

TALLINNA KAUBAMAJA GRUPP AS

**Consolidated Interim Report for
the First quarter of 2015**
(unaudited)

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COMPANY PROFILE AND CONTACT DETAILS

The primary areas of activity of the companies of the Tallinna Kaubamaja Grupp AS (hereinafter referred to as the 'Tallinna Kaubamaja Group' or 'the Group') include retail and wholesale trade and rental activities. The Tallinna Kaubamaja Group employs more than 3,820 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 2015
End of financial year:	31 December 2014
Beginning of interim report period:	1 January 2015
End of interim report period:	31 March 2015
Auditor:	PricewaterhouseCoopers AS
Telephone:	372 667 3200
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MANAGEMENT REPORT

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

Management

In order to manage the Tallinna Kaubamaja Group 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 Group supervisory board are Jüri Kõo (chairman of the supervisory board), Andres Järving, Enn Kunila, Gunnar Kraft and Meelis Milder. Members of Tallinna Kaubamaja Group supervisory board are elected for three years. The mandates of current supervisory board members Andres Järving, Jüri Kõo, Enn Kunila, Meelis Milder and Gunnar Kraft will expire on 19 May 2018. 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 10 times in a year. In order to manage daily activities the supervisory board appoints member(s) of the management board of the Tallinna Kaubamaja Group 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 Group has one member. The term of office of the management board member Raul Puusepp was extended on 21 February 2014 and his term of office expires on 6 March 2017.

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 Group prescribe no greater majority requirement and the public limited company does not possess several classes of shares.

Share market

Since 19 August 1997, the shares of Tallinna Kaubamaja Group have been listed in the main list of securities of the Tallinn Stock Exchange. Tallinna Kaubamaja Group has issued 40.729.2 thousand registered shares, each with the nominal value of 0.40 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 Group 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 19' of Stock Market Trade Act.

The share with a price of 5.10 euros at the end of 2014 was closed in late March of 2015 at 6.2 euros, increased by 21.6% within the three months of the year.

According to the notice of regular annual general meeting of the shareholders published on 2 March 2015, the management board proposed to pay dividends 0.40 euros per share. The general meeting of shareholders approved it.

On 26 March 2015, the annual general meeting of shareholders of Tallinna Kaubamaja Group decided to amend the articles of association and approve Tallinna Kaubamaja Group as the new business name. According to the Commercial Code, respective amendment of the articles of association shall take effect as of respective entry to the Commercial Registry. The abovementioned entry was made on 9 April 2015.

Tallinna Kaubamaja Grupp AS

Share price and trading statistics on the Tallinn Stock Exchange from 01.01.2014 to 31.03.2015.

In euros



Company's structure

The following companies belong to the Group as of March 31, 2015:

	Location	Shareholding as of 31.03.2015	Shareholding as of 31.12.2014
Selver AS	Estonia	100%	100%
Kulinaaria OÜ	Estonia	100%	100%
Kaubamaja AS	Estonia	100%	100%
Topsec Turvateenused OÜ	Estonia	0%	100%
Viking Security AS	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%
TKM Auto OÜ	Estonia	100%	100%
KIA Auto AS	Estonia	100%	100%
KIA Auto UAB	Lithuania	100%	100%
Forum Auto SIA	Latvia	100%	100%
Viking Motors AS	Estonia	100%	100%
OÜ TKM Beauty	Estonia	100%	100%
OÜ TKM Beauty Eesti	Estonia	100%	100%
AS TKM King	Estonia	100%	100%
Rävala Parkla AS	Estonia	50%	50%

Economic development

In 2014, Estonian economy was characterised by a stable growth, which grew more rapidly at the end of the year and totalled 2.1% for the entire year. According to the Estonian Institute of Economic Research, there are no considerable changes to the economic forecast for 2015: gross domestic product should grow by 2.0%, consumer prices should increase by 0.7% and unemployment should decrease down to 7.0%. Out of economic sectors, trade and industry are in a better situation, and construction and service are weaker. Consumption is expected to support economic growth continually. The real purchasing power of households is estimated to grow considerably this year, owing to the rapid increase in salaries, modest growth of prices and the lowering of labour taxes. Additionally, pensions and other social benefits are increased. In the first three months of 2015, the consumer price index in Estonia was in decline, decreasing by 0.9%, including food and non-alcoholic beverages, which fell in price by 1.7%, but clothing and footwear rose in price by the same amount. Due to the increase of excise duty rates, the largest price increase was in the product group of alcoholic beverages and tobacco products, where the price rose by 4.7%. According to the assessment of analysts, price erosion will continue in Estonia in the coming months. The prices of both oil and food will probably remain under the level of the previous year. Deflation is also believed to continue in the euro zone.

A strong growth of fixed prices in retail sale continued at the beginning of the year. Growth numbers of current prices were a little more modest – according to the data of the Statistical Office, in the first two months of 2015, the total volume of retail turnover in current prices increased by 3.3% in Estonia. The largest growth of 31.9% occurred in retail sales by mail or via the Internet. Retail sale in unspecialised shops (predominantly food products) increased by 3.5% in total in the first two months of the year. The greatest decrease in the volume of retail sales occurred in the retail sale of motor fuel in speciality shops, decreasing by 14.1%. According to the statistics of AMTEL, in the first quarter of 2015, the car sales increased by 0.74% in Estonia, although a growth of 14% occurred in March. A consumer survey carried out in March by the Estonian Institute of Economic Research showed that consumer confidence is greater than in March last year and greater than the long-term average as well.

