APRANGA APB

Interim Consolidated Financial Statements

For the Nine months period ended 30 September 2012

(UNAUDITED)

6 November 2012
Vilnius

INFORMATION ABOUT COMPANY

Name of the company	Apranga APB
Legal form	Public limited liability company
Date of registration	1st 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 VĮ, 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

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REVIEW OF ACTYVITY OF THE GROUP COMPANIES

The retail turnover (including VAT) of Apranga Group amounted to LTL 380.0 million in January through September 2012 or by 25.9% more than in first nine months of 2011. The highest growth rates were recorded in Latvia (30.3%), the lowest – in Estonia (21.3%).

High retail turnover growth performance was due to:

- clothing and footwear consumption grew faster than expected;
- extremely successful performance of newly opened and reconstructed in 2011-2012 stores;
- balanced development of goods assortment and supply, adequately to changes in market conditions.

According to EUROSTAT data, the retail trade in Baltic States during the 9 months 2012 grew the most in Estonia and Latvia. During 3rd this year quarter retail sales growth in Estonia slowed down to 8%, but still maintained a high average of 11% growth in 2012. Latvian retail sales growth in both the last quarter of 2012 and during all 9 months amounted to 9-10%. In Lithuania retail growth rate also remained almost unchanged, compared with the previous quarter and 9 months, and amounted to about 5%.

The retail turnover of the Group‘s stores by countries during 9 months of 2012 was (LTL thousand, VAT included):

Country	9 months 2012	9 months 2011	Change
Lithuania	239 896	191 623	25,2%
Latvia	91 646	70 357	30,3%
Estonia	48 411	39 911	21,3%
Total:	**379 953**	**301 890**	**25,9%**

Since May 2012, Apranga Group monthly sales consistently exceeded the pre-crisis year 2008 sales level. The turnover for the period from January to September 2012 (LTL 379 953 thousand) by 1.2% exceeded the turnover of first 9 months 2008 (LTL 375 399 thousand).

The retail turnover of the Group‘s stores during the third quarter 2012 by countries was as follows (LTL thousand, VAT included):

Country	Q3 2012	Q3 2011	Change
Lithuania	95 241	76 079	25,2%
Latvia	37 314	28 393	31,4%
Estonia	21 001	16 643	26,2%
Total:	**153 556**	**121 116**	**26,8%**

Turnover of the 3rd quarter 2012 - an absolute Apranga Group quarterly turnover record - for the first time it exceeded LTL 150 million limits.

The retail turnover of the Group‘s stores by chains during 9 months 2012 was as follows (LTL thousand, VAT included):

Chain	9 months 2012	9 months 2011	Change
Economy	39 975	32 982	21,2%
Youth	129 816	110 211	17,8%
Business	41 823	23 987	74,4%
Luxury	40 553	35 631	13,8%
Zara	112 361	87 195	28,9%
Outlets	15 425	11 884	29,8%
Total	**379 953**	**301 890**	**25,9%**

In 1st nine months of 2012, the Business chain turnover increased mostly (+74.4%). This growth was mainly due to the 3 new "Massimo Dutti" and 4 small single-brand stores ("Strellson", "Marella", "Pennyblack", "Coccinelle") opening. Also, high turnover growth rates experienced Zara, Economy chain and Outlets.

During the nine months of 2012 Apranga Group opened 16 stores (including 2 "Burberry", 3 "Massimo Dutti" and 5 "Aldo" stores), reconstructed 8 and closed 4 stores due to the end of their lease agreements and non-viability. The capital expenditure of the retail chain expansion amounted to LTL 21.6 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 09 2012	30 09 2011	Change
Lithuania	88	77	14,3%
Latvia	33	32	3,1%
Estonia	12	11	9,1%
Total:	**133**	**120**	**10,8%**

The number of stores by chains was as follows:

Chain	30 09 2012	30 09 2011	Change
Economy	12	12	0,0%
Youth	67	61	9,8%
Business	18	13	38,5%
Luxury	18	16	12,5%
Zara	10	10	0,0%
Outlets	8	8	0,0%
Total	**133**	**120**	**10,8%**

The total *sales area* operated by the Group has increased by 3.1% or by 2.0 thousand sq. m. during the period from 30 September 2011 till 30 September 2012. The most sales area increased in Estonia – 4.9%.

