APRANGA GROUP

16 August 2011
Vilnius

CONFIRMATION OF THE COMPANY'S RESPONSIBLE PERSONS

Hereby we confirm, that by our knowledge Consolidated Financial Statements for the six months 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.

As well we confirm that by our knowledge Consolidated Report for the six months 2011 gives correct overview of business development and activities of Apranga Group.

Apranga Group General Manager
Rimantas Perveneckas

Apranga Group Chief Financial Officer
Saulius Bačauskas

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ŠVITRIGAILOS G. 7, VILNIUS

APRANGA APB

The Consolidated Interim Report and
Interim Consolidated Financial Statements

For the Six months period ended 30 June 2011

(UNAUDITED)

16 August 2011
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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INTERIM CONSOLIDATED REPORT

General information

Interim consolidated report is prepared for the period January – June 2011.

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@apranga.lt
Internet address:	www.apranga.lt

At 30 June 2011 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@apranga.lt www.apranga.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@apranga.lt www.apranga.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@apranga.lt www.apranga.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@apranga.lt www.apranga.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@apranga.lt www.apranga.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 72400120 Faks. 371 6 7240019 info@apranga.lt www.apranga.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 72400120 Faks. 371 6 7240019 info@apranga.lt www.apranga.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 72400120 Faks. 371 6 7240019 info@apranga.lt www.apranga.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 72400120 Faks. 371 6 7240019 info@apranga.lt www.apranga.lt
SIA „Apranga SLV	Private limited liability company	2008 11 19 Enterprise Register of the Republic of Latvia	50103201281	Elizabetes 51, Riga, Latvia	Tel. 371 6 72400120 Faks. 371 6 7240019 info@apranga.lt www.apranga.lt
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 6663446 Faks. 372 6663444 info@apranga.lt www.apranga.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 6663446 Faks. 372 6663444 info@apranga.lt www.apranga.lt

Title	Legal form	Date and place of registration	Code of Enterprise	Registered office	Telephone, fax, e-mail, www
OÜ Apranga BEE	Private limited liability company	04 09 2007 Tallinn City Court Register department	11026132	Pärnu mnt 10/Väike-Karja 12, Tallinn, Estonia	Tel. 372 6663446 Faks. 372 6663444 info@apranga.lt www.apranga.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 6663446 Faks. 372 6663444 info@apranga.lt www.apranga.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 6663446 Faks. 372 6663444 info@apranga.lt www.apranga.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

The retail turnover (including VAT) of Apranga Group has made LTL 180.8 million in 1st half 2011 or by 12.0% more than in 1st half 2010. The turnover of stores, comparing to the same period 2010, increased in all countries. The extremely high growth rates were recorded in Estonia, where the turnover increased by 28.8% during the year.

According to EUROSTAT data, the retail sales in Baltic States increased: 6% in Lithuania, 2% in Latvia and 2% in Estonia during the 6 months 2011. The retail sales during this period suffered a drop only in Estonia in January (it is probably associated with the introduction of the euro in Estonia from 1st January 2011) and in Latvia in April.

The retail turnover of the Group's stores in first half of 2011 by countries was as follows (LTL thousand, VAT included):

Country	6 months 2011	6 months 2010	Change
Lithuania	115 544	105 778	9,2%
Latvia	41 963	37 604	11,6%
Estonia	23 267	18 075	28,7%
Total:	**180 775**	**161 457**	**12,0%**

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

Country	Q2 2011	Q2 2010	Change
Lithuania	59 309	52 085	13,9%
Latvia	22 082	19 141	15,4%
Estonia	13 086	10 534	24,2%
Total:	**94 478**	**81 760**	**15,6%**

The retail turnover increase rate has accelerated from 8.3% in first quarter 2011 to 15.6% in the second quarter.

