

APRANGA APB

The Consolidated Interim Report and
Interim Consolidated Financial Statements

For the Six months period ended 30 June 2013

(UNAUDITED)

5 August 2013
Vilnius

APB APRANGA

Company's code 121933274, Kirtimu 51, Vilnius

INFORMATION ABOUT COMPANY

Name of the company	Apranga APB
Legal form	Public limited liability company
Date of registration	1 st March 1993
Code of company	121933274
Share capital	LTL 55 291 960
Registered office	Kirtimu 51, LT-02244 Vilnius, Lithuania
Name of Register of Legal Entities	Registru centras VI, Vilnius branch
Telephone number	+370 5 239 08 08
Fax number	+370 5 239 08 00
E-mail	info@apranga.lt
Internet address	http://www.apranga.lt
Main activities	Retail trade of apparel
Auditor	PricewaterhouseCoopers UAB

APB APRANGA

Company's code 121933274, Kirtimu 51, Vilnius

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INTERIM CONSOLIDATED REPORT

General information

Interim consolidated report is prepared for the period January – June 2013.

Name of the Issuer: APB Apranga
Legal form: public limited liability company
Date and place of registration: 1993 03 01 Board of Vilnius City
Code of Enterprise: 121933274
Registered office: Kirtimu str. 51, Vilnius, LT-02244, Lithuania
Telephone number: +370 5 2390808
Fax number: +370 5 2390800
E-mail address: info@aprange.lt
Internet address: www.aprange.lt

At 30 June 2013 Apranga Group (hereinafter the Group) consisted of the parent company APB Apranga (hereinafter the Company) and its wholly owned subsidiaries listed below. The principal activity of the Company and its subsidiaries is retail trade of apparel.

Title	Legal form	Date and place of registration	Code of Enterprise	Registered office	Telephone, fax, e-mail, www
UAB Apranga LT	Private limited liability company	27 04 2004 State enterprise Centre of Registers of the Republic of Lithuania	300021271	Kirtimu 51, Vilnius, Lithuania	Tel. 370 5 2390808 Fax. 370 5 2390800 info@aprange.lt www.aprange.lt
UAB Apranga BPB LT	Private limited liability company	29 11 2005 State enterprise Centre of Registers of the Republic of Lithuania	300509648	Kirtimu 51, Vilnius, Lithuania	Tel. 370 5 2390808 Fax. 370 5 2390800 info@aprange.lt www.aprange.lt
UAB Apranga PLT	Private limited liability company	21 03 2007 State enterprise Centre of Registers of the Republic of Lithuania	300551572	Kirtimu 51, Vilnius, Lithuania	Tel. 370 5 2390808 Fax. 370 5 2390800 info@aprange.lt www.aprange.lt
UAB Apranga SLT	Private limited liability company	14 01 2008 State enterprise Centre of Registers of the Republic of Lithuania	301519684	Kirtimu 51, Vilnius, Lithuania	Tel. 370 5 2390808 Fax. 370 5 2390800 info@aprange.lt www.aprange.lt
UAB Apranga MLT	Private limited liability company	13 05 2011 State enterprise Centre of Registers of the Republic of Lithuania	302627022	Kirtimu 51, Vilnius, Lithuania	Tel. 370 5 2390808 Fax. 370 5 2390800 info@aprange.lt www.aprange.lt
SIA Apranga	Private limited liability company	20 11 2002 Enterprise Register of the Republic of Latvia	40003610082	Elizabetes 51, Riga, Latvia	Tel. 371 6 7240020 Fax. 371 6 7240019 info@aprange.lt www.aprange.lt
SIA Apranga LV	Private limited liability company	30 03 2004 Enterprise Register of the Republic of Latvia	40003672631	Elizabetes 51, Riga, Latvia	Tel. 371 6 7240020 Fax. 371 6 7240019 info@aprange.lt www.aprange.lt
SIA Apranga BPB LV	Private limited liability company	10 01 2008 Enterprise Register of the Republic of Latvia	40003887840	Elizabetes 51, Riga, Latvia	Tel. 371 6 7240020 Fax. 371 6 7240019 info@aprange.lt www.aprange.lt
SIA Apranga PLV	Private limited liability company	10 01 2008 Enterprise Register of the Republic of Latvia	40003887747	Elizabetes 51, Riga, Latvia	Tel. 371 6 7240020 Fax. 371 6 7240019 info@aprange.lt www.aprange.lt
SIA „Apranga SLV	Private limited liability company	2008 11 19 Enterprise Register of the Republic of Latvia	50103201281	Terbatas 30, Riga, Latvia	Tel. 371 6 7240020 Fax. 371 6 7240019 info@aprange.lt www.aprange.lt
SIA „Apranga MLV	Private limited liability company	2011 11 30 Enterprise Register of the Republic of Latvia	40103486301	Terbatas 30, Riga, Latvia	Tel. 371 6 7240020 Fax. 371 6 7240019 info@aprange.lt www.aprange.lt

Title	Legal form	Date and place of registration	Code of Enterprise	Registered office	Telephone, fax, e-mail, www
OÜ Apranga	Private limited liability company	19 07 2007 Tallinn City Court Register department	11274427	Pärnu mnt 10/Väike-Karja 12, Tallinn, Estonia	Tel. 372 6270141 Fax. 372 6270144 info@aprange.lt www.aprange.lt
OÜ Apranga Estonia	Private limited liability company	12 04 2004 Tallinn City Court Register department	11026132	Pärnu mnt 10/Väike-Karja 12, Tallinn, Estonia	Tel. 372 6270141 Fax. 372 6270144 info@aprange.lt www.aprange.lt
OÜ Apranga BEE	Private limited liability company	04 09 2007 Tallinn City Court Register department	11419148	Pärnu mnt 10/Väike-Karja 12, Tallinn, Estonia	Tel. 372 6270141 Fax. 372 6270144 info@aprange.lt www.aprange.lt
OÜ Apranga PB Trade	Private limited liability company	2008 08 21 Tallinn City Court Register department	11530250	Pärnu mnt 10/Väike-Karja 12, Tallinn, Estonia	Tel. 372 6270141 Fax. 372 6270144 info@aprange.lt www.aprange.lt
OÜ Apranga ST Retail	Private limited liability company	2008 08 21 Tallinn City Court Register department	11530037	Pärnu mnt 10/Väike-Karja 12, Tallinn, Estonia	Tel. 372 6270141 Fax. 372 6270144 info@aprange.lt www.aprange.lt

The ultimate parent company whose financial statements are available for public use is UAB Koncernas MG Baltic.
The ultimate controlling individual of the Group is Mr. D. J. Mockus.

