

**APRANGA APB**  
**Interim Consolidated Financial Statements**  
**For the Nine Months of 2009**  
**Unaudited**

**30 November 2009**  
**Vilnius**

**INCOME STATEMENTS**

LTL thousand

	Note	Group		Company	
		9 months 2009	9 months 2008	9 months 2009	9 months 2008
Revenue	3	233 839	309 385	118 883	165 181
Cost of sales		(141 167)	(174 869)	(84 070)	(110 076)
<b>GROSS PROFIT</b>		<b>92 672</b>	<b>134 516</b>	<b>34 813</b>	<b>55 105</b>
Operating costs		(104 613)	(119 681)	(50 518)	(57 628)
Other income		849	688	12 412	15 987
Net foreign exchange gain (loss)		( 10)	(37)	34	(37)
<b>OPERATING PROFIT (LOSS)</b>		<b>(11 102)</b>	<b>15 486</b>	<b>(3 259)</b>	<b>13 427</b>
Finance costs	7, 8	(2 517)	(2 798)	(2 857)	(2 783)
<b>PROFIT BEFORE ICOME TAX</b>		<b>(13 619)</b>	<b>12 688</b>	<b>(6 116)</b>	<b>10 644</b>
Income tax expense		( 918)	(2 382)	( 118)	(484)
<b>NET PROFIT (LOSS)</b>		<b>(14 537)</b>	<b>10 306</b>	<b>(6 234)</b>	<b>10 160</b>
<b>Basic and diluted earnings per share (in LTL)</b>	6	<b>-0.33</b>	<b>0.29</b>	<b>-0.14</b>	<b>0.29</b>

LTL thousand

	Note	Group		Company	
		Q3 2009	Q3 2008	Q3 2009	Q3 2008
Revenue		83 096	116 528	41 606	63 917
Cost of sales		(48 752)	(65 979)	(29 844)	(44 061)
<b>GROSS PROFIT</b>		<b>34 344</b>	<b>50 549</b>	<b>11 762</b>	<b>19 856</b>
Operating costs		(33 879)	(40 911)	(15 734)	(19 214)
Other income		163	253	1 704	2 729
Net foreign exchange gain (loss)		9	(60)	13	(59)
<b>OPERATING PROFIT (LOSS)</b>		<b>637</b>	<b>9 831</b>	<b>(2 255)</b>	<b>3 312</b>
Finance costs	7, 8	(1 007)	(857)	(1 169)	(890)
<b>PROFIT BEFORE ICOME TAX</b>		<b>( 370)</b>	<b>8 974</b>	<b>(3 424)</b>	<b>2 422</b>
Income tax expense		( 683)	(1 473)	39	(371)
<b>NET PROFIT (LOSS)</b>		<b>(1 053)</b>	<b>7 501</b>	<b>(3 385)</b>	<b>2 051</b>
<b>Basic and diluted earnings per share (in LTL)</b>	6	<b>-0.02</b>	<b>0.21</b>	<b>-0.08</b>	<b>0.06</b>

**BALANCE SHEETS**

LTL Thousand

	Note	Group		Company	
		30 09 2009	31 12 2008	30 03 2009	31 12 2008
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	108 705	110 363	70 799	72 796
Intangible assets	4	1 402	1 592	1 040	1 158
Investments in subsidiaries	5	-	-	10 631	9 987
Receivables and prepayments		965	937	460	509
		<b>111 072</b>	<b>112 892</b>	<b>82 930</b>	<b>84 450</b>
<b>Current assets</b>					
Inventories		90 103	85 525	54 840	57 330
Non-current assets held for sale		1 118	1 118	1 118	1 118
Receivables and prepayments		3 815	9 029	33 097	24 866
Cash and cash equivalents		3 460	4 882	1 425	1 797
		<b>98 496</b>	<b>100 554</b>	<b>90 480</b>	<b>85 111</b>
<b>TOTAL ASSETS</b>	<b>3</b>	<b>209 568</b>	<b>213 446</b>	<b>173 410</b>	<b>169 561</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Ordinary shares	6	55 292	35 292	55 292	35 292
Legal reserve		2 912	2 416	2 912	2 416
Translation difference		( 381)	( 405)	-	-
Retained earnings		43 012	58 075	26 560	33 290
		<b>100 835</b>	<b>95 378</b>	<b>84 764</b>	<b>70 998</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		5 780	5 312	3 321	3 199
Other liabilities		141	201	141	201
		<b>5 921</b>	<b>5 513</b>	<b>3 462</b>	<b>3 400</b>
<b>Current liabilities</b>					
Borrowings	7	44 000	56 889	57 486	53 811
Bonds issued	8	-	20 656	-	20 656
Obligations under finance leases		3	16	3	16
Current income tax liability		775	432	27	30
Trade and other payables		58 034	34 562	27 668	20 650
		<b>102 812</b>	<b>112 555</b>	<b>85 184</b>	<b>95 163</b>
<b>Total liabilities</b>		<b>108 733</b>	<b>118 068</b>	<b>88 646</b>	<b>98 563</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>209 568</b>	<b>213 446</b>	<b>173 410</b>	<b>169 561</b>

