



AS Silvano Fashion Group

Consolidated Interim Financial Report for Q2 and 6 months of 2016 (unaudited)

(translation of the Estonian original)*

Beginning of the reporting period	1 January 2016
End of the reporting period	30 June 2016
Business name	AS Silvano Fashion Group
Registration number	10175491
Legal address	Tulika 15/17, 10613 Tallinn
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E-mail	info@silvanofashion.com
Website	www.silvanofashion.com
Core activities	Design, manufacturing and distribution of women's lingerie
Auditor	AS PricewaterhouseCoopers

** This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

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Business environment and results

Group's results for 6 months of 2016 were defined by continued difficulties in economies of its major sales markets – Russia, Belarus, Kazakhstan and Ukraine. The Group didn't achieve growth rate of sales compared to 6 months of 2015. Total sales during 6 months of 2016 amounted to 30 595 thousand EUR. Previously undermined by devaluations and high inflation rates purchasing power in region's countries remains low, future expectations are still more on a negative or neutral side. Policy makers in CIS countries tend to delay real economic reforms substituting them by rhetoric and cosmetic changes; therefore it is hard to see some kind of relatively fast recovery in growth rates of economies under discussion.

Over the year the Group managed to cut its production, commercial and administrative expenses. Gross profit margin in 6 months of 2016 is up to 56.3% from 45.15% in 6 months of 2015. Compared to 6 months of 2015 commercial and administrative expenses diminished respectively by 11.6% and 30.6%. Personnel expenses decreased by 22%; total number of employees compared to the beginning of 2016 diminished by 3%.

Russian statistics is somewhat improving compared to 2015, inflation rate is falling and is currently ca 7% in yearly terms, GDP declined by 0.7% during Q2 of 2016. Russian economy is starting to adapt to new reality, but purchasing power of population in real terms is still falling. Group's sales on Russian market totalled 17 303 thousand EUR, decline is 5.7% compared to 6 months of 2015. Group's Russian subsidiary opened 5 more stores in Q2 of 2016, 2 more stores were opened in July 2016. The Group will continue opening own stores. In addition to growing sales and better control of the market this allows further developing of retail concept of Group's brands to make it more attractive for us and our franchisee retail partners.

Belarusian economy at the moment isn't demonstrating signs of stabilisation, GDP decreased by 2.5% in 6 months of 2016, nominal retail turnover decreased by 1.6%, salaries stand still. International financial institutions predict that in 2016 Belarusian GDP will fall by around 3%, inflation rate will be 12% - 15%. Major factors behind this are believed to be unreformed economy (particularly public sector and state-controlled entities), delayed impact of recession in main trading partner – Russia, continued pressure on Belarusian rouble, low demand for consumption, high level of debts in economy. Share of problematic credits in banking sector is continuously growing, according to official statistics it was more than 12% of banking assets as of the end of June 2016. Group's sales in Belarus in 6 months of 2016 were 9 145 thousand EUR and diminishing by 18.1% compared to 6 months of 2015. In Belarus the Group will focus on improving profitability of its retail business, we will also continue to expand our store chain there depending on availability of reasonably priced selling areas.

Our partners in Kazakhstan as well are struggling with reduced demand of customers and devaluation of national currency. The process of optimisation in number and quality of stores is an ongoing activity there, total number of franchising stores diminished by 7 during 6 months of 2016. Group's sales to Kazakhstan clients fell by 35.9% during 6 months of 2016 and amounted to 1 075 thousand EUR. The Group expects stabilisation of Kazakhstan market in the end of 2016.

Ukraine economy is supposed (particularly IMF projections) to return to positive growth in 2016, supported by improving consumer and investor confidence, gradually rising real incomes, and a gradual easing of credit conditions. Group's efforts to establish more productive relationships with partners there led to improvement of sales by 17% to the level of 903 thousand EUR, although comparison base is relatively low.

Sales structure

Sales by markets

Group sales in its 3 major markets – Russia, Belarus and Ukraine – were 89.5% of its total sales. Measured in local currencies sales growth was accordingly 15.1%, 12.4% and 39.6%.

	6m 2016	6m 2015	Change	Change, %
Russia, th RUR	1 355 726	1 178 290	177 437	15.1%
Belarus, th BYR	206 554 091	183 756 521	22 797 571	12.4%
Ukraine, th UAH	25 630	18 355	7 275	39.6%

Group's sales results by markets measured in EUR are presented below.

in thousands of EUR	6m 2016	6m 2015	Change, EUR	Change, %	6m 2016, % of sales	6m 2015, % of sales
Russia	17 303	18 340	-1 037	-5.7%	56.6%	53.2%
Belarus	9 145	11 169	-2 023	-18.1%	29.9%	32.4%
Kazakhstan	1 075	1 675	-601	-35.9%	3.5%	4.9%
Ukraine	903	772	131	17.0%	3.0%	2.2%
Moldova	672	579	93	16.1%	2.2%	1.7%

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Latvia	506	575	-69	-12.0%	1.7%	1.7%
Estonia	204	118	86	72.9%	0.7%	0.3%
Lithuania	173	202	-29	-14.4%	0.6%	0.6%
Other markets	614	1 068	-454	-42.5%	2.0%	3.1%
Total	30 595	34 498	-3 902	-11.3%	100.0%	100.0%

The majority of lingerie sales revenue during 6 months of 2016 in the amount of 17 303 thousand EUR was generated in Russia, accounting for 56.6% of total sales. The second largest market was Belarus, where sales reached 9 145 thousand EUR, contributing 29.9% of lingerie sales (both retail and wholesale). Volumes in Kazakhstan decreased significantly to 1 075 thousand EUR, there was a remarkable increase in Ukraine and Moldova – accordingly 17.0% and 16.1%.