The retail turnover of the Group's stores by chains in first half of 2011 was as follows (LTL thousand, VAT included):

Chain	6 months 2011	6 months 2010	Change
Economy	19 794	19 840	-0,2%
Youth	66 941	53 020	26,3%
Business	14 342	14 316	0,2%
Luxury	20 992	17 044	23,2%
Zara	51 400	46 185	11,3%
Outlets	7 305	11 052	-33,9%
Total	**180 775**	**161 457**	**12,0%**

During the first half of 2011 the turnover decreased in principle only in outlets. This is mainly due to significantly – from 11 to 7 – reduced the number of outlets. The largest increase was experienced in Youth and Luxury chains (26.3% and 23.2%, respectively).

During the six months of 2011 the Group opened 4, reconstructed 2 and closed 2 outlet stores. The capital expenditure of the retail chain expansion amounted to LTL 2.9 million during 1st half 2011 (see Note 3 "Investments into non-current assets"). Investments (acquisitions) by segments are disclosed in Note 2 ("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 2011	30 06 2010	Change
Lithuania	75	75	0,0%
Latvia	31	31	0,0%
Estonia	10	10	0,0%
Total:	**116**	**116**	**0,0%**

The number of stores by chains was as follows:

Chain	30 06 2011	30 06 2010	Change
Economy	12	12	0,0%
Youth	60	57	5,3%
Business	12	11	9,1%
Luxury	15	15	0,0%
Zara	10	10	0,0%
Outlets	7	11	-36,4%
Total	**116**	**116**	**0,0%**

The total *sales area* operated by the Group has decreased by 2.1% or by 1.4 thousand sq. m. during the period from 30 June 2010 till 30 June 2011. The sales area decreased by 3.3% in Lithuania. Meanwhile, in Estonia and Latvia the sales area remained almost unchanged during the year.

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

Country	30 06 2011	30 06 2010	Change
Lithuania	40,4	41,8	-3,3%
Latvia	17,5	17,5	0,0%
Estonia	5,5	5,5	0,2%
Total:	**63,3**	**64,7**	**-2,1%**

The Group has earned LTL 7 670 thousand of *profit before income tax* in six months 2011, while profit before taxes were LTL 805 thousand during six months of 2010. In second quarter the profit before income tax increased from LTL 1 404 thousand in 2010 to LTL 6 167 thousand in 2011.

EBITDA of the Group was LTL 16 665 thousand during six months 2011, and it was LTL 11 289 thousand in corresponding previous year period. EBITDA margin has increased from 8.8% to 11.7% during the year. Net debt to equity ratio was only 4% at the end of the reporting period (27% at the end of June 2010). The current ratio of the Group remained at high level - 1.9 times.

Substantial improvement in financial results due to:

- high turnover growth rates;
- gross profit growth rate of more than 50% higher than the turnover growth rate;
- through affective sales and inventory management gross margin increased from 43.5% to 46.2%;
- operating expenses grew more slowly comparing to the growth of sales or gross profit;
- absolute turnover increase (almost by LTL 20 million) achieved even at reduced inventories;
- optimized inventories left after sales period. As a consequence – reducing the number of outlets.

Main Group Indicators	6 months 2011	6 months 2010	Change
Net sales, LTL thousand	142 597	127 936	11,5%
Net sales in foreign markets, LTL thousand	52 383	44 990	16,4%
Like-to-like sales	9,2%	-11,4%	
Gross profit, LTL thousand	65 894	55 612	18,5%
Gross margin	46,2%	43,5%	
EBT, LTL thousand	7 670	805	9,5 times
EBT margin	5,4%	0,6%	
Net profit (losses), LTL thousand	6 404	273	23,5 times
Net margin	4,5%	0,2%	
EBITDA, LTL thousand	16 665	11 289	47,6%
EBITDA margin	11,7%	8,8%	
Return on equity (end of the period)	6,1%	0,3%	
Return on assets (end of the period)	4,6%	0,2%	
Net debt to equity*	4,1%	27,0%	
Current ratio, times	1,9	2,4	-22,9%