Operating highlights

Despite unfavorable weather conditions, particularly in first quarter, *the retail turnover* (including VAT) of Apranga Group reached LTL 252.1 million in 1st half 2013 or by 11.3% more than in 1st half 2012. The highest growth rates were recorded in Estonia (13.8%), the lowest – in Latvia (10.2%).

According to EUROSTAT data, the retail trade (except of motor vehicles and motorcycles) in Baltic States during the 6 months 2013 grew the most in Latvia (+6%) and Lithuania (+4.5%). Meanwhile in Estonia the retail growth rate was much slower and amounted to 1%. The average annual (i.e. of the last 12 months) retail trade growth rates in all countries were similar to those of the first half a year, and ranged from 2% to 7% (+7% in Latvia, +4% in Lithuania, +2% in Estonia).

The retail turnover of the Group's stores in first half of 2013 by countries was as follows (LTL thousand, VAT included):

Country	6 months 2013	6 months 2012	Change
Lithuania	160 990	144 655	11,3%
Latvia	59 877	54 332	10,2%
Estonia	31 203	27 410	13,8%
Total:	252 070	226 397	11,3%

The retail turnover of the Group's stores by countries during the second quarter of 2013 was (LTL thousand, VAT included):

Country	Q2 2013	Q2 2012	Change
Lithuania	84 250	74 501	13,1%
Latvia	32 818	28 461	15,3%
Estonia	16 762	15 203	10,3%
Total:	133 830	118 165	13,3%

The retail turnover increase rate of 13.3% in the second quarter 2013 was by four percent points higher than in first quarter 2013, when it amounted to 9.2%.

The retail turnover of the Group's stores by chains in first half of 2013 was as follows (LTL thousand, VAT included):

Chain	6 months 2013	6 months 2012	Change
Economy	24 182	24 338	-0,6%
Youth	85 085	76 569	11,1%
Business	34 939	25 392	37,6%
Luxury	30 468	24 621	23,7%
Zara	67 387	65 745	2,5%
Outlets	10 009	9 732	2,8%
Total	252 070	226 397	11,3%

In 1st half 2013, the business chain turnover increased mostly – by 37.6%. It was mostly influenced by the opening of new Massimo Dutti stores. Also, high turnover growth rates experienced Luxury chain – the increase of 23.7%. The reconstruction of Apranga Akropolis store in Klaipeda and twice reduced sales area of Apranga store in Europa shopping mall had a significant impact on retail turnover decline (-0.6%) in Economy chain.

During the three months 2013 the Group opened 8, reconstructed 6, and closed 1 store. The capital expenditure of the retail chain expansion amounted to LTL 8.7 million (see Note 4 "Investments into non-current assets"). Investments (acquisitions) by segments are disclosed in Note 3 ("Segment information"). The Group is not engaged in activities related to research and experimental development, except to the extent of process improvement. Group uses the latest technology and the latest technology processes that meet environmental standards and help reduce the negative impact on the environment.

The number of stores by countries was as follows:

Country	30 06 2013	30 06 2012	Change
Lithuania	92	82	12,2%
Latvia	37	31	19,4%
Estonia	12	11	9,1%
Total:	141	124	13,7%

The number of stores by chains was as follows:

Chain	30 06 2013	30 06 2012	Change
Economy	12	12	0,0%
Youth	73	64	14,1%
Business	20	14	42,9%
Luxury	19	16	18,8%
Zara	10	10	0,0%
Outlets	7	8	-12,5%
Total	141	124	13,7%

The total *sales area* operated by the Group has increased by 4.1% or by 2.7 thousand sq. m. during the year period until 30 June 2013.

The total area of stores by countries was as follows (thousand sq. m):

Country	30 06 2013	30 06 2012	Change
Lithuania	43,0	41,8	2,7%
Latvia	18,7	17,5	7,1%
Estonia	5,9	5,6	4,9%
Total:	67,6	64,9	4,1%

The Group has earned LTL 16 031 thousand of *profit before income tax* in six months 2013, while profit before taxes amounted to LTL 14 955 thousand during six months of 2012 (the increase by 7.2%). In second quarter the profit before income tax increased from LTL 9 618 thousand in 2012 to LTL 10 570 thousand in 2013.

EBITDA of the Group was LTL 25 129 thousand during six months 2013, and it was LTL 23 521 thousand in corresponding previous year period. EBITDA margin has decreased from 13.0% to 12.4% during the year. The current ratio of the Group improved to the level of 1.7 times.

Main Group Indicators	6 months 2013	6 months 2012	6 months 2011
Net sales, LTL thousand	201 919	180 264	142 597
Net sales in foreign markets, LTL thousand	74 025	65 937	52 383
Like-to-like sales, %	3,0%	18,6%	9,2%
Gross profit, LTL thousand	93 105	83 163	65 894
Gross margin, %	46,1%	46,1%	46,2%
Operating profit, LTL thousand	16 072	14 990	7 771
Operating profit margin, %	8,0%	8,3%	5,4%
EBT, LTL thousand	16 031	14 955	7 670
EBT margin, %	7,9%	8,3%	5,4%
Profit (loss) for the period, LTL thousand	13 440	12 342	6 404
Profit (loss) for the period margin, %	6,7%	6,8%	4,5%
EBITDA, LTL thousand	25 129	23 521	16 665
EBITDA margin, %	12,4%	13,0%	11,7%
Return on equity (end of the period), %	11,0%	10,7%	6,1%
Return on assets (end of the period), %	7,1%	7,6%	4,6%
Net debt to equity*, %	4,7%	-2,7%	4,1%
Current ratio, times	1,7	2,0	1,9

