOTAL LIABILITIES AND EQUITY		3,875,670	3,981,041	247,700	254,435

The notes presented on pages 16 to 38 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of

		EEK		EUR	
	Note	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Revenue	17	4,584,298	4,754,992	292,990	303,899
Other operating income	18	142,337	139,955	9,097	8,945
Materials and consumables used	6	-3,506,237	-3,719,930	-224,089	-237,746
Other operating expenses	19	-509,679	-540,481	-32,575	-34,544
Staff costs	20	-407,818	-475,087	-26,064	-30,364
Depreciation and amortisation	11,12	-125,449	-143,204	-8,018	-9,152
Other expenses	21	-8,110	-9,737	-518	-622
Operating profit (loss)		169,342	6,508	10,823	416
Financial income	22	3,442	4,138	220	264
Financial costs	22	-23,253	-31,424	-1,486	-2,008
Financial income on shares of associates	8	2,236	2,072	143	132
Profit/Loss before income tax		151,767	-18,706	9,700	-1,196
Income tax		-7,037	-4,331	-450	-277
Net profit (loss) for the reporting period		144,730	-23,037	9,250	-1,473
Other comprehensive income/loss					
Exchange differences		-929	327	-60	21
Other comprehensive income for the reporting period		-929	327	-60	21
TOTAL COMPREHENSIVE INCOME/LOSS FOR THE REPORTING PERIOD		143,801	-22,710	9,190	-1,452
Basic and diluted earnings per share (EEK/EUR)	23	3.55	-0.57	0.23	-0.04

In thousands of

		EEK		EUR	
	Note	3 rd quarter 2010	3 rd quarter 2009	3 rd quarter 2010	3 rd quarter 2009
Revenue	17	1,574,521	1,568,994	100,630	100,277
Other operating income	18	47,374	50,702	3,028	3,240
Materials and consumables used	6	-1,191,755	-1,219,218	-76,167	-77,923
Other operating expenses	19	-166,295	-169,281	-10,627	-10,818
Staff costs	20	-134,157	-151,541	-8,574	-9,685
Depreciation and amortisation		-41,052	-48,250	-2,624	-3,084
Other expenses	21	-2,434	-4,915	-156	-314
Operating profit (loss)		86,202	26,491	5,510	1,693
Financial income	22	1,101	1,084	70	69
Financial costs	22	-7,754	-8,437	-496	-539
Financial income on shares of associates	8	714	555	46	35
Profit/Loss before income tax		80,263	19,693	5,130	1,258
Income tax		-7,037	-4,331	-450	-277
Net profit (loss) for the reporting period		73,226	15,362	4,680	981
Other comprehensive income/loss					
Exchange differences		-370	7	-24	1
Other comprehensive income for the reporting period		-370	7	-24	1
TOTAL COMPREHENSIVE INCOME/LOSS FOR THE REPORTING PERIOD		72,856	15,369	4,656	982
Basic and diluted earnings per share (EEK/EUR)	23	1.80	0.38	0.11	0.02

The notes presented on pages 16 to 38 form an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT

In thousands of

		EEK		EUR	
	Note	9 months 2010	9 months 2009	9 months 2010	9 months 2009
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit (loss)		144,730	-23,037	9,250	-1,473
Adjustments:		0	0	0	0
Income tax on dividends paid	15	7,037	4,331	450	277
Interest expense	22	23,253	31,424	1,486	2,008
Interest income	22	-3,442	-4,138	-220	-264
Depreciation and amortisation	11,12	125,449	143,204	8,018	9,152
Profit/loss on sale and write-off of non-current assets	11,18,21	7,666	147	490	9
Effect of equity method	8	-2,236	-2,072	-143	-132
Change in inventories		-48,130	54,846	-3,076	3,505
Change in receivables and prepayments related to operating activities		16,656	83,129	1,065	5,313
Change in liabilities and prepayments related to operating activities		-39,733	-152,277	-2,539	-9,731
TOTAL CASH FLOW FROM OPERATING ACTIVITIES		231,250	135,557	14,781	8,664
CASH FLOW FROM INVESTMENT ACTIVITIES					
Purchase of property, plant and equipment (excl. finance lease)	11	-39,142	-156,668	-2,501	-10,013
Proceeds from sale of property, plant and equipment	11	1,103	1,632	70	104
Acquisition of intangible fixed assets	12	0	-300	0	-19
Loan to group account	24	-4,880	0	-312	0
Loan repayments received from associates	24	1,500	0	96	0
Interest received		3,706	4,229	237	270
TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES		-37,713	-151,107	-2,410	-9,658
CASH FLOW FROM FINANCING ACTIVITIES					
Loans received	13	81,135	329,770	5,185	21,076
Repayments of loans received	13	-258,688	-304,376	-16,533	-19,453
Change in overdraft balance	13	0	3,733	0	239
Dividends paid	16	-26,474	-16,292	-1,692	-1,041
Income tax on dividends paid		-7,037	-4,331	-450	-277
Repayment of financial lease principal	13	-4,696	-3,826	-300	-245
Interest paid		-23,970	-34,453	-1,532	-2,202
TOTAL CASH FLOW FROM FINANCING ACTIVITIES		-239,730	-29,775	-15,322	-1,903
TOTAL CASH FLOW		-46,193	-45,325	-2,951	-2,897
Effect of exchange rate changes		-1,101	327	-71	21
Cash and cash equivalents at the beginning of the period	2	223,691	101,353	14,296	6,478
Cash and cash equivalents at the end of the period	2	176,397	56,355	11,274	3,602
Net change in cash and cash equivalents		-47,294	-44,998	-3,022	-2,876

The notes presented on pages 16 to 38 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

in thousands of EEK

	Share capital	Mandatory reserve	Revaluation reserve	Retained earnings	Foreign currency translation	Total
Balance as of 31.12.2008	407,292	40,729	682,028	705,719	-415	1,835,353
Total comprehensive income or loss for the period	0	0	0	-23,037	327	-22,710
Reclassification of depreciation of revalued land and buildings	0	0	-9,024	9,024	0	0
Dividends paid	0	0	0	-16,292	0	-16,292
Balance as of 30.09.2009	407,292	40,729	673,004	675,414	-88	1,796,351
Balance as of 31.12.2009	407,292	40,729	673,976	500,730	-8,535	1,614,192
Total comprehensive income or loss for the period	0	0	0	144,730	-929	143,801
Reclassification of depreciation of revalued land and buildings	0	0	-6,748	6,748	0	0
Dividends paid	0	0	0	-26,474	0	-26,474
Balance as of 30.09.2010	407,292	40,729	667,228	625,734	-9,464	1,731,519

in thousands of EUR

	Share capital	Mandatory reserve	Revaluation reserve	Retained earnings	Foreign currency translation	Total
Balance as of 31.12.2008	26,031	2,603	43,590	45,105	-27	117,302
Total comprehensive income or loss for the period	0	0	0	-1,472	21	-1,451
Reclassification of depreciation of revalued land and buildings	0	0	-577	577	0	0
Dividends paid	0	0	0	-1,041	0	-1,041
Balance as of 30.09.2009	26,031	2,603	43,013	43,169	-6	114,810
Balance as of 31.12.2009	26,031	2,603	43,075	32,004	-546	103,167
Total comprehensive income or loss for the period	0	0	0	9,250	-60	9,190
Reclassification of depreciation of revalued land and buildings	0	0	-431	431	0	0
Dividends paid	0	0	0	-1,693	0	-1,693
Balance as of 30.09.2010	26,031	2,603	42,644	39,992	-606	110,664

The notes presented on pages 16 to 38 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED INTERIM ACCOUNTS

Note 1. Accounting Principles Followed upon Preparation of the Consolidated Interim Accounts

General Information

Tallinna Kaubamaja AS ('the Company') and its subsidiaries (jointly 'the Group') are companies engaged in rendering services related to retail sale and rental activities in Estonia, Latvia and Lithuania. Tallinna Kaubamaja AS is a company founded on 18 October 1994 in the Republic of Estonia. The shares of Tallinna Kaubamaja AS are listed on the Tallinn Stock Exchange.