Economic results

FINANCIAL RATIOS 2014–2015

	EUR		Change
	1 st quarter 2015	1 st quarter 2014	
Sales revenue (in millions)	123.5	119.7	3.2%
Operating profit (in millions)	2.9	1.0	196.9%
Net loss (in millions)	-1.2	-0.6	88.8%
Return on equity (ROE)	-0.7%	-0.4%	
Return on assets (ROA)	-0.3%	-0.2%	
Net profit margin	-0.94%	-0.52%	
Gross profit margin	24.64%	23.51%	
Quick ratio	0.97	0.99	
Debt ratio	0.54	0.51	
Sales revenue per employee (in millions)	0.032	0.032	
Inventory turnover	1.49	1.67	
SHARE			
Average number of shares (1000 pcs)	40 729	40 729	
Equity capital per share (EUR/share)	3.84	3.95	
Share's closing price (EUR/share)	6.2	5.6	
Earnings per share (EUR/share)	-0.03	-0.02	
Average number of employees	3 823	3 759	

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 unaudited consolidated sales revenue of the 1st quarter of 2015 of the Tallinna Kaubamaja Group was 123.5 million euros. Compared to the 1st quarter of 2014, when the sales revenue was 119.7 million euros, the growth was 3.2%. In volume, sales revenue grew in the most important segments of the Group, while the car trade and footwear segments fell short of the sales results of the previous year. The net loss of the accounting period was 1.2 million euros due to income tax calculated from dividends to the amount of 3.9 million euros. The loss of the first quarter of 2014 was 0.6 million euros, including income tax of 1.3 million euros. The pre-tax profit was a profit three times larger than that of the previous year, to the amount of 2.7 million euros.

The growth in sales revenue achieved in the 1st quarter followed the pace of the entire Estonian retail market. As predicted, the turnover of the cars' segment was in a slight decline, following the shopping boom in November of the previous year. The turnover of the footwear trade's segment also decreased due to sharp increase in competition and the rearrangement of the segment's flagship store. For several years in a row, the sales of fashion items have been held back by a warm winter, which allows the customers to avoid purchasing winter clothes and footwear and puts more pressure on margins due to discounts of winter goods. Overall, the Group's margin has recovered, owing to improvement in commercial management of larger segments, along with a more competent implementation of the trading system. Increase in pre-tax profit has been supported by controlling the labour and administration costs. The latter was boosted by slightly lower energy prices. Additionally, the end of the introduction period of a new commercial software lead to improved trade processes and a more effective use of the workforce.

New shops were not opened in the 1st quarter of 2015. The largest ongoing development projects are the development of an electronic commerce platform and the construction of the Viimsi centre.

The volume of the assets of the Tallinna Kaubamaja Group as of 31 March 2015 was 340.0 million euros, it decreased by 3.1 million euros compared to the end of 2014, i.e. 0.9%.

There were more than 619 thousand loyal customers at the end of the reporting period; the number of loyal customers increased by 7.6% in a year. The proportion of loyal customers in the Group's turnover was 80.7% (82.3% in the first quarter of 2014). By the end of 1st quarter, over 14.8 thousand Partner Bank and Credit Cards had been issued.

Selver supermarkets

The consolidated sales revenue of the 1st quarter of 2015 of the supermarkets was 86.3 million euros, having increased by 4.7% compared to the period of the previous year. The monthly average sales revenue of goods per sales area square meter was 0.33 thousand euros in the 1st quarter of 2015, surpassing the previous year's figure by 2.8%. The sales revenue per sales area square meter of goods sold by comparable stores was also 0.33 thousand euros in the 1st quarter of 2015, having increased by 3.7%. The sales revenue of Selver's subsidiary, Kulinaaria OÜ, increased by 2.2% in the 1st quarter of 2015 compared to the previous year. 8.2 million purchases were made in Selvers in the 1st quarter of 2015, remaining on the same level as the previous year.

The consolidated pre-tax profit of the supermarkets' segment was 1.0 million euros in the 1st quarter of 2015, whereof profit earned in Estonia formed 1.7 million euros, having increased by 1.7 million euros compared to the previous year. The consolidated net loss of the supermarkets segment was 1.2 million euros, having increased by 0.1 million euros compared to the result of the previous year. Net loss earned in Estonia was 0.6 million euros in the 1st quarter of 2015, having increased by 0.1 million euros compared to the previous year. The difference between the net income and the profit before income tax arises from the income tax paid from dividends – in 2014, the income tax of dividends was 0.4 million euros; in 2015, it was 2.2 million euros. Net loss earned in Latvia was 0.6 million euros in the 1st quarter of 2015. Compared to the previous year, the loss increased by 2.0%. Business activity in Latvia has been frozen.

Increase in sales of the 1st quarter of 2015 has been supported by successful marketing campaigns. The 2014 comparison basis does not yet include Astri Selver, opened in June 2014, the addition of which has also influenced increase in turnover. A positive aspect is that in an increasingly tightening competition situation, where new stores are being opened continuously, customers have remained loyal to Selver. This is also affirmed by the number of purchases, which has remained on the same level as the previous year. Average purchase of customers has increased. Activities regarding the assortment of goods have met the expectations of customers. In Estonia, the greatest impact on the profit earned has been the achievement of more efficiency regarding the main process, especially the sale of goods. Stock has been managed more capably, and as a result, the need for discounting and writing off goods has decreased. The cost-effective level of the previous year has been maintained regarding operating costs. Labour productivity indicators have improved.

The supermarkets' segment includes the Selver chain with 44 Selver stores and a sales area of 83.9 thousand m², SIA Selver Latvia, where there is currently no business activity, and Kulinaaria OÜ, which includes the largest central kitchen in the Baltic States. The largest planned projects of 2015 are opening a new Selver in Viimsi, renovating Torupilli Selver and expanding the SelveEkspress service additionally in five existing Selvers. In 2015, Selver celebrates its 20th year of activity.

Department stores

The sales revenue of the first three months of 2015 of the department stores' business segment was 21.8 million euros, having increased by 5.8% compared to the same period in the previous year. The sales revenue of the first three months of department stores per sales area square meter was 0.83 thousand euros per month, which was 2.4% more than the same period in the previous year. The pre-tax loss of the 1st quarter of 2015 of department stores was 0.2 million euros, which was 0.2 million euros lower than the result of the previous year. The outcome of department stores was affected negatively by warm winter months compared to the previous years, inhibiting the sales of outwear. Considering the locations of department stores in town centres, the record-low number of tourists negatively affected the sales revenue of the first quarter.