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

Country	30 09 2012	30 09 2011	Change
Lithuania	42,3	41,0	3,2%
Latvia	17,9	17,5	2,3%
Estonia	5,9	5,6	4,9%
Total:	**66,2**	**64,2**	**3,1%**

The Group has earned LTL 31 474 thousand of *profit before income tax* in nine months 2012, while profit before taxes amounted to LTL 17 766 thousand during nine months of 2011 (an increase of 77.2%). In 3rd quarter the profit before income tax increased from LTL 10 096 thousand in 2011 to LTL 16 519 thousand in 2012 (an increase of 63.6%).

EBITDA of the Group was LTL 44 232 thousand during 9 months 2012, and it was LTL 31 234 thousand in corresponding previous year period. EBITDA margin has increased from 13.1% to 14.6% during the year. The current ratio of the Group remained at the same level as the year before - 1.7 times.

Substantial Apranga Group's financial performance improvement due to:

- very high turnover growth rates;
- successful performance of newly opened and reconstructed stores;
- maintained level of gross profitability;
- turnover and gross profit growth rates were by more than one-third higher than the growth of operating expenses.

Main Group Indicators	**9 months 2012**	**9 months 2011**	**Change**
Net sales, LTL thousand	303 280	239 332	26,7%
Net sales in foreign markets, LTL thousand	113 352	88 813	27,6%
Like-to-like sales	19,4%	9,3%	
Gross profit, LTL thousand	139 402	109 665	27,1%
Gross margin	46,0%	45,8%	
EBT, LTL thousand	31 474	17 766	77,2%
EBT margin	10,4%	7,4%	
Net profit (losses), LTL thousand	26 638	14 815	79,8%
Net margin	8,8%	6,2%	
EBITDA, LTL thousand	44 232	31 234	41,6%
EBITDA margin	14,6%	13,1%	
Return on equity (end of the period)	20,6%	13,1%	
Return on assets (end of the period)	13,3%	8,4%	
Net debt to equity*	-2,2%	7,0%	
Current ratio, times	1,7	1,7	

* (Interest bearing liabilities less cash) / Equity

Main Group Indicators	**Q3 2012**	**Q3 2011**	**Change**
Net sales, LTL thousand	123 016	96 735	27,2%
Net sales in foreign markets, LTL thousand	47 415	36 430	30,2%
Like-to-like sales	20,3%	9,4%	
Gross profit, LTL thousand	56 239	43 771	28,5%
Gross margin	45,7%	45,2%	
EBT, LTL thousand	16 519	10 096	63,6%
EBT margin	13,4%	10,4%	
Net profit (losses), LTL thousand	14 296	8 411	70,0%
Net margin	11,6%	8,7%	
EBITDA, LTL thousand	20 711	14 569	42,2%
EBITDA margin	16,8%	15,1%	
Return on equity (end of the period)	11,0%	7,4%	
Return on assets (end of the period)	7,1%	4,8%	
Net debt to equity*	-2,2%	7,0%	
Current ratio, times	1,7	1,7	

* (Interest bearing liabilities less cash) / Equity

The *operating expenses* of the Group totaled LTL 108 781 thousand during 9 months 2012 and increased by 17.9%, comparing to the same period 2011 (in comparison, sales increased by 26.7% during this period). The *finance costs* of the Group due to continued decline of average level of finance debts was only LTL 48 thousand in 9 months 2012, and decreased by 3 times during the year. Total finance debts of the Group decreased from LTL 11.1 million at 30 September 2011 to LTL 4.7 million at 30 September 2012, despite the fact that the Company paid LTL 20 million in dividends in May 2012.

