

APRANGA GROUP

Annual Prospectus-Report
of the year 2007



Family fashion		Young fashion		ZARA	Business fashion		Luxury fashion	
Monobrand		Multibrand		Franchise stores in the Baltic States	Monobrand		Monobrand	Multibrand
APRANGA		MANGO	APRANGOS galenja	ZARA	Betty Barclay		EMPORIO ARMANI	MADOS LINTIA
		MEXX	moskitom				BOSS HUGO BOSS	nude
		MISS SIXTY					MaxMara	
		ENERGIE					Ermenegildo Zegna	
		Bershka					GF FERRE	
		Pull and Bear					LA PERLA	
		s.Oliver						
		ONLY						
		JACK & JONES						



Statement of General Director	7
Apranga Group indicators for five years	8
Apranga Group in 2007:	10
• Overview and key indicators	12
• 2007 chronology	18
• Group structure	30
• Employees	32
Stores and chains operated by Apranga Group	34
Apranga APB shares	44
• Shareholders	46
• Key indicators per share	47
Auditor's Report and Annual Statements	48
• Independent auditor's report	50
• Income statements	51
• Balance sheets	52
• Statements of cash flow	54
Contacts	56

City

2007 autumn / winter

STATEMENT OF GENERAL DIRECTOR



In 2007, Apranga Group continued an impressive stage in the company's history. Intensive development, brilliant performance, successful activities of the retail chain and their coordination are the joint result of hard work carried out by our Group's top management and employees. The company's successful activities were evaluated by international experts: in May 2007, the Euromoney evaluated Apranga APB as the best-run company in Lithuania in 2006.

In 2007, retail turnover of the chain operated by Apranga Group (incl. VAT) made up LTL 437.4 million and grew by 46.1 percent, as compared to 2006. The Group's growth rates were higher than 40 percent for four years in a row. In 2007, Apranga Group chain's turnover in foreign markets increased to LTL 148.8 million (EUR 43.1 million) or by 47.1 percent, in comparison to 2006. Foreign markets turnover was equal to 34.1 percent of the Group's total turnover. Despite highly active development, like-to-like sales grew by 9.4 percent. Sales in all chains increased by not less than 25 percent, as compared to the previous year. This was ensured by Apranga Group's expansion implemented during the past three years, growing economy and purchasing power in the Baltic States.

In 2007, Apranga Group implemented the biggest development stage in the company's history. The end of the year operated a chain of 83 stores in the Baltic States. The area of stores reached 54,000 m² and increased by 40% in a year. In 2007, Apranga Group opened or reconstructed 31 stores. In 2007, LTL 39 million was invested in new and reconstruction projects.

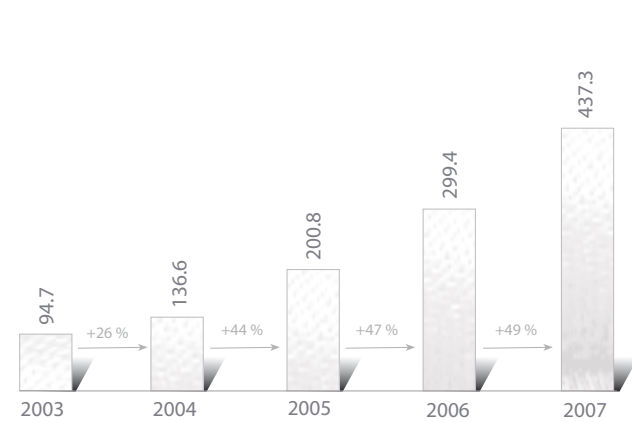
Apranga Group continues to declare its objective to work with commercially successful brands, to optimally use the power of the market leader and development opportunities in the competitive environment. This is ensured by the Group's diversified portfolio of trademarks, development acceleration attained, agreements on viable projects concluded in large shopping centres in the Baltic States.

Rimantas Perveneckas
General Director of Apranga Group

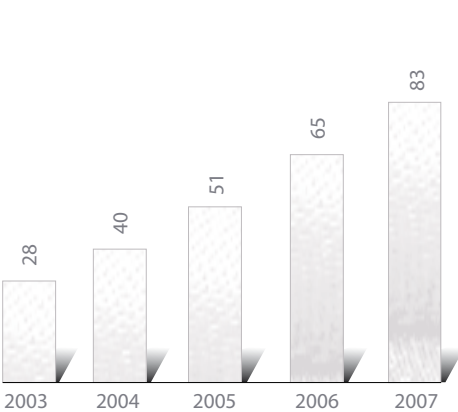
A handwritten signature in blue ink, appearing to read 'R. Perveneckas', written over a horizontal line.