Sales by business segments

in thousands of EUR	6m 2016	6m 2015	Change, EUR	Change, %	6m 2016, % from sales	6m 2015, % from sales
Wholesale	23 245	26 038	-2 793	-10.7%	76.0%	75.5%
Retail	7 297	8 446	-1 149	-13.6%	23.9%	24.5%
Other operations	53	14	38	265.1%	0.2%	0.0%
Total	30 595	34 498	-3 904	-11.3%	100.0%	100.0%

During 6 months of 2016 wholesale revenue amounted to 23 245 thousand EUR, representing 76.0% of the Group's total revenue (6 months of 2015: 75.5%). The main wholesale regions were Russia, Belarus, Kazakhstan and Ukraine.

Our retail revenue decreased by 13.6% and amounted to 7 297 thousand EUR, this represents 23.9% of the Group's total revenue. The decrease in retail revenue is mainly attributable to Belarusian operations.

Own & franchise store locations, geography

	Own	Franchise	Total
Russia	11	383	394
Ukraine	0	92	92
Belarus	56	2	58
Baltics	9	24	33
Kazakhstan	0	51	51
Moldova	0	26	26
Other regions	0	40	40
Total	76	618	694

At the end of the reporting period the Group and its franchising partners operated 645 Milavitsa and 49 Lauma Lingerie branded stores, including 76 stores operated directly by the Group.

Selected Financial Indicators

Summarized selected financial indicators of the Group for 6 months of 2016 compared to 6 months of 2015 and 30.06.2016 compared to 31.12.2015 were as follows:

in thousands of EUR	6m 2016	6m 2015	Change
Revenue	30 595	34 498	-11.3%
EBITDA	11 218	8 546	31.3%
Net profit for the period	6 133	3 052	101.0%
Net profit attributable equity holders of the Parent company	5 986	2 756	117.2%
Earnings per share (EUR)	0.16	0.07	120.9%
Operating cash flow for the period	8 708	8 241	5.7%

in thousands of EUR	30.06.2016	31.12.2015	Change
Total assets	59 216	53 635	10.4%
Total current assets	47 842	40 870	17.1%
Total equity attributable to equity holders of the Parent company	40 609	40 194	1.0%
Loans and borrowings	0	0	N/A
Cash and cash equivalents	28 546	21 274	34.2%

Margin analysis, %	6m 2016	6m 2015	Change
Gross profit	56.3	45.2	24.7%
EBITDA	36.7	24.8	48.0%
Net profit	20.0	8.8	126.6%
Net profit attributable equity holders of the Parent company	19.6	8.0	144.9%

Financial ratios, %	30.06.2016	31.12.2015	Change
ROA	22.9	17.4	31.9%
ROE	30.9	23.7	30.3%
Price to earnings ratio (P/E)	6.0	5.0	19.7%
Current ratio	3.2	4.2	-23.7%
Quick ratio	2.3	2.6	-13.3%

Underlying formulas:

EBITDA = net profit for the period + depreciation and amortisation + net financial income + income tax expense + gain on net monetary position

Gross profit margin = gross profit / revenue

EBITDA margin = EBITDA / revenue

Net profit margin = net profit / revenue

Net profit margin attributable to equity holders of the Parent company = net profit attributable to equity holders of the Parent company / revenue

ROA (return on assets) = net profit attributable to owners of the Company for the last 4 quarters/ average total assets

ROE (return on equity) = net profit attributable to owners of the Company for the last 4 quarters/ average equity attributable to equity holders of the Company

EPS (earnings per share) = net profit attributable to owners of the Company/ weighted average number of ordinary shares

Price to earnings ratio = Share price at the end of reporting period/earnings per share, calculated based on the net profit attributable to owners of the Company for the last 4 quarters

Current ratio = current assets / current liabilities

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

Financial performance

The Group's sales amounted to 30 595 thousand EUR during 6 months of 2016, representing a 11.3% decrease as compared to the same period of previous year. Overall, wholesales decreased by 10.7% and retail sales decreased by 13.6%, measured in EUR.

The Group's reported gross profit margin during 6 months of 2016 continued to improve increasing to 56.3%, reported gross margin was 45.2% in the respective period of previous year. Consolidated operating profit for 6 months of 2016 amounted to 10 340 thousand EUR, compared to 7 203 thousand EUR in 6 months of 2015. The consolidated operating profit margin was 33.8% for 6 months of 2016 (20.9% in 6 months of 2015). Consolidated EBITDA for 6 months of 2016 was 11 218 thousand EUR, which is 36.7% in margin terms (8 546 thousand EUR and 24.8% for 6 months of 2015).

Reported consolidated net profit attributable to equity holders of the Parent company for 6 months of 2016 amounted to 5 986 thousand EUR, compared to net profit of 2 756 thousand EUR in 6 months of 2015, net profit margin attributable to equity holders of the Parent company for 6 months of 2016 was 19.6% against 8.0% in 6 months of 2015.