The Group's *level of inventories* during the year grew slower than the growth of sales and increased from LTL 84.4 million to LTL 91.2 million, or by 8.1% (Company's inventories grew by 5.2%).

The number of employees during the year till 30 September 2012 in the Group has increased by 251 to 1573 (+19.0%), and has increased in Company by 97 to 688 (+16.4%). During the 3rd quarter 2012 the number of employees increased by 137 (+9.5%) in the Group, and by 37 (+5.7%) in the Company.

The average monthly salary in the Group and the Company in the 3rd quarter 2012 has increased 9.1% and 11.7%, respectively, in comparison to the 3rd quarter 2011. The average monthly salary in the 9 months 2012 comparing to the 9 months 2011 has increased by 10.6% in the Group, and increased by 14.9% in the Company.

The price of the Company share during 9 months 2012 increased from LTL 5.02 per share to LTL 6.87 per share (+37%). The maximum share price during the twelve months period was LTL 7.04 per share, minimum share price - LTL 5.02 per share. The market capitalization of the Company increased from LTL 278 million at the beginning of the year to LTL 380 million at the end of September 2012. The average price of share during the reporting period was LTL 5.96 per 1 share. The share price during the last 12 months increased from LTL 4.90 to LTL 6.87 per share, or by 40%.

Apranga APB share price during 12 months period from 1st October 2011 to 30th September 2012:

Information about members of the Management board on 30 September 2012:

Name, Surname	Position	Number of shares owned and part in the share capital	Election date	End of term
Darius Juozas Mockus	Chairman of the Board	981 958 1.78%	30 04 2010	30 04 2014
Rimantas Perveneckas	Member of the Board, General Director	1 000 000 1.81%	30 04 2010	30 04 2014
Ilona Simkuniene	Member of the Board, Purchasing Director	49 573 0.09%	30 04 2010	30 04 2014
Ramunas Gaidamavicius	Member of the Board, Development Director	5 000 0.01%	30 04 2010	30 04 2014
Vidas Lazickas	Member of the Board	35 615 0.06%	29 04 2011	30 04 2014
Marijus Strončikas	Member of the Board	4 365 0.01%	30 04 2010	30 04 2014

STATEMENT OF COMPREHENSIVE INCOME

		Group		Company	
	Note	**9 months 2012**	**9 months 2011**	**9 months 2012**	**9 months 2011**
Revenue	**3**	303 280	239 332	130 158	109 949
Cost of sales		(163 878)	(129 667)	(80 486)	(68 163)
Gross profit		**139 402**	**109 665**	**49 672**	**41 786**
Operating expenses		(108 781)	(92 237)	(51 030)	(43 713)
Other income		834	532	28 065	25 139
Net foreign exchange gain (loss)		67	(47)	60	(6)
Operating profit (loss)		**31 522**	**17 913**	**26 767**	**23 206**
Finance costs	**6**	(48)	(147)	(276)	(338)
Profit (loss) before income tax		**31 474**	**17 766**	**26 491**	**22 868**
Income tax expense		(4 836)	(2 951)	(1 174)	(711)
Profit (loss) for the year	**3**	**26 638**	**14 815**	**25 317**	**22 157**
Other comprehensive income					
Currency translation difference		133	364	-	-
TOTAL COMPREHENSIVE INCOME		**26 771**	**15 179**	**25 317**	**22 157**
Basic and diluted earnings (losses) per share (in LTL)		**0,48**	**0,27**	**0,46**	**0,40**