* (Interest bearing liabilities less cash) / Equity

Main Group Indicators	Q2 2013	Q2 2012	Q2 2011
Net sales, LTL thousand	107 319	94 429	74 702
Net sales in foreign markets, LTL thousand	40 356	35 362	28 367
Like-to-like sales, %	4,8%	18,0%	12,2%
Gross profit, LTL thousand	52 558	45 889	36 862
Gross margin, %	49,0%	48,6%	49,3%
Operating profit, LTL thousand	10 599	9 637	6 221
Operating profit margin, %	9,9%	10,2%	8,3%
EBT, LTL thousand	10 570	9 618	6 167
EBT margin, %	9,8%	10,2%	8,3%
Profit (loss) for the period, LTL thousand	8 897	8 001	5 315
Profit (loss) for the period margin, %	8,3%	8,5%	7,1%
EBITDA, LTL thousand	15 187	13 847	10 698
EBITDA margin, %	14,2%	14,7%	14,3%
Return on equity (end of the period), %	7,3%	7,0%	5,1%
Return on assets (end of the period), %	4,7%	4,9%	3,8%
Net debt to equity*, %	4,7%	-2,7%	4,1%
Current ratio, times	1,7	2,0	1,9

* (Interest bearing liabilities less cash) / Equity

The *operating expenses* of the Group totaled LTL 78 094 thousand during 6 months 2013 and increased by 13.6%, comparing to the same period 2012. The *finance costs* of the Group were LTL 41 thousand in 6 months 2013 (less than 0.1% of the total costs of the Group). Total finance debts of the Group increased from LTL 2.7 million at 30 June 2012 to LTL 13.9 million at 30 June 2013, mainly due to the fact that the Company paid LTL 30 million dividends in May 2013.

Main Group Indicators	6 months 2013	6 months 2012	Change
Net sales, LTL thousand	201 919	180 264	12,0%
Net sales in foreign markets, LTL thousand	74 025	65 937	12,3%
Gross profit, LTL thousand	93 105	83 163	12,0%
Operating expenses	(78 094)	(68 760)	13,6%
Operating profit, LTL thousand	16 072	14 990	7,2%
EBT, LTL thousand	16 031	14 955	7,2%
Profit (loss) for the period, LTL thousand	13 440	12 342	8,9%
EBITDA, LTL thousand	25 129	23 521	6,8%

Group's *level of inventories* during the year grew a bit higher than the sales growth and increased from LTL 64.1 million to LTL 75.9 million, or by 18.6%. Company's inventories grew by 10.6%.

The number of employees at 30 June 2013 and the average monthly salary by categories in 2nd quarter 2013 were as follows:

Employee category	Number of employees		Average monthly salary, LTL	
	Group	Company	Group	Company
Administration	134	89	6 370	7 594
Stores' personnel	1 477	592	1 718	1 809
Logistics	53	53	2 411	2 411
Total	1 664	734	2 329	2 543

The number of employees during the year till 30 June 2013 in the Group has increased by 228 to 1664 (+15.9%), and has increased in Company by 83 to 734 (+12.7%). During the second quarter 2013 the number of employees increased by 105 (+6.7%) in the Group, and by 50 (+7.3%) in the Company. Staff growth is mainly due to the opening of new stores.

Education of employees by categories on 30 June 2013 was as follows:

Education level	Group	Company
High	454	250
Professional	224	119
Secondary	236	87
Basic	17	1
Student	733	277
Total:	1 664	734

The price of the Company share during 6 months 2013 increased from LTL 7.35 per share to LTL 8.39 per share (+14%). The maximum share price during the six months period was LTL 9.39 per share, minimum share price - LTL 7.32 per share. The market capitalization of the Company increased from LTL 407 million at the beginning of the year to LTL 464 million at the end of June 2013. The average price of share during the reporting period was LTL 8.40 per 1 share. The share price during the last 12 months increased from LTL 6.32 to LTL 8.39 per share, or by 33%.

Apranga APB share price during 12 months period from 1st July 2012 to 30th June 2013:



Operational plans

Group plans to reach LTL 589 million retail chain turnover (including VAT) in 2013 or by 11.2% more, than actual the year 2012 turnover (LTL 529.6 million).

Group plans to open or reconstruct 15-17 stores during 2013. The investments are planned to amount to about LTL 18-22 million.

Risk management

Financial risk factors

The risk management function within the Group is carried out in respect of financial risks (credit, market, currency, liquidity and interest rate), operational risks and legal risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimize operational and legal risks.

The financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables, bonds and borrowings. The accounting policy with respect to these financial instruments is the same as it was in 2012.

Credit risk

Credit risk is managed on Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with high credit ratings are accepted. Sales to wholesale customers are rare and immaterial; therefore risk control only assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Sales to retail customers are settled in cash or using major credit cards.

Company's credit risk arising from trade receivables from subsidiaries and loans to subsidiaries is managed by controlling financial performance of subsidiaries on a monthly basis.

The Company and the Group has no significant concentration of credit risk.

Liquidity risk

Liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with practice set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these; and maintaining debt financing plans.

Market risk

Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates. The Company has loans to subsidiaries with floating interest rates, but the cash flow risk is mitigated by applying the same variable element of interest rate on those loans as the banks are charging the Company.

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk, but this is not included in sensitivity analysis as the change in interest rates has no impact on profit or equity of the Group.

The Company's and Group's borrowings consist of loans with floating interest rate, which is related to VILIBOR. The Company and the Group did not use any derivative financial instruments in order to control the risk of interest rate changes.

Trade and other receivables and payables are interest-free and have settlement dates within one year.

The Group's cash flow and fair value interest rate risk is periodically monitored by the Group's management. It analyses its interest rate exposure on a dynamic basis taking into consideration refinancing, renewal of existing positions, alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the simulations performed, management considers the impact on post-tax profit of a 0.5% shift in interest rates to be not material to the financial statements of the Group and the Company.

Foreign exchange risk

The Company and the Group has a policy to synchronize the cash flows from expected sales in the future with the expected purchases and other expenses in each foreign currency. At the moment the Company and the Group doesn't use any derivative financial instruments in order to control foreign currencies exchange risk.

The Group operates in Lithuania, Latvia and Estonia and accordingly has three functional currencies that all are pegged with EUR (Estonia since 1st January 2011 has adopted the euro) and do not fluctuate significantly. Therefore neither the Group, nor the Company is exposed to any significant foreign exchange risk.