Financial position

As of 30 June 2016 consolidated assets amounted to 59 216 thousand EUR representing an increase by 10.4% as compared to the position as of 31 December 2015.

Trade and other receivables increased by 1 078 thousand EUR as compared to 31 December 2015 and amounted to 5 198 thousand EUR as of 30 June 2016. Inventory balance decreased by 1 378 thousand EUR and amounted to 14 092 thousand EUR as of 30 June 2016.

Equity attributable to equity holders of the Parent company increased by 415 thousand EUR and amounted to 40 609 thousand EUR as of 30 June 2016. Current liabilities increased by 5 144 thousand EUR during 6 months of 2016.

Production, sourcing, purchasing and logistics

During 6 months of 2016 the Group's investments into property, plant and equipment totalled 207 thousand EUR. Investments were made mainly into opening and renovating own stores, as well into equipment and facilities to maintain effective production for future periods.

Personnel

As of 30 June 2016, the Group employed 1 989 employees including 361 in retail. The rest were employed in production, wholesale, administration and support operations.

Total salaries and related taxes during 6 months of 2016 amounted to 5 745 thousand EUR (7 407 thousand EUR in 6 months of 2015). The remuneration of key management of the Group, including the key executives of all subsidiaries, totalled 511 thousand EUR.

Decisions made by governing bodies during 6 months 2016

On June 29, 2016 Silvano Fashion Group held its regular Annual General Meeting of Shareholders. The Meeting adopted following decisions.

- The Meeting approved the 2015 Annual Report.
- The Meeting decided to distribute dividends in the amount 0.15 EUR per share (record date 13.07.2016, payment completed on 15.07.2016).
- The Meeting decided to re-appoint AS PricewaterhouseCoopers as the Group's auditor for financial year 2016.
- The Meeting decided to cancel the 1 000 000 own shares acquired within the own share buy-back programme as approved by the shareholders of AS Silvano Fashion Group on 29th of June 2015;
- The Meeting decided to adopt a share buy-back program in the following: effective period until 30.06.2017; maximum number of shares to be acquired not more than 1 000 000; maximum share price 2.70 EUR per share.

Shares of AS Silvano Fashion Group

As of 30 June 2016 registered share capital of AS Silvano Fashion Group amounted to 11 400 thousand EUR divided into 38 000 000 ordinary shares with a nominal value of 0.30 EUR each. The share register is electronic and maintained at the Estonian Central Register of Securities. The Company has been listed on Tallinn Stock Exchange main list (since 21.11.2006) and on Warsaw Stock Exchange (since 23.07.2007).

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As of 30 June 2016 AS Silvano Fashion Group had 1 732 shareholders (as of 31 December 2015 – 1 851 shareholders).

As of 30 June 2016 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

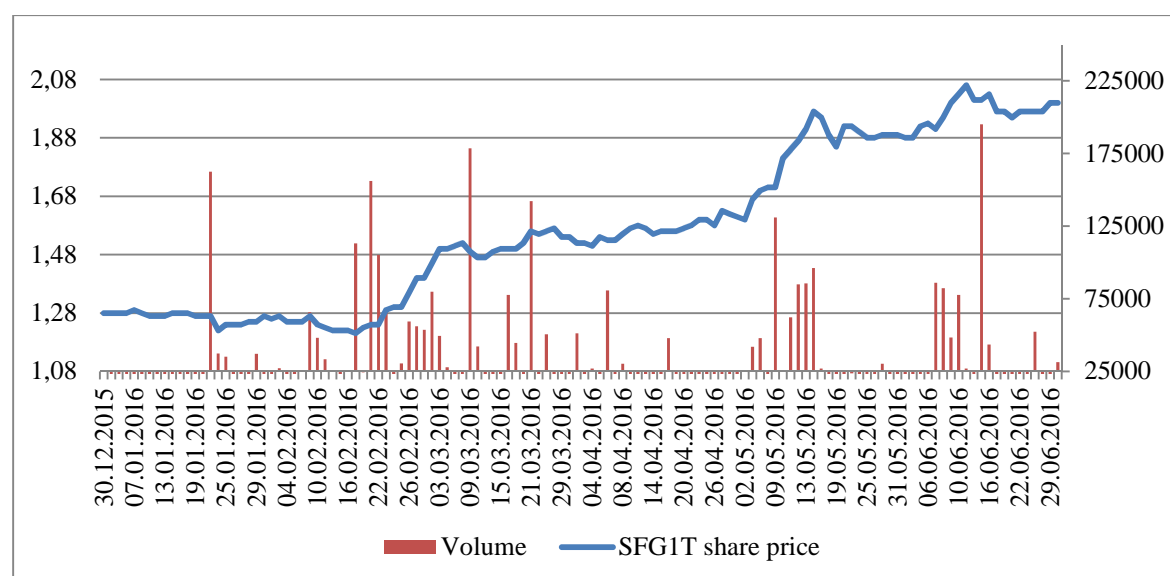
Name	Number of shares	Shareholding
Major shareholders	22 746 497	59.86%
CLEARSTREAM BANKING LUXEMBOURG S.A. CLIENTS	9 003 605	23.69%
AS SEB PANK CLIENTS	8 000 000	21.05%
UNICREDIT BANK AUSTRIA AG	3 029 912	7.97%
KRAJOWY DEPOZYT PAPIEROW WARTOŚCIOWYCH S.A.	2 712 980	7.14%
Other shareholders	15 253 503	40.14%
Total number of shares	38 000 000	100.00%

