


16 May 2011
Vilnius

CONFIRMATION OF THE COMPANY'S RESPONSIBLE PERSONS

Hereby we confirm, that by our knowledge Consolidated Interim Financial Statements for the three months of 2011 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss of APB Apranga, as well as of Apranga Group consolidated companies.



Apranga Group General Manager
Rimantas Perveneckas



Apranga Group Chief Financial Officer
Saulius Bačasuskas

APRANGA

GROUP

APRANGA APB

Interim Consolidated Financial Statements

For the Three months period ended 31 March 2011

(UNAUDITED)

16 May 2011
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 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

APB APRANGA

Company's code 121933274, Kirtimu 51, Vilnius

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REVIEW OF ACTIVITY OF THE GROUP COMPANIES

The retail turnover (including VAT) of Apranga Group has made LTL 86.3 million in 1st quarter 2011 or by 8.3% more than in 1st quarter 2010. The turnover of stores, comparing to the same quarter 2010, increased in all countries. The extremely high growth rates were recorded in Estonia, where the turnover increased by 35% during the year.

According to EUROSTAT data, the retail sales in Baltic States increased from 1% (in Estonia) to 5% (in Lithuania) during the 3 months 2011. The retail sales during this period suffered a drop only in January in Estonia, which is probably associated with the introduction of the euro in Estonia (from 1st January 2011).

The retail turnover of the Group's stores by countries during 1st quarter 2011 was (LTL thousand, VAT included):

Country	3 months 2011	3 months 2010	Change
Lithuania	56 235	53 693	4,7%
Latvia	19 881	18 463	7,7%
Estonia	10 181	7 541	35,0%
Total:	86 297	79 697	8,3%

During the 3 months of 2011 the Group opened 4 and closed 2 outlet stores. Investments into development and reconstruction of retail network amounted to LTL 2.4 million.

The number of stores by countries was as follows:

Country	31 03 2011	31 03 2010	Change
Lithuania	75	74	1,4%
Latvia	31	29	6,9%
Estonia	10	6	66,7%
Total:	116	109	6,4%

The total sales area operated by the Group has increased by 1.8% or by 1.1 thousand sq. m. during the period from 31 March 2010 till 31 March 2011. The sales area in Lithuania still declined a bit (-0.8%). Meanwhile in Estonia, where were new stores opened, sales area has increased by 16.4%.

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

Country	31 03 2011	31 03 2010	Change
Lithuania	40,4	40,7	-0,8%
Latvia	17,5	16,8	4,1%
Estonia	5,5	4,7	16,4%
Total:	63,3	62,2	1,8%

The Group has earned LTL 1 503 thousand of *profit before income tax* in three months 2011, while losses before taxes were LTL 599 thousand during three months of 2010.

EBITDA of the Group was LTL 5 967 thousand during three months 2011, and it was LTL 4 620 thousand in corresponding previous year period. *EBITDA* margin has increased from 7.3% to 8.8% during the year. Net debt to equity ratio decreased almost to zero. The liquidity of the Group also strengthened – the current ratio increased almost twice to 2.0.

Main Group Indicators	Q1 2011	Q1 2010	Change
Net sales, LTL thousand	67 895	62 986	7,8%
Net sales in foreign markets, LTL thousand	24 016	20 895	14,9%
Like-to-like sales	6,1%	-13,9%	
Gross profit, LTL thousand	29 032	25 820	12,4%
Gross margin	42,8%	41,0%	
EBT, LTL thousand	1 503	(599)	
EBT margin	2,2%	-1,0%	
Net profit (losses), LTL thousand	1 089	(650)	
Net margin	1,6%	-1,0%	
EBITDA, LTL thousand	5 967	4 620	29,2%
EBITDA margin	8,8%	7,3%	
Return on equity (end of the period)	1,0%	-0,7%	
Return on assets (end of the period)	0,7%	-0,4%	
Net debt to equity*	-0,1%	34,3%	
Current ratio, times	2,0	1,1	86,8%

* (Interest bearing liabilities less cash) / Equity

The *operating expenses* of the Group totalled LTL 27 653 thousand during 3 months 2011 and increased by 5.3%, comparing to the same period 2010. The *finance costs* of the Group totalled LTL 47 thousand during 3 months 2011 and decreased 7.5 times, comparing to the same period 2010. That was mostly impacted by rapid decrease of finance debts. Total finance debts of the Group decreased from LTL 36.0 million at 31 March 2010 to LTL 1.9 million at 31 March 2011.