* (Interest bearing liabilities less cash) / Equity

Main Group Indicators	Q2 2011	Q2 2010	Change
Net sales, LTL thousand	74 702	64 950	15,0%
Net sales in foreign markets, LTL thousand	28 367	24 095	17,7%
Like-to-like sales	12,2%	-9,0%	
Gross profit, LTL thousand	36 862	29 792	23,7%
Gross margin	49,3%	45,9%	
EBT, LTL thousand	6 167	1 404	4,4 times
EBT margin	8,3%	2,2%	
Net profit (losses), LTL thousand	5 315	923	5,8 times
Net margin	7,1%	1,4%	
EBITDA, LTL thousand	10 698	6 669	60,4%
EBITDA margin	14,3%	10,3%	
Return on equity (end of the period)	5,1%	0,9%	
Return on assets (end of the period)	3,8%	0,6%	
Net debt to equity*	4,1%	27,0%	
Current ratio, times	1,9	2,4	-22,9%

* (Interest bearing liabilities less cash) / Equity

The *operating expenses* of the Group totaled LTL 58 380 thousand during 6 months 2011 and increased by 7.1%, comparing to the same period 2010 (while sales increased by 11.5% during this period). The *finance costs* of the Group totaled LTL 101 thousand during 6 months 2011 and decreased 6.4 times, comparing to the same period 2010. That was mostly impacted by rapid decrease of average level of finance debts. Total finance debts of the Group decreased from LTL 29.3 million at 30 June 2010 to LTL 7.6 million at 30 June 2011, despite the fact that the Company paid LTL 13 823 thousand dividends in May 2011.

The *level of inventories*, despite of growing sales, over the last 12 months reduced from LTL 52.0 million to LTL 50.6 million, or by 3%.

The number of employees at 30 June 2011 and *the average monthly salary* by categories in 2[nd] quarter 2011 were as follows:

	Number of employees		Average monthly salary, LTL	
Employee category	**Group**	**Company**	**Group**	**Company**
Administration	111	73	5 743	7 179
Stores' personnel	1 115	460	1 546	1 600
Logistics	49	49	1 734	1 734
Total	**1 275**	**582**	**1 920**	**2 338**

The number of employees during the year till 30 June 2011 in the Group has decreased by 3 to 1275 (-0.2%), and has increased in Company by 6 to 582 (1.0%). During the second quarter 2011 the number of employees increase by 38 (3.1%) in the Group, and by 13 (2.3%) in the Company.

The average monthly salary in the Group and the Company in the second quarter 2011 has increased 21.4% and 25.8%, respectively, in comparison to the second quarter 2010. The average monthly salary in the second quarter this year comparing to first quarter has increased by 13.9% in the Group, and increased by 18.6% in the Company.

Education of employees by categories on 30 June 2011 was as follows:

Education level	**Group**	**Company**
High	362	199
Professional	220	131
Secondary	233	78
Basic	12	5
Student	448	169
Total:	**1 275**	**582**

The price of the Company share during 6 months 2011 decreased from LTL 7.15 per share to LTL 5.58 per share. The maximum share price during the twelve months period was LTL 7.21 per share, minimum share price - LTL 5.52 per share. In this way, the market capitalization of the Company decreased from LTL 395 million at the beginning of the year to LTL 309 million at the end of June 2011. The average price of share during the reporting period was LTL 6.32 per 1 share. The share price during the last 12 months increased from LTL 3.99 to LTL 5.58 per share, or 1.4 times.

Apranga APB share price during 12 months period from 1st July 2010 to 30th June 2011:

Operational plans

Group is planning profitable business both in 3rd quarter 2011, and in 4th quarter 2011.

It is expected that the turnover of retail chain will increase about 10% during the 2nd half 2011, comparing to the turnover of the 2nd half 2010.