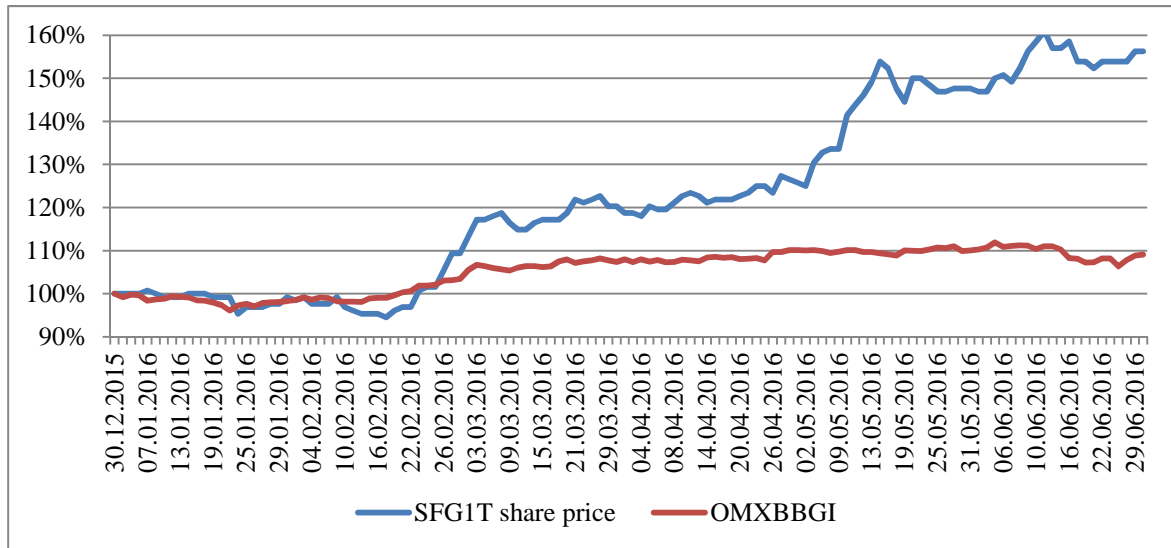
As of 31 December 2015 shareholders, whose interest in AS Silvano Fashion Group exceeded 5% included:

Name	Number of shares	Shareholding
Major shareholders	22 311 906	58.72%
CLEARSTREAM BANKING LUXEMBOURG S.A. CLIENTS	8 003 605	21.06%
AS SEB PANK CLIENTS	8 000 000	21.05%
KRAJOWY DEPOZYT PAPIEROW WARTOŚCIOWYCH S.A.	3 596 801	9.47%
UNICREDIT BANK AUSTRIA AG	2 711 500	7.14%
Other shareholders	15 688 094	41.28%
Total number of shares	38 000 000	100.00%

Share price development and turnover on the Tallinn Stock Exchange during 6 months of 2016 (EUR)