Bases for Preparation

The Consolidated Interim Accounts of Tallinna Kaubamaja AS have been prepared in accordance with the International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union. The consolidated interim financial statements do not contain all the information that has to be presented in the annual financial statements and they should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 December 2009. The interim report has been prepared in accordance with the principal accounting policies applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2009.

The underlying currency of the consolidated Accounts is the Estonian kroon. Interim Accounts are presented in thousand in kroons, if not said differently. In order to help the readers to better understand the financial indicators and to adhere to the requirements of the rules and regulations of the Tallinn Stock Exchange the financial indicators in the Accounts are also given in euros which have been converted based on the original financial indicators given in Estonian kroons. As the exchange rate of the Estonian kroon and the euro has been fixed at 1 euro = 15.6466 kroons no spread is created upon conversion.

The Manager is of the opinion that the Interim Report of Tallinna Kaubamaja AS for the third quarter and the first 9 months of 2010 gives a true and fair view of the Company's performance in accordance with the going-concern concept.

This Interim Report has not been audited or otherwise reviewed by auditors.

New and revised standards effective as from 2010 and their impact on the Group's financial statements:

- Amendments to IFRS 2 *Group Cash-settled Share-based Payment Transactions* – effective for annual periods beginning on or after 1 January 2010. The amendments provide a clear basis to determine the classification of share-based payment awards in both consolidated and separate financial statements. The amendments incorporate into the standard the guidance in IFRIC 8 and IFRIC 11, which are withdrawn. The amendments expand on the guidance given in IFRIC 11 to address plans that were previously not considered in the interpretation. The amendments also clarify the defined terms in the Appendix to the standard. The Group estimates that the amendments will not have a significant on the financial statements.
- Amendments to IFRS 1 - *Additional Exemptions to First-time Adopters* - effective for annual periods beginning on or after 1 January 2010. The amendments exempt entities using the full cost method from retrospective application of IFRSs for oil and gas assets and also exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with IFRIC 4, 'Determining Whether an Arrangement Contains a Lease' when the application of their national accounting requirements produced the same result. The amendments will not have an impact on the financial statements.
- Amendment to IAS 24 *Related Party Disclosures*, issued in November 2009 - effective for annual periods beginning on or after 1 January 2011. The amended standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The Group is currently assessing the impact of the amended standard on the disclosures in the financial statements.
- IFRS 9 *Financial Instruments* part 1: Classification and Measurement, issued in November 2009 - effective for annual periods beginning on or after 1 January 2013; not yet adopted by the EU. IFRS 9 replaces those parts of IAS 39 relating to the classification and measurement of financial assets. Key features are as follows:
 - Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

- An instrument is subsequently measured at amortised cost only if it is a debt instrument and both (i) the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and (ii) the asset's contractual cash flows represent only payments of principal and interest (that is, it has only "basic loan features"). All other debt instruments are to be measured at fair value through profit or loss.
 - All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* - effective for annual periods beginning on or after 1 July 2010. This interpretation clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished through the debtor issuing its own equity instruments to the creditor. A gain or loss is recognised in the profit and loss account based on the fair value of the equity instruments as compared to the carrying amount of the debt. The Group is currently assessing the impact of the interpretation on its financial statements.
 - Amendment to IFRIC 14 *Prepayments of a Minimum Funding Requirement* - effective for annual periods beginning on or after 1 January 2011. This amendment will have a limited impact as it applies only to companies that are required to make minimum funding contributions to a defined benefit pension plan. It removes an unintended consequence of IFRIC 14 related to voluntary pension prepayments when there is a minimum funding requirement. The Group is currently assessing the impact of the amended interpretation on its financial statements.
 - Amendment to IFRS 1 *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* - effective for annual periods beginning on or after 1 July 2010. Existing IFRS preparers were granted relief from presenting comparative information for the new disclosures required by the March 2009 amendments to IFRS 7 'Financial Instruments: Disclosures'. This amendment to IFRS 1 provides first-time adopters with the same transition provisions as included in the amendment to IFRS 7. The amendment will not have an impact on the Group's financial statements.

Amendments to presentation and accounting policies/correction of errors

In the consolidated cash flow statement of the interim report for the 3rd quarter of 2009, a change in other finance costs had not erroneously been included in the lines "Interest expenses" and "Currency translation differences" for the first 9 months of 2009.

In the consolidated cash flow statement of the interim report for the 3rd quarter of 2009, the total amount disclosed in the line "Total cash flows" had been included in the line "Currency translation differences". A change was made to the presentation of the interim report for the 3rd quarter of 2010 and the line "Foreign exchange gains (losses) on cash and cash equivalents" is disclosed after the line "Total cash flows".

In Note 22 on segment reporting of the interim report for the 3rd quarter of 2009, intersegment sales had erroneously been included in the line "Intersegment sales" for the first 9 months of 2009 and 3rd quarter of 2009. The line "Total sales" erroneously included total segment sales together with internal sales. The line "Segment investment in non-current assets" erroneously included reclassification of unfinished buildings.

In the note on segment reporting titled "External revenue by client location" of the interim report for the 3rd quarter of 2009, the sales revenue of the subsidiaries operating in Latvia had erroneously been included in Estonia's revenue.

All changes are reported retrospectively in the interim report for the 3rd quarter of 2010.

Note 2. Cash and Bank

In thousands of

	EEK		EUR	
	30.09.2010	31.12.2009	30.0.2010	31.12.2009
Cash on hand	5,953	5,987	380	383
Bank accounts	160,109	202,396	10,233	12,935
Cash in transit	10,335	15,308	661	978
Total cash and bank	176,397	223,691	11,274	14,296

Note 3. Trade Receivables

In thousands of

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Trade receivables	70,016	55,895	4,475	3,572
Card payments	15,387	19,760	983	1,263
Total trade receivables	85,403	75,655	5,458	4,835

Note 4. Other Short Term Receivables

In thousands of

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Bonuses receivable from suppliers	19,145	41,807	1,224	2,672
Short-term receivables from associate (Note 24)	0	250	0	16
Other short-term receivables from related parties (Note 24)	40,666	38,674	2,599	2,472
Interest receivables from related parties (Note 24)	136	372	9	24
Other short-term receivables	2,447	929	156	58
Total other short-term receivables	62,394	82,032	3,988	5,242

Note 5. Prepayments

In thousands of

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Prepayment account of taxable entity	9,908	8,820	633	564
Total tax prepayments and claims	9,908	8,820	633	564
Prepaid rental expenses	2,209	6,372	141	407
Other prepaid expenses	6,375	6,032	408	386
Total other short-term prepayments	8,584	12,404	549	793
Prepaid rental expenses	25,479	25,499	1,628	1,630
Total long-term prepayments	25,479	25,499	1,628	1,630

Note 6. Inventories

In thousands of

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Goods purchased for resale	638,598	569,906	40,814	36,424
Passenger cars purchased for resale	9,908	34,313	633	2,193
Raw materials and materials	9,736	9,599	622	613
Prepayment for goods	6,442	2,736	412	175
Total inventories	664,684	616,554	42,481	39,405

The income statement line "Materials and consumables used" includes the write-down and write-off expenses of inventories and shortages of inventory stocktaking as follows:

	EEK		EUR	
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Write-down and write-off of inventories	37,949	40,653	2,424	2,598
Shortages of inventory stocktaking	15,237	18,447	974	1,179
Total materials and consumables used	53,186	59,100	3,398	3,777

Aging of inventory and seasonal nature of fashion items is used as basis for write down of inventories.