APRANGA GROUP INDICATORS FOR FIVE YEARS

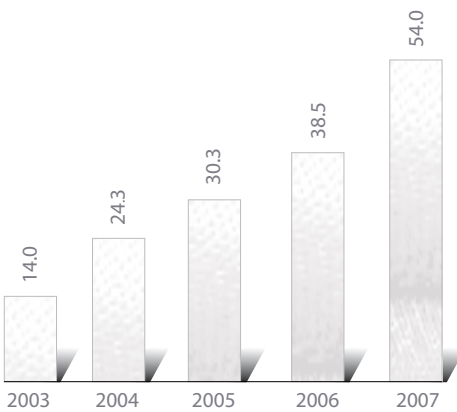
Turnover (VAT included, LTL million):



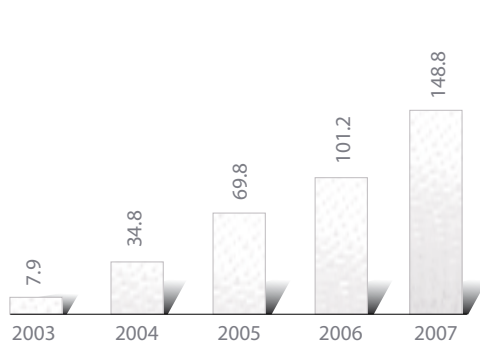
Number of stores:



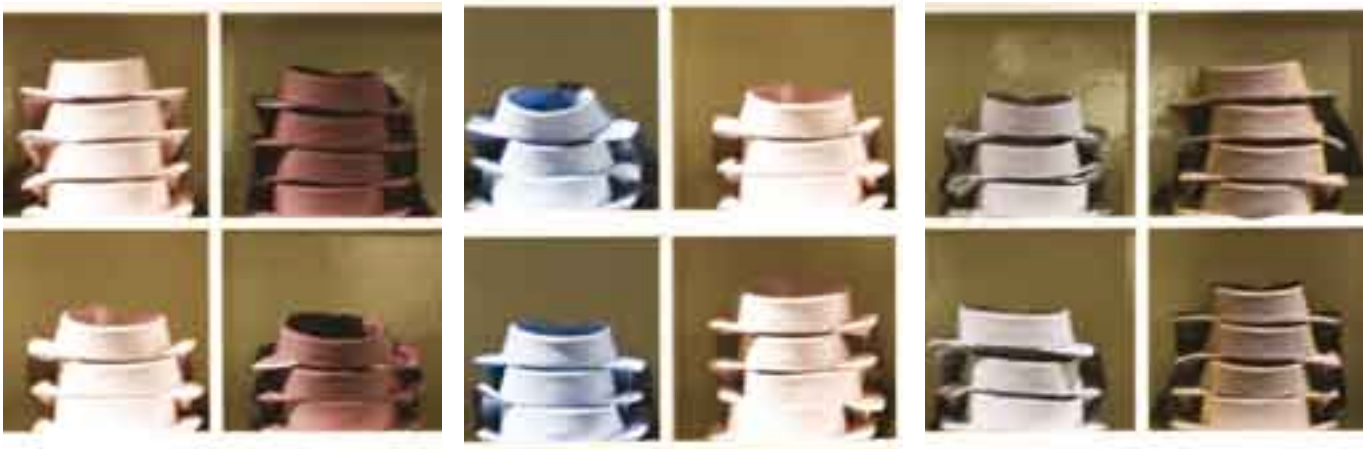
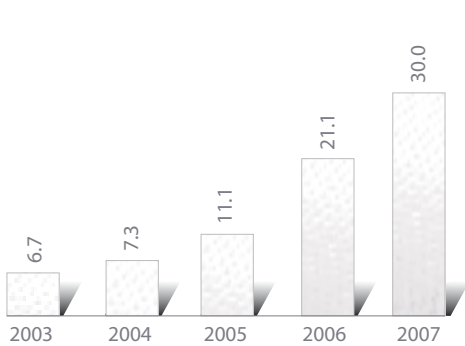
Stores area increase (thousand m²):



Turnover growth in foreign markets (LTL million):



Profit before taxes (LTL million):



[Overview and key indicators](#)

[2007 chronology](#)

[Group structure](#)

[Employees](#)



Aprangos galerija

2007 autumn / winter

APRANGA GROUP PERFORMANCE

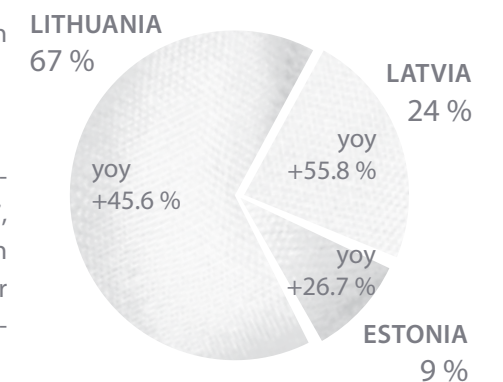
In 2007, retail turnover of the chain operated by Apranga Group (incl. VAT) made up LTL 437.4 million and grew by 46.1 percent, as compared to 2006.

In 2007, Apranga Group retail chain's turnover in the local Lithuanian market reached LTL 288.5 million or increased by 45.6 percent, in comparison to 2006. During a year, Apranga Group retail chain's turnover has increased by 30.9 percent in Vilnius, doubled in Kaunas, 35.8 percent in Klaipėda. By management's assessment, the Group has increased retail clothing market share in Lithuania from 30.8% to 34.5% in 2007.