Price risk

The Group is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

Pursuant to the Lithuanian Law on Companies the authorized share capital of a public limited liability company must be not less than LTL 150 thousand and of a private limited liability company must be not less than LTL 10 thousand. In addition, for all entities the shareholders' equity should not be lower than 50 per cent of the company's registered share capital. As at 30 June 2013, the Company and all its Lithuanian subsidiaries complied with these requirements.

Pursuant to the Latvian Commercial Law the authorized share capital of a private limited liability company must be not less than LVL 2 thousand. In addition, the losses of the company should not exceed 50 per cent of the company's share capital. As at 30 June 2013, all the Company's Latvian subsidiaries complied with these requirements.

Pursuant to the Estonian Commercial Code the authorized share capital of a private limited liability company must be not less than EUR 2 500. In addition, the shareholders' equity should not be lower than 50 per cent of the company's share capital. As at 30 June 2013, all the Company's Estonian subsidiaries complied with these requirements.

In addition, the Group has to comply with the financial covenants imposed in the agreements with AB SEB bankas and Nordea Bank Finland Plc. The Group and the Company was in compliance with the covenants as at 30 June 2013.

Securities

All 55 291 960 ordinary shares of nominal value LTL 1 each (ISIN code LT0000102337) that comprise Company's share capital are listed on Official list of NASDAQ OMX Vilnius Stock Exchange.

All Company's shares give equal rights to shareholders.

Each owner of the ordinary registered share has the following property rights:

- 1) To receive part of the company's profit (dividend);
- 2) To receive a part of the assets of the company in liquidation;
- 3) To receive shares without payment if the share capital is increased out of the company's funds, except the cases specified in the Law on Companies.
- 4) To have the pre-emption right to acquire the shares or convertible debenture issued by the company, except in cases when General Shareholder's Meeting pursuant to Law on Companies decides to withdraw the pre-emption right in acquiring the company's issued shares for all shareholders;
- 5) As provided by laws to lend to the company, however the company borrowing from its shareholders has no right to mortgage or pledge its assets to shareholders. When the company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his/her place of residence or business, which was in effect on the day of conclusion of the loan

agreement. In such a case the company and shareholders are prohibited from negotiating a higher interest rate;

- 6) To receive Company's funds in event the share capital is decreased on purpose to pay Company's funds to shareholders;
- 7) Shareholders have other property rights provided by laws of the Republic of Lithuania.

Each owner of the ordinary registered share has the following non-property rights:

- 1) To attend and vote in General Shareholder's Meetings. One ordinary registered share grants to its owner one vote at the General Shareholders' Meeting. The right to vote at the General Shareholder's Meeting may be withdrawn or restricted in cases established by laws of the Republic of Lithuania, also in cases when share ownership is contested;
- 2) To receive information on the company as provided by Law on Companies;
- 3) To file a claim to the court requesting compensation of damage to company resulting from non-performance or improper performance of the duties of the Manager of the Company or members of the Board of the company which duties have been prescribed by law and these Articles of Association of the company as well as in other cases as may be prescribed by law;
- 4) Other non-property rights prescribed by law.

On 30 June 2013 the Company had 3 272 shareholders. Company's shareholders that control over 5% votes in General Shareholder Meeting were as follows:

Shareholder	Enterprise code	Address	Number of shares	% of total ownership
UAB MG Baltic Investment	123249022	Jasinskio 16B, Vilnius, Lithuania	29 677 397	53,7%
Swedbank AS (Estonia) clients	10060701	Liivalaia 8 Tallinn, Estonia	6 840 133	12,4%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	4 673 406	8,5%

The Company has concluded the contract with Swedbank AB on securities account management and the contract for the payment of dividends.

General Shareholders' Meeting has a right to amend the Articles of Association under the qualified majority of votes, which may not be less than 2/3 of all votes the shareholders attending at the Meeting, except for the exceptions specified by Law on Companies.

Corporate governance

The management bodies of the Company are as follows: General Shareholders' Meeting, a collegial management body – Board, and a single-person management body – Manager of the Company.

Competence of General Shareholders' Meeting is the same as specified by the Law on Companies.

The Board, consisting of six members, is elected by General Shareholders' Meeting for a 4 year term. Company's Board members election and revocation procedure is the same as specified by Law on Companies.

Company's Board activity is conducted by chairman of the Board. The Board elects its chairman from among its members.

The Board continues in office for the period established in the Articles of Association or until a new Board is elected and assumes the office but not longer than until the annual General Shareholders' Meeting during the final year of its term of office.

Board of Company considers and approves:

- 1) The activity strategy of the Company;
- 2) The annual report of the Company;
- 3) The management structure of the Company and the positions of the employees;
- 4) The positions to which employees are recruited by competition;
- 5) Regulations of branches and representative offices of the Company.

The Board adopts the following resolutions:

- 1) Resolutions for the Company to become an incorporator or a member of other legal entities;
- 2) Resolutions to establish branches and representative offices of the Company;
- 3) Resolutions to invest, dispose of or lease the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated individually for every type of transaction);
- 4) Resolutions to pledge or mortgage the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated for the total amount of transactions);
- 5) Resolutions to offer surety or guarantee for the discharge of obligations of third persons the amount whereof exceeds 1/20 of the share capital of the Company;
- 6) Resolutions to acquire the tangible long-term assets the price whereof exceeds 1/20 of the share capital of the Company;

- 7) Resolutions to restructure the Company in the cases laid down in the Law on Restructuring of Enterprises;
- 8) Resolutions regarding issuance of debenture of the Company (except issuance of convertible debenture);
- 9) Other resolutions within the competence of the Board as prescribed by the Articles of Association or the resolutions of the General Shareholders' Meeting.

The Board analyses and assesses the documents submitted by the Manager of the Company on:

- 1) The implementation of the activity strategy of the Company;
- 2) The organization of the activities of the Company;
- 3) Financial standing of the Company;
- 4) The results of economic activities, income and cost estimates, the stocktaking data and other accounting data of changes in the assets.

The Board elects and removes from office the Manager of the Company, fixes his/her remuneration and sets other terms of the employment agreement, approves his/her job description, provides incentives and imposes penalties.

The Board analyses and assesses the Company's draft annual financial statement and draft of profit/loss distribution and submits them to the General Shareholders' Meeting together with the annual report of the Company.

The Board is responsible for convening and arrangement of the General Shareholders' Meeting in due time.