The sales revenue of the 1st quarter of 2015 of OÜ TKM Beauty Eesti, which operates the I.L.U. cosmetics stores, was 1.1 million euros, having increased by 8.9% compared to the same period in 2014. Loss of the 1st quarter was 0.1 million euros, which was 6.4% smaller than the loss of the same period in 2014. The sales revenue of the first quarter was affected positively by successful sales campaigns, a more attractive store location in Ülemiste centre, and an assortment, which was more in line with the customers' expectations compared to the period from the previous year.

Car Trade

The sales revenue of the 1st quarter of 2015 of the car trade's segment was 12.3 million euros. The sales revenue fell short of the revenue of the same period of the previous year by 0.8%, while the sales revenue of KIAs still increased by 6.2%. Altogether 565 new vehicles were sold in the first three months of the year. The pre-tax profit of the first quarter of 2015 of the segment was 0.5 million euros, having increased nearly seven times compared to the previous year. The profit of the previous year was weaker than usual due to a large percentage of fleet sales. At the end of February, the new model of KIA Sorento has arrived for sale, which immediately gained popularity among the clients.

Footwear trade

The sales revenue of the 1st quarter of 2015 of footwear trade was 2.2 million euros, having decreased by 34.3% compared to the same period in 2014. Meanwhile, the loss of the 1st quarter in 2015 decreased by 7.5% compared to the loss of the 1st quarter in 2014. On the one hand, decrease in sales revenue was connected to unconventional weather conditions of the winter season, which did not promote the sales of warm winter boots, thus negatively affecting both the sales revenue and margin. On the other hand, the comparison basis was raised by the successful closing sales of SHU and ABC King stores at Viru centre in the first quarter of 2014. To date, the renewed footwear area of Viru centre has not launched in the desired level.

The footwear trade segment is renewing its assortment and brand portfolio. In relation to that, it is launching new types of marketing campaigns and paying special attention to improving service quality, with which to face the significantly tightening competition situation that has occurred in the Estonian footwear market as a whole in the previous year.

Real Estate

The sales revenue of the 1st quarter of 2015 of real estate outside the Group was 0.8 million euros, which is 0.2% more than the same period in the previous year. The pre-tax and net profit of the 1st quarter of 2015 of the real estate segment was 2.1 million euros, which is on the same level as the results of the same period of the previous monetary year. The extensive renovation works of Tartu Kaubamaja, which were started in 2015 to modernise the sales environment, have inhibited revenue and growth. The Viimsi shopping and entertainment centre is planned to open in the August of 2015.

Personnel

In the first quarter of 2015, the average number of employees in Tallinna Kaubamaja Group was 3,823 people, a growth of 1.7% compared to the same period in 2014. Total labour costs (wages and social insurance contributions) in the first three months of 2015 were 11.7 million euros, a year-over-year growth of 4.1%. Average wage cost per employee increased 2.8% compared to the average wage in the first quarter of 2014.

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, 15 April 2015

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 Grupp AS consolidated interim financial statements (unaudited) for the period of first quarter of 2015 as set out on pages 10-27.

The Chairman of the Management Board confirms that:

1. the accounting policies used in preparing the interim financial statements are in compliance with International Financial Reporting Standard as adopted in the European Union;
2. the interim financial statements give a true and fair view of the financial position, the results of the operations and the cash flows of the Parent and the Group;
3. Tallinna Kaubamaja Grupp AS and its subsidiaries are going concerns.



Raul Puusepp
Chairman of the Management Board

Tallinn, 15 April 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of euros

	Note	31.03.2015	31.12.2014
ASSETS			
Current assets			
Cash and cash equivalents	2	22,880	24,626
Trade and other receivables	3	11,186	17,938
Inventories	5	62,292	56,876
Total current assets		96,358	99,440
Non-current assets			
Long-term trade and other receivables	8	338	338
Investments in associates	7	1,825	1,778
Investment property	9	3,035	3,035
Property, plant and equipment	10	227,925	227,914
Intangible assets	11	10,276	10,402
Total non-current assets		243,399	243,467
TOTAL ASSETS		339,757	342,907
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	12	15,166	20,405
Trade and other payables	13	84,645	70,317
Total current liabilities		99,811	90,722
Non-current liabilities			
Borrowings	12	82,880	77,663
Provisions for other liabilities and charges		692	692
Total non-current liabilities		83,572	78,355
TOTAL LIABILITIES		183,383	169,077
Equity			
Share capital	15	16,292	16,292
Statutory reserve capital		2,603	2,603
Revaluation reserve		66,795	67,159
Currency translation differences		-255	-255
Retained earnings		70,939	88,031
TOTAL EQUITY		156,374	173,830
TOTAL LIABILITIES AND EQUITY		339,757	342,907

The notes presented on pages 15 to 27 form an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In thousands of euros

	Note	3 months 2015	3 months 2014
Revenue	16	123,458	119,651
Other operating income		231	148
Cost of sales	5	-93,035	-91,525
Other operating expenses	17	-12,924	-13,060
Staff costs	18	-11,716	-11,251
Depreciation, amortisation and impairment losses	10, 11	-2,849	-2,710
Other expenses		-229	-264
Operating profit		2,936	989
Finance income	19	8	5
Finance costs	19	-283	-333
Finance income on shares of associates	7	47	46
Profit before tax		2,708	707
Income tax expense	15	-3,873	-1,324
NET LOSS FOR THE FINANCIAL YEAR		-1,165	-617
Other comprehensive income:			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		0	2
Other comprehensive income for the financial year		0	2
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		-1,165	-615
Basic and diluted earnings per share (euros)	20	-0,03	-0,02

Net profit and total comprehensive income are attributable to the owners of the parent.