The *level of inventories*, despite of growing sales, over the last 12 months was reduced from LTL 69.2 million to LTL 62.8 million, or by 9%. In turn, this also had an impact on the rapid decline in the level of financial debts.

The *number of employees* during the year till 31 March 2011 in the Group has increased by 17 to 1 237 (1.4%), and increased in Company by 8 to 569 (1.4%).

The *average monthly salary* in the Group in the 1st quarter 2011 was LTL 1 661, and has increased by 7.0% through the 12 months period.

The *price of the Company share* during 3 months 2011 decreased from LTL 7.15 per share to LTL 6.70 per share. The maximum share price during the twelve months period was LTL 7.21 per share, minimum share price - LTL 6.08 per share. In this way, the market capitalization of the Company decreased from LTL 395 million at the beginning of the year to LTL 370 million at the end of March 2011. The average price of share during the reporting period was LTL 6.85 per 1 share. When evaluating share prices during the last 12 months period, it is clearly seen the growth tendency. The share price during the year increased from LTL 3.68 to LTL 6.70 per share, or 1.8 times.

Apranga APB share price during 12 months period from 1st April 2010 to 31st March 2011:



Information about members of the Management board on 31 March 2011:

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
Iлона Simkuniene	Member of the Board, Purchasing Director	33 123 0.06%	30 04 2010	30 04 2014
Ramunas Gaidamavicius	Member of the Board, Development Director	-	30 04 2010	30 04 2014
Marijus Strončikas	Member of the Board	4 365 0.01%	30 04 2010	30 04 2014

STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		Company	
		3 months 2011	3 months 2010	3 months 2011	3 months 2010
Revenue	3	67 895	62 986	33 448	32 309
Cost of sales		(38 863)	(37 166)	(22 462)	(22 994)
Gross profit		29 032	25 820	10 986	9 315
General and administrative expenses		(27 653)	(26 254)	(12 871)	(12 703)
Other income		192	206	1 673	1 244
Net foreign exchange gain (loss)		(21)	(19)	8	(22)
Operating profit (loss)		1 550	(247)	(204)	(2 166)
Finance costs	5	(47)	(352)	(119)	(504)
Profit (loss) before income tax		1 503	(599)	(323)	(2 670)
Income tax expense		(414)	(51)	14	432
Profit (loss) for the year	3	1 089	(650)	(309)	(2 238)
Other comprehensive income					
Currency translation difference		42	145	-	-
TOTAL COMPREHENSIVE INCOME		1 131	(505)	(309)	(2 238)
Basic and diluted earnings (losses) per share (in LTL)		0,02	(0,01)	(0,01)	(0,04)