BALANCE SHEET

		Group		Company	
	Note	**30 09 2012**	**31 12 2011**	**30 09 2012**	**31 12 2011**
ASSETS					
Non-current assets					
Property, plant and equipment		80 593	71 555	51 615	49 978
Intangible assets		384	608	280	445
Investments in subsidiaries		-	-	16 101	16 101
Prepayments		939	862	326	326
Trade and other receivables		136	151	136	151
		82 052	**73 176**	**68 458**	**67 001**
Current assets					
Inventories		91 163	64 034	47 825	37 035
Available for sale financial assets	**5**	13 080	10 510	13 080	10 510
Non-current assets held for sale		1 118	1 118	1 118	1 118
Prepayments		3 566	1 831	2 020	1 349
Trade and other receivables		2 356	2 440	22 192	13 393
Cash and cash equivalents		7 585	8 056	2 481	3 040
		118 868	**87 989**	**88 716**	**66 445**
TOTAL ASSETS	**3**	**200 920**	**161 165**	**157 174**	**133 446**
EQUITY AND LIABILITIES					
Equity					
Ordinary shares		55 292	55 292	55 292	55 292
Legal reserve		4 612	3 262	4 612	3 262
Translation difference		21	92	-	-
Retained earnings		69 490	64 456	47 001	43 492
		129 415	**123 102**	**106 905**	**102 046**
Non-current liabilities					
Deferred tax liabilities		3 063	3 763	1 551	1 335
Other liabilities		308	392	308	392
		3 371	**4 155**	**1 859**	**1 727**
Current liabilities					
Borrowings	**6**	4 697	1 178	18 963	14 053
Obligations under finance leases		-	3	-	-
Current income tax liability		4 588	972	970	79
Trade and other payables		58 849	31 755	28 477	15 541
		68 134	**33 908**	**48 410**	**29 673**
Total liabilities		**71 505**	**38 063**	**50 269**	**31 400**
TOTAL EQUITY AND LIABILITIES		**200 920**	**161 165**	**157 174**	**133 446**

STATEMENTS OF CHANGES IN EQUITY

GROUP

	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 1 January 2011		**55 292**	**2 912**	**(385)**	**53 950**	**111 769**
Comprehensive income						
Profit for the 9 months 2011					14 815	14 815
Other comprehensive income						
Currency translation difference		-	-	(9)	373	364
Total comprehensive income		**-**	**-**	**(9)**	**15 188**	**15 179**
Transactions with owners						
Transfer to legal reserve		-	350	-	(350)	-
Dividends paid		-	-	-	(13 823)	(13 823)
Balance at 30 September 2011		**55 292**	**3 262**	**(394)**	**54 965**	**113 125**
Balance at 1 January 2012		**55 292**	**3 262**	**92**	**64 456**	**123 102**
Comprehensive income						
Profit for the 9 months 2012		-	-	-	26 638	26 638
Other comprehensive income						
Currency translation difference		-	-	(71)	204	133
Total comprehensive income		**-**	**-**	**(71)**	**26 842**	**26 771**
Transactions with owners						
Transfer to legal reserve	**8**	-	1 350	-	(1 350)	-
Dividends paid	**8**	-	-	-	(20 458)	(20 458)
Balance at 30 September 2012		**55 292**	**4 612**	**21**	**69 490**	**129 415**

COMPANY

	Note	Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2011		**55 292**	**2 912**	**30 953**	**89 157**
Comprehensive income					
Profit for the 9 months 2011		-	-	22 157	22 157
Transactions with owners					
Transfer to legal reserve		-	350	(350)	-
Dividends paid		-	-	(13 823)	(13 823)
Balance at 30 September 2011		**55 292**	**3 262**	**38 937**	**97 491**
Balance at 1 January 2012		**55 292**	**3 262**	**43 492**	**102 046**
Comprehensive income					
Profit for the 9 months 2012		-	-	25 317	25 317
Transactions with owners					
Transfer to legal reserve	**8**	-	1 350	(1 350)	-
Dividends paid	**8**	-	-	(20 458)	(20 458)
Balance at 30 September 2012		**55 292**	**4 612**	**47 001**	**106 905**