Note 7. Shares in Subsidiaries

The Tallinna Kaubamaja Group incorporates:

Name of company	Location	Field of activity	Ownership 30 September 2010 and 31.12.2009	Year of acquisition
A-Selver AS	Tallinn, Pärnu mnt.238	Retail trade	100%	1996
SIA Selver Latvia	Riga, Ieriku 3	Retail trade	100%	2006
AS Tartu Kaubamaja	Tartu, Riga 2	Retail trade	100%	1996
TKM Beauty OÜ	Tallinn, Gonsiori 2	Retail trade	100%	2007
TKM Beauty Eesti OÜ	Tallinn, Gonsiori 2	Retail trade	100%	2007
OÜ Suurtüki NK	Tallinn, Ehitajate tee 110	Retail trade	100%	2008
SIA Suurtüki	Riga, Tomsona 30-86	Retail trade	100%	2008
AS ABC King	Tallinn, Pärnu rd 139E	Retail trade	100%	2008
ABC King SIA	Riga, Ieriku 3	Retail trade	100%	2008
OptiGroup Invest OÜ	Tallinn, Gonsiori 2	Trade and financing	100%	2007
KIA Auto AS	Tallinn, Ülemiste tee 1	Retail trade	100%	2007
Ülemiste Autokeskus OÜ	Tallinn, Ülemiste tee 1	Retail trade	100%	2007
KIA Automobiles SIA	Riga, Pulkeveza Brieza 31	Retail trade	100%	2007
KIA Auto UAB	Vilnius, Perkunkiemi g.2	Retail trade	100%	2007
Tallinna Kaubamaja Kinnisvara AS	Tallinn, Gonsiori 2	Real estate management	100%	1999
Tartu Kaubamaja Kinnisvara OÜ	Tartu, Riga 1	Real estate management	100%	2004
SIA TKM Latvija	Riga, Ieriku 3	Real estate management	100%	2006

Note 8. Shares in Affiliates

Tallinna Kaubamaja AS has a holding in Rävala Parkla AS which renders multi-storey car park services in Tallinn.

In thousands of

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Number of shares at end of year / (beginning)	501/(501)	501/(501)	501/(501)	501/(501)
Shareholding % at end of year / (beginning)	50/(50)	50/(50)	50/(50)	50/(50)
	20,323	17,505	1,299	1,119
Investment in the associate at beginning of the year				
Profit for the reporting period under equity method	2,236	2,818	143	180
Investment in the associate at end of the year	22,559	20,323	1,442	1,299

Financial information on the associate Rävala Parkla AS (reflecting 100% of the associate):

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Assets	58,622	59,174	3,747	3,782
Liabilities	13,536	18,554	865	1,186
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Revenue	5,572	5,948	356	380
Profit	4,473	4,144	286	264
	3rd quarter 2010	3rd quarter 2009	3rd quarter 2010	3rd quarter 2009
Revenue	1,741	1,663	111	106
Profit	1,428	1,110	91	70

Note 9. Other Long-term Receivables

In thousands of

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Receivables from associate (Note 24)	578	1,828	37	117
Other long term receivables	2,137	1,785	137	114
Total other long term receivables	2,715	3,613	174	231

Note 10. Investment property

In thousands of

	EEK	EUR
Changes occurred in 2009		
Reclassification (Note 11)	35,400	2,263
Gain from change in fair value upon reclassification	20,400	1,303
Carrying value as at 31.12.2009	55,800	3,566
Carrying value as at 30.09.2010	55,800	3,566

Note 11. Tangible Fixed Assets

In thousands of kroons

	Land and buildings	Machinery and equipment	Other equipment, fixtures and fittings	Prepay- ments for property, plant and equipment	Cons- truction in progress	Total
Changes in 2008						
Additions through business combinations	714	740	5,652	0	0	7,106
Purchases and improvements	205,168	121,413	86,020	33,250	530,484	976,335
Reclassification	115,275	-4,149	14,943	-10,861	-115,208	0
Revaluations of depreciation	-71,600	0	0	0	-75,000	-146,600
Sales and write downs	-290	-445	-988	0	0	-1,723
Depreciation	-50,922	-42,893	-44,108	0	0	-137,923
31.12.2008						
Acquisition or revaluated cost	1,969,527	355,830	362,439	34,534	912,686	3,635,016
Accumulated depreciation	-154,399	-190,179	-217,365	0	-75,000	-636,943
Carrying amount	1,815,128	165,651	145,074	34,534	837,686	2,998,073
Changes occurred in 2009						
Purchases and improvements	22,611	64,872	37,814	24,909	38,293	188,499
Reclassification	158,063	26,600	3,240	-17,897	-205,406	-35,400
Sales and write downs	-1,057	-40,866	-1,182	0	0	-43,105
Impairment losses	-66,444	-24,208	0	-4,586	-144,303	-239,541
Depreciation	-58,005	-60,023	-54,313	0	0	-172,341
Currency difference	-3,024	0	0	0	-3,522	-6,546
31.12.2009						
Cost or revalued amount	2,157,776	351,411	391,885	36,960	742,051	3,680,083
Accumulated depreciation and impairment losses	-290,504	-219,385	-261,252	0	-219,303	-990,444
Carrying amount	1,867,272	132,026	130,633	36,960	522,748	2,689,639
Changes occurred in 2010						
Purchases and improvements	762	2,231	11,186	21,764	3,199	39,142
Reclassification	674	6,325	4,519	-11,007	-511	0
Sales and write downs	-12	-941	-7,815	0	0	-8,768
Depreciation	-43,652	-37,478	-39,273	0	0	-120,403
Currency difference	56	22	31	0	63	172
30.09.2010						
Cost or revalued amount	2,152,890	339,389	318,533	47,717	744,802	3,603,331
Accumulated depreciation and impairment losses	-327,790	-237,204	-219,252	0	-219,303	-1,003,549
Carrying amount	1,825,100	102,185	99,281	47,717	525,499	2,599,782