The notes presented on pages 15 to 27 form an integral part of these consolidated interim financial statements.

CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros

	Note	3 months 2015	3 months 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss		-1,165	-617
<i>Adjustments:</i>			
<i>Interest expense</i>	19	283	333
<i>Interest income</i>	19	-8	-5
<i>Depreciation, amortisation</i>	10, 11	2,848	2,674
<i>Loss on sale and write-off of non-current assets</i>	10	1	36
<i>Profit on sale of non-current assets</i>		-3	-2
<i>Effect of equity method</i>	7	-47	-46
Change in inventories		-5,414	-2,900
Change in receivables and prepayments related to operating activities		2,750	3,238
Change in liabilities and prepayments related to operating activities		-1,933	-4,469
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		-2,688	-1,758
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment (excl. finance lease)	10	-2,938	-2,032
Proceeds from sale of property, plant and equipment	10	225	19
Purchase of intangible assets	11	-18	-10
Change in balance of parent company's group account	21	4,000	-8,000
Interest received	19	8	5
TOTAL CASH FLOWS USED IN INVESTING ACTIVITIES		1,277	-10,018
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	12	15,474	13,291
Repayments of borrowings	12	-15,881	-9,013
Change in overdraft balance	12	385	0
Interest paid		-313	-368
TOTAL CASH FLOWS USED IN FINANCING ACTIVITIES		-335	3,910
TOTAL CASH FLOWS		-1,746	-7,866
Effect of exchange rate changes		0	1
Cash and cash equivalents at the beginning of the period	2	24,626	14,766
Cash and cash equivalents at the end of the period	2	22,880	6,901
Net change in cash and cash equivalents		-1,746	-7,865

The notes presented on pages 15 to 27 form an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

In thousands of euros

	Share capital	Statutory reserve capital	Revaluati on reserve	Retained earnings	Currency translation differences	Total
Balance as of 31.12.2013	24,438	2,603	68,617	72,387	-257	167,788
Net loss for the reporting period	0	0	0	-617	0	-617
Other comprehensive income for the reporting period	0	0	0	0	2	2
Total comprehensive loss for the reporting period	0	0	0	-617	2	-615
Reclassification of depreciation of revalued land and buildings	0	0	-364	364	0	0
Dividends paid	0	0	0	-6,109	0	-6,109
Balance as of 31.03.2014	24,438	2,603	68,253	66,025	-255	161,064
Net profit for the reporting period	0	0	0	20,295	0	20,295
Other comprehensive income for the reporting period	0	0	0	0	2	2
Total comprehensive income for the reporting period	0	0	0	20,295	2	20,297
Reclassification of depreciation of revalued land and buildings	0	0	-1,458	1,458	0	0
Reduction of share capital	-8,146	0	0	0	0	-8,146
Dividends paid	0	0	0	-6,109	0	-6,109
Balance as of 31.12.2014	16,292	2,603	67,159	88 031	-255	173,830
Net loss for the reporting period	0	0	0	-1,165	0	-1,165
Total comprehensive loss for the reporting period	0	0	0	-1,165	0	-1,165
Reclassification of depreciation of revalued land and buildings	0	0	-364	364	0	0
Dividends paid	0	0	0	-16,291	0	-16,291
Balance as of 31.03.2015	16,292	2,603	66,795	70,939	-255	156,374

Additional information on share capital and changes in equity is provided in Note 15.

The notes presented on pages 15 to 27 form an integral part of these consolidated interim financial statements.

NOTES TO THE CONSOLIDATED INTERIM ACCOUNTS

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

General Information

Tallinna Kaubamaja Group AS ('the Company') and its subsidiaries (jointly 'Tallinna Kaubamaja Group' or 'the Group') are companies engaged in rendering services related to retail sale and rental activities in Estonia, Latvia and Lithuania. Tallinna Kaubamaja Group is a company registered on 18 October 1994 in the Republic of Estonia with the legal address of Gonsiori 2, Tallinn. The shares of Tallinna Kaubamaja Group are listed on the Tallinn Stock Exchange. The majority shareholder of Tallinna Kaubamaja Group is OÜ NG Investeeringud, the majority owner of which is NG Kapital OÜ. NG Kapital OÜ is an entity with ultimate control over Tallinna Kaubamaja Group.

Bases for Preparation

The Consolidated Interim Accounts of Tallinna Kaubamaja Group has 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 2014. 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 2014.

The accounting policies and presentation used in preparing these financial statements are the same as those used in preparing the last year's financial statements.

The functional and presentation currency of Tallinna Kaubamaja Group is euro. All amounts disclosed in the financial statements have been rounded to the nearest thousand unless referred to otherwise.

The Manager is of the opinion that the Interim Report of Tallinna Kaubamaja Group for the first quarter of 2015 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.

Note 2. Cash and cash equivalents

in thousands of euros	31.03.2015	31.12.2014
Cash on hand	574	550
Bank accounts	21,403	22,325
Cash in transit	903	1,751
Total cash and cash equivalents	22,880	24,626

Note 3. Trade and other receivables

in thousands of euros	31.03.2015	31.12.2014
Trade receivables (Note 4)	7,792	10,167
Receivable from Parent (Note 21)	0	4,000
Other short-term receivables	1,743	1,774
Total financial assets from balance sheet line "Trade and other receivables"	9,535	15,941
Prepayment for goods	563	1,154
Other prepaid expenses	1,010	553
Prepaid rental expenses	70	160
Prepaid taxes (Note 14)	8	130
Total trade and other receivables	11,186	17,938

Note 4. Trade receivables

in thousands of euros	31.03.2015	31.12.2014
Trade receivables	5,793	7,554
Allowance for doubtful receivables	-52	-59
Receivables from related parties (Note 21)	975	748
Credit card payments	1,076	1,924
Total trade receivables	7,792	10,167