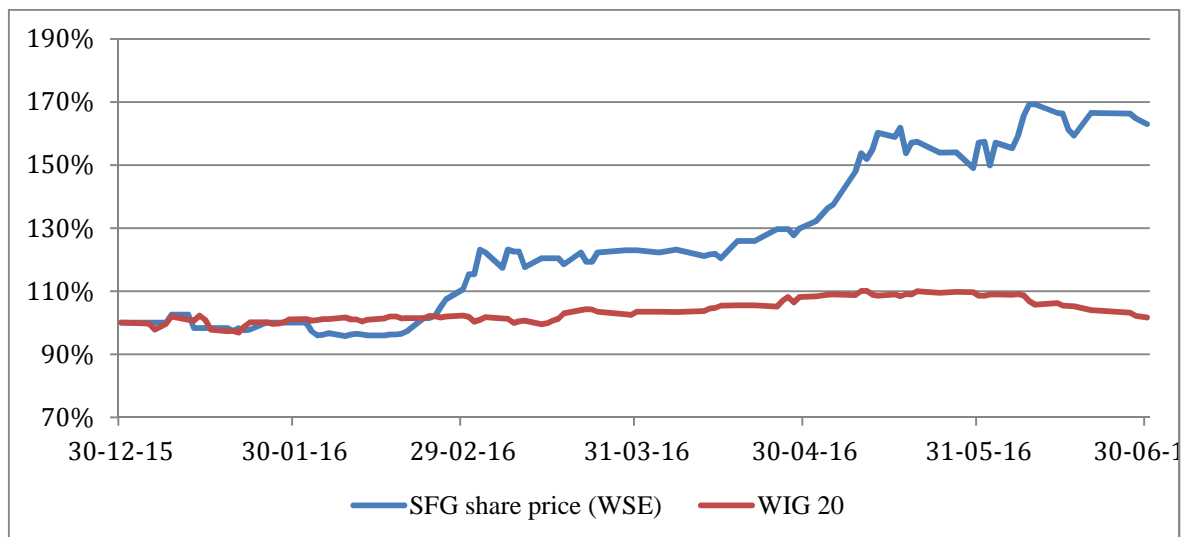
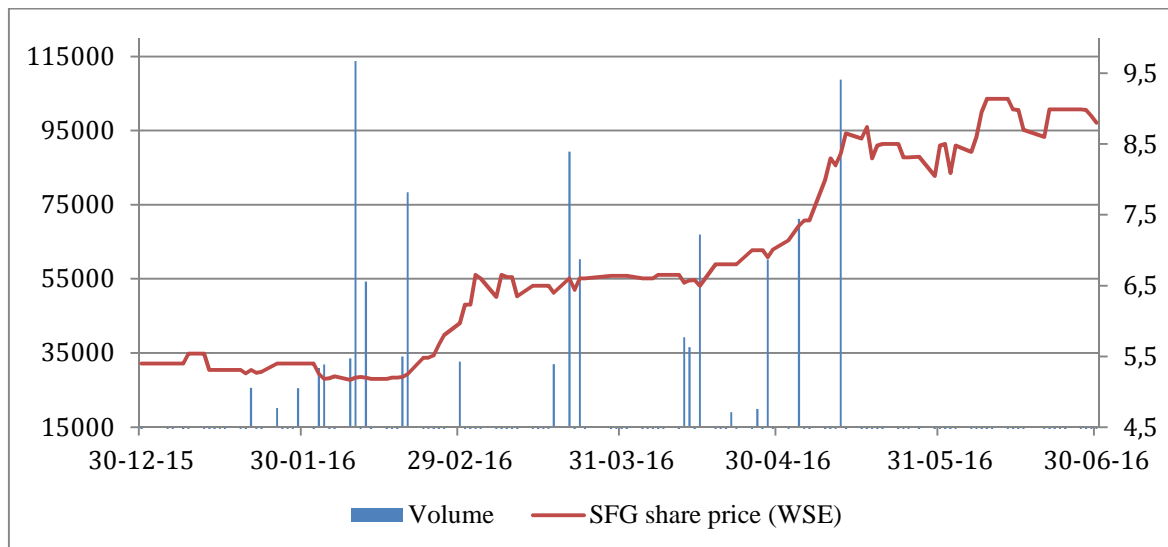
During 6 months of 2016 the highest and lowest prices of the AS Silvano Fashion Group` share on the Tallinn Stock Exchange were 2.06 EUR and 1.21 EUR, respectively.





Share price development on the Warsaw Stock Exchange during 6 months of 2016 (PLN)

During 6 months of 2016, the highest and lowest prices of the AS Silvano Fashion Group` share on the Warsaw Stock Exchange were 9.14 PLN and 5.17 PLN respectively.



Declaration of the Management Board

The Management Board of AS Silvano Fashion Group has reviewed and approved Consolidated Interim Financial Report for Q2 and 6 months of 2016 (hereinafter “the Interim Report”).

Members of the Management Board confirm that according to their best knowledge the Interim Report gives a true and fair view of financial position of the Group, its financial performance and its cash flows in accordance with International Financial Reporting Standards, as adopted by EU, and IAS 34 “Interim Financial Reporting”.

Furthermore, Members of the Management Board confirm that in their opinion the Interim Report provides a fair review of significant developments in the Group’s activities that occurred during the reporting period and their impact and describes significant risks and uncertainties that may affect the Group during future reporting periods.

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



Aleksei Kadörko
Member of the Management Board
July 29, 2016



Jarek Särgava
Member of the Management Board
July 29, 2016

Consolidated Statement of Financial Position

in thousands of EUR	Note	30.06.16	31.12.15
ASSETS			
Current assets			
Cash and cash equivalents		28 546	21 274
Current loans granted		6	6
Trade and other receivables	2	5 198	4 120
Inventories	3	14 092	15 470
Total current assets		47 842	40 870
Non-current assets			
Investments in associates		0	1
Available-for-sale investments		340	372
Deferred tax asset		741	465
Intangible assets		321	443
Investment property		1 019	1 130
Property, plant and equipment	4	8 953	10 354
Total non-current assets		11 374	12 765
TOTAL ASSETS		59 216	53 635
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	5	12 060	7 985
Tax liabilities		2 730	1 661
Total current liabilities		14 790	9 646
Non-current liabilities			
Deferred tax liability		14	13
Total non-current liabilities		14	13
Total liabilities		14 804	9 659
Equity			
Share capital	6	11 400	11 400
Share premium		11 914	11 914
Treasury shares	6	-1 427	-579
Statutory reserve capital		1 306	1 306
Unrealised exchange rate differences		-15 411	-16 238
Retained earnings		32 827	32 391
Total equity attributable to equity holders of the Parent company		40 609	40 194
Non-controlling interest		3 803	3 782
Total equity		44 412	43 976
TOTAL EQUITY AND LIABILITIES		59 216	53 635