Each member of the Board is entitled to initiate convening of the Board meeting. The Board may adopt resolutions and its meeting shall be deemed to have taken place when the meeting is attended by more than 2/3 of the members of the Board. The resolution of the Board is adopted if more votes for it are received than the votes against it. In the event of a tie, the Chairman of the Board shall have the casting vote. The member of the Board is not entitled to vote when the meeting of the Board discusses the issue related to his/her activities on the Board or the issue of his/her responsibility.

The Manager of the Company – General Director – is a single-person management body of the Company. The Manager of the Company acts at his/her own discretion in relation of the Company with other persons.

The Manager of the Company is elected and removed from office by the Board which also fixes his/her salary, approves his/her job description, provides incentives and imposes penalties. The employment agreement is concluded with the Manager of the Company and is signed on behalf of the Company by the Chairman of the Board or other person authorized by the Board.

In his/her activities the Manager of the Company complies with laws and other legal acts, Articles of Association, General Shareholders' Meeting resolutions, Board resolutions, his/her job descriptions.

The Manager of the Company acts on behalf of the Company and is entitled to enter into the transactions at his/her own discretion. The Manager of the Company may conclude the following transactions provided that there is a decision of the Board to enter into these transactions: to invest, dispose of or lease the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated individually for every type of transaction); to pledge or mortgage the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated for the total amount of transactions); to offer surety or guarantee for the discharge of obligations of third persons the amount whereof exceeds 1/20 of the share capital of the Company; to acquire the tangible long-term assets the price whereof exceeds 1/20 of the share capital of the Company.

The Manager of the Company is responsible for:

- 1) The organization of the Company's activity and implementation of its objectives;
- 2) The drawing up of the annual financial statements and the drafting of the annual report of the Company;
- 3) Concluding an agreement with the firm of auditors;
- 4) Submission of information and documents to the General Shareholders' Meeting and the Board in cases prescribed by Law on Companies or at their request;
- 5) Submission of the documents and data of the Company to manager of the Register of Legal Entities;
- 6) Submission of documents to the Securities Commission and Lithuanian Central Securities Depository;
- 7) Public announcement of information prescribed by Law on Companies in a daily newspaper indicated in Articles of Association;
- 8) Submission of information to shareholders;
- 9) The performance of other duties prescribed by laws as well as in the Articles of Association and the job descriptions of the Manager of the Company.

The Manager of the Company organizes daily activities of the Company, hires and dismisses employees, concludes and terminates employment contracts with them, provides incentives and imposes penalties.

The Manager of the Company is responsible for preparation of the draft share subscription agreement and its data correctness.

The Manager of the Company issues authorizations and procurations within the scope of its competence.

The Manager of the Company is accountable and regularly reports to the Board on the implementation of Company's activity strategy, the organization of the Company's activity, the financial standing of the Company, the results of economic activity, the income and cost estimates, the stocktaking data and other accounting data of changes in the assets.

Board of the Company

On 30 April 2010 the Annual General Meeting of Company shareholders elected Company's members of the Board for new 4-year term. On 29th April 2011 Vidas Lazickas was elected to Company's Board instead of Raimondas Paškevičius, who resigned on 21st October 2010. 30th April 2014 is the end term of all Company's members of the Board.



Darius Mockus
Chairman of the Board

Darius Mockus (born in 1965) - Chairman of the Board since 2 May 2002 (member of the Board since 23 March 1995). Education: Vilnius University, Faculty of Economics, Industrial Planning. He has 981 958 shares of the Company, representing 1.78% of the share capital and votes. With related companies Minvista UAB (Code of Enterprise: 110685692; Registered office: Jasinskio 16, Vilnius), MG Baltic Investment UAB (Code of Enterprise: 123249022; Registered office: Jasinskio 16B, Vilnius) and family members he has 35 338 627 shares, representing 63.91% of the share capital and votes.



Rimantas Perveneckas
Member of the Board, General Director

Rimantas Perveneckas (born in 1960) - APB Apranga group General Director, Member of Board of APB Apranga since 23 February 1993, in the Company since 1983. Education: Vilnius University, Faculty of Trade, specialization in Trade Economics. He has 1 000 000 shares of the Company, representing 1.81% of the share capital and votes.



Ilona Šimkūnienė
Member of the Board, Purchasing Director

Ilona Šimkūnienė (born in 1963) - Apranga group Purchasing Director, Member of Board of APB Apranga since 27 March 1998, in the Company since 1985. Education: Vilnius University, Faculty of Trade, specialization in Trade Economics. She has 49 573 shares of the Company, representing 0.09% of the share capital and votes, and together with spouse Mindaugas Šimkūnas has 94 910 shares, representing 0.17% of the share capital and votes.



Vidas Lazickas
Member of the Board

Vidas Lazickas (born in 1965) - Member of Board of APB Apranga since 29 April 2011. Education: Vilnius University, Faculty of Economics, specialization in Production Management and Organization. He has 35 615 shares of the Company, representing 0.06% of the share capital and votes.



Marijus Strončikas
Member of the Board

Marijus Strončikas (born in 1974) - Member of Board of APB Apranga since 30 April 2010. Education: Kaunas Technical University, Faculty of Informatics, master of IT Science. He has 4 365 shares of the Company, representing 0.01% of the share capital and votes.



Ramūnas Gaidamavičius
Member of the Board, Development Director

Ramūnas Gaidamavičius (born in 1968) - APB Apranga group Development Director, Member of Board of APB Apranga since 30 April 2010, in the Company since 2002. Education: Vilniaus University of Technology, Faculty of Mechanics, specialization in Machine Building. He has 5 000 shares of the Company, representing 0.01% of the share capital and votes.

Related party transactions

The Company's transactions with related parties are disclosed in Note 6 to interim consolidated and Company's financial statements.

Compliance with the Governance Code

During six months 2013, there were no essential changes related to APB "Apranga" report for year 2012 concerning the compliance with the Governance Code for the companies listed on the regulated market.