In thousands of euros

	Land and buildings	Machinery and equipment	Other equipment, fixtures and fittings	Prepay- ments for property, plant and equipment	Cons- truction in progress	Total
Changes in 2008						
Additions through business combinations	46	47	361	0	0	454
Purchases and improvements	13,113	7,760	5,498	2,125	33,904	62,400
Reclassification	7,367	-265	955	-694	-7,363	0
Revaluations of depreciation	-4,576	0	0	0	-4,793	-9,369
Sales and write downs	-19	-28	-63	0	0	-110
Depreciation	-3,255	-2,741	-2,819	0	0	-8,815
31.12.2008						
Acquisition or revaluated cost	125,876	22,742	23,164	2,207	58,331	232,320
Accumulated depreciation	-9,868	-12,155	-13,892	0	-4,793	-40,708
Carrying amount	116,008	10,587	9,272	2,207	53,538	191,612
Changes occurred in 2009						
Purchases and improvements	1,445	4,147	2,418	1,592	2,447	12,049
Reclassification	10,102	1,700	207	-1,144	-13,128	-2,263
Sales and write downs	-68	-2,612	-76	0	0	-2,756
Impairment losses	-4,247	-1,547	0	-293	-9,223	-15,310
Depreciation	-3,707	-3,836	-3,472	0	0	-11,015
Currency difference	-193	0	0	0	-224	-417
31.12.2009						
Cost or revalued amount	137,907	22,460	25,048	2,362	47,426	235,203
Accumulated depreciation and impairment losses	-18,567	-14,021	-16,699	0	-14,016	-63,303
Carrying amount	119,340	8,439	8,349	2,362	33,410	171,900
Changes occurred in 2010						
Purchases and improvements	49	143	714	1,391	204	2,501
Reclassification	44	404	288	-703	-33	0
Sales and write downs	-1	-60	-499	0	0	-560
Depreciation	-2,790	-2,395	-2,510	0	0	-7,695
Currency difference	4	1	2	0	4	11
30.09.2010						
Cost or revalued amount	137,595	21,692	20,358	3,050	47,601	230,296
Accumulated depreciation and impairment losses	-20,950	-15,160	-14,014	0	-14,016	-64,140
Carrying amount	116,645	6,532	6,344	3,050	33,585	166,156

The cost of the investments registered in the reporting period amounted to 39,142 thousand kroons (2,501 thousand euros).

During the reporting period, the new Rannarootsi Selver was opened. In Tartu Kaubamaja the new music store was opened, new equipment for Food and Men Departments was purchased and implementation of new software started. In footwear trade, the new concept footwear stores SHU were launched. Capital works were performed on the unfinished buildings in Latvia.

The cost of investments in the business segment of supermarkets was 11,339 thousand kroons (725 thousand euros) in the period of first nine months of 2010. The investment cost of Rannarootsi Selver amounted to 6,547 thousand kroons (418 thousand euros), 3,105 thousand kroons (198 thousand euros) of it was invested during the reporting period. In the period of first three quarters of 2010 renovation works have been performed in the amount of 1,257 thousand kroons (80 thousand euros). An advanced payment in the amount of 6,977 thousand kroons (447 thousand euros) has been made for equipment of sales rooms. With regard to Selver store closures in Latvia, a parent company A-Selver AS purchased the closed stores assets amounting to 6,485 thousand (415 thousand

Tallinna Kaubamaja AS

euros), of which 5,891 thousand (377 thousand euros) was accounted as a low value assets in period costs.

In the reporting period, the cost of investments in the business segment of department stores was 17,805 thousand kroons (1,137 thousand euros). The investments into the department store music store amounted to 1,749 thousand kroons (112 thousand euros), equipment have been purchased in amount of 1,579 thousand of kroons (101 thousand euros), and the pre-payment for the software development was 10,748 thousand kroons (687 thousand euros). The fourth store of I.L.U. was opened in Kristiine Centre in Tallinn on 30th September of 2010 and the reporting period cost of investments of cosmetics store amounted to 3,729 thousand kroons (237 thousand euros).

The cost of investments in the business segment of footwear trade was 6,374 thousand kroons (407 thousand euros) in the period of first nine months of 2010. Furniture and equipment for new SHU and ABC stores have been purchased during reporting period.

The investment cost of the real estate segment was 3,312 thousand kroons (212 thousand euros), including the cost of unfinished capital works in Latvia which of 2,508 thousand kroons (160 thousand euros).

The investment into car trade amounted to 312 thousand kroons (20 thousand euros) during the reporting period.

The entities of Tallinna Kaubamaja consolidation group did not have any commitments to purchase items of property, plant and equipment.

Note 12. Intangible Fixed Assets

In thousands of kroons

	Goodwill	Trademark	Beneficial contracts	Developing-cost	Total
31.12.2008					
Cost	114,187	54,887	16,900	0	185,974
Accumulated depreciation and impairment losses	-4,688	-1,820	-1,536	0	-8,044
Carrying amount	109,499	53,067	15,364	0	177,930
Changes occurred in 2009					
Purchases and improvements	0	0	0	300	300
Depreciation	0	-3,640	-3,073	0	-6,713
Impairment losses	-4,506	0	0	0	-4,506
31.12.2009					
Cost	114,187	54,887	16,900	300	186,274
Accumulated depreciation and impairment losses	-9,194	-5,460	-4,609	0	-19,263
Carrying amount	104,993	49,427	12,291	300	167,011
Changes occurred in 2010					
Reclassification	0	14	0	-14	0
Depreciation	0	-2,741	-2,305	0	-5,046
30.09.2010					
Cost or revalued amount	114,187	54,901	16,900	286	186,274
Accumulated depreciation and impairment losses	-9,194	-8,201	-6,914	0	-24,309
Carrying amount	104,993	46,700	9,986	286	161,965

In thousands of euros

	Goodwill	Trademark	Beneficial contracts	Developing-cost	Total
31.12.2008					
Cost	7,298	3,508	1,080	0	11,886
Accumulated depreciation and impairment losses	-300	-116	-98	0	-514
Carrying amount	6,998	3,392	982	0	11,372
Changes occurred in 2009					
Purchases and improvements	0	0	0	19	19
Depreciation	0	-233	-196	0	-429
Impairment losses	-288	0	0	0	-288
31.12.2009					
Cost	7,298	3,508	1,080	19	11,905
Accumulated depreciation and impairment losses	-588	-349	-294	0	-1,231
Carrying amount	6,710	3,159	786	19	10,674
Changes occurred in 2010					
Reclassification	0	1	0	-1	0
Depreciation	0	-175	-148	0	-323
30.09.2010					
Cost or revalued amount	7,298	3,509	1,080	18	11,905
Accumulated depreciation and impairment losses	-588	-524	-442	0	-1,554
Carrying amount	6,710	2,985	638	18	10,351

Under intangible assets is stated the goodwill related to acquisition of OptiGroup Invest OÜ, OÜ Suurtüki NK, SIA Suurtüki, AS ABC King and ABC King SIA as on 30.09.2010 in the amount of 104,993 thousand kroons (6,7 million euros) (2009: 104,993 thousand kroons, 6.7 million euros). Goodwill is initially reported at the acquisition cost thereof, which is the positive difference between the acquisition cost of the holding acquired and the fair value of the acquired assets, liabilities and contingent liabilities on the date of acquisition. In further reporting goodwill is measured at the acquisition cost thereof less possible discounts resulting from impairment. With regard to goodwill an impairment test is carried out at least once a year or more frequently if events or changed circumstances show that the book value of goodwill may have decreased.

Goodwill is allocated to cash generating units of the Group by the following segments:

In thousands of	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Car trade	49,388	49,388	3,156	3,156
Footwear trade	55,605	55,605	3,554	3,554

As a trademark, the Group has recognised the image of ABC King acquired in acquisition of footwear trade segment companies AS ABC King and SIA ABC King; the image contains a combination of the name, symbol and design together with recognition and preference by consumers. The remaining useful life of the trademark as at 30.09.2010 is 12.6 years.