BALANCE SHEET

	Note	Group		Company	
		31 03 2011	31 12 2010	31 03 2011	31 12 2010
ASSETS					
Non-current assets					
Property, plant and equipment		80 114	82 015	55 438	55 912
Intangible assets		756	859	550	630
Investments in subsidiaries		-	-	15 504	15 504
Prepayments		671	632	291	250
Trade and other receivables		69	69	69	69
Deferred tax assets		222	222	222	222
		81 832	83 797	72 074	72 587
Current assets					
Inventories		62 834	51 982	35 095	28 956
Non-current assets held for sale		1 118	1 118	1 118	1 118
Prepayments		2 391	1 125	1 757	846
Trade and other receivables		1 297	1 365	15 460	13 869
Cash and cash equivalents		2 028	4 188	680	1 389
		69 668	59 778	54 110	46 178
TOTAL ASSETS	3	151 500	143 575	126 184	118 765
EQUITY AND LIABILITIES					
Equity					
Ordinary shares		55 292	55 292	55 292	55 292
Legal reserve		2 912	2 912	2 912	2 912
Translation difference		(368)	(385)	-	-
Retained earnings		55 064	53 950	30 644	30 953
		112 900	111 769	88 848	89 157
Non-current liabilities					
Deferred tax liabilities		3 115	3 055	(13)	-
Obligations under finance leases		3	3	-	-
Other liabilities		263	273	263	273
		3 381	3 331	250	273
Current liabilities					
Borrowings	5	1 857	4 128	19 877	18 793
Obligations under finance leases		8	10	-	-
Current income tax liability		810	469	-	12
Trade and other payables		32 544	23 868	17 209	10 530
		35 219	28 475	37 086	29 335
Total liabilities		38 600	31 806	37 336	29 608
TOTAL EQUITY AND LIABILITIES		151 500	143 575	126 184	118 765

STATEMENTS OF CHANGES IN EQUITY

GROUP

GROUP	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 1 January 2010		55 292	2 912	(464)	40 640	98 380
Comprehensive income						
Loss for the 3 months 2010					(650)	(650)
Other comprehensive income						
Currency translation difference				38	107	145
Total comprehensive income		-	-	38	(543)	(505)
Balance at 31 March 2010		55 292	2 912	(426)	40 097	97 875
Balance at 1 January 2011		55 292	2 912	(385)	53 950	111 769
Comprehensive income						
Profit for the 3 months 2011					1 089	1 089
Other comprehensive income						
Currency translation difference				17	25	42
Total comprehensive income		-	-	17	1 114	1 131
Balance at 31 March 2011		55 292	2 912	(368)	55 064	112 900

COMPANY

COMPANY	Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2010	55 292	2 912	23 971	82 175
Comprehensive income				
Loss for the 3 months 2010			(2 238)	(2 238)
Balance at 31 March 2010	55 292	2 912	21 733	79 937
Balance at 1 January 2011	55 292	2 912	30 953	89 157
Comprehensive income				
Loss for the 3 months 2011			(309)	(309)
Balance at 31 March 2011	55 292	2 912	30 644	88 848

STATEMENTS OF CASH FLOW

	Note	Group		Company	
		3 months 2011	3 months 2010	3 months 2011	3 months 2010
OPERATING ACTIVITIES					
Profit (loss) before income taxes		1 503	(599)	(322)	(2 670)
Adjustments for:		-	-	-	-
Depreciation and amortization		4 417	4 867	2 177	2 253
Impairment charge		-	(222)	-	(222)
Change in allowances for slow-moving inventories		(427)	(3)	(96)	(103)
(Gain) / Loss on disposal of property, plant and equipment		(21)	(18)	(21)	(1)
Write-off of property, plant and equipment		2	7	-	-
Interest expenses		37	351	92	354
		5 511	4 383	1 830	(389)
Changes in operating assets and liabilities:					
Decrease (Increase) in inventories		(10 425)	(3 941)	(6 043)	70
Decrease (Increase) in receivables		29	356	(2 557)	(790)
Unrealized foreign exchange loss (gain)		42	57	(9)	22
Increase (decrease) in payables		7 400	3 339	6 676	669
Cash generated from operations		2 557	4 194	(103)	(418)
Income taxes paid		(13)	(173)	(11)	(66)
Interest paid	5	(47)	(352)	(119)	(504)
Net cash from operating activities		2 497	3 669	(233)	(988)
INVESTING ACTIVITIES					
Interest received		10	1	27	150
Loans granted		(8 000)	-	(12 026)	(8 272)
Loans repayments received		8 000	-	12 040	8 076
Purchases of property, plant and equipment and intangible assets	4	(2 447)	(653)	(1 949)	(64)
Proceeds on disposal of property, plant and equipment	4	53	533	347	533
Investment in subsidiaries		-	-	-	-
Net cash used in investing activities		(2 384)	(119)	(1 561)	423
FINANCING ACTIVITIES					
Proceeds from borrowings		-	1 000	12 675	15 175
Repayments of borrowings		(2 271)	-	(11 590)	(8 973)
Repayments of obligations under finance leases		(2)	20	-	-
Net cash from financing activities		(2 273)	1 020	1 085	6 202
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		(2 160)	4 570	(709)	5 637
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		60	(5 118)	(2 739)	(7 877)
AT THE END OF THE PERIOD		(2 100)	(548)	(3 448)	(2 240)