Publicly announced information

During the period from the start of 2013 to 30th June 2013 Company publicly announced and broadcasted through NASDAQ OMX stock exchange information distribution system GlobeNewswire and own webpage the following information:

Title	Category of announcement	Language	Date
Turnover of Apranga Group in December 2012 and total year 2012	Investor News	En, Lt	2013-01-02
Notification on Apranga APB manager's related party transactions	Notifications on transactions concluded by managers of the companies	En, Lt	2013-01-04
Notification on Apranga APB manager's related parties transactions	Notifications on transactions concluded by managers of the companies	En, Lt	2013-01-04
Apranga Group investor's calendar for the 1st half of 2013	Investor News	En, Lt	2013-01-08
Turnover of Apranga Group in January 2013	Investor News	En, Lt	2013-02-01
Regarding Apranga Group funds in AB Ukio Bankas	Notification on material event	En, Lt	2013-02-13
Apranga Group interim report for twelve months of 2012	Interim information	En, Lt	2013-02-28
CORRECTION: „Aprangos“ grupės 2012 m. 12 mėnesių tarpinė informacija	Interim information	Lt	2013-02-28
Turnover of Apranga Group in February 2013	Investor News	En, Lt	2013-03-01
Turnover of Apranga Group in March 2013 and 1st quarter 2013	Investor News	En, Lt	2013-04-02
Apranga Group develops new chain in Lithuania and Latvia	Press release	En, Lt	2013-04-04
Notice of the Annual General Meeting of APB "APRANGA" shareholders	Notification on material event	En, Lt	2013-04-05
Draft resolutions of the Annual General Meeting of APB APRANGA shareholders to be held on April 30th, 2013	Notification on material event	En, Lt	2013-04-05

APB APRANGA, company's code 121933274, Kirtimu 51, Vilnius
INTERIM CONSOLIDATED REPORT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2013
(all tabular amounts are in LTL thousands unless otherwise stated)

Title	Category of announcement	Language	Date
Resolutions of the Annual General Meeting of Apranga APB shareholders	Notification on material event	En, Lt	2013-04-30
Apranga APB annual information 2012	Annual information	En, Lt	2013-04-30
Turnover of Apranga Group in April 2013	Investor News	En, Lt	2013-05-02
Apranga Group interim report for three months of 2013	Interim information	En, Lt	2013-05-03
Notification on Apranga APB manager's related party transactions	Notifications on transactions concluded by managers of the companies	En, Lt	2013-05-08
Notification on Apranga APB manager's related party transactions	Notifications on transactions concluded by managers of the companies	En, Lt	2013-05-17
Notification on Apranga APB manager's related party transactions	Notifications on transactions concluded by managers of the companies	En, Lt	2013-05-27
Turnover of Apranga Group in May 2013	Investor News	En, Lt	2013-06-03
Apranga Group investor's calendar for the 2nd half of 2013	Investor News	En, Lt	2013-06-14
Notification on Apranga APB manager's related party transactions	Notifications on transactions concluded by managers of the companies	En, Lt	2013-06-27

Contents of above mentioned announcements can be obtained on Vilnius Stock Exchange webpage <http://www.baltic.omxgroup.com/market/?pg=details&instrument=LT0000102337&list=2&tab=news> and on Company's webpage <http://www.apranga.lt/investuotojams/index.php?lang=2>.

STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		Company	
		6 months 2013	6 months 2012	6 months 2013	6 months 2012
Revenue	2	201 919	180 264	85 850	76 300
Cost of sales		(108 814)	(97 101)	(52 027)	(44 805)
Gross profit		93 105	83 163	33 823	31 495
Operating expenses		(78 094)	(68 760)	(34 700)	(32 832)
Other income		1 109	568	33 122	24 940
Net foreign exchange gain (loss)		(48)	19	(46)	14
Operating profit (loss)		16 072	14 990	32 199	23 617
Finance costs	5	(41)	(35)	(87)	(184)
Profit (loss) before income tax		16 031	14 955	32 112	23 433
Income tax expense		(2 591)	(2 613)	(707)	(658)
Profit (loss) for the year	2	13 440	12 342	31 405	22 775
Other comprehensive income					
Currency translation difference		(164)	46	-	-
TOTAL COMPREHENSIVE INCOME		13 276	12 388	31 405	22 775
Basic and diluted earnings (losses) per share (in LTL)		0,24	0,22	0,57	0,41

	Note	Group		Company	
		Q2 2013	Q2 2012	Q2 2013	Q2 2012
Revenue	2	107 319	94 429	42 418	36 002
Cost of sales		(54 761)	(48 540)	(22 528)	(18 423)
Gross profit		52 558	45 889	19 890	17 579
General and administrative expenses		(42 695)	(36 567)	(19 521)	(18 056)
Other income		727	301	30 671	22 821
Net foreign exchange gain (loss)		9	14	8	10
Operating profit (loss)		10 599	9 637	31 048	22 354
Finance costs	5	(29)	(19)	(47)	(91)
Profit (loss) before income tax		10 570	9 618	31 001	22 263
Income tax expense		(1 673)	(1 617)	(645)	(398)
Profit (loss) for the year	2	8 897	8 001	30 356	21 865
Other comprehensive income					
Currency translation difference		(7)	109	-	-
TOTAL COMPREHENSIVE INCOME		8 890	8 110	30 356	21 865
Basic and diluted earnings (losses) per share (in LTL)		0,16	0,15	0,55	0,40

BALANCE SHEET

		Group		Company	
	Note	30 06 2013	31 12 2012	30 06 2013	31 12 2012
ASSETS					
Non-current assets					
Property, plant and equipment		77 941	78 356	49 080	50 376
Intangible assets		295	330	248	244
Investments in subsidiaries		-	-	16 101	16 101
Prepayments		1 067	899	188	202
Trade and other receivables		113	113	113	113
		79 416	79 698	65 730	67 036
Current assets					
Inventories		75 941	75 232	44 305	40 846
Available for sale financial assets		16 416	16 239	16 416	16 239
Non-current assets held for sale		1 118	1 118	1 118	1 118
Prepayments		5 415	3 319	4 572	1 929
Trade and other receivables		2 250	10 447	24 814	29 697
Cash and cash equivalents		8 167	8 804	2 530	1 999
		109 307	115 159	93 755	91 828
TOTAL ASSETS	2	188 723	194 857	159 485	158 864
EQUITY AND LIABILITIES					
Equity					
Ordinary shares		55 292	55 292	55 292	55 292
Legal reserve		5 529	4 612	5 529	4 612
Translation difference		(185)	(45)	-	-
Retained earnings		61 836	79 748	51 294	51 216
		122 472	139 607	112 115	111 120
Non-current liabilities					
Deferred tax liabilities		2 709	3 540	1 112	1 205
Other liabilities		321	339	321	339
		3 030	3 879	1 433	1 544
Current liabilities					
Borrowings	5	13 937	-	25 801	23 639
Current income tax liability		6 407	4 727	2 713	1 910
Trade and other payables		42 877	46 644	17 423	20 651
		63 221	51 371	45 937	46 200
Total liabilities		66 251	55 250	47 370	47 744
TOTAL EQUITY AND LIABILITIES		188 723	194 857	159 485	158 864