There are no plans for essential reforms in stores chain managed by the Group. Individual stores will be renovated or moved to other premises. Totally during the second half 2011 Group is planning to open 4 new stores, including, "Massimo Dutti" and "Marina Rinaldi" stores in Vilnius, first such stores in Baltic States. It is also planned to reconstruct 2-3 stores.

The Group will further continue concentrate its efforts to greater efficiency of the stores, to improve service standards, will continue to pursue cost-saving measures.

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 2010.

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 2011, 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 2011, 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 (or EEK 40 thousand if share capital is not re-registered to euro). In addition, the shareholders' equity should not be lower than 50 per cent of the company's share capital. As at 30 June 2011, 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. The Group and the Company was in compliance with the covenants as at 30 June 2011.

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 NASADQ 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 2011 the Company had 3 472 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	6 682 312	12,1%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	3 833 994	6,9%
SEB AB clients	502032908101	Sergels Torg 2, Stockholm, Sweden	3 817 407	6,9%

The Company has concluded an agreement with FMI Finasta on supervision of securities accounts and an agreement on dividend payment, there was also concluded the agreement on consulting and practical assistance on shares issue, which ended after the shares issue.

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

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) and MG Baltic Investment UAB (Code of Enterprise: 123249022; Registered office: Jasinskio 16B, Vilnius) he has 34 396 320 shares, representing 62.21% of the share capital and votes.

Rimantas Perveneckas
Member of the Board, General Director

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

Education: Vilnius University, Faculty of Trade, specialization in Trade Economics. She has 33 123 shares of the Company, representing 0.06% of the share capital and votes, and together with spouse Mindaugas Šimkūnas has 78 460 shares, representing 0.14% of the share capital and votes.

Vidas Lazickas
Member of the Board

Education: Vilnius University, Faculty of Economics, specialization in Production Management and Organization. He has 30 065 shares of the Company, representing 0.05% of the share capital and votes.

Marijus Strončikas
Member of the Board

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

Education: Vilnius University of Technology, Faculty of Mechanics, specialization in Machine Building. Has no shares of the Company.

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 2011, there were no essential changes related to APB "Apranga" report for year 2010 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 2011 to 30th June 2011 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 2010 and total year 2010	Investor News	En, Lt	2011-01-03
Apranga Group investor's calendar for the 1st half of 2011	Investor News	En, Lt	2011-01-12
Notification about disposal of a block of shares	Notification about acquisition (disposal) of a block of shares	En, Lt	2011-01-17
CORRECTION: Revised information in notification about disposal of a block of shares	Notification about acquisition (disposal) of a block of shares	En, Lt	2011-01-18
Turnover of Apranga Group in January 2011	Investor News	En, Lt	2011-02-01
The turnover and expansion plans of Apranga Group in 2011	Notification on material event	En, Lt	2011-02-23
Apranga Group interim report for twelve months of 2010	Interim information	En, Lt	2011-02-25
Turnover of Apranga Group in February 2011	Investor News	En, Lt	2011-03-01
Turnover of Apranga Group in March 2011	Investor News	En, Lt	2011-04-01
Convocation of the Annual General Meeting of APB Apranga shareholders	Notification on material event	En, Lt	2011-04-06
Draft resolutions of the Annual General Meeting of APB Apranga shareholders to be held on 29th April 2011	Notification on material event	En, Lt	2011-04-07
Resolutions of the Annual General Meeting of Apranga APB shareholders	Notification on material event	En, Lt	2011-04-29
Apranga APB annual information 2010	Annual information	En, Lt	2011-04-29
Turnover of Apranga Group in April 2011	Investor News	En, Lt	2011-05-02
Establishment of subsidiary of Apranga APB in Lithuania	Notification on material event	En, Lt	2011-05-16
Apranga Group interim information for the three months of 2011	Interim information	En, Lt	2011-05-16
Notification on Apranga APB manager's related party transactions	Notifications on transactions concluded by managers of the companies	En, Lt	2011-05-27
Turnover of Apranga Group in May 2011	Investor News	En, Lt	2011-06-01
Notification on Apranga APB manager's related party transactions	Notifications on transactions concluded by managers of the companies	En, Lt	2011-06-03