Note 5. Inventories

in thousands of euros	31.03.2015	31.12.2014
Goods purchased for resale	61,563	56,133
Raw materials and materials	729	743
Total inventories	62,292	56,876

Tallinna Kaubamaja Grupp AS

The income statement line "Cost of sales" includes the allowances and write-off expenses of inventories and inventory stocktaking deficit as follows:

in thousands of euros

	3 months 2015	3 months 2014
Write-down and write-off of inventories	1,811	2,202
Inventory stocktaking deficit	196	103
Total materials and consumables used	2,007	2,305

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

Note 6. Subsidiaries

Tallinna Kaubamaja Group consists of:

Name	Location	Area of activity	Ownership 31.03.2015	Year of acquisition
Selver AS	Tallinn Pärnu mnt. 238	Retail trade	100%	1996
Tallinna Kaubamaja Kinnisvara AS	Tallinn Gonsiori 2	Real estate management	100%	1999
Tartu Kaubamaja Kinnisvara OÜ	Tartu Riia 1	Real estate management	100%	2004
SIA TKM Latvia	Riga Ieriku iela 3	Real estate management	100%	2006
SIA Selver Latvija	Riga Ieriku iela 3	Retail trade	100%	2006
TKM Auto OÜ	Tallinn Gonsiori 2	Commercial and finance activities	100%	2007
KIA Auto AS	Tallinn Ülemiste tee 1	Retail trade	100%	2007
Forum Auto SIA	Riga Pulkevza Brieza 31	Retail trade	100%	2007
KIA Auto UAB	Vilnius Perkunkiemo g.2	Retail trade	100%	2007
TKM Beauty OÜ	Tallinn Gonsiori 2	Retail trade	100%	2007
TKM Beauty Eesti OÜ	Tallinn Gonsiori 2	Retail trade	100%	2007
TKM King AS	Tallinn Betooni 14	Retail trade	100%	2008
Kaubamaja AS	Tallinn Gonsiori 2	Retail trade	100%	2012
Kulinaaria OÜ	Tallinn Taevakivi 7B	Centre kitchen activities	100%	2012
AS Viking Motors	Tallinn Tammsaare tee 51	Retail trade	100%	2012
Viking Security AS	Tallinn Mustamäe tee 4	Security activities	100%	2014

Business combinations in 2014:

Name	Location	Area of activity	Acquisition date	Ownership %
Viking Security AS	Estonia	Security activities	02.09.2014	100%

Trademark at value of 175 thousand euros was acquired. Trademark will be amortised during 7 years (Note 11).

In order to increase efficiency, Tallinna Kaubamaja Group merged the activities of subsidiaries in the Group that are involved in security business – Topsec Turvateenused OÜ (company acquired) merged into Viking Security AS (acquiring company). Merger resolutions of the Viking Security AS and Topsec Turvateenused OÜ were adopted on 20th of January 2015 and Commercial Register registered the abovementioned merger on 26th of February 2015. As a result of the merger, Viking Security AS will remain, the sole shareholder of which will become Tallinna Kaubamaja Group. The activities of the company will be continued under the business name of the acquiring company, Viking Security AS.

Note 7. Investments in associates

in thousands of euros

Tallinna Kaubamaja Group has ownership of 50% (2014: 50%) interest in the entity AS Rävåla Parkla which provides the services of a parking house in Tallinn.

	31.03.2015	31.12.2014
Investment in the associate at the beginning of the year	1,778	1,711
Profit for the reporting period under equity method	47	172
Dividends received	0	-105
Investment in the associate at the end of the accounting period	1,825	1,778

Financial information about the associate Rävåla Parkla AS (reflecting 100% of the associate):

	31.03.2015	31.12.2014
Assets	3,699	3,602
Liabilities	48	46
	31.03.2015	31.12.2014
Revenue	115	112
Profit	94	92

Note 8. Long-term trade and other receivables

in thousands of euros

	31.03.2015	31.12.2014
Prepaid rental expenses	87	87
Deferred tax asset	216	216
Other receivables	35	35
Total long-term trade and other receivables	338	338

Note 9. Investment property

in thousands of euros

	EUR
Carrying value as at 31.12.2013	3,035
Carrying value as at 31.12.2014	3,035
Carrying value as at 31.03.2015	3,035

Investment property represents construction in progress.

In 2014, the opinion of an independent certified real estate expert was used in appraising the fair value of one facility. In 2013, the opinion of an independent certified real estate expert was used in appraising the fair value of 3 facilities. As a result of valuation, the items of investment property were adjusted neither upwards nor downwards in 2014.

No changes were recognised in fair value of investment property in 2015.

Note 10. Property, plant and equipment

in thousands of euros

	Land and buildings	Machinery and equipment	Other fixtures and fittings	Construction in progress and prepayments	Total
31.12.2013					
Cost or revalued amount	181,231	27,022	28,663	49,678	286,594
Accumulated depreciation	-3,006	-19,558	-18,874	-15,750	-57,188
Carrying value	178,225	7,464	9,789	33,928	229,406
Changes occurred in 2014					
Purchases and improvements	11	385	758	7,828	8,982
Acquired through business combinations (Note 6)	0	33	1	0	34
Reclassification	1,193	1,906	3,777	-6,876	0
Disposals	0	-61	-11	0	-72
Write-offs	-30	-4	-7	0	-41
Depreciation	-5,455	-1,971	-2,969	0	-10,395
31.12.2014					
Cost or revalued amount	181,815	28,728	29,527	50,630	290,700
Accumulated depreciation	-7,871	-20,976	-18,189	-15,750	-62,786
Carrying value	173,944	7,752	11,338	34,880	227,914
Changes occurred in 2015					
Purchases and improvements	12	23	35	2,868	2,938
Reclassification	0	336	334	-670	0
Disposals	0	-40	-182	0	-222
Write-offs	0	0	-1	0	-1
Depreciation	-1,361	-529	-814	0	-2,704
31.03.2015					
Cost or revalued amount	181,827	29,025	29,650	52,828	293,330
Accumulated depreciation	-9,232	-21,483	-18,940	-15,750	-65,405
Carrying value	172,595	7,542	10,710	37,078	227,925

The cost of investments for the 3 months of 2015 amounted to 2,956 thousand euros (including purchases of property, plant and equipment in the amount of 2,938 thousand euros and purchases of intangible assets amounted to 18 thousand euros)

The cost of investments made in 3 months of 2015 in the supermarket business segment was 467 thousand euros. In the reporting period Selver renewed store fittings and purchased computing technology.