STATEMENTS OF CHANGES IN EQUITY

GROUP

	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 1 January 2012		55 292	3 262	92	64 456	123 102
Comprehensive income						
Profit for the 6 months 2012	2				12 342	12 342
Other comprehensive income						
Currency translation difference		-	-	(158)	204	46
Total comprehensive income		-	-	(158)	12 546	12 388
Transactions with owners						
Transfer to legal reserve		-	1 350	-	(1 350)	-
Dividends paid		-	-	-	(20 458)	(20 458)
Balance at 30 June 2012		55 292	4 612	(66)	55 194	115 032
Balance at 1 January 2013		55 292	4 612	(45)	79 748	139 607
Comprehensive income						
Profit for the 6 months 2013	2	-	-	-	13 440	13 440
Other comprehensive income						
Currency translation difference		-	-	(140)	(24)	(164)
Total comprehensive income		-	-	(140)	13 416	13 276
Transactions with owners						
Transfer to legal reserve	8	-	917	-	(917)	-
Dividends paid	8	-	-	-	(30 411)	(30 411)
Balance at 30 June 2013		55 292	5 529	(185)	61 836	122 472

COMPANY

		Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2012		55 292	3 262	43 492	102 046
Comprehensive income					
Profit for the 6 months 2012		-	-	22 775	22 775
Transactions with owners					
Transfer to legal reserve		-	1 350	(1 350)	-
Dividends paid		-	-	(20 458)	(20 458)
Balance at 30 June 2012		55 292	4 612	44 459	104 363
Balance at 1 January 2013		55 292	4 612	51 217	111 121
Comprehensive income					
Profit for the 6 months 2013			-	31 405	31 405
Transactions with owners					
Transfer to legal reserve	8		917	(917)	-
Dividends paid	8			(30 411)	(30 411)
Balance at 30 June 2013		55 292	5 529	51 294	112 115

STATEMENTS OF CASH FLOW

		Group		Company	
	Note	6 months 2013	6 months 2012	6 months 2013	6 months 2012
OPERATING ACTIVITIES					
Profit (loss) before income taxes	2	16 031	14 955	32 112	23 433
Adjustments for:					
Depreciation and amortization		9 057	8 531	4 080	4 397
Impairment charge		(9)	(54)	(9)	(54)
Change in allowances for slow-moving inventories		138	(1 139)	537	119
Gain on disposal of property, plant and equipment		7	(9)	7	(9)
Write-off of property, plant and equipment		132	164	131	163
Dividends income		-	-	(27 532)	(20 325)
Interest expenses, net of interest income		(325)	(243)	(293)	(110)
		25 031	22 205	9 033	7 614
Changes in operating assets and liabilities:					
Decrease (increase) in inventories		(847)	1 118	(3 996)	(3 126)
Decrease (increase) in receivables		(2 033)	(2 572)	(1 712)	(444)
Unrealized foreign exchange loss (gain)		(164)	46	-	-
Increase (decrease) in payables		(4 039)	6 031	(3 486)	10
Cash generated from operations		17 948	26 828	(161)	4 054
Income taxes paid		(1 742)	(341)	(11)	(65)
Interest paid	5	(41)	(38)	(87)	(186)
Net cash from operating activities		16 165	26 449	(259)	3 803
INVESTING ACTIVITIES					
Interest received		332	281	346	295
Dividends received		-	-	27 532	20 325
Loans granted		(45 500)	(48 500)	(63 779)	(61 182)
Loans repayments received		53 500	48 500	67 780	58 899
Purchases of property, plant and equipment and intangible assets	2, 3	(9 520)	(11 544)	(2 934)	(5 139)
Proceeds on disposal of property, plant and equipment	2, 3	783	1 154	17	939
Purchases of available-for-sale financial assets	4	(5 744)	52	(5 744)	52
Proceeds on disposal of available-for-sale financial assets	4	5 567	-	5 567	-
Net cash used in investing activities		(582)	(10 057)	28 785	14 189
FINANCING ACTIVITIES					
Dividends paid	8	(30 157)	(20 141)	(30 157)	(20 141)
Proceeds from borrowings		10 500	-	65 396	(56 189)
Repayments of borrowings		(1 000)	-	(67 671)	55 816
Repayments of obligations under finance leases		-	(3)	-	-
Net cash from financing activities		(20 657)	(20 144)	(32 432)	(20 514)
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS					
		(5 074)	(3 752)	(3 906)	(2 522)
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		8 804	6 878	1 999	1 863
AT THE END OF THE PERIOD		3 730	3 126	(1 907)	(659)

NOTES

1. Basis of preparation and summary of main accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The principle accounting policies applied in the preparation of Interim financial statements are the same to those applied in preparation of the Annual financial statements.

The applicable rates used for the balance sheet preparation were as follows:

Currency		30 06 2013	31 12 2012	30 06 2012
1 EUR	=	3.4528 LTL	3.4528 LTL	3.4528 LTL
1 LVL	=	4.9185 LTL	4.9520 LTL	4.9567 LTL

2. Segment information

Management has determined the operating segments based on the reports reviewed by the General Director and other 6 Directors (responsible for managing, marketing, human resources, purchases, development and finance) that are used to make strategic decisions.

All financial information, including the measure of profit and total assets, is analyzed on a country basis.