**STATEMENTS OF CHANGES IN EQUITY**

<b>Group</b>		<b>Share capital</b>	<b>Legal reserve</b>	<b>Translation reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>Note</b>					
<b>Balance at 1 January 2008</b>		<b>35 292</b>	<b>1 550</b>	<b>( 76)</b>	<b>50 852</b>	<b>87 618</b>
Currency translation difference - recognised directly in equity		-	-	( 349)	( 49)	( 398)
Net profit for the period		-	-	-	10 306	10 306
Total recognised income and expenses for the period		-	-	( 349)	10 257	9 908
Transfer to legal reserve		-	866	-	( 866)	-
Dividends paid		-	-	-	(5 647)	(5 647)
<b>Balance at 30 September 2008</b>		<b>35 292</b>	<b>2 416</b>	<b>( 425)</b>	<b>54 596</b>	<b>91 879</b>
<b>Balance at 1 January 2009</b>		<b>35 292</b>	<b>2 416</b>	<b>( 405)</b>	<b>58 075</b>	<b>95 378</b>
Currency translation difference - recognised directly in equity		-	-	24	( 30)	( 6)
Net loss for the period		-	-	-	(14 537)	(14 537)
Total recognised income and expenses for the period		-	-	24	(14 567)	(14 543)
Transfer to legal reserve		-	496	-	( 496)	-
Shares issue	<b>6</b>	20 000	-	-	-	20 000
<b>Balance at 30 September 2009</b>		<b>55 292</b>	<b>2 912</b>	<b>( 381)</b>	<b>43 012</b>	<b>100 835</b>
<b>Company</b>						
	<b>Note</b>	<b>Share capital</b>	<b>Legal reserve</b>	<b>Retained earnings</b>	<b>Total</b>	
<b>Balance at 1 January 2008</b>		<b>35 292</b>	<b>1 550</b>	<b>29 886</b>	<b>66 728</b>	
Net profit for the period		-	-	10 160	10 160	
Transfer to legal reserve		-	866	( 866)	-	
Dividends paid		-	-	(5 647)	(5 647)	
<b>Balance at 30 September 2008</b>		<b>35 292</b>	<b>2 416</b>	<b>33 533</b>	<b>71 241</b>	
<b>Balance at 1 January 2009</b>		<b>35 292</b>	<b>2 416</b>	<b>33 290</b>	<b>70 998</b>	
Net loss for the period		-	-	(6 234)	(6 234)	
Transfer to legal reserve		-	496	( 496)	-	
Shares issue	<b>6</b>	20 000	-	-	20 000	
<b>Balance at 30 September 2009</b>		<b>55 292</b>	<b>2 912</b>	<b>26 560</b>	<b>84 764</b>	