The size of the investment in the business segment of Department store amounted to 468 thousand euros. In the reporting period Kaubamaja Food Departments switched to modern cash register system.

The cost of investments in the accounting period was 48 thousand euros in the car trade business segment.

The cost of investments made in the reporting period in the footwear segment was 31 thousand euros.

The cost of the real estate business segment investment amounted to 1,924 thousand euros. In 2014 September construction works begin in new Viimsi trade and entertainment centre.

The companies in the consolidated Tallinna Kaubamaja Group did not have any binding obligations for the purchase of tangible assets.

Note 11. Intangible assets

in thousands of euros

	Goodwill	Trademark	Beneficial contracts	Development expenditure	Total
31.12.2013					
Cost	7,298	5,097	1,080	496	13,971
Accumulated amortisation and impairment	-588	-1,588	-1,080	-79	-3,335
Carrying value	6,710	3,509	0	417	10,636
Changes occurred in 2014					
Purchases and improvements	0	0	0	125	125
Acquired through business combinations (Note 6)	0	175	0	0	175
Amortisation	0	-469	0	-65	-534
31.12.2014					
Cost	7,298	5,272	1,080	621	14,271
Accumulated amortisation and impairment	-588	-2,057	-1,080	-144	-3,869
Carrying value	6,710	3,215	0	477	10,402
Changes occurred in 2015					
Purchases and improvements	0	0	0	18	18
Amortisation	0	-124	0	-20	-144
31.03.2015					
Cost	7,298	5,272	1,080	639	14,289
Accumulated amortisation and impairment	-588	-2,181	-1,080	-164	-4,013
Carrying value	6,710	3,091	0	475	10,276

In the reporting period the Group capitalised costs a web page update as development expenditure in the amount of 18 thousand euros.

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

in thousands of euros	31.03.2015	31.12.2014
Car trade	3,156	3,156
Footwear trade	3,554	3,554

The recoverable amount (based on value in use) was determined on the basis of future cash flows for the next five years. In all units, it was evident that the present value of cash flows covers the value of goodwill and trademark as well as beneficial lease agreements and other assets related to the unit.

As a trademark, the Group has recognised the image of ABC King in the amount of 3,509 thousand euros; the image contains a combination of the name, symbol and design together with recognition and preference by consumers. Trademark will be amortised during 15 years. Trademark at value of 1,588 thousand euros was acquired in 2012 through purchase of AS Viking Motors shares. Trademark will be amortised during 7 years.

Trademark at value of 175 thousand euros was acquired in 2014 through purchase of Viking Security AS shares. Trademark will be amortised during 7 years (Note 6).

Note 12. Borrowings

in thousands of euros	31.03.2015	31.12.2014
Short-term borrowings		
Overdraft	1,984	1,599
Bank loans	11,029	15,936
Other borrowings	2,153	2,870
Total short-term borrowings	15,166	20,405

in thousands of euros	31.03.2015	31.12.2014
Long-term borrowings		
Bank loans	80,486	75,269
Other borrowings	2,394	2,394
Total long-term borrowings	82,880	77,663
Total borrowings	98,046	98,068

Borrowings received

in thousands of euros	3 months 2015	3 months 2014
Overdraft	385	0
Bank loans	14,917	12,448
Other borrowings	557	843
Total borrowings received	15,859	13,291

Borrowings paid

in thousands of euros	3 months 2015	3 months 2014
Bank loans	14,932	8,495
Other borrowings	949	518
Total borrowings paid	15,881	9,013

Bank loans and other borrowings are denominated in euros.

As of 31.03.2015, the repayment dates of bank loans are between 05.04.2015 and 20.03.2020 (2014: between 15.04.2015 and 07.02.2020), interest is tied both to 3-month and 6-month EURIBOR as well as EONIA. Weighted average interest rate was 1.27% (2014: 1.2%).

Note 13. Trade and other payables

in thousands of euros

	31.03.2015	31.12.2014
Trade payables	49,588	52,982
Payables to related parties (Note 21)	3,610	4,913
Other accrued expenses	67	60
Prepayments by tenants	2,051	1,613
Total financial liabilities from balance sheet line "Trade and other payables"	55,316	59,568
Taxes payable (Note 14)	4,532	5,797
Dividends declared (Note 15)	16,291	0
Income tax liability on dividends (Note 15)	3,873	0
Employee payables	3,705	3,868
Prepayments	806	953
Short-term provisions*	122	131
Total trade and other payables	84,645	70,317

*Short-term provisions represent warranty provisions related to footwear trade.

Note 14. Taxes

in thousands of euros

	31.03.2015		31.12.2014	
	Prepaid taxes	Taxes payable	Prepaid taxes	Taxes payable
Prepaid taxes	8	0	130	0
Value added tax	0	1,586	0	2,719
Personal income tax	0	873	0	881
Social security taxes	0	1,846	0	1,880
Corporate income tax	0	7	0	81
Unemployment insurance	0	122	0	140
Mandatory funded pension	0	98	0	96
Total taxes	8	4,532	130	5,797

Note 15. Share capital

As of 31.03.2015, the share capital in the amount of 16,292 thousand euros consisted of 40,729,200 ordinary shares with the nominal value of 0.40 euros per share (as of 31.12.2014 the share capital in the amount 16,292 thousand euros consisted of 40,729,200 ordinary shares with the nominal value of 0.40 euros per share). All shares issued have been paid for. According to the articles of association, the maximum allowed number of shares is 162,916,800 shares.