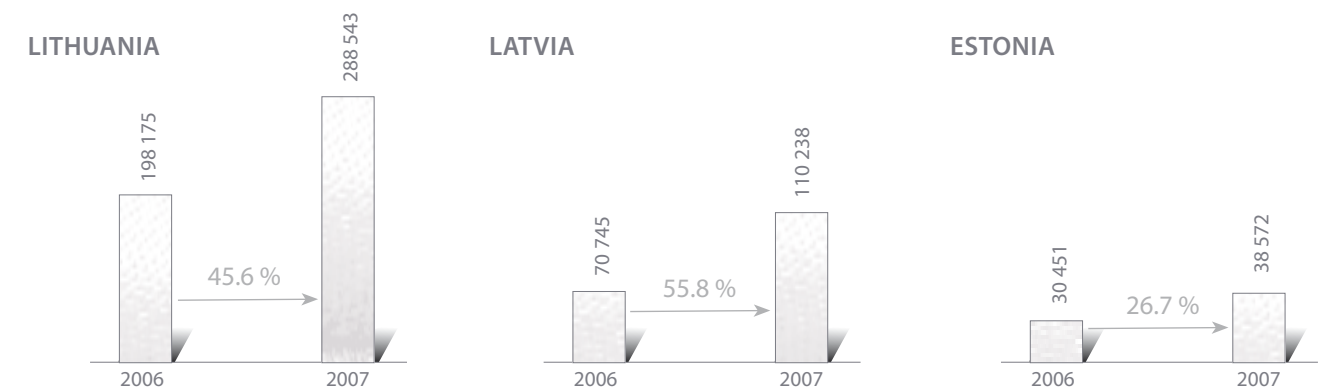
The retail turnover in Latvia and Estonia has made LTL 148.8 million in 2007, or 47% more, than in 2006. The foreign turnover share in total Group's turnover has increased from 33.8% to 43.0% during the year.

Despite of increased competition all chains developed by Apranga have reached growth rates above 25%. The highest turnover growth rates were in youth chain and Zara: 88.4% and 47.6%, respectively. The higher growth rates of these chains were also influenced by higher investments and active development implemented in the Baltic States in 2006-2007. Like-to-like sales increased by 9.4 percent.

Retail turnover by countries:



Retail turnover by countries (LTL thousand, VAT included):



APRANGA GROUP
TURNOVER BY CHAIN

Retail turnover by chain (LTL thousand, VAT included):

Chain	2007	2006	Change
Economy	88 694	70 810	+25.3 %
Young fashion	100 242	53 194	+88.4 %
Business fashion	45 982	34 397	+33.7 %
Luxury fashion	59 665	44 472	+34.2 %
Zara	135 905	92 062	+47.6 %
Outlets	6 865	4 436	+54.8 %
Total:	437 353	299 371	+46.1 %

EXPANSION

Apranga Group has implemented biggest in the Group’s history retail chain expansion program during the 2007: Apranga Group has opened 25 new stores, 7 were closed, 6 reconstructed.

In 2007, the number of stores managed by Apranga Group increased from 65 to 83. There were 5 Bershka, 4 ZARA, 3 Pull and Bear, 3 Mexx, 3 Aprangos Gale-rija, 3 Apranga and several other stores opened in a year. During 2007, the number of Group stores in foreign mar-kets increased by more than 50 percent, which creates excellent preconditions for strengthening its positions in foreign markets.

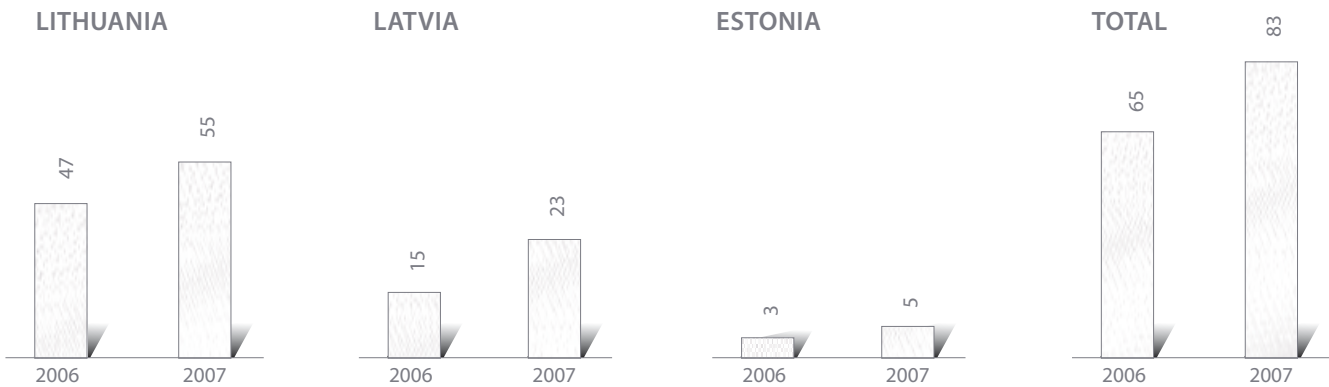
During 2007, the area of retail chain ope-rated by Apranga Group increased by 15,500 m² or 40 percent of what was successfully implemented in the previ-ous 10 years of company’s history.

In 2007, Apranga Group allocated LTL 39 million for the development of the retail chain. During the past four years of chain’s highly rapid development and turnover growth, the Group’s invest-ment exceeded LTL 100 million.