**STATEMENTS OF CASH FLOW**

LTL thousand

	Note	Group		Company	
		9 months 2009	9 months 2008	9 months 2009	9 months 2008
<b>OPERATING ACTIVITIES</b>					
Profit before income taxes		(13 619)	12 688	(6 116)	10 644
Adjustments for:					
Depreciation and amortization		17 522	15 158	8 387	7 142
Change in allowances for slow moving inventories		1 151	678	951	568
(Gain) / loss on disposal of property, plant and equipment		( 56)	360	( 22)	103
Dividends received		-	-	(7 446)	(8 516)
Interest expenses	<b>7, 8</b>	2 489	2 791	2 047	2 420
		<b>7 487</b>	<b>31 675</b>	<b>(2 199)</b>	<b>12 361</b>
Changes in operating assets and liabilities:					
Decrease (increase) in inventories		(5 729)	(45.706)	1 539	(31.758)
Decrease (increase) in receivables		5 186	(167)	(4 995)	(10 457)
Unrealized foreign exchange (gain) / loss		( 94)	(398)	-	-
Increase (decrease) in payables		23 412	47 403	6 958	36 640
<b>Cash generated from operations</b>		<b>30 262</b>	<b>32 807</b>	<b>1 303</b>	<b>6 786</b>
Income tax paid		( 107)	(1 101)	1	( 75)
Interest paid	<b>7, 8</b>	(3 173)	(3 129)	(3 513)	(3 082)
<b>Net cash from operating activities</b>		<b>26 982</b>	<b>28 577</b>	<b>(2 209)</b>	<b>3 629</b>
<b>INVESTING ACTIVITIES</b>					
Interest received		28	7	810	363
Dividends received		-	-	7 446	8 516
Loans granted		(17 000)	-	(63 191)	(35 155)
Loans returned		17 000	-	60 004	44 900
Purchases of property, plant and equipment and intangible assets	<b>4</b>	(21 786)	(14 773)	(6 547)	(9 144)
Proceeds on disposal of property, plant and equipment	<b>4</b>	6 256	650	297	82
Acquisition of subsidiaries	<b>5</b>	-	-	( 644)	( 300)
<b>Net cash used in investing activities</b>		<b>(15 502)</b>	<b>(14 116)</b>	<b>(1 825)</b>	<b>9 262</b>
<b>FINANCING ACTIVITIES</b>					
Dividends paid		-	(5 647)	-	(5 647)
Proceeds from borrowings	<b>7</b>	15 315	39 338	56 496	98 692
Repayments of borrowings	<b>7</b>	(20 315)	(49 379)	(49 099)	(105 782)
Repayments of obligations under finance leases		( 13)	( 14)	( 13)	( 14)
Repurchase of bonds	<b>8</b>	(20 000)	-	(20 000)	-
Revenues from shares issue	<b>6</b>	20 000	-	20 000	-
<b>Net cash from financing activities</b>		<b>(5 013)</b>	<b>(15 702)</b>	<b>7 384</b>	<b>(12 751)</b>
<b>NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFT</b>		<b>6 467</b>	<b>(1 241)</b>	<b>3 350</b>	<b>140</b>
<b>CASH AND BANK OVERDRAFTS:</b>					
<b>AT THE BEGINNING OF THE PERIOD</b>		<b>(3 007)</b>	<b>(7 161)</b>	<b>(1 925)</b>	<b>(5 032)</b>
<b>AT THE END OF THE PERIOD</b>		<b>3 460</b>	<b>(8 402)</b>	<b>1 425</b>	<b>(4 892)</b>

## NOTES

### 1. General information

APB Apranga, (hereinafter "the Company"), was incorporated and commenced its operations in March 1993. The Company's main office is situated in Kirtimu 51, Vilnius, Lithuania. The Company has legal form of public limited liability company under the Law on Companies of Republic of Lithuania. The principal activity of the Company and its subsidiaries (hereinafter "the Group") is retail trade of apparel.

At 30 September 2009 the Group consisted of the Company and the following 100% owned subsidiaries:

<b>Name</b>	<b>Country</b>	<b>Headquarters</b>	<b>Principal activity</b>
UAB Apranga LT	Lithuania	Kirtimu 51, Vilnius	Retail trade of apparel
UAB Apranga BPB LT	Lithuania	Kirtimu 51, Vilnius	Retail trade of apparel
UAB Apranga PLT	Lithuania	Kirtimu 51, Vilnius	Retail trade of apparel
UAB Apranga SLT	Lithuania	Kirtimu 51, Vilnius	Retail trade of apparel
SIA Apranga	Latvia	Elizabetes 51, Riga	Retail trade of apparel
SIA Apranga LV	Latvia	Elizabetes 51, Riga	Retail trade of apparel
SIA Apranga BPB LV	Latvia	Elizabetes 51, Riga	Retail trade of apparel
SIA Apranga PLV	Latvia	Elizabetes 51, Riga	Retail trade of apparel
SIA Apranga SLV	Latvia	Elizabetes 51, Riga	Retail trade of apparel
OU Apranga	Estonia	Ravala 4/Laikmaa 15, Tallinn	Retail trade of apparel
OU Apranga Estonia	Estonia	Ravala 4/Laikmaa 15, Tallinn	Retail trade of apparel
OU Apranga BEE	Estonia	Ravala 4/Laikmaa 15, Tallinn	Retail trade of apparel
OU Apranga PB Trade	Estonia	Ravala 4/Laikmaa 15, Tallinn	Retail trade of apparel
OU Apranga ST Retail	Estonia	Ravala 4/Laikmaa 15, Tallinn	Retail trade of apparel

All 55291960 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.