In 2015, dividends were declared to the shareholders in the amount of 16,291 thousand euros (2014: 6,109 thousand euros, 0.15 euros per share), or 0.40 euros per share. Related income tax on dividends amounted to 3,873 thousand euros (2014: 1,324 thousand euros).

In July, 2014, the reduction of share capital of Tallinna Kaubamaja Group in the amount of 8,146 thousand euros was registered in the Commercial Register. The new registered share capital of Tallinna Kaubamaja Group is 16,291,680 euros, which is divided into 40,729,200 shares with nominal value of 0.40 euros per share. In October, 2014 payments to the shareholders upon a reduction of share capital were made in the amount of 8,146 thousand euros, 0.20 euros per share. Related income tax expense amounted to 1,012 thousand euros.

Note 16. Segment reporting

The Tallinna Kaubamaja Group has defined the business segments based on the reports used regularly by the supervisory board to make strategic decisions.

The chief operating decision maker monitors the operating activities by activities. With regard to areas of activity, the operating activities are monitored in the supermarket, department store, car trade, footwear trade, real estate, beauty products (I.L.U.) and security segments. The measures of I.L.U. and security segment are below the quantitative criteria of the reporting segment specified in IFRS 8; these segments have been aggregated with the department store segment because they have similar economic characteristics and are similar in other respects specified in IFRS 8.

The main area of activity of supermarkets, department stores, footwear trade and car trade is retail trade. Supermarkets focus on the sale of foodstuffs and convenience goods, the department stores on the sale of beauty and fashion products, the car trade on the sale of cars and spare parts to cars and footwear trade to sales of footwear. In the car trade segment, cars are sold at wholesale prices to authorised car dealers. In the footwear trade segment, footwear is sold at wholesale prices to family markets. The share of wholesale trade in other segments is insignificant. The real estate segment deals with the management and maintenance of real estate owned by the Group, and with the rental of commercial premises.

The activities of the Group are carried out in Estonia, Latvia and Lithuania. The Group operates in all the five operating segments in Estonia. The Company is engaged in car trade and real estate development in Latvia; and in car trade in Lithuania.

The disclosures of financial information correspond to the information that is periodically reported to the Supervisory Board. Measures of income statement, segment assets and liabilities have been measured in accordance with accounting policies used in the preparation of the financial statements. Main measures that Supervisory Board monitors are segment revenue (external segment and inter-segment revenue and other operating income), EBITDA (earnings before interest, taxes, depreciation and amortisation) and net profit or loss.

in thousands of euros

	Super markets	Depart- ment store	Car trade	Footwea r trade	Real estate	Inter- segment transact- ions	Total seg- ments
3 months 2015							
External revenue	86,264	21,804	12,321	2,237	832	0	123,458
Inter-segment revenue	248	1,173	5	67	2,997	-4,490	0
Total revenue	86,512	22,977	12,326	2,304	3,829	-4,490	123,458
EBITDA	1,965	199	629	-524	3,516	0	5,785
Segment depreciation and impairment losses	-979	-471	-129	-168	-1,102	0	-2,849
Operating profit/loss	986	-272	500	-692	2,414	0	2,936
Finance income (Note 19)	64	155	15	0	24	-250	8
Finance income on shares of associates	0	47	0	0	0	0	47
Finance costs (Note 19)	-9	-123	-57	-39	-305	250	-283
Income tax	-2,223	-1,150	-500	0	0	0	-3,873
Net profit/loss	-1,182	-1,343	-42	-731	2,133	0	-1,165
incl. in Estonia	-573	-1,343	-14	-731	1,917	0	-744
incl. in Latvia	-609	0	-27	0	216	0	-420
incl. in Lithuania	0	0	-1	0	0	0	-1
Segment assets	79,498	55,191	24,127	11,880	218,280	-49,219	339,757
Segment liabilities	53,760	35,190	16,468	13,391	98,345	-33,771	183,383
Segment investment in non-current assets	479	474	48	31	1,924	0	2,956

in thousands of euros

	Super markets	Depart- ment store	Car trade	Footwea r trade	Real estate	Inter- segment transact- ions	Total seg- ments
3 months 2014							
External revenue	82,387	20,604	12,423	3,406	831	0	119,651
Inter-segment revenue	234	1,038	6	76	2,983	-4,337	0
Total revenue	82,621	21,642	12,429	3,482	3,814	-4,337	119,651
EBITDA	152	322	212	-570	3,583	0	3,699
Segment depreciation and impairment losses	-896	-462	-101	-157	-1,094	0	-2,710
Operating profit/loss	-744	-140	111	-727	2,489	0	989
Finance income (Note 19)	75	221	18	0	12	-321	5
Finance income on shares of associates	0	46	0	0	0		46
Finance costs (Note 19)	-10	-141	-68	-63	-372	321	-333
Income tax	-366	-426	-532	0	0	0	-1,324
Net profit/loss	-1,045	-440	-471	-790	2,129	0	-617
incl. in Estonia	-448	-440	-389	-790	1,919	0	-148
incl. in Latvia	-597	0	-87	0	210	0	-474
incl. in Lithuania	0	0	5	0	0	0	5
Segment assets	68,379	65,152	20,758	13,474	207,515	-48,324	326,954
Segment liabilities	48,845	27,612	13,328	13,767	96,415	-34,077	165,890
Segment investment in non-current assets	661	385	130	399	467	0	2,042

External revenue according to types of goods and services sold

in thousands of euros

	3 months 2015	3 months 2014
Retail revenue	114,963	111,833
Wholesale revenue	3,626	3,539
Rental income	1,834	1,801
Revenue for rendering services	3,035	2,478
Total revenue	123,458	119,651

External revenue by client location

in thousands of euros

	3 months 2015	3 months 2014
Estonia	118,732	113,601
Latvia	3,293	4,656
Lithuania	1,433	1,394
Total	123,458	119,651

Distribution of non-current assets* by location of assets

in thousands of euros

	31.03.2015	31.12.2014
Estonia	206,511	206,480
Latvia	34,912	35,054
Lithuania	151	155
Total	241,574	241,689

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

In the reporting period and comparable period, the Group did not have any clients whose revenue would exceed 10% of the Group's revenue.