Number of stores at the end of year by chain:

Chain	2007	2006
Economy	14	15
Young fashion	31	18
Business fashion	10	11
Luxury fashion	15	14
Zara	9	5
Outlets	4	2
Total:	83	65

Number of stores at the end of year by country:



Key indicators	2007	2006	Change
Net sales, LTL thousand	368 907	253 489	+45.5 %
Net sales in foreign markets, LTL thousand	126 621	85 843	+47.5 %
<i>Like-to-like sales (comparing to previous year)</i>	9.4 %	20.2 %	
Gross profit, LTL thousand	167 948	114 178	+47.1 %
Gross margin	45.5 %	45.0 %	
EBT, LTL thousand	30 042	21 050	+42.7 %
EBT margin	8.1 %	8.3 %	
Net profit, LTL thousand	24 923	17 436	+42.9 %
Net margin	6.8 %	6.9 %	
EBITDA, LTL thousand	48 499	34 516	+40.5 %
EBITDA margin	13.1 %	13.6 %	
Return on equity (end of the period)	28.4 %	26.2 %	
Return on assets (end of the period)	12.3 %	12.2 %	
Net debt to equity	84.0 %	67.5 %	
Current ratio, times	1.0	1,0	+0.4 %
Number of stores	83	65	
Number of employees	1637	1170	+40.3 %



City
2007 spring / summer

OUTLOOK FOR 2008

Apranga Group further plans active development in the Baltic States.

The next two years will be one of the most active in the completion of chain formation in the Baltic States.

It is intended to devote more attention to the Estonian market where the Group has five stores at present. In 2010, Apranga Group plans to operate a chain of 25-30 stores in Estonia.

Apranga Group’s development plans for the coming three years and activity forecasts are based on the following :

- the objective of the Baltic States to catch up with the EU average standard of living, due to which household disposable income and consumption increase;
- active development of shopping centres and growing supply of stores area;
- the opportunity to expand beyond the limits of the Baltic States.

An impressive economic growth in all three Baltic States in recent years, increasing wages and reduced level of unemployment were the factors which determined a record high growth pace of consumption. The Baltic Region continues to remain a promising region for retail trade. Referring to specified economic forecasts for the three Baltic States announced at the end of 2007, Apranga Group provides for a possibility to revise the company’s plans in the course of the year taking into account possible fluctuations of the economic situation and their influence on consumption.

2007/03/02, Riga, Latvia

In March, the first Bershka store in Latvia opened at the shopping centre Spice in Riga. At the same time, the second ZARA store was also opened in Riga, the capital of Latvia. The first Pull and Bear store in Latvia opened at the same shopping centre shortly after.



2007/03/14, Šiauliai, Lithuania

On 14 March, Aprangos galerija and Apranga stores were opened at the shopping centre Saulės miestas.

2007/04/10, Kaunas, Lithuania

On 10 April, nine stores covering total area of 5,700 m² opened at the shopping centre Akropolis at the same time. First s.Oliver store in Lithuania and the first ZARA, Bershka, Pull and Bear and Mexx stores in Kaunas among them. Apranga, Aprangos Galerija and City men&women stores were also opened at this shopping centre and the Mango store relocated to new premises.



2007/05/14, Vilnius, Lithuania

On 4 May, the fourth Bershka store in Lithuania opened in Vilnius centre. The shop covers an area of nearly 500 m².



2007/08/18, Panevėžys, Lithuania

On 18 August, Aprangos Galerija, a store for young people, total area of 630 m² opened after reconstruction in Panevėžys centre. It is the largest store of Aprangos Galerija chain in Lithuania.

In October 2007, retail turnover of Apranga Group chain reached LTL 47.8 million (EUR 13.9 million), which is an absolute record for the Group's monthly turnover.

**LTL 47.8 million
(EUR 13.9 million)**

2007/08/18, Riga, Latvia

On 18 August, three stores were opened at the shopping centre Alfa at the same time: Bershka, Pull and Bear and the third ZARA in Riga. All three shops cover a total area of 2,500 m².





2007/11/08, Riga, Latvia

On 8 November, the biggest Hugo Boss store in the northern part of Europe was opened in city centre, Terbatas Street. The shop has an area of over 600 m².



2007/11/15, Tallinn, Estonia

On 15 November, the first Bershka store in Estonia opened in Rotermanni quarter. The shop covers an area of 535 m².



City

Gedimino ave., Vilnius, Lithuania
(2007/11/19)





2007/11/19, Vilnius, Lithuania

On 19 November, City, a clothing and accessories store of new concept, opened in the building with unique history and architecture, at Gediminas Avenue. The shop has an area of 3,000 m². Investment in the project amounted to LTL 12 million (EUR 3.5 million). Project authors are Blocher Blocher Partners, the German architecture and design company.





2007/12/07, Tallinn, Estonia

On 7 December, the second ZARA store in Estonia opened at the shopping centre Kristine. The shop has an area of 1,100 m².