Note 13. Interest bearing borrowings

In thousands of

Group	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Long-term loans				
Bank loans	1,255,630	1,255,630	80,249	80,250
Financial lease liability (Note 14)	8,372	8,362	535	533
Operational lease	2,772	3,104	178	199
	1,266,774	1,267,096	80,962	80,982
Short-term loans				
Overdraft	2,194	2,266	140	145
Bank loans	64,821	242,463	4,143	15,496
Financial lease liability (Note 14)	1,614	6,114	103	391
Operational lease	3,969	3,681	254	235
	72,598	254,524	4,640	16,267
Total	1,339,372	1,521,620	85,602	97,249

Borrowings received

in thousands of

	EEK		EUR	
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Overdraft	0	3,733	0	239
Bank loans	72,567	325,622	4,638	20,811
Finance lease liability	204	0	13	0
Other borrowings	8,364	4,148	534	265
Total borrowings received	81,135	333,503	5,185	21,315

Borrowings paid

in thousands of

	EEK		EUR	
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Bank loans	252,252	294,524	16,122	18,824
Finance lease liability	4,696	3,826	300	245
Other borrowings	6,436	9,852	411	629
Total Borrowings paid	263,384	308,202	16,833	19,698

Bank loans are denominated in euros and finance lease liabilities are denominated in Estonian kroons.

As of 30.09.2010, the repayment dates of bank loans are between 15.11.2010 and 20.06.2018 (2009: between 5.10.2010 and 20.06.2018), the interest is linked to EURIBOR of 3 months and 6 months as well as EONIA. The weighted average interest rate was 2.066% (2009: 2.4%).

Note 14. Financial Lease**Group as the lessee**

The Group leases buildings under finance lease terms:
In thousands of

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Acquisition cost	45,419	45,510	2,903	2,909
Accumulated depreciation	-36,955	-33,465	-2,362	-2,139
Carrying amount	8,464	12,045	541	770

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
up to 1 year.	2,198	6,913	140	441
1-5 years	8,773	8,763	561	560
Total	10,971	15,676	701	1,001
Future interest expense	-985	-1,200	-63	-77
Present value of lease payments (Note 13)	9,986	14,476	638	924

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Present value of lease payments				
up to 1 year.	1,614	6,114	103	391
1-5 years	8,372	8,362	535	533
Total (Note13)	9,986	14,476	638	924

The Group leases on capital lease conditions premises at Papiniidu 42, Pärnu, with the operating area 3,500 m². The agreement will end in 2012. The agreement can be prematurely terminated by notifying the other party thereof in writing one month in advance. The Group has the right of the renewal of agreement at the end of the term of validity of the agreement.

Note 15. Taxes, other short- and long-term payables, and provisions

In thousands of

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Value added tax	21,340	28,311	1,364	1,809
Sales tax	369	0	24	0
Income tax	0	3	0	0
Personal income tax	9,342	10,201	597	652
Social security taxes	19,899	21,945	1,272	1,403
Corporate Income tax on fringe benefits	159	278	10	18
Unemployment insurance	2,240	2,543	143	163
Mandatory funded pension	393	209	25	13
Total tax liabilities	53,742	63,490	3,435	4,058

Employee-payables	46,696	53,321	2,984	3,408
Interest payable	10	727	1	46
Other accrued expenses	889	1,188	57	77
Prepayments by tenants	8,650	7,484	553	478
Total other short-term payables	56,245	62,720	3,595	4,009

Short-term provisions	2,161	445	138	28
Long-term provisions	1,538	1,736	97	111
Total provisions	3,699	2,181	235	139

Short-term provision and long term provision stand for guarantee provisions related with footwear and vehicle business.

Note 16. Share Capital

As of 30 September, 2010 the share capital amounted to 407,292 thousand kroons (26 million euros) and was divided into 40,729,200 ordinary shares with a nominal value of 10.0 kroons (0.64 euros). Pursuant to the Articles of Association the maximum allowed number of ordinary shares is 162,916,800. The regular stockholders' meeting on 18.05.2010 decided to pay a dividend of 0.65 kroons (0.04 euros) per stock totalling to 26,474 thousand kroons (1,692 thousand euros) (in 2009 0.4 kroons (0.03 euros) totalling to 16,292 thousand kroons (1,041 thousand euros)).

Note 17. Segment Reporting

Information on segments is disclosed according to business and geographical segments. Following the internal management structure the principal format indicates the division of business segments and the additional format the division of geographical segments. Income expenses assets and liabilities are divided between segments according to the connection thereof with the activities of the segment.

Business Segments

The Company's internal management structure has been divided between the following business segments:

- department store
- supermarkets
- real estate
- car trade
- footwear

Geographical Segments

- The Company's geographical segments are Estonia Latvia and Lithuania.
- Upon presentation of geographical segments sales revenue is reported according to the location of clients; assets of the segments are reported according to the physical location of the assets and the liabilities are allocated based on the operations of the segmen

Business Segment Report

In thousands of kroons

9 months of 2010	Department stores	Super-markets	Real estate	Car trade	Footwear-retail	Transactions between segments	Total
External revenue	802,523	3,457,741	29,250	147,800	146,984	0	4,584,298
Inter-segment revenue	1,150	5,847	90,744	162	1,513	-99,416	0
Total revenue	803,673	3,463,588	119,994	147,962	148,497	-99,416	4,584,298
Operating profit (loss)	-14,023	92,135	95,606	4,431	-8,807	0	169,342
Financial income (Note 22)	2,870	555	0	5	12	0	3,442
Finance income on shares of associates	2,236	0	0	0	0	0	2,236
Financial expense(Note 22)	-11,287	-580	-9,338	-888	-1,160	0	-23,253
Income tax	0	-7,037	0	0	0	0	-7,037
Net profit (loss)	-9,449	86,097	77,200	2,415	-11,533	0	144,730
incl. in Estonia	-9,449	121,860	70,972	5,208	-10,410	0	178,181
incl. in Latvia	0	-35,763	6,228	-1,873	-1,123	0	-32,531
incl. in Lithuania	0	0	0	-920	0	0	-920
Segment assets	477,649	768,981	2,332,508	140,141	156,391	0	3,875,670
Segment liabilities	648,861	587,099	766,023	33,452	108,716	0	2,144,151
Segment investment in non-current assets	17,805	11,339	3,312	312	6,374	0	39,142
Depreciation	17,866	65,630	31,977	1,751	8,225	0	125,449

In thousands of euros

9 months of 2010	Department stores	Super-markets	Real estate	Car trade	Footwear-retail	Transactions between segments	Total
External revenue	51,291	220,990	1,869	9,446	9,394	0	292,990
Inter-segment revenue	73	374	5,800	10	97	-6,354	0
Total revenue	51,364	221,364	7,669	9,456	9,491	-6,354	292,990
Operating profit (loss)	-895	5,888	6,110	283	-563	0	10,823
Financial income (Note 22)	184	35	0	0	1	0	220
Finance income on shares of associates	143	0	0	0	0	0	143
Financial expense(Note 22)	-721	-37	-597	-57	-74	0	-1,486
Income tax	0	-450	0	0	0	0	-450
Net profit (loss)	-604	5,503	4,934	154	-737	0	9,250
incl. in Estonia	-604	7,789	4,536	334	-665	0	11,390
incl. in Latvia	0	-2,286	398	-120	-72	0	-2,080
incl. in Lithuania	0	0	0	-60	0	0	-60
Segment assets	30,527	49,147	149,074	8,957	9,995	0	247,700
Segment liabilities	41,470	37,522	48,958	2,138	6,948	0	137,036
Segment investment in non-current assets	1,137	725	212	20	407	0	2,501
Depreciation	1,141	4,195	2,044	112	526	0	8,018