STATEMENTS OF CASH FLOW

		Group		Company	
	Note	9 months 2012	9 months 2011	9 months 2012	9 months 2011
OPERATING ACTIVITIES					
Profit (loss) before income taxes	3	31 474	17 766	26 491	22 868
Adjustments for:			-		-
Depreciation and amortization		12 710	13 321	6 577	6 608
Impairment charge		(54)	-	(54)	-
Change in allowances for slow-moving inventories		(1 467)	(981)	(210)	(637)
Gain on disposal of property, plant and equipment		(10)	(22)	(10)	(22)
Write-off of property, plant and equipment		164	11	163	9
Dividends income		-	-	(20 325)	(19 218)
Interest expenses, net of interest income		(371)	94	(162)	244
		42 446	**30 189**	**12 470**	**9 852**
Changes in operating assets and liabilities:					
Decrease (increase) in inventories		(25 662)	(31 394)	(10 580)	(15 873)
Decrease (increase) in receivables		(1 713)	(1 597)	(7 269)	(4 365)
Unrealized foreign exchange loss (gain)		133	364	-	6
Increase (decrease) in payables		26 837	22 468	12 693	12 970
Cash generated from operations		**42 041**	**20 030**	**7 314**	**2 590**
Income taxes paid		(1 920)	(2 086)	(81)	2
Interest paid	6	(50)	(147)	(279)	(338)
Net cash from operating activities		**40 071**	**17 797**	**6 954**	**2 254**
INVESTING ACTIVITIES					
Interest received		561	53	579	94
Dividends received		-	-	20 325	19 218
Loans granted		(86 500)	(10 000)	(106 049)	(34 966)
Loans repayments received		86 500	10 000	103 863	36 064
Purchases of property, plant and equipment and intangible assets	4	(23 040)	(6 260)	(9 097)	(3 265)
Proceeds on disposal of property, plant and equipment	4	1 416	380	949	876
Purchases of available-for-sale financial assets	5	(2 710)	(6 153)	(2 710)	(6 153)
Investment in subsidiaries		-	-	-	(300)
Net cash used in investing activities		**(23 773)**	**(11 980)**	**7 860**	**11 568**
FINANCING ACTIVITIES					
Dividends paid	8	(20 285)	(13 823)	(20 285)	(13 823)
Proceeds from borrowings		-	8 000	97 807	66 855
Repayments of borrowings		-	-	(96 415)	(66 224)
Repayments of obligations under finance leases		(3)	(7)	-	-
Net cash from financing activities		**(20 288)**	**(5 830)**	**(18 893)**	**(13 192)**
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		**(3 990)**	**(13)**	**(4 079)**	**630**
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		**6 878**	**60**	**1 863**	**(2 739)**
AT THE END OF THE PERIOD		**2 888**	**47**	**(2 216)**	**(2 109)**

NOTES TO INTERIM CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS

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 2012 the Group consisted of the Company and the following 100% owned subsidiaries:

Name	Country	Headquarters	Principal activity
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
UAB Apranga MLT	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	Terbatas 30, Riga	Retail trade of apparel
SIA Apranga MLV	Latvia	Terbatas 30, Riga	Retail trade of apparel
OU Apranga[1]	Estonia	Pärnu mnt 10/Väike-Karja 12 Tallinn	Retail trade of apparel
OU Apranga Estonia	Estonia	Pärnu mnt 10/Väike-Karja 12 Tallinn	Retail trade of apparel
OU Apranga BEE	Estonia	Pärnu mnt 10/Väike-Karja 12 Tallinn	Retail trade of apparel
OU Apranga PB Trade	Estonia	Pärnu mnt 10/Väike-Karja 12 Tallinn	Retail trade of apparel
OU Apranga ST Retail	Estonia	Pärnu mnt 10/Väike-Karja 12 Tallinn	Retail trade of apparel

[1] *100 % jointly with OU Apranga Estonia*

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

At 30 September 2012 the Company had 3 251 shareholders. Company's shareholders which owned or had under management more than 5% of share capital were:

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	7 609 080	13,8%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	4 191 380	7,6%
Swedish clients SEB	5020329081SE	Sergels Torg 2, Stockholm, Sweden	3 045 363	5,5%

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.