The segment information provided to the Directors for the reportable segments for the first half 2013 is as follows:

6 months 2013	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	Total in consolidated financial statements
Total segment revenue	139 800	50 473	26 268	216 541	-	
Inter-segment revenue	(11 906)	(1 996)	(720)	(14 622)	-	
Revenue from external customers	127 894	48 477	25 548	201 919	-	201 919
Gross margin	45,3%	47,6%	47,1%	46,1%		46,1%
Profit (loss) for the year	8 635	2 629	2 176	13 440	-	13 440
Total assets	170 910	36 785	16 390	224 085	(35 362)	188 723
Additions to non-current assets (other than financial instruments and prepayments for leases)	5 740	3 451	329	9 520	(783)	8 737

6 months 2012	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	Total in consolidated financial statements
Total segment revenue	122 238	45 005	23 124	190 367	-	
Inter-segment revenue	(7 911)	(1 471)	(721)	(10 103)	-	
Revenue from external customers	114 327	43 534	22 403	180 264	-	180 264
Gross margin	45,8%	46,2%	47,8%	46,1%		46,1%
Profit for the year	7 158	3 231	1 953	12 342	-	12 342
Total assets	145 391	29 150	13 590	188 131	(24 861)	163 270
Additions to non-current assets (other than financial instruments and prepayments for leases)	5 844	3 668	1 093	10 605	(215)	10 390

3. Investments into non-current assets

Net investments of the Group amounted to LTL 8.7 million in first half 2013 (LTL 4.0 million in 2nd quarter 2013). The Company totally invested LTL 2.9 million in first half 2013. Daughter companies' investments into development of the retail network amounted to LTL 5.8 million.

4. Investments into financial assets

During the second quarter 2013 the Company for LTL 5.6 million sold and for the same amount acquired the Lithuanian Government issued long-term bonds (redemption years - 2015 and 2016) denominated in Litas, which are recorded as *Available for sale financial assets*. Total investments in the Lithuanian Government issued the long-term bonds amounted to LTL 16.4 million on 30 June 2013.

5. Borrowings

In November 2012, the Company and SEB bank have signed the amendment to agreement which modified the previous contract on the credit line. According to it, the Group was provided a credit line of LTL 60 000 thousand in order to finance the working capital, issuing guarantees and opening letters of credit. The credit line expires on 30 November 2013. The interests are paid for the amount used and the interest rate is calculated as 1-night VILIBOR plus margin. There is fixed interest rate set for amount used for the issuance of guarantees and letters of credit.

In June 2012, the Company and NORDEA bank have signed the amendment to the overdraft facility and general agreement on bank's guarantees. Under this amendment, the Group granted EUR 5 000 thousand credit line extended until 30 June 2014. For the drawdown amount of LTL portion of the credit line a floating interest rate calculated as the 1-week VILIBOR plus margin is being paid, and for the drawdown amount of EUR portion of the credit line a floating interest rate calculated as the EONIA plus margin is being paid. There is fixed interest rate set for amount used for the issuance of guarantees.

6. Related party transactions

The Company's and the Group's transactions with related parties and balances arising from these transactions as of 30 June 2013 were as follows:

	Accounts payable		Accounts receivable and loans granted		Income received		Purchases	
	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012
Related parties								
UAB Koncernas MG Baltic	41	49	-	-	-	-	224	211
UAB Minvista	-	-	-	-	17	32	-	-
UAB Mineraliniai vandenys	-	-	-	-	-	-	10	17
UAB MG Baltic Investment	50	50	2	-	-	-	295	295
UAB MG Valda	19	16	-	-	-	-	84	81
UAB Palangos Varūna	-	-	573	534	-	-	-	-
UAB Laisvas Nepriklausomas Kanalas	2	-	14	12	18	4	31	-
UAB UPG Baltic	-	-	-	-	-	-	-	3
UAB Alfa Media	-	-	-	-	-	-	-	2
Total	112	115	589	546	35	36	644	609

Prevailing types of *related party contracts* are rent, management service fee, advertising, centralised services (telecommunications, utilities and etc.).

Prevailing types of *intra-group transactions* are centralised supplies of goods for resale, management service fees, centralised purchasing of services (telecommunications, IT, utilities and etc.), financing, and distribution of earnings. Dividend income in amount of LTL 27 532 thousand received from the subsidiaries in six months 2013 is presented in 'Income received' together with other income (2012: LTL 20 325 thousand).

The Company's transactions with subsidiaries and balances arising from these transactions as of 30 June 2013 were as follows:

	Borrowings and accounts payable		Loans and accounts receivable		Income received		Purchases	
Subsidiaries	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012
UAB Apranga LT	7 134	7 329	178	193	9 216	5 956	137	160
UAB Apranga BPB LT	-	1	406	104	1 739	1 630	71	76
UAB Apranga PLT	-	-	271	192	1 805	1 190	16	35
UAB Apranga SLT	-	-	1 138	483	1 277	1 181	35	48
UAB Apranga MLT	-	-	1 817	729	2 346	162	46	14
SIA Apranga	-	-	14 543	7 941	9 592	6 069	129	-
SIA Apranga LV	1 506	2 386	76	131	6 035	5 104	48	67
SIA Apranga BPB LV	-	23	405	161	687	593	20	24
SIA Apranga PLV	-	7	131	27	999	1 106	6	9
SIA Apranga SLV	-	9	16	5	21	22	-	-
SIA Apranga MLV	-	-	975	542	1 301	87	26	-
OU Apranga	-	-	3 223	1 407	2 580	1 961	102	-
OU Apranga Estonia	1 918	1 888	88	96	4 268	5 205	34	56
OU Apranga BEE	525	284	15	17	525	431	26	12
OU Apranga PB Trade	439	318	15	15	500	469	7	12
OU Apranga ST Retail	345	329	(57)	12	350	404	8	13
Total	11 867	12 574	23 240	12 055	43 241	31 570	711	526

7. Guarantees and letters of credit

As of 30 June 2013 guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled LTL 40 553 thousand (31 December 2012: LTL 29 332 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 30 June 2013 amounted to LTL 48 387 thousand (31 December 2012: LTL 36 661 thousand).

As of 30 June 2013 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled LTL 1 721 thousand (31 December 2012: LTL 1 725 thousand).

8. Profit distribution

The Annual shareholders meeting of APB Apranga held on 30 April 2013 has resolved to pay LTL 30 411 thousand in dividends, allocate LTL 917 thousand to legal reserve, and to pay LTL 720 thousand as annual bonuses.

9. Events after the reporting period

The Group and Inditex have agreed to prolong franchise agreements regarding Zara, Bershka, Pull and Bear, Stradivarius and Massimo Dutti brands development in the Baltic States until 2016.