In thousands of kroons

9 months of 2009	Department stores	Super-markets	Real estate	Car trade	Footwear-retail	Transactions between segments	Total
External revenue	852,775	3,554,973	32,324	178,803	136,117	0	4,754,992
Inter-segment revenue	1,218	5,829	87,060	141	1,960	-96,208	0
Total revenue	853,993	3,560,802	119,384	178,944	138,077	-96,208	4,754,992
Operating profit (loss)	-17,684	-9,910	82,677	-12,250	-36,325	0	6,508
Financial income (Note 22)	4,120	7	0	1	10	0	4,138
Finance income on shares of associates	2,072	0	0	0	0	0	2,072
Financial expense(Note 22)	-20,196	-847	-5,129	-2,504	-2,748	0	-31,424
Income tax	0	-4,331	0	0	0	0	-4,331
Net profit (loss)	-6,053	-12,966	54,057	-18,322	-39,753	0	-23,037
incl. in Estonia	-6,053	59,168	51,639	-13,549	-30,419	0	60,786
incl. in Latvia	0	-72,134	2,418	-2,823	-9,334	0	-81,873
incl. in Lithuania	0	0	0	-1,950	0	0	-1,950
Segment assets	353,463	922,171	2,576,341	149,975	202,731	0	4,204,681
Segment liabilities	787,569	634,669	848,159	39,112	114,193	0	2,423,702
Segment investment in non-current assets	25,479	73,753	54,876	26	2,535	0	156,669
Depreciation	18,506	75,100	39,772	1,954	7,872	0	143,204

In thousands of euros

9 months of 2009	Department stores	Super-markets	Real estate	Car trade	Footwear-retail	Transactions between segments	Total
External revenue	54,502	227,204	2,066	11,428	8,699	0	303,899
Inter-segment revenue	78	373	5,564	9	125	-6,149	0
Total revenue	54,580	227,577	7,630	11,437	8,824	-6,149	303,899
Operating profit (loss)	-1,130	-633	5,284	-783	-2,322	0	416
Financial income (Note 22)	263	0	0	0	1	0	264
Finance income on shares of associates	132	0	0	0	0	0	132
Financial expense(Note 22)	-1,291	-54	-328	-159	-176	0	-2,008
Income tax	0	-277	0	0	0	0	-277
Net profit (loss)	-387	-829	3,455	-1,171	-2,541	0	-1,473
incl. in Estonia	-387	3,782	3,300	-866	-1,944	0	3,885
incl. in Latvia	0	-4,611	155	-180	-597	0	-5,233
incl. in Lithuania	0	0	0	-125	0	0	-125
Segment assets	22,590	58,937	164,658	9,585	12,957	0	268,727
Segment liabilities	50,334	40,563	54,207	2,500	7,298	0	154,902
Segment investment in non-current assets	1,628	4,714	3,508	2	162	0	10,014
Depreciation	1,183	4,799	2,542	125	503	0	9,152

In thousands of kroons

3 rd quarter of 2010	Department stores	Super-markets	Real estate	Car trade	Footwear-retail	Transactions between segments	Total
External revenue	264,514	1,194,418	9,487	51,012	55,090	0	1,574,521
Inter-segment revenue	394	1,630	30,466	30	968	-33,488	0
Total revenue	264,908	1,196,048	39,953	51,042	56,058	-33,488	1,574,521
Operating profit (loss)	-5,372	59,199	32,073	2,441	-2,139	0	86,202
Financial income (Note 22)	914	173	0	2	12	0	1,101
Finance income on shares of associates	714	0	0	0	0	0	714
Financial expense(Note 22)	-3,692	-171	-3,187	-332	-372	0	-7,754
Income tax	0	-7,037	0	0	0	0	-7,037
Net profit (loss)	-4,312	52,401	26,216	1,859	-2,938	0	73,226
incl. in Estonia	-4,312	63,319	23,568	2,826	-2,577	0	82,824
incl. in Latvia	0	-10,918	2,648	-720	-361	0	-9,351
incl. in Lithuania	0	0	0	-247	0	0	-247
Segment assets	477,649	768,981	2,332,508	140,141	156,391	0	3,875,670
Segment liabilities	648,861	587,099	766,023	33,452	108,716	0	2,144,151
Segment investment in non-current assets	4,440	1,749	458	232	3,872	0	10,751
Depreciation	5,942	21,082	10,659	583	2,786	0	41,052

In thousands of euros

3 rd quarter of 2010	Department stores	Super-markets	Real estate	Car trade	Footwear-retail	Transactions between segments	Total
External revenue	16,906	76,337	606	3,260	3,521	0	100,630
Inter-segment revenue	25	104	1,947	2	62	-2,140	0
Total revenue	16,931	76,441	2,553	3,262	3,583	-2,140	100,630
Operating profit (loss)	-343	3,784	2,050	156	-137	0	5,510
Financial income (Note 22)	58	11	0	0	1	0	70
Finance income on shares of associates	46	0	0	0	0	0	46
Financial expense(Note 22)	-236	-11	-204	-21	-24	0	-496
Income tax	0	-450	0	0	0	0	-450
Net profit (loss)	-276	3,349	1,676	119	-188	0	4,680
incl. in Estonia	-276	4,047	1,507	181	-165	0	5,294
incl. in Latvia	0	-698	169	-46	-23	0	-598
incl. in Lithuania	0	0	0	-16	0	0	-16
Segment assets	30,527	49,147	149,074	8,957	9,995	0	247,700
Segment liabilities	41,470	37,522	48,958	2,138	6,948	0	137,036
Segment investment in non-current assets	284	112	29	15	247	0	687
Depreciation	380	1,348	681	37	178	0	2,624

In thousands of kroons

3 rd quarter of 2009	Department stores	Super-markets	Real estate	Car trade	Footwear-retail	Transactions between segments	Total
External revenue	266,592	1,209,898	10,513	31,239	50,752	0	1,568,994
Inter-segment revenue	338	1,586	17,824	23	610	-20,381	0
Total revenue	266,930	1,211,484	28,337	31,262	51,362	-20,381	1,568,994
Operating profit (loss)	-9,190	17,249	29,433	-917	-10,084	0	26,491
Financial income (Note 22)	1,077	7	0	0	0	0	1,084
Finance income on shares of associates	555	0	0	0	0	0	555
Financial expense(Note 22)	-6,177	-260	-1,105	-262	-633	0	-8,437
Income tax	0	-4,331	0	0	0	0	-4,331
Net profit (loss)	-6,339	13,493	21,154	-1,926	-11,020	0	15,362
incl. in Estonia	-6,339	39,038	19,425	-177	-8,310	0	43,637
incl. in Latvia	0	-25,545	1,729	-870	-2,710	0	-27,396
incl. in Lithuania	0	0	0	-879	0	0	-879
Segment assets	353,463	922,171	2,576,341	149,975	202,731	0	4,204,681
Segment liabilities	787,569	634,669	848,159	39,112	114,193	0	2,423,702
Segment investment in non-current assets	8,854	1,151	66	26	859	0	10,956
Depreciation	5,530	25,863	13,590	680	2,587	0	48,250