Title	Category of announcement	Language	Date
Apranga Group extends successful collaboration with Inditex	Notification on material event	En, Lt	2011-06-08
Apranga group will develop Massimo Dutti chain in the Baltic States	Notification on material event	En, Lt	2011-06-13
Apranga Group investor's calendar for the 2nd half of 2011	Investor News	En, Lt	2011-06-30
Notification on Apranga APB manager's related party transactions	Notifications on transactions concluded by managers of the companies	En, Lt	2011-06-30

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	
		H1 2011	**H1 2010**	**H1 2011**	**H1 2010**
Revenue	**2**	142 597	127 936	63 168	58 783
Cost of sales		(76 703)	(72 324)	(37 125)	(38 191)
Gross profit		**65 894**	**55 612**	**26 043**	**20 592**
Operating expenses		(58 380)	(54 518)	(27 874)	(25 067)
Other income	**6**	289	371	22 724	7 922
Net foreign exchange gain (loss)		(32)	(17)	8	(23)
Operating profit (loss)		**7 771**	**1 448**	**20 901**	**3 424**
Finance costs	**5**	(101)	(643)	(240)	(891)
Profit (loss) before income tax		**7 670**	**805**	**20 661**	**2 533**
Income tax expense		(1 266)	(532)	(212)	455
Profit (loss) for the year	**2**	**6 404**	**273**	**20 449**	**2 988**
Other comprehensive income					
Currency translation difference		37	143	-	-
TOTAL COMPREHENSIVE INCOME		**6 441**	**416**	**20 449**	**2 988**
Basic and diluted earnings (losses) per share (in LTL)		**0,12**	**0,01**	**0,37**	**0,05**

	Note	Group		Company	
		Q2 2011	**Q2 2010**	**Q2 2011**	**Q2 2010**
Revenue	**2**	74 702	64 950	29 720	26 474
Cost of sales		(37 840)	(35 158)	(14 663)	(15 197)
Gross profit		**36 862**	**29 792**	**15 057**	**11 277**
Operating expenses		(30 727)	(28 264)	(15 003)	(12 364)
Other income	**6**	97	165	21 051	6 678
Net foreign exchange gain (loss)		(11)	2	-	(1)
Operating profit (loss)		**6 221**	**1 695**	**21 105**	**5 590**
Finance costs	**5**	(54)	(291)	(121)	(387)
Profit (loss) before income tax		**6 167**	**1 404**	**20 984**	**5 203**
Income tax expense		(852)	(481)	(226)	23
Profit (loss) for the year	**2**	**5 315**	**923**	**20 758**	**5 226**
Other comprehensive income					
Currency translation difference		(5)	(2)	-	-
TOTAL COMPREHENSIVE INCOME		**5 310**	**921**	**20 758**	**5 226**
Basic and diluted earnings (losses) per share (in LTL)		**0,10**	**0,02**	**0,38**	**0,09**