Consolidated Income Statement

in thousands of EUR	Note	2Q 2016	2Q 2015	6m 2016	6m 2015
Revenue	8	17 237	21 425	30 595	34 498
Cost of goods sold		-7 694	-11 704	-13 371	-18 921
Gross Profit		9 543	9 721	17 224	15 577
Distribution expenses		-2 215	-2 460	-4 230	-4 783
Administrative expenses		-1 144	-1 556	-2 265	-3 265
Other operating income		86	123	169	246
Other operating expenses		-306	-320	-558	-572
Operating profit		5 964	5 508	10 340	7 203
Currency exchange income/(expense)		-975	-942	-2 494	-1 031
Other finance income/(expenses)		36	87	101	260
Net financial income		-939	-855	-2 393	-771
Profit (loss) from associates using equity method		0	2	0	0
Profit before tax		5 025	4 655	7 947	6 432
Income tax expense		-1 006	-1 254	-1 814	-3 380
Profit for the period		4 019	3 401	6 133	3 052
Attributable to :					
Equity holders of the Parent company		3 827	3 277	5 986	2 756
Non-controlling interest		192	124	147	296
Earnings per share from profit attributable to equity holders of the Parent company, both basic and diluted (EUR)	7	0.10	0.08	0.16	0.07

Consolidated Statement of Comprehensive Income

in thousands of EUR	Note	2Q 2016	2Q 2015	6m 2016	6m 2015
Profit for the period		4 019	3 401	6 133	3 052
Exchange rate differences attributable to foreign operations		1 742	-713	701	-2 318
Total comprehensive income for the period		5 761	2 688	6 834	734
Attributable to :					
Equity holders of the Parent company		5 431	3 245	6 813	1 121
Non-controlling interest		330	-557	21	-387

Consolidated Statement of Cash Flows

in thousands of EUR	6m 2016	6m 2015
Cash flow from operating activities		
Profit for the period	6 133	3 052
Adjustments for:		
Depreciation and amortization of non-current assets	878	1 343
(Gains)/ losses on the sale of PPE and IA	-11	2
Net finance income / costs	2 393	771
Provision for impairment losses on trade receivables	-5	-6
Income tax expense	1 814	3 380
Change in inventories	1 226	6 288
Change in trade and other receivables	-980	780
Change in trade and other payables	-1 475	-2 554
Income tax paid	-1 265	-4 815
Net cash from operating activities	8 708	8 241
Cash flow from investing activities		
Interest received	70	239
Dividends received	1	2
Proceeds from disposal of property, plant and equipment	12	8
Proceeds from repayments of loans granted	0	214
Acquisition of property, plant and equipment	-182	-153
Acquisition of intangible assets	-20	-125
Acquisition of shares of a subsidiary	-3	0
Net cash used in/from investing activities	-122	184
Cash flow from financing activities		
Dividends paid	-411	-1 390
Acquisition of own shares	-848	-868
Net cash used in/ from financing activities	-1 258	-2 258
Increase in cash and cash equivalents	7 328	6 166
Cash and cash equivalents at the beginning of period	21 274	13 308
Effect of exchange rate fluctuations on cash held	-56	-110
Cash and cash equivalents at the end of period	28 546	19 364

Consolidated Statement of Changes in Equity

in thousands of EUR	Share Capital	Share Premium	Treasury shares	Statutory reserve capital	Unrealised exchange rate differences	Retained earnings	Total equity attributable to equity holders of the Parent company	Non-controlling interest	Total equity
Balance as at 31 December 2014	11 700	13 066	-585	1 306	-5 649	26 915	46 753	7 265	54 018
Effect of translation on opening balances	0	0	0	0	0	-2 638	-2 638	-880	-3 518
Profit for the period	0	0	0	0	0	2 756	2 756	296	3 052
Other comprehensive income for the period	0	0	0	0	-1 635	0	-1 635	-683	-2 318
Total comprehensive income for the period	0	0	0	0	-1 635	2 756	1 121	-387	734
Transactions with owners, recognised directly in equity									
Dividends paid	0	0	0	0	0	0	0	-403	-403
Dividends declared	0	0	0	0	0	-3 791	-3 791	-1 394	-5 185
Change in non-controlling interest	0	0	0	0	0	330	330	-330	0
Purchase of treasury shares	0	0	-868	0	0	0	-868	0	-868
Total transactions with owners, recognised directly in equity	0	0	-868	0	0	-3 461	-4 329	-2 127	-6 456
Balance as at 30 June 2015	11 700	13 066	-1 453	1 306	-7 284	23 527	40 907	3 871	44 778
Balance as at 31 December 2015	11 400	11 914	-579	1 306	-16 238	32 391	40 194	3 782	43 976
Profit for the period	0	0	0	0	0	5 986	5 986	147	6 133
Other comprehensive income for the period	0	0	0	0	827	0	827	-126	701
Total comprehensive income for the period	0	0	0	0	827	5 986	6 813	21	6 834
Transactions with owners, recognised directly in equity									
Dividends declared	0	0	0	0	0	-5 550	-5 550	0	-5 550
Purchase of treasury shares	0	0	-848	0	0	0	-848	0	-848
Total transactions with owners, recognised directly in equity	0	0	-848	0	0	-5 550	-6 398	0	-6 398
Balance as at 30 June 2016	11 400	11 914	-1 427	1 306	-15 411	32 827	40 609	3 803	44 412

Notes to the Interim Report

Note 1 Summary of significant accounting policies

AS Silvano Fashion Group is a company registered in Estonia. This Interim Report of the Group is prepared for the reporting period ended 30 June 2016 and comprises parent company and its subsidiaries.

The principal accounting policies applied in the preparation of this Interim Report are set out below. The policies have been consistently applied to all the years presented unless otherwise stated.

The Interim Report has not been audited or reviewed by external auditors.