2. 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 09 2012	31 12 2011	30 09 2011
1 EUR	=	3.4528 LTL	3.4528 LTL	3.4528 LTL
1 LVL	=	4.9597 LTL	4.9421 LTL	4.8672 LTL

3. 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 9 months 2012 is as follows:

9 months 2012	**Lithuania**	**Latvia**	**Estonia**	**Total**	**Inter-company elimina-tions**	**Total in consolidated financial statements**
Total segment revenue	210 356	76 083	40 459	326 898	-	
Inter-segment revenue	(20 428)	(2 346)	(844)	(23 618)	-	
Revenue from external customers	**189 928**	**73 737**	**39 615**	**303 280**	**-**	**303 280**
Gross margin	**45,5%**	**46,2%**	**47,5%**	**46,0%**		**46,0%**
Profit (loss) for the year	**14 960**	**6 925**	**4 753**	**26 638**	**-**	**26 638**
Total assets	175 455	43 083	17 581	236 119	(35 199)	200 920
Additions to non-current assets (other than financial instruments and prepayments for leases)	10 638	8 593	2 608	21 839	(215)	21 624

9 months 2011	**Lithuania**	**Latvia**	**Estonia**	**Total**	**Inter-company elimina-tions**	**Total in consolidated financial statements**
Total segment revenue	168 332	58 461	33 192	259 985	-	
Inter-segment revenue	(17 813)	(2 266)	(574)	(20 653)	-	
Revenue from external customers	**150 519**	**56 195**	**32 618**	**239 332**	**-**	**239 332**
Gross margin	**45,3%**	**46,3%**	**47,1%**	**45,8%**		**45,8%**
Profit for the year	**8 328**	**3 529**	**2 958**	**14 815**	**-**	**14 815**
Total assets	150 299	33 432	15 689	199 420	(22 497)	176 923
Additions to non-current assets (other than financial instruments and prepayments for leases)	3 413	2 058	409	5 880		5 880

4. Investments into non-current assets

Net investments of the Group amounted to LTL 21.6 million in first nine months of 2012 (LTL 11.2 million in 3rd quarter 2012). The Company totally invested LTL 8.1 million in first nine months of 2012. Daughter companies' investments into development of the retail network amounted to LTL 13.5 million.

5. Investments into financial assets

In third quarter 2012 the Company has acquired the Lithuanian Government issued the long-term bonds denominated in Litas, which are recorded as Available-for-sale financial assets. Total amount acquired for LTL 2.7 million. Total investments in the Lithuanian Government issued the long-term bonds amounted to LTL 13.1 million on 30 September 2012.

6. Borrowings

In November 2011, 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 2012 (the bank is obliged to extend the term of the contract for an additional one year period if the Company complies with the obligations imposed). 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.

7. Guarantees and letters of credit

As of 30 September 2012 guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled LTL 29 332 thousand (31 December 2011: LTL 24 774 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 30 September 2012 amounted to LTL 36 777 thousand (31 December 2011: LTL 32 388 thousand).

As of 30 September 2012 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled LTL 1 725 thousand (31 December 2011: LTL 1 278 thousand).

8. Profit distribution

On 27 April 2012 the Company's shareholders' meeting decided to pay out LTL 20 458 thousand in dividends, LTL 720 thousand annual bonuses and to allocate LTL 1 350 thousand to the legal reserve.

9. Revised operating plans

According to on October 2012 revised operating plans Apranga Group is planning to reach the retail turnover (including VAT) of LTL 520.0 million in the year 2012.

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