BALANCE SHEET

		Group		Company	
	Note	**30 06 2011**	**31 12 2010**	**30 06 2011**	**31 12 2010**
ASSETS					
Non-current assets					
Property, plant and equipment		76 190	82 015	53 654	55 912
Intangible assets		653	859	466	630
Investments in subsidiaries	**4**	-	-	15 804	15 504
Prepayments		630	632	250	250
Trade and other receivables		129	69	129	69
Deferred tax assets		10	222	10	222
		77 612	**83 797**	**70 313**	**72 587**
Current assets					
Inventories		50 596	51 982	30 706	28 956
Non-current assets held for sale		1 118	1 118	1 118	1 118
Prepayments		5 468	1 125	4 258	846
Trade and other receivables		1 689	1 365	17 914	13 869
Cash and cash equivalents		3 353	4 188	966	1 389
		62 224	**59 778**	**54 962**	**46 178**
TOTAL ASSETS	**2**	**139 836**	**143 575**	**125 275**	**118 765**
EQUITY AND LIABILITIES					
Equity					
Ordinary shares		55 292	55 292	55 292	55 292
Legal reserve	**8**	3 262	2 912	3 262	2 912
Translation difference		(352)	(385)	-	-
Retained earnings	**8**	46 185	53 950	37 228	30 953
		104 387	**111 769**	**95 782**	**89 157**
Non-current liabilities					
Deferred tax liabilities		1 997	3 055	-	-
Obligations under finance leases		3	3	-	-
Other liabilities		316	273	316	273
		2 316	**3 331**	**316**	**273**
Current liabilities					
Borrowings	**5**	7 585	4 128	17 514	18 793
Obligations under finance leases		5	10	-	-
Current income tax liability		2 517	469	-	12
Trade and other payables		23 026	23 868	11 663	10 530
		33 133	**28 475**	**29 177**	**29 335**
Total liabilities		**35 449**	**31 806**	**29 493**	**29 608**
TOTAL EQUITY AND LIABILITIES		**139 836**	**143 575**	**125 275**	**118 765**

STATEMENTS OF CHANGES IN EQUITY

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						
Profit for the 6 months 2010					273	273
Other comprehensive income						
Currency translation difference				39	104	143
Total comprehensive income		**-**	**-**	**39**	**377**	**416**
Balance at 30 June 2010		**55 292**	**2 912**	**(425)**	**41 017**	**98 796**
Balance at 1 January 2011		**55 292**	**2 912**	**(385)**	**53 950**	**111 769**
Comprehensive income						
Profit for the 6 months 2011					6 404	6 404
Other comprehensive income						
Currency translation difference				33	4	37
Total comprehensive income		**-**	**-**	**33**	**6 408**	**6 441**
Transactions with owners						
Transfer to legal reserve	**8**		350		(350)	-
Dividends paid	**8**				(13 823)	(13 823)
Balance at 30 June 2011		**55 292**	**3 262**	**(352)**	**46 185**	**104 387**

COMPANY

	Note	Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2010		**55 292**	**2 912**	**23 971**	**82 175**
Comprehensive income					
Profit for the 6 months 2010				2 988	2 988
Balance at 30 June 2010		**55 292**	**2 912**	**26 959**	**85 163**
Balance at 1 January 2011		**55 292**	**2 912**	**30 953**	**89 157**
Comprehensive income					
Profit for the 6 months 2011				20 449	20 449
Transactions with owners					
Transfer to legal reserve	**8**		350	(350)	-
Dividends paid	**8**			(13 823)	(13 823)
Balance at 30 June 2011		**55 292**	**3 262**	**37 229**	**95 783**