Basis for preparation

This Interim Report of AS Silvano Fashion Group for Q2 and 6 months of 2016 ended on 30 June 2016 has been prepared in accordance with IAS 34 “Interim financial reporting” as adopted by the European Union. The Interim Report should be read in conjunction with the Annual Report for the financial year ended on 31 December 2015, which have been prepared in accordance with IFRS as adopted by the European Union.

This Interim Report is comprised in thousands of Euros (EUR).

The Group’s performance is not significantly affected by any seasonal or cyclical factors. Nevertheless revenue during vacation periods and holidays in CIS countries is usually higher compared to other periods.

New standards and interpretations

In additions to disclosures already made in the Annual Report for the financial year ended on 31 December 2015 there are no new IFRSs or IFRIC interpretations that are effective for the financial year beginning on or after 1 January 2016 and that would be expected to have a material impact on the group.

Note 2 Trade and other receivables

in thousands of EUR	30.06.16	31.12.15
Trade receivables from third parties	4 542	3 492
Trade receivables from related parties	34	61
Impairment of receivables	-1 152	-1 052
Tax prepayments	1 305	1 207
Other receivables	469	412
Total	5 198	4 120

The fair values of trade and other receivables are not materially different from the carrying values based on the expected discounted cash flows. All non-current receivables are due within more than one year from reporting date.

Note 3 Inventories

in thousands of EUR	30.06.16	31.12.15
Raw and other materials	3 626	3 119
Work in progress	778	1 039
Finished goods	8 927	10 743
Other inventories	761	569
Total	14 092	15 470

Note 4 Property, plant and equipment

in thousands of EUR	Land and buildings	Plant and equipment	Other equipment and fixtures	Assets under construction	Total
31.12.14					
Cost	8 556	26 737	5 424	24	40 741
Accumulated depreciation	-3 169	-16 985	-4 077	0	-24 231
Net book amount	5 387	9 752	1 347	24	16 510
Movements during 6m 2015					
Additions	0	0	235	141	376
Disposals	0	2	-13	-1	-12
Reclassifications	0	68	73	-143	-2
Depreciation	-111	-797	-248	0	-1 156
Unrealised exchange rate differences	-824	-1 463	-170	-3	-2 460
Closing net book amount	4 452	7 562	1 224	18	13 256
30.06.2015					
Cost	7 250	22 776	4 774	18	34 818
Accumulated depreciation	-2 798	-15 214	-3 550	0	-21 562
Net book amount	4 452	7 562	1 224	18	13 256
31.12.2015					
Cost	6 060	19 323	4 145	39	29 567
Accumulated depreciation	-2 430	-13 605	-3 178	0	-19 213
Net book amount	3 630	5 718	967	39	10 354
Movements during 6m 2016					
Additions	0	2	164	41	207
Disposals	0	0	7	0	7
Reclassifications	0	38	7	-45	0
Depreciation	-79	-518	-162	0	-759
Unrealised exchange rate differences	-287	-536	-32	-1	-856
Closing net book amount	3 264	4 704	951	34	8 953
30.06.2016					
Cost	5 565	17 811	4 063	34	27 473
Accumulated depreciation	-2 301	-13 107	-3 112	0	-18 520
Net book amount	3 264	4 704	951	34	8 953

The Group didn't have any significant binding commitments to purchase property plant and equipment as of 30 June 2016.

Note 5 Trade and other payables

in thousands of EUR	30.06.16	31.12.15
Trade payables	5 135	6 026
Accrued expenses	510	398
Provisions	58	63
Other payables	6 357	1 498
Total	12 060	7 985

Fair values of trade and other payables are not materially different from book values due to short maturities.

Note 6 Equity

Shares

As of 30 June 2016 registered share capital of AS Silvano Fashion Group amounted to 11 400 thousand EUR divided into 38 000 000 shares with a nominal value of 0.30 EUR each (as of 31 December 2015, 11 400 thousand EUR, 38 000 000 shares and 0.30 EUR nominal value, respectively). All shares of AS Silvano Fashion Group are ordinary shares and all are registered. Each ordinary share gives a shareholder one vote in General Meeting of Shareholders. No share certificates are issued for registered shares. The share register is electronic and maintained at the Estonian Central Depository for Securities. All shares have been paid for.

As of 30 June 2016 AS Silvano Fashion Group had 1 732 shareholders (as of 31 December 2015 – 1 851 shareholders).

Note 7 Earnings per share

The calculation of basic earnings per share for 6 months of 2016 (6 months of 2015) is based on profit attributable to owners and a weighted average number of ordinary shares.

in thousands of shares	6m 2016	6m 2015
Number of ordinary shares at the beginning of the period	38 000	39 000
Effect of own shares held at the beginning of the period	-450	-340
Number of ordinary shares at the end of the period	38 000	39 000
Effect of own shares held at the end of the period	-1 000	-1 000
Weighted average number of ordinary shares for the period	37 362	38 275

in thousands of EUR	6m 2016	6m 2015
Profit for the period attributable to equity holders of the Parent company	5 986	2 756
Basic earnings per share (EUR)	0.16	0.07
Diluted earnings per share (EUR)	0.16	0.07

Diluted earnings per share do not differ from basic earnings per share as the Group has no financial instruments issued that could potentially dilute the earnings per share.