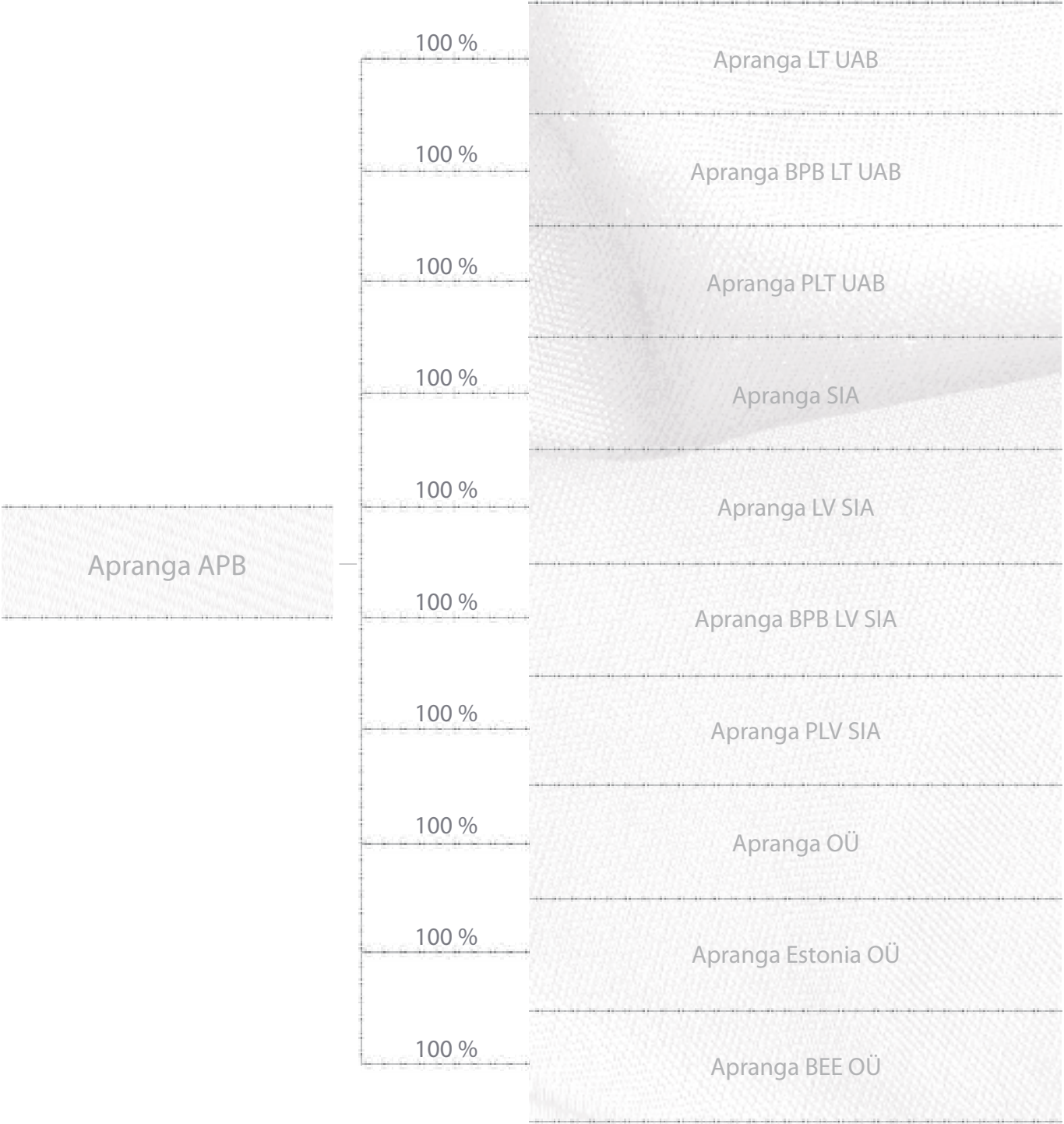
2007/12/21, Riga, Latvia

On 21 December, the third Mexx store in Riga was opened at the shopping centre Spice.



Structure of Apranga Group

Company	Country	Address	Activity
Apranga APB	Lithuania	Kirtimų 51, Vilnius	Parent company
Apranga LT UAB	Lithuania	Kirtimų 51, Vilnius	Subsidiary, ZARA operator in Lithuania
Apranga BPB LT UAB	Lithuania	Kirtimų 51, Vilnius	Subsidiary, Bershka operator in Lithuania
Apranga PLT UAB	Lithuania	Kirtimų 51, Vilnius	Subsidiary, Pull and Bear operator in Lithuania
Apranga SIA	Latvia	Elizabetes 51, Riga	Subsidiary, main company in Latvia
Apranga LV SIA	Latvia	Elizabetes 51, Riga	Subsidiary, ZARA operator in Latvia
Apranga BPB LV SIA	Latvia	Elizabetes 51, Riga	Subsidiary, Bershka operator in Latvia
Apranga PLV SIA	Latvia	Elizabetes 51, Riga	Subsidiary, Pull and Bear operator in Latvia
Apranga OÜ	Estonia	Rävala 4/Laikmaa 15, Tallinn	Subsidiary, main company in Estonia
Apranga Estonia OÜ	Estonia	Viru 4, Tallinn	Subsidiary, ZARA operator in Estonia
Apranga BEE OÜ	Estonia	Rävala 4/Laikmaa 15, Tallinn	Subsidiary, Bershka operator in Estonia





Aprangos galerija (staff of store in s.c. Akropolis, Vilnius)
Joint project with magazine Panelė, January 2007

At the end of 2007, Apranga Group employed 1,637 people or 40.3 percent more than in 2006. 1,091 employees worked in Lithuania, 155 in Estonia and 391 in Latvia.

The company devotes great attention to the search for talents and management of them. The created evaluation system for employees enables the recognition of potential employees, the development of their skills by providing them with both theoretical and practical training.

A rapidly growing company can offer its employees various career opportunities. This generates an additional motivation for employees to open up and be noticed, to show their abilities and be appreciated, as well as enables employees to realize their potential where their knowledge and experience gained can be used in the most effective way. During 2007, as many as 201 employees or 12.3 percent build their career in

Apranga Group.

Abilities of stores personnel are improved constantly and systematically. Major attention is paid to broadening of retail and international trade knowledge, strengthening of relations with clients and service skills as well as to the training of future and current middle management.

Rapid development determines a large flow of new company employees. The company follows effectively operating programmes for adaptation of new employees which enable an employee to adapt to colleagues within minimum time and to optimally acquire knowledge as well as to reduce frustration.