STATEMENTS OF CASH FLOW

	Note	Group		Company	
		H1 2011	**H1 2010**	**H1 2011**	**H1 2010**
OPERATING ACTIVITIES					
Profit (loss) before income taxes		7 670	805	20 661	2 533
Adjustments for:		-	-	-	-
Depreciation and amortization		8 894	9 841	4 407	4 458
Impairment charge		-	1 498	-	-
Change in allowances for slow-moving inventories		(557)	51	(152)	(68)
(Gain) / Loss on disposal of property, plant and equipment		(22)	(9)	(22)	(4)
Write-off of property, plant and equipment		9	40	7	33
Dividends income	**6**	-	-	(19 218)	(5 474)
Interest expenses		89	642	194	652
		16 083	**12 868**	**5 877**	**2 130**
Changes in operating assets and liabilities:					
Decrease (Increase) in inventories		1 943	13 672	(1 598)	11 192
Decrease (Increase) in receivables		(382)	(282)	(6 212)	2 698
Unrealized foreign exchange loss (gain)		37	56	(8)	23
Increase (decrease) in payables		(5 142)	(11 703)	1 182	(9 097)
Cash generated from operations		**12 539**	**14 611**	**(759)**	**6 946**
Income taxes paid		(64)	(165)	(12)	(59)
Interest paid	**5**	(101)	(643)	(240)	(891)
Net cash from operating activities		**12 374**	**13 803**	**(1 011)**	**5 996**
INVESTING ACTIVITIES					
Interest received		12	1	46	239
Dividends received	**6**	-	-	19 218	5 474
Loans granted		(10 000)	-	(20 924)	(17 630)
Loans repayments received		10 000	-	19 619	16 084
Purchases of property, plant and equipment and intangible assets	**3**	(2 879)	(4 200)	(2 524)	(2 024)
Proceeds on disposal of property, plant and equipment	**3**	29	822	554	822
Investment in subsidiaries	**4**	-	-	(300)	-
Net cash used in investing activities		**(2 838)**	**(3 377)**	**15 689**	**2 965**
FINANCING ACTIVITIES					
Dividends paid	**8**	(13 823)	-	(13 823)	-
Proceeds from borrowings		-	10 862	29 788	44 294
Repayments of borrowings		-	(16 864)	(34 524)	(47 802)
Repayments of obligations under finance leases		(5)	18	-	-
Net cash from financing activities		**(13 828)**	**(5 984)**	**(18 559)**	**(3 508)**
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		**(4 292)**	**4 442**	**(3 881)**	**5 453**
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		**60**	**(5 118)**	**(2 739)**	**(7 877)**
AT THE END OF THE PERIOD		**(4 232)**	**(676)**	**(6 620)**	**(2 424)**

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 2011	31 12 2010	30 06 2010
1 EUR	=	3.4528 LTL	3.4528 LTL	3.4528 LTL
1 LVL	=	4.8703 LTL	4.8679 LTL	4.8676 LTL
10 EEK	=	2.2067 LTL	2.2067 LTL	2.2067 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 2011 is as follows:

H1 2011	**Lithuania**	**Latvia**	**Estonia**	**Total**	**Inter-company elimina-tions**	**Total in consolidated financial statements**
Total segment revenue	97 096	35 082	19 462	151 640	-	
Inter-segment revenue	(6 882)	(1 671)	(490)	(9 043)	-	
Revenue from external customers	**90 214**	**33 411**	**18 972**	**142 597**	**-**	**142 597**
Gross margin	**45,6%**	**47,1%**	**47,2%**	**46,2%**		**46,2%**
Profit for the year	**2 681**	**852**	**2 871**	**6 404**	**-**	**6 404**
Total assets	125 696	22 863	17 751	166 310	(26 474)	139 836
Additions to non-current assets (other than financial instruments and prepayments for leases)	2 250	612	17	2 879		2 879

H1 2010	**Lithuania**	**Latvia**	**Estonia**	**Total**	**Inter-company elimina-tions**	**Total in consolidated financial statements**
Total segment revenue	89 243	31 934	15 168	136 345	-	
Inter-segment revenue	(6 297)	(1 668)	(444)	(8 409)	-	
Revenue from external customers	**82 946**	**30 266**	**14 724**	**127 936**	**-**	**127 936**
Gross margin	**42,2%**	**44,0%**	**49,5%**	**43,5%**		**43,5%**
Profit (loss) for the year	**(164)**	**(1 336)**	**1 773**	**273**	**-**	**273**
Total assets	142 864	27 167	18 444	188 475	(36 284)	152 191
Additions to non-current assets (other than financial instruments and prepayments for leases)	1 276	384	1 718	3 378		3 378

3. Investments into non-current assets

Investments into development and reconstruction of retail network amounted to LTL 2.9 million in first half 2011 (LTL 0.5 million in 2nd quarter 2011). The main part of investments was made by Company - LTL 2.0 million. Daughter companies invested into retail network LTL 0.9 million.