In thousands of euros

3 rd quarter of 2009	Department stores	Super-markets	Real estate	Car trade	Footwear-retail	Transactions between segments	Total
External revenue	17,038	77,326	672	1,997	3,244	0	100,277
Inter-segment revenue	22	101	1,139	1	39	-1,302	0
Total revenue	17,060	77,427	1,811	1,998	3,283	-1,302	100,277
Operating profit (loss)	-587	1,102	1,881	-59	-644	0	1,693
Financial income (Note 22)	69	0	0	0	0	0	69
Finance income on shares of associates	35	0	0	0	0	0	35
Financial expense (Note 22)	-394	-17	-71	-17	-40	0	-539
Income tax	0	-277	0	0	0	0	-277
Net profit (loss)	-406	862	1,352	-123	-704	0	981
incl. in Estonia	-406	2,495	1,241	-11	-531	0	2,788
incl. in Latvia	0	-1,633	111	-56	-173	0	-1,751
incl. in Lithuania	0	0	0	-56	0	0	-56
Segment assets	22,590	58,937	164,658	9,585	12,957	0	268,727
Segment liabilities	50,334	40,563	54,207	2,500	7,298	0	154,902
Segment investment in non-current assets	566	74	4	2	55	0	701
Depreciation	353	1,654	869	43	165	0	3,084

External revenue according to types of goods and services sold

in thousands of

	EEK		EUR	
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Retail revenue	4,507,678	4,686,238	288,093	299,505
Wholesale revenue	40,021	29,639	2,558	1,894
Rental income	29,250	32,324	1,869	2,066
Services and catering revenue	7,349	6,791	470	434
Total revenue	4,584,298	4,754,992	292,990	303,899

In thousands of

	EEK		EUR	
	3 rd quarter 2010	3 rd quarter 2009	3 rd quarter 2010	3 rd quarter 2009
Retail revenue	1,545,132	1,547,212	98,752	98,885
Wholesale revenue	17,213	9,029	1,100	577
Rental income	9,487	10,513	606	672
Services and catering revenue	2,689	2,240	172	143
Total revenue	1,574,521	1,568,994	100,630	100,277

External revenue by client location

in thousands of

	EEK		EUR	
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Estonia	4,506,628	4,497,970	288,026	287,472
Latvia	36,675	231,518	2,344	14,797
Lithuania	40,995	25,504	2,620	1,630
Total	4,584,298	4,754,992	292,990	303,899

in thousands of

	EEK		EUR	
	3 rd quarter 2010	3 rd quarter 2009	3 rd quarter 2010	3 rd quarter 2009
Estonia	1,552,830	1,493,177	99,244	95,431
Latvia	13,252	68,283	847	4,364
Lithuania	8,439	7,534	539	482
Total	1,574,521	1,568,994	100,630	100,277

Distribution of non-current assets* by location of assets

in thousands of

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Estonia	2,332,710	2,425,948	149,087	155,046
Latvia	509,035	511,332	32,533	32,680
Lithuania	3,458	3,744	221	239
Total	2,845,203	2,941,024	181,841	187,965

* Non-current assets other than financial assets and investment in associate.

Note 18. Other operating income

In thousands of

	EEK		EUR	
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Rental income	38,858	44,772	2,483	2,861
Advertising revenue	71,688	58,196	4,582	3,719
Income from foreign currency translation	196	375	13	24
Revenue from non-current assets	437	866	28	55
Income from parking services	621	502	40	32
Empty bottle handling income	3,801	3,698	243	236
Expedition income	9,237	11,556	590	739
Other operating income*	17,499	19,990	1,118	1,279
Total other operating income	142,337	139,955	9,097	8,945

	EEK		EUR	
	3 rd quarter 2010	3 rd quarter 2009	3 rd quarter 2010	3 rd quarter 2009
Rental income	14,679	14,854	938	949
Advertising revenue	24,529	25,428	1,568	1,625
Income from foreign currency translation	85	79	5	5
Revenue from non-current assets	6	13	0	1
Income from parking services	212	227	14	15
Empty bottle handling income	1,598	1,420	102	91
Expedition income	3,181	2,693	203	172
Other operating income*	3,084	5,988	198	382
Total other operating income	47,374	50,702	3,028	3,240

*Other operating income includes income from the sale of lottery and theatre tickets, processing of invoices receivables and other income related to operating activities.

Note 19. Other operating expenses

In thousands of

	EEK		EUR	
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Rental expenses	159,413	161,911	10,188	10,348
Operating cost	71,047	76,546	4,541	4,892
Advertising expenses	52,301	55,035	3,343	3,517
Bank expenses	35,220	34,639	2,251	2,214
Security costs	22,010	25,819	1,407	1,650
Heat and electricity expenses	73,902	75,253	4,723	4,810
Costs of materials	33,712	43,961	2,155	2,810
Computer and postage costs	23,147	25,909	1,479	1,656
Business trip expenses	3,837	4,462	245	285
Training expenses	1,863	1,538	119	98
Insurance expenses	949	1,237	61	79
Logistics expenses	7,597	10,968	486	701
Miscellaneous other operating expenses	24,681	23,203	1,577	1,484
Total other operating expenses	509,679	540,481	32,575	34,544

In thousands of

	EEK		EUR	
	3 rd quarter 2010	3 rd quarter 2009	3 rd quarter 2010	3 rd quarter 2009
Rental expenses	52,036	54,771	3,326	3,501
Operating cost	23,610	24,280	1,509	1,552
Advertising expenses	16,016	19,657	1,024	1,256
Bank expenses	12,039	11,798	769	754
Security costs	7,273	7,972	465	510
Heat and electricity expenses	23,432	20,011	1,498	1,279
Costs of materials	11,052	10,716	706	685
Computer and postage costs	7,906	8,504	505	544
Business trip expenses	1,370	1,366	88	87
Training expenses	449	330	29	21
Insurance expenses	288	243	18	16
Logistics expenses	2,637	3,482	169	223
Miscellaneous other operating expenses	8,187	6,151	521	390
Total other operating expenses	166,295	169,281	10,627	10,818

Note 20. Staff Costs

In thousands of

	EEK		EUR	
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Wages and salaries	304,556	357,087	19,464	22,822
Social security tax	103,262	118,000	6,600	7,542
Total staff costs	407,818	475,087	26,064	30,364
Average wages per employee per month (kroons/euros)	10,545	10,694	674	683
Average number of employees in the reporting period	3,209	3,710	3,209	3,710

	EEK		EUR	
	3 rd quarter 2010	3 rd quarter 2009	3 rd quarter 2010	3 rd quarter 2009
Wages and salaries	100,145	113,414	6,400	7,248
Social security tax	34,012	38,127	2,174	2,437
Total staff costs	134,157	151,541	8,574	9,685
Average wages per employee per month (kroons/euros)	10,351	10,394	661	664
Average number of employees in the reporting period	3,225	3,637	3,225	3,637

Note 21. Other expenses

In thousands of

	EEK		EUR	
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Loss from sale and liquidation of property plant and equipment	2,212	1,225	141	78
Foreign exchange losses	349	783	22	50
State fees fines penalties*	453	2,991	29	191
Costs of entertaining guests	618	248	39	16
Other expenses	4,478	4,490	287	287
Total other expenses	8,110	9,737	518	622