The human resources policy of Apranga Group is based on principles of equality and justice, which provides preconditions for creating wellbeing and proper efficiency of employees.

During 2007, the number of Apranga

Group employees increased by 467. The main reason of a growing number of employees was active development and opening of new stores. Taking into account changes in the labour market and the economic situation, the average wage in the Group companies increased by 17 percent in a year.

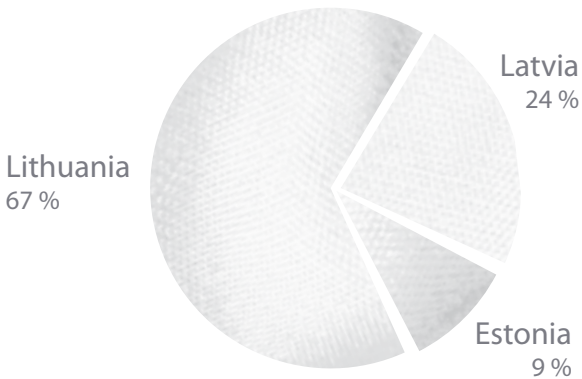
Number of employees
(on 31 December 2007):

Category of employees	Number of employees	
	Group	Company
Administration	112	82
Stores' personnel	1451	641
Logistics	74	74
Total:	1637	797

Number of employees by education
(on 31 December 2007):

Education	Group
Higher	263
Vocational	338
Secondary	314
Primary	23
Student	699
Total:	1637

Employees by country:



STORES AND CHAINS OPERATED BY APRANGA GROUP



- Apranga
- Zara
- Young fashion
- Business fashion
- Luxury fashion

s.c. Akropolis, Kaunas, Lithuania
(2007/04/19)



APRANGA

Apranga is a store aimed at the family. It is affordable, understandable and close to everyone consumer on an average income. A survey conducted by EKT consulting company (July 2007) reveals that Apranga has retained leading positions in the category of clothing stores awareness. 77.7 percent of all respondents know the Apranga store. Apranga is also the most familiar clothing store to dwellers of five large cities in Lithuania. The shop has been named by 83.3 percent of respondents.

Apranga Group has constantly strengthened the Apranga store chain oriented towards the economical segment. An assortment of items offered by the Apranga chain is made, taking into consideration the needs of Lithuanian consumers. A part of assortment is made to special orders of Apranga Group, which enables offering customers an excellent product of price-quality relation.

Expansion has been taking place both in large cities and the centres of the regions. In 2007, in order to achieve the efficiency of the chain, three new Apranga stores opened or relocated in Lithuania: two in Kaunas and one in Šiauliai. At the end of 2007, the Apranga chain owned 14 stores: 12 in Lithuania and two in Latvia.

Apranga

2007 autumn / winter



ZARA

Apranga Group has been developing the ZARA chain in the Baltic States under the franchise contract with Inditex Group. The contract was signed in 2004.

At the end of 2004, Apranga Group managed a chain of nine ZARA shops in the Baltic States. During 2007, one ZARA store was opened in Kaunas (Lithuania), two in Riga (Latvia) and one in Tallinn (Estonia). In 2007, the turnover of ZARA chain accounted for 31 percent of the Group's total turnover.





Aprangos galerija
2007 autumn / winter

YOUNG FASHION

It is the largest chain of Apranga Group which owned 31 stores at the end of 2007.

The young fashion chain of the Group includes:

- multibrand stores: Aprangos Galerija in Lithuania and Moskito in Latvia;
- Mango, a chain of franchise stores in Lithuania;
- Bershka, a chain of franchise stores in Lithuania, Latvia and Estonia. The chain is being developed under the contract with Inditex;
- Pull and Bear, a chain of franchise stores in Lithuania, Latvia and Estonia. The chain is being developed under the contract with Inditex;

• Mexx, a chain of franchise stores in Lithuania and Latvia;

• s.Oliver, a chain of stores in Lithuania and Latvia;

• Miss Sixty/Energie store in Latvia.

During 2007, 16 stores were opened or reconstructed in Lithuania and Latvia: 5 Bershka (2 in Lithuania, 2 in Latvia and 1 in Estonia), 3 Pull and Bear (1 in Lithuania and 2 in Latvia), 3 Aprangos Galerija (in Lithuania), 3 Mexx stores (1 in Latvia and 2 in Lithuania), 1 Mango (relocated to new premises in Kaunas, Lithuania) and 1 s.Oliver store (in Kaunas, Lithuania).





BUSINESS FASHION

At the end of 2007, the chain owned 10 stores: 6 in Lithuania and 4 in Latvia.

In 2007, a new format of City store was launched. New concept City presents stores of the world-famous brands Armani Collezioni, Polo Ralph Lauren, Boss, Hugo, MaxMara, Joop!, Tommy Hilfiger and trademarks Betty Barclay, Gerard Darel, Marella, Apriori, Bandolera, Mariella Rosati, Furla, Coccinelle, Francesco Biasia, Strellson, Swiss Cross, Roy Robson, Marlboro Classics, Armani Jeans, GF Ferre.





LUXURY FASHION

A chain of luxury stores operated by Apranga Group in the Baltic States owns Emporio Armani, GF Ferre, Hugo Boss, MaxMara, La Perla and Ermenegildo Zegna franchise stores also Mados Linija and Nude, multibrand stores.