Note 17. Other operating expenses

in thousands of euros

	3 months 2015	3 months 2014
Rental expenses	3,891	3,711
Heat and electricity expenses	2,323	2,361
Operating costs	1,570	1,602
Cost of sale related services and materials	1,684	1,770
Marketing expenses	1,520	1,760
Miscellaneous other operating expenses	795	754
Computer and communication costs	709	642
Personnel expenses	432	460
Total other operating expenses	12,924	13,060

Note 18. Staff costs

in thousands of euros

	3 months 2015	3 months 2014
Wages and salaries	8,828	8,448
Social security taxes	2,888	2,803
Total staff costs	11,716	11,251
Average wages per employee per month (euros)	770	749
Average number of employees in the reporting period	3,823	3,759

Note 19. Finance income and costs

in thousands of euros

Finance income

	3 months 2015	3 months 2014
Other finance income	6	0
Interest income on NGI Group's group account (Note 21)	2	5
Total finance income	8	5

Finance costs

	3 months 2015	3 months 2014
Interest expense of bank loans	-250	-280
Interest expense of finance lease	-12	-10
Other finance costs*	-21	-43
Total finance costs	-283	-333

* Other finance costs consist of the fees for conclusion and changing of lease agreements and factoring agreements.

Note 20. Earnings per share

For calculating the basic earnings per share, the net profit to be distributed to the Parent's shareholders is divided by the weighted average number of ordinary shares in circulation. As the Company does not have potential ordinary shares, the diluted earnings per share equal basic earnings per share.

	3 months 2015	3 months 2014
Net profit/loss (in thousands of euros)	-1,165	-617
Weighted average number of shares	40,729,200	40,729,200
Basic and diluted earnings per share (euros)	-0,03	-0,02

Note 21. Related party transactions

in thousands of euros

In preparing the consolidated interim report of Tallinna Kaubamaja Group, the following parties have been considered as related parties:

- a. owners (Parent and the persons controlling or having significant influence over the Parent);
- b. associates;
- c. other entities in the Parent's consolidation group.
- d. management and supervisory boards of the Group companies;
- e. close relatives of the persons described above and the entities under their control or significant influence.

Majority shareholder of Tallinna Kaubamaja Group is OÜ NG Investeeringud. Majority shareholder of OÜ NG Investeeringud is NG Kapital OÜ. NG Kapital OÜ is the ultimate controlling party of Tallinna Kaubamaja Group.

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The Tallinna Kaubamaja Group has purchased and sold goods, services and non-current assets as follows:

	Purchases 3 months 2015	Sales 3 months 2015	Purchases 3 months 2014	Sales 3 months 2014
Parent	70	2	71	6
Entities in the Parent's consolidation group	5,364	1,606	5,785	1,710
Other related parties	270	70	214	43
Total	5,704	1,678	6,070	1,759

A major part of the purchases from the entities in the Parent's consolidation group is made up of goods purchased for sale. Purchases from the Parent are mostly made up of management fees. Sales to related parties are mostly made up of services provided.

Balances with related parties:

	31.03.2015	31.12.2014
Interest receivable from Parent (Note 4)	1	9
Receivable from Parent (Note 3)	0	4,000
Receivables from entities in the in the Parent's consolidation group (Note 4)	971	729
Members of management and supervisory boards (Note 4)	0	10
Other related parties	3	0
Total receivables from related parties	975	4,748

	31.03.2015	31.12.2014
Parent	21	21
Entities in the Parent's consolidation group	3,411	4,724
Other related parties	178	168
Total liabilities to related parties (Note 13)	3,610	4,913

Receivables from and liabilities to related parties are unsecured and carry no interest because they have regular payment terms except receivable from the group account receivable.

For proving funding for its subsidiaries, the Tallinna Kaubamaja Group uses the group account, the members of which are most of the Group entities. In its turn, this Group as a subgroup has joined the contract of the group account of NG Investeeringud OÜ (hereinafter head group). From autumn 2001, Tallinna Kaubamaja Group has been keeping its available funds at the head group, earning interest income on its deposits. During 3 months of 2015 the Group earned interest income on its deposits of available funds in the amount of 2 thousand euros (2014: 5 thousand euros).

As at 31 March 2015 the NG Investeeringud group has not used the Group's available funds and Tallinna Kaubamaja Group has not used NG Investeeringud group account available funds. As at 31.12.2014 the Group deposited through parent company NG Investeeringud OÜ 4,000 thousand euros. Out of that, the deposit in the amount of 2,000 thousand euros with interest rate 0.18% maturity up to 5 January 2015 and deposit in the amount of 2,000 thousand euros with interest rate 0.20% maturity up to 6 January 2015. The average interest rate on available funds deposited to the group account of NG Investeeringud OÜ was 0.05% in the euro account (2014: 0.07%). According to the group account contract, the Group's members are jointly responsible for the unpaid amount to the bank.

Remuneration paid to the members of the Management and Supervisory Board

Short term benefits to the management boards' members of the Tallinna Kaubamaja Group for the reporting period including wages, social security taxes, bonuses and car expenses, amounted to 348 thousand euros (2014: 248 thousand euros). Short term benefits to supervisory boards' members of the Group in reporting period including social taxes amounted to 78 thousand euros (2014: 78 thousand euros).

The termination benefits for the members of the Management Board are limited to 3- month's salary expense.