	EEK		EUR	
	3 rd quarter 2010	3 rd quarter 2009	3 rd quarter 2010	3 rd quarter 2009
Loss from sale and liquidation of property plant and equipment	538	136	34	9
Foreign exchange losses	220	96	14	6
State fees fines penalties*	106	2,884	7	184
Costs of entertaining guests	363	96	23	6
Other expenses	1,207	1,703	78	109
Total other expenses	2,434	4,915	156	314

Note 22. Finance income and costs

In thousands of

Finance income

	EEK		EUR	
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Interest income on cash and cash equivalents	725	1,422	46	90
Interest income on Partner Card	1,237	1,556	79	99
Interest income on NGI Group's account (Note 24)	1,370	887	88	57
Interest income on owner's loan	98	262	6	17
Other finance income	12	11	1	1
Total finance income	3,442	4,138	220	264

	EEK		EUR	
	3 rd quarter 2010	3 rd quarter 2009	3 rd quarter 2010	3 rd quarter 2009
Interest income on cash and cash equivalents	210	172	13	11
Interest income on Partner Card	511	587	33	37
Interest income on NGI Group's account (Note 24)	345	244	22	16
Interest income on owner's loan	23	80	1	5
Other finance income	12	1	1	0
Total finance income	1,101	1,084	70	69

Finance costs

	EEK		EUR	
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Interest expense of bank loans	-22,046	-29,865	-1,409	-1,909
Interest expense of finance lease	-639	-943	-41	-60
Interest expense NGI Group's group accounts (Note 24)	0	-189	0	-12
Other finance costs*	-568	-427	-36	-27
Total finance costs	-23,253	-31,424	-1,486	-2,008

	EEK		EUR	
	3 rd quarter 2010	3 rd quarter 2009	3 rd quarter 2010	3 rd quarter 2009
Interest expense of bank loans	-7,341	-7,866	-469	-503
Interest expense of finance lease	-185	-298	-12	-19
Other finance costs*	-228	-273	-15	-17
Total finance costs	-7,754	-8,437	-496	-539

* Other interest expenses comprise fees for concluding and amending loan contracts lease agreements and factoring contracts. Other finance costs consist of the fees for conclusion and changing of lease agreements and factoring agreements.

Note 23. Earnings per share

In order to calculate basic EPS the net profit distributable to the Parent's shareholders is divided with the weighted average number of common shares in the period of first 9 months. In view of the fact that the Group does not have dilutive adjustments to earnings diluted earnings per share equal basic earnings per share.

In thousands of

	EEK		EUR	
	9 months 2010	9 months 2009	9 months 2010	9 months 2009
Net loss	144,730	-23,037	9,250	-1,473
Weighted average number of shares	40,729,200	40,729,200	40,729,200	40,729,200
Basic and diluted net loss per share	3.55	-0.57	0.23	-0.04

	EEK		EUR	
	3 rd quarter 2010	3 rd quarter 2009	3 rd quarter 2010	3 rd quarter 2009
Net loss	73,226	15,362	4,680	981
Weighted average number of shares	40,729,200	40,729,200	40,729,200	40,729,200
Basic and diluted net loss per share	1.80	0.38	0.11	0.02

Note 24. Transactions with Related Parties

Upon preparation of the Consolidated Interim Report of Tallinna Kaubamaja AS the following have been deemed as related parties:

- owners (parent company and parties controlling or having significant influence over the parent company);
- affiliates;
- other companies belonging to the same consolidation group (incl. other subsidiaries of the parent company);
- executive management and senior management;
- close family members of the aforementioned persons and the companies being controlled by them or being under the significant influence thereof.

Within first 9 months of 2010 the Group has purchased and sold goods and rendered services as follows:

In thousands of

	EEK		EUR	
	Purchases 9 months of 2010	Sales 9 months of 2010	Purchases 9 months of 2010	Sales 9 months of 2010
Parent	2,593	1,436	166	92
Entities in the Parent's consolidation group	166,479	9,985	10,640	638
Associate	0	98	0	6
Total	169,072	11,519	10,806	736

Within 9 months of 2009 the Group has purchased and sold goods and rendered services as follows:

In thousands of

	EEK		EUR	
	Purchases 9 months of 2009	Sales 9 months of 2009	Purchases 9 months of 2009	Sales 9 months of 2009
Parent	283	922	18	59
Entities in the Parent's consolidation group	176,006	6,523	11,249	417
Associate	0	339	0	22
Total	176,289	7,784	11,267	498

Most of the purchases from other related companies consist of goods for resale. Purchases from the parent company mainly include management fees. Sales to related parties mainly include services rendered.

Loans granted to associates:

In thousands of

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Balance at the beginning of the period (note 9)	2,078	4,578	133	293
Repayments of loans received	-1,500	-2,500	-96	-160
Balance at the end of the period (note 9)	578	2,078	37	133

Balances with related parties:

In thousands of

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Parent's interest payable (Note 4)	136	372	9	24
Parent's group account payable (Note 4)	21,087	16,207	1,348	1,036
Payables of entities in the in the Parent's consolidation group (Note 4)	19,263	20,941	1,231	1,338
Sales bonuses payable of entities in the in the Parent's consolidation group (Note 4)	316	1,526	20	98
Short-term loans to associate (Note 4)	0	250	0	16
Total short-term receivables	40,802	39,296	2,608	2,512
Long-term	,			
Associate's other payable (Note 9)	578	1,828	37	117
Total receivables from related parties	41,380	41,124	2,645	2,629

	EEK		EUR	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
Parent	633	164	40	10
Entities in the Parent's consolidation group	44,718	45,571	2,858	2,913
Total liabilities to related parties	45,351	45,735	2,898	2,923

A Group account agreement is in use enabling Group companies to use the Group's resources up to the limit established by the Parent company. The said Group as a subgroup has joined the NG Investeeringud OÜ group (hereinafter 'the Main Group') account agreement. Since the autumn of 2001 the Tallinna Kaubamaja Group has placed their available funds at the disposal of the Main Group earning interest income from the investment. During 9 months of 2010 the Tallinna Kaubamaja Group was earning 1,370 thousand kroons (88 thousand euros); (2009: 887 thousand kroons 57 thousand euros) of interest revenue from keeping available funds in the group account. As of 30.09.2010 the Tallinna Kaubamaja Group has not used the main group's financial instruments nor has paid an interest for using the spare financial instruments. In the comparable period of 2009 the Tallinna Kaubamaja Group used the main group's spare financial instruments and paid an interest of 189 thousand kroons (12 thousand euros) for using them. The average 9 months of 2010 interest rate payable on the use of the available funds of the NG Investeeringud OÜ group account was 0.68% EEK and 0.21% EUR (2009: 3.55% EEK 0.2 EUR). According to the group account agreement the members of the group bear solitarily liability for the amounts payable to the bank.

The management of Tallinna Kaubamaja AS is of the opinion that prices used in transactions with related parties do not differ significantly from market prices.

Remuneration paid to the members of the management and supervisory boards

The remuneration paid to the members of the management boards of the entities of Tallinna Kaubamaja Group, including social security taxes, totalled 5,033 thousand kroons (322 thousand euros) in the first 9 months of 2010, 7,482 thousand kroons (478 thousand euros) in the first 9 months of 2009 and the remuneration paid to the members of the supervisory boards totalled 2,334 thousand kroons (149 thousand euros) and in 2009, the remuneration paid the members of the supervisory boards, including social security, taxes totalled 2,350 thousand kroons (150 thousand euros).