At 30 September 2009 the Company had 3453 shareholders. Company's shareholders which owned or had under management more than 5% of share capital were:

<b>Shareholder</b>	<b>Enterprise code</b>	<b>Address</b>	<b>Number of shares</b>	<b>% of total ownership</b>
UAB MG Baltic Investment	123249022	Jasinskio 16B, Vilnius, Lithuania	29 677 397	53.7%
Swedbank AS (Estonia) clients	10060701	Liivalaia 8 Tallinn, Estonia	5 441 801	9.8%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	3 569 954	6.5%

An issue of 200000 Company's registered bonds of nominal value LTL 100 each and maturity of 2 years (ISIN code LT0000402216) was listed on Bond list of NASDAQ OMX Vilnius Stock Exchange (see Note 8. Bonds). Bonds were redeemed on 15 June 2009.

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.

Retail turnover of Group's stores by countries was as follows (LTL thousand, VAT included):

<b>Country</b>	<b>9 months 2009</b>	<b>9 months 2008</b>	<b>Change</b>
Lithuania	195 325	250 004	-21.9%
Latvia	64 278	90 853	-29.3%
Estonia	31 067	34 543	-10.1%
<b>Total:</b>	<b>290 670</b>	<b>375 400</b>	<b>-22.6%</b>

The number of Group's stores by countries was as follows:

Country	9 months 2009	9 months 2008	Change
Lithuania	76	60	26.7%
Latvia	31	23	34.8%
Estonia	8	7	14.3%
<b>Total:</b>	<b>115</b>	<b>90</b>	<b>27.8%</b>

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

Country	30 09 2009	30 09 2008	Change
Lithuania	42.1	38.4	9.6%
Latvia	18.3	13.6	34.6%
Estonia	5.3	4.9	8.2%
<b>Total:</b>	<b>65.7</b>	<b>56.9</b>	<b>15.5%</b>

The Group has opened 27 new stores and closed 13 in nine months 2009 (see Note 4. Investments into non-current assets). Due to underway retail chain optimisation, the Group shops area has decreased by 4.3 thousand sq. m. in third quarter 2009.

Main Indicators of the Group 9 months	9m 2009	9m 2008	Change
Net sales, LTL thousand	233 839	309 385	-24.4%
Net sales in foreign markets, LTL thousand	78 185	105 440	-25.8%
Like-for-like sales	-32.4%	0.7%	
Gross profit, LTL thousand	92 672	134 516	-31.1%
Gross margin	39.6%	43.5%	
EBT, LTL thousand	(13 619)	12 688	
EBT margin	-5.8%	4.1%	
Net profit, LTL thousand	(14 537)	10 306	
Net margin	-6.2%	3.3%	
EBITDA, LTL thousand	6 420	30 644	-79.0%
EBITDA margin	2.7%	9.9%	
Return on equity (end of the period)	-14.4%	10.8%	
Return on assets (end of the period)	-6.9%	4.8%	
Net debt to equity*	40.2%	54.5%	
Current ratio, times	1.0	0.9	7.2%

Main Indicators of the Group 3rd Quarter	Q3 2009	Q3 2008	Change
Net sales, LTL thousand	83 096	116 528	-28.7%
Net sales in foreign markets, LTL thousand	29 570	39 703	-25.5%
Like-for-like sales	-36.0%	-1.4%	
Gross profit, LTL thousand	34 344	50 549	-32.1%
Gross margin	41.3%	43.4%	
EBT, LTL thousand	( 370)	8 974	
EBT margin	-0.4%	7.7%	
Net profit, LTL thousand	(1 053)	7 501	
Net margin	-1.3%	6.4%	
EBITDA, LTL thousand	6 598	15 037	-56.1%
EBITDA margin	7.9%	12.9%	
Return on equity (end of the period)	-1.0%	7.9%	
Return on assets (end of the period)	-0.5%	3.5%	
Net debt to equity*	40.2%	54.5%	
Current ratio, times	1.0	0.9	7.2%

\*(Interest bearing liabilities less cash) / Equity

At 30 September 2009 the Group and the Company had 1538 and 747 employees, respectively. Number of employees in the Group and the Company during the last 12 months has decreased by 58.