4. Investments in subsidiaries

In May 2011, the Company established a subsidiary UAB Apranga MLT. The share capital of the subsidiary comprises of 300 shares with a par value of LTL 1000 each. All shares have been fully paid in cash.

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 63 000 thousand in 30 June 2011. The maximum limit of credit line will gradually decrease till LTL 61 000 thousand from the end of this year 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. Related party transactions

The Company's and the Group's transactions with related parties and balances arising from these transactions as of 30 June 2011 were as follows:

	Accounts payable		**Accounts receivable**		**Income received**		**Purchases**	
Related parties	**H1 2011**	**2010**	**H1 2011**	**2010**	**H1 2011**	**2010**	**H1 2011**	**2010**
UAB Koncernas MG Baltic	42	42	-	-	-	-	208	316
UAB Minvista	-	-	-	-	11	-	-	-
UAB Mineraliniai vandenys	-	-	-	-	-	-	2	-
UAB Troja	-	-	-	-	-	-	-	1 075
UAB MG Baltic Investment	50	180	-	-	-	-	296	1 071
UAB MG Valda	15	16	-	-	-	-	74	153
UAB Palangos Varūna	-	-	499	483	-	-	-	-
UAB Laisvas Nepriklausomas Kanalas	-	-	9	-	19	21	1	27
UAB UPG Baltic	-	-	-	-	-	-	12	-
UAB Alfa Media	-	2	-	-	-	-	-	2
Total	**107**	**240**	**508**	**483**	**30**	**21**	**593**	**2 644**

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 19 218 thousand received from the subsidiaries in six months 2011 is presented in 'Income received' together with other income (2010: LTL 5 474 thousand).

The Company's transactions with subsidiaries and balances arising from these transactions as of 30 June 2011 were as follows:

	Borrowings and accounts payable		Loans and accounts receivable		Income received		Purchases	
Subsidiaries	**H1 2011**	**2010**	**H1 2011**	**2010**	**H1 2011**	**2010**	**H1 2011**	**2010**
UAB Apranga LT	1 535	4 861	133	200	5 490	5 802	173	350
UAB Apranga BPB LT	-	785	433	61	1 936	450	74	84
UAB Apranga PLT	-	-	493	190	893	348	20	39
UAB Apranga SLT	-	-	670	1 172	143	320	28	33
UAB Apranga MLT	225	-	-	-	-	-	-	0
SIA Apranga	-	-	7 114	8 307	6 244	13 742	-	53
SIA Apranga LV	33	2 836	1 349	240	6 276	2 029	74	120
SIA Apranga BPB LV	-	-	418	726	86	240	19	30
SIA Apranga PLV	1	9	88	118	573	246	10	46
SIA Apranga SLV	-	-	81	157	18	48	-	10
OU Apranga	-	-	352	1 277	1 565	3 083	-	20
OU Apranga Estonia	7 531	6 150	5 297	172	5 530	763	80	275
OU Apranga BEE	302	1	276	144	318	155	17	21
OU Apranga PB Trade	201	9	13	150	45	121	15	39
OU Apranga ST Retail	418	113	10	17	38	94	6	20
Total	**10 246**	**14 764**	**16 727**	**12 931**	**29 155**	**27 441**	**516**	**1 140**

7. Guarantees and letters of credit

As of 30 June 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 30 June 2011 amounted to LTL 30 405 thousand (31 December 2010: LTL 30 531 thousand).

As of 30 June 2011 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled LTL 1 666 thousand (31 December 2010: LTL 1 143 thousand).

8. Dividends

On 29 April 2011 the Company's shareholders' meeting decided to pay out LTL 13 823 thousand in dividends, LTL 700 thousand annual bonuses, and allocate LTL 350 thousand to legal reserve.

9. Post balance sheet events

In July 2011, the Group and NORDEA bank have signed the amendment to agreement which modified the previous contract on the guarantees' limit. According to it, the Group was provided a credit line of EUR 5 000 thousand in order to finance the working capital and issuing guarantees.

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