Note 8 Revenue

in thousands of EUR	6m 2016	6m 2015
Revenue from wholesale	23 243	26 030
Revenue from retail	7 297	8 446
Subcontracting and services	53	14
Other sales	2	8
Total	30 595	34 498

Note 9 Transactions with related parties

The following parties are considered to be related;

- a) Shareholders owning, directly or indirectly, a voting power in the parent company or its significant subsidiaries that gives them significant influence over the parent company or its significant subsidiaries and companies under their control.
- b) Associates - enterprises in which parent company or its subsidiaries have significant influence;
- c) Members of the Management Board and Supervisory Boards of parent company and its significant subsidiaries and their immediate family members and companies under their control or significant influence.

The Group's owners are legal and physical persons and no sole shareholder has control over the Group's activities. According to management's assessment, the prices applied in transactions with related parties did not differ significantly from the market terms.

Sales of goods and services		
in thousands of EUR	6m 2016	6m 2015
Associates	246	507
Total	246	507

Balances with related parties		
in thousands of EUR	30.06.16	31.12.15
Trade receivables from associates	110	0
Total	110	0

Benefits to key management of the group		
in thousands of EUR	6m 2016	6m 2015
Remunerations and benefits	511	694
Total	511	694

Note 10 Operating segments

The Group's operating segments have been determined based on regular reports being monitored and analysed by Management and Supervisory Boards of the parent company on an on-going basis.

The Management and Supervisory Board consider the business primarily from the activity perspective, monitoring separately wholesale and retail activities.

- The wholesale segment includes purchasing and production of women's lingerie, and distribution to external wholesale customers and the retail segment. The Group's manufacturing facilities are located in Latvia and Belarus.
- The retail segment sells the lingerie through own retail network in Latvia, Belarus and Russia.

There is a strong integration between wholesale and retail segments. The accounting policies of reportable segments are the same. Management estimates that intersegment transactions have been done on arm-length basis.

Primary measures monitored by the Supervisory Board are segment revenues, segment EBITDA (which is defined as profit before depreciation, amortisation, net financial income, income tax expense and gain on net monetary position) and segment net profit. These measures are included in the internal management reports that are reviewed by the Management Board and the Supervisory Board. Segment EBITDA is used to measure performance, as management believes that such information is the most relevant in evaluating the results of certain segment relative to other entities that operate within the industry.

Interest income and interest expenses are not core activities of operating segments and are not provided to management and are not evaluated by management as performance assessment criteria of segments' performance. Therefore, interest income and interest expenses are presented on net basis.

Unallocated revenues include revenues from services, commissions and rental income. Unallocated assets include cash and bank deposits not used in daily operations of either of the segments.

Operating segments 6m 2016

in thousands of EUR	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	7 297	23 245	30 542	53		30 595
Intersegment revenues	0	20 517	20 517	1 913	-22 430	0
EBITDA	2 208	8 624	10 832	386		11 218
Amortization and depreciation	-36	-561	-597	-281	0	-878
Operating income, EBIT	2 172	8 063	10 235	105	0	10 340
Profit from associates using equity method	0	0	0	0	0	0
Net financial income	-39	-301	-340	-2 053	0	-2 393
Income tax	-283	-1 725	-2 008	194	0	-1 814
Net profit	1 850	6 037	7 887	-1 754	0	6 133
Investments in associates	0	0	0	0	0	0
Other operating segments assets	3 029	35 822	38 851	20 365	0	59 216
Reportable segments liabilities	693	8 127	8 820	5 984	0	14 804
Capital expenditures	180	47	227	0	0	227
Number of employees as of reporting date	361	1 624	1 985	4		1 989

Operating segments 6m 2015

in thousands of EUR	Lingerie retail	Lingerie wholesale	Total segments	Unallocated	Eliminations	Total
Revenue from external customers	8 446	26 038	34 484	14		34 498
Intersegment revenues	0	21 069	21 069	2 666	-23 735	0
EBITDA	1 354	6 428	7 782	764		8 546
Amortization and depreciation	-86	-803	-889	-454	0	-1 343
Operating income, EBIT	1 269	5 615	6 893	310	0	7 203
Profit from associates using equity method	0	0	0	0	0	0
Net financial income	-15	-379	-394	-377	0	-771
Income tax	-93	-877	-970	-2 410	0	-3 380
Net profit	1 161	4 359	5 530	-2 477	0	3 052
Investments in associates	0	87	87	0	0	87
Other operating segments assets	3 907	33 888	37 795	20 573	0	58 368
Reportable segments liabilities	545	8 876	9 421	4 256	0	13 677
Capital expenditures	8	436	444	57	0	501
Number of employees as of reporting date	380	1 778	2 159	4		2 163

Revenue and non-current assets breakdown by geographical areas

Revenues in the table below are based on the geographical location of customers; segment assets are based on the geographical location of the assets.

in thousands of EUR	Sales revenue 6m 2016	Sales revenue 6m 2015	Non-current assets 30.06.2016	Non-current assets 31.12.2015
Russia	17 303	18 340	544	193
Belarus	9 145	11 169	10 514	12 189
Kazakhstan	1 075	1 675	0	0
Ukraine	903	772	1	2
Moldova	672	579		
Latvia	506	575	313	380
Estonia	204	118	2	2
Lithuania	173	202		
Other countries	614	1 068	0	0
Total	30 595	34 498	11 374	12 765