The average monthly salary was LTL 1736 in the Group companies in third quarter 2009, and has decreased by 22.6% during the last 12 months.

## 2. Basis of preparation and summary of main accounting policies

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

Interim financial statements were based on the same accounting principles as the annual financial statements.

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

<b>Currency</b>	<b>30 06 2009</b>	<b>31 12 2008</b>	<b>30 06 2008</b>
1 EUR =	3.4528 LTL	3.4528 LTL	3.4528 LTL
1 LVL =	4.8823 LTL	4.8872 LTL	4.8742 LTL
10 EEK =	2.2067 LTL	2.2067 LTL	2.2067 LTL

## 3. Segment information

The following is information on revenues and carrying amount of total assets by the segments:

<b>LTL thousand</b>	<b>9 months 2009</b>			
	<b>Lithuania</b>	<b>Latvia</b>	<b>Estonia</b>	<b>Total</b>
Total segment revenue	175 228	55 673	26 484	257 385
Intersegment revenue	(19 574)	(3 018)	( 954)	(23 546)
<b>Revenue</b>	<b>155 654</b>	<b>52 655</b>	<b>25 530</b>	<b>233 839</b>

<b>LTL thousand</b>	<b>9 months 2008</b>			
	<b>Lithuania</b>	<b>Latvia</b>	<b>Estonia</b>	<b>Total</b>
Total segment revenue	235 453	78 342	30 247	344 042
Intersegment revenue	(31 508)	(2 048)	(1 101)	(34 657)
<b>Revenue</b>	<b>203 945</b>	<b>76 294</b>	<b>29 146</b>	<b>309 385</b>

<b>LTL thousand</b>	<b>Assets</b>	
	<b>30 09 2009</b>	<b>30 09 2008</b>
Lithuania	157 468	181 604
Latvia	39 271	39 556
Estonia	12 829	20 129
<b>Total</b>	<b>209 568</b>	<b>241 289</b>

## 4. Investments into non-current assets

Investments into development and reconstruction of retail network amounted to LTL 15530 thousand in 9 months of 2008.

## 5. Investments into subsidiaries

In February 2009 the Company has increased the share capitals of OU „Apranga PB Trade“ and OU „Apranga ST Retail“ from EEK 40 thousand (LTL 9 thousand) to EEK 1500 thousand (LTL 331 thousand). The Company has made the payment to the share capital in cash.

## 6. Share capital

The general shareholders' meeting convened on 30 April 2009 has resolved to increase Company's share capital by additional contributions of shareholders by issuing 20000000 ordinary registered shares of nominal value LTL 1 each with the subscription price LTL 1 each. All newly issued shares were paid in cash, and the amendments to the Articles of Association regarding increase of the share capital were registered at Company's Register of Republic of Lithuania on 5 June 2009. The

weighed average of shares outstanding of corresponding period was used in calculation of basic and diluted earnings per share.

## **7. Borrowings**

In June 2009, the Group and SEB Bankas 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 80000 thousand in order to finance further expansion, also for increasing the working capital, issuing guarantees and opening letters of credit. The credit line expires on 31 May 2010, the interests are paid for the amount used and the interest rate is calculated as the 1 month VILIBOR plus margin.

In February 2009, the Group has settled accounts with SIA DnB Nord Banka according to the credit line agreement.

## **8. Bonds**

On 15 June 2009 the Company has repurchased the issue of 200000 bonds of LTL 100 nominal value each for LTL 20000 thousand and paid the coupon of LTL 1198 thousand.

## **9. Guarantees and letters of credit**

As of 30 September 2009 guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totalled LTL 23134 thousand (31 December 2008: LTL 22184 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 30 September 2009 amounted to LTL 30557 thousand (31 December 2008: LTL 31155 thousand).

As of 30 September 2009 the Company's guarantees to the credit institutions issued to secure the obligations of subsidiaries totalled LTL nil (31 December 2008: LTL 7820 thousand). As of 30 September 2009 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totalled LTL 2431 thousand (31 December 2008: LTL 2431 thousand).

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