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 31 March 2011 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
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
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 31 March 2011 the Company had 3 456 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	6 684 322	12,1%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	3 827 385	6,9%
SEB AB clients	502032908101	Sergels Torg 2, Stockholm, Sweden	3 817 407	6,9%

The ultimate parent company whose financial statements are available for public use is UAB Konzernas 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		31 03 2011	31 12 2010	31 03 2010
1 EUR	=	3.4528 LTL	3.4528 LTL	3.4528 LTL
1 LVL	=	4.8679 LTL	4.8679 LTL	4.8679 LTL
10 EEK	=	2.2067 LTL	2.2067 LTL	2.2067 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 3 months 2011 is as follows:

3 months 2011	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	Total in consolidated financial statements
Total segment revenue	50 341	16 546	8 565	75 452	-	
Inter-segment revenue	(6 462)	(791)	(304)	(7 557)	-	
Revenue from external customers	43 879	15 755	8 261	67 895	-	67 895
Gross margin	41,9%	43,8%	44,6%	42,7%		42,7%
Profit (loss) for the year	720	197	172	1 089	-	1 089
Total assets	134 908	31 964	17 498	184 370	(32 870)	151 500
Additions to non-current assets (other than financial instruments and prepayments for leases)	1 850	594	3	2 447		2 447

3 months 2010	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	Total in consolidated financial statements
Total segment revenue	47 417	15 692	6 422	69 531	-	
Inter-segment revenue	(5 326)	(910)	(309)	(6 545)	-	
Revenue from external customers	42 091	14 782	6 113	62 986	-	62 986
Gross margin	39,3%	42,2%	49,9%	41,0%		41,0%
Profit for the year	(907)	(41)	298	(650)	-	(650)
Total assets	163 489	33 943	18 009	215 441	(42 926)	172 515
Additions to non-current assets (other than financial instruments and prepayments for leases)	64	-	296	360		360

4. Investments into non-current assets

Investments into development and reconstruction of retail network amounted to LTL 2.4 million during 3 months 2011.

5. Borrowings

In May 2010, the Group and AB 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 67 000 thousand in order to finance the working capital, issuing guarantees and opening letters of credit. This contract amendment also includes a credit limit reduction schedule. According to it the maximum amount of credit line given to the Group was LTL 64 500 thousand in 31 March 2011. The maximum limit of credit line will gradually decrease till LTL 61 000 thousand during the year 2011 till the repayment deadline. The credit line expires on 30 November 2011, the interests are paid for the amount used and the interest rate is calculated as 1 month VILIBOR plus margin.

6. Guarantees and letters of credit

As of 31 March 2011 guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled LTL 23 220 thousand (31 December 2010: LTL 23 220 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 31 March 2011 amounted to LTL 30 569 thousand (31 December 2010: LTL 30 531 thousand).

As of 31 March 2011 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled LTL 1 652 thousand (31 December 2010: LTL 1 143 thousand).

7. Events after the reporting period

The Annual shareholders meeting of APB Apranga held on 29 April 2011 has resolved to pay LTL 13 823 thousand in dividends, and to pay LTL 700 thousand as annual bonuses. The meeting also elected Vidas Lazickas to the Company's Board till the end of term of current Board.

In May 2011 the Company has established a subsidiary UAB Apranga MLT with share capital of LTL 300 thousand. The Company has made first instalment to the share capital of LTL 75 thousand in cash. The Company controls 100% of the subsidiary's capital and voting rights.