Mados linija

2007 spring / summer





Shareholders
Key indicators per share

Apranga
2007 spring / summer

Shareholders

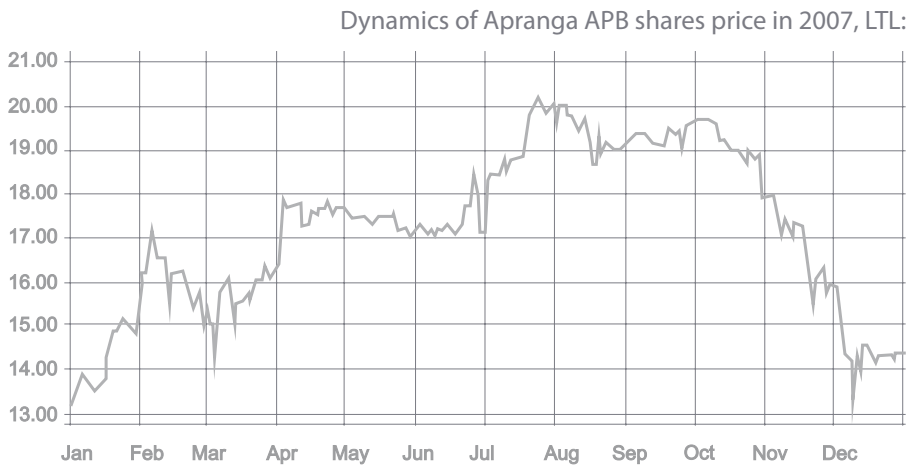
On 31 December 2007, the company had 2 837 shareholders. Company shareholders having by ownership right or controlling more than 5 percent of shareholders’ capital were the following:

Shareholder	Enterprise code	Address	Number of shares	% of total ownership
MG Baltic Investment UAB	123249022	Jasinskio 16B, Vilnius, Lithuania	18512896	52.5
Hansabank AS clients	10060701	Liivalaia 8, Tallinn, Estonia	4303103	12.2
Skandinaviska Enskilda Banken clients	50203290810	Sergels Torg 2, 10640 Stockholm, Sweden	1916443	5.4
Morgan Bank Luxembourg SA JP clients	B10958	6, route de Trèves, Senningerberg, Luxembourg	1895900	5.4



Key indicators per share

On 31 December 2007, Apranga APB shareholders’ capital was divided into 35291960 ordinary shares with a nominal value of LTL 1 each. All shares issued are fully paid for. Apranga APB shares are quoted at the National Stock Exchange on the official Baltic Equity List.



	2007	2006	2005		2007	2006	2005
Turnover, units million	10.92	6.5	2.08	Consolidated earnings per share, LTL	0.71	0.49	0.28
Turnover, LTL million	186.09	63.96	45.56	Change, compared to previous year, %	+ 44	+ 75	+65
Capitalization, LTL million	506.44	465.85	352.92	Dividends per share, LTL	0.16	0.11	0.06





- Independent auditor's report
- Income statements
- Balance sheets
- Statements of cash flow

Independent auditor’s report

Income statements



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

PricewaterhouseCoopers UAB
J. Jasinskio str. 16B
LT-01112 Vilnius, Lithuania
Tel. (8-5) 239 2300
Fax (8-5) 239 2301
E-mail: vilnius@lt.pwc.com
www.pwc.com/lt

Independent Auditor’s Report
To the shareholders of Apranga APB

- 1. The accompanying summarised financial statements have been derived from the consolidated financial statements of Apranga APB and its subsidiaries (“The Group”) and the financial statements of Apranga APB (“The Company”) for the year ended 31 December 2007. These summarised financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on whether these summarised financial statements are consistent, in all material respects, with the financial statements from which they were derived.
- 2. We have audited the financial statements of the Group and the Company for the year ended 31 December 2007, from which these summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 17 April 2008 we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.
- 3. In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the financial statements from which they were derived.
- 4. For a better understanding of the Group and the Company financial position and the results of their operations for the period and of the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements from which the summarised financial statements were derived and our audit report thereon.

On behalf of PricewaterhouseCoopers UAB

Christopher C. Butler
Partner

Vilnius, Republic of Lithuania
17 April 2008

Rasa Radzevičienė
Auditor’s Certificate No. 000377

	Group		Company	
	Year ended 31 December 2007	2006	Year ended 31 December 2007	2006
Revenue	368 907	253 489	198 656	151 055
Cost of sales	(200 959)	(139 311)	(126 198)	(98 212)
Gross profit	167 948	114 178	72 458	52 843
Selling costs	(115 424)	(80 273)	(52 431)	(41 357)
General and administrative expenses	(21 114)	(12 504)	(15 212)	(9 635)
Other income	1 313	1 071	17 068	9 837
Net foreign exchange gain (loss)	13	292	22	(12)
Operating profit	32 736	22 764	21 905	11 676
Finance costs	(2 694)	(1 714)	(2 579)	(1 544)
Profit before income tax	30 042	21 050	19 326	10 132
Income tax expense	(5 119)	(3 614)	(1 998)	(759)
PROFIT FOR THE YEAR	24 923	17 436	17 328	9 373
Basic and diluted earnings per share (in LTL)	0,71	0,49	0,49	0,27

These financial statements were approved by Management Board on 17 April 2008 and signed by:

Rimantas Perveneckas
General Director

Vaidas Savukynas
Chief Financial Officer

Balance sheets

	Group		Company	
	As at 31 December		As at 31 December	
	2007	2006	2007	2006
ASSETS				
Non-current assets				
Property, plant and equipment	110 439	84 598	69 653	54 315
Intangible assets	981	721	843	509
Investments in subsidiaries	-	-	9 377	8 453
Prepayments	757	865	300	522
Trade and other receivables	100	29	100	29
	112 277	86 213	80 273	63 828
Current assets				
Inventories	73 821	48 626	44 958	31 179
Non-current assets held for sale	1 118	1 118	1 118	1 118
Prepayments	3 883	1 309	1 531	773
Trade and other receivables	4 145	1 127	25 111	17 722
Cash and cash equivalents	7 287	4 770	2 990	2 312
	90 254	56 950	75 708	53 104
TOTAL ASSETS:	202 531	143 163	155 981	116 932

Continued on next page

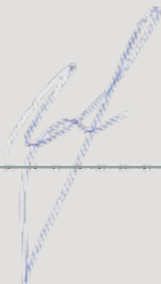
	Group		Company	
	As at 31 December		As at 31 December	
	2007	2006	2007	2006
EQUITY AND LIABILITIES				
Equity				
Ordinary shares	35 292	35 292	35 292	35 292
Legal reserve	1 550	1 081	1 550	1 081
Translation difference	(76)	(178)	-	-
Retained earnings	50 852	30 293	29 886	16 909
	87 618	66 488	66 728	53 282
Non-current liabilities				
Borrowings	-	16 567	-	16 567
Bonds issued	20 000	-	20 000	-
Deferred tax liabilities	3 531	2 091	1 991	525
Obligations under finance leases	16	37	16	37
Other liabilities	-	87	-	86
	23 547	18 782	22 007	17 215
Current liabilities				
Borrowings	53 574	7 844	47 735	6 273
Bonds issued	653	20 436	653	20 436
Obligations under finance leases	20	18	20	18
Current income tax liability	1 112	1 668	106	178
Trade and other payables	36 007	27 927	18 732	19 530
	91 366	57 893	67 246	46 435
Total liabilities:	114 913	76 675	89 253	63 650
TOTAL EQUITY AND LIABILITIES:	202 531	143 163	155 981	116 932

These financial statements were approved by Management Board on 17 April 2008 and signed by: End

Rimantas Perveneckas
General Director



Vaidas Savukynas
Chief Financial Officer



Statements of cash flow

	Group		Company	
	Year ended 31 December		Year ended 31 December	
	2007	2006	2007	2006
OPERATING ACTIVITIES				
Profit before income taxes	30 042	21 050	19 326	10 132
Adjustments for:				
Depreciation and amortization	15 763	11 752	7 086	5 352
Change in allowances for slow-moving inventories	(59)	1 493	(216)	1 493
Gain on disposal of property, plant and equipment	(338)	(37)	(338)	(37)
Write-off of property, plant and equipment	192	167	192	131
Dividends income	-	-	(7 273)	(4 031)
Interest expenses	2 691	1 711	2 078	1 251
	48 291	36 136	20 855	14 291
Changes in operating assets and liabilities:				
(Increase) in inventories	(25 136)	(11 753)	(13 563)	(7 086)
Decrease (increase) in receivables	(5 555)	2 122	(4 859)	(1 836)
Unrealized foreign exchange loss	89	(28)	(22)	-
Increase in payables	7 993	7 354	1 510	7 997
Cash generated from operations	25 682	33 831	3 921	13 366
Income taxes paid	(4 235)	(1 226)	(604)	(57)
Interest paid	(2 479)	(1 714)	(2 362)	(1 544)
Net cash from operating activities	18 968	30 891	955	11 765

Continued on next page

	Group		Company	
	Year ended 31 December		Year ended 31 December	
	2007	2006	2007	2006
INVESTING ACTIVITIES				
Interest received	5	3	501	293
Dividends received	-	-	7 273	1 525
Loans granted to subsidiaries	-	-	(81 141)	(3 479)
Loans repayments received from subsidiaries	-	-	78 004	-
Purchases of property, plant and equipment and intangible assets	(51 155)	(32 618)	(23 680)	(13 048)
Proceeds on disposal of property, plant and equipment	9 437	5 019	1 068	90
Investment in subsidiaries	-	-	(924)	(2 517)
Net cash used in investing activities	(41 713)	(27 596)	(18 899)	(17 136)
FINANCING ACTIVITIES				
Dividends paid	(3 882)	(2 118)	(3 882)	(2 118)
Proceeds from borrowings	49 221	16 977	75 887	46 710
Repayments of borrowings	(26 662)	(10 561)	(58 072)	(34 954)
Repayments of obligations under finance leases	(19)	(871)	(19)	(871)
Net cash from financing activities	18 658	3 427	13 914	8 767
NET INCREASE (DECREASE) IN CASH AND BANK	(4 087)	6 722	(4 030)	3 396
CASH AND BANK OVERDRAFTS:				
AT THE BEGINNING OF THE PERIOD	(3 074)	(9 796)	(1 002)	(4 398)
AT THE END OF THE PERIOD	(7 161)	(3 074)	(5 032)	(1 002)

These financial statements were approved by Management Board on 17 April 2008 and signed by: End

Rimantas Perveneckas
General Director



Vaidas Savukynas
Chief Financial Officer



Contacts

Apranga Group
Kirtimu str. 51
LT-02244 Vilnius
Lithuania
Tel. +370 5 2390808
Fax +370 5 2390800
E-mail: info@apranga.lt
www.apranga.lt