

Public trading company

APRANGA

**Semi-Annual Report
1 January – 30 June 2005**

September 2005

I. GENERAL PROVISIONS

1. Reporting period covered by this Report: first half of the year 2005.

2. Main data about the issuer

Name of the company:	Public trading company (APB) Apranga
Authorized capital:	LTL 8 822 990
Office address:	51 Kirtimų St., Vilnius LT-02244, Lithuania
Telephone:	239 08 08
Fax:	239 08 00
E-mail address:	info@apranga.lt
Legal and organisational form:	Public trading company
Date and place of registration:	1 March 1993, Vilnius Municipality Council
Registration number:	AB 93-268, company code 121933274
Internet website:	www.apranga.lt

3. Information about where and how one can access the Report and the supporting documents. The designation of the means of mass media to announce information.

The Report and the supporting documents, on the basis of which the Report was prepared, are available during business hours at the company's registered office at 51 Kirtimų St., Vilnius. The means of mass media: the news agencies BNS and ELTA.

4. Persons responsible for the accuracy of information in the Report.

The following persons are responsible for the accuracy of information in the Report:

Rimantas Perveneckas	Director General	tel. 2390 801,
Saulius Bačauskas	Finance and Economy Director	tel. 2390 843,
Elena Guobytė	Chief Accountant	tel. 2390 857.
		fax. 2390 800.

5. Declaration by the members of the issuer's managing bodies responsible for the preparation of the Report

The members of the managing bodies declare that the information contained in the Report is in accordance with the facts and that the Report makes no omission likely to have an effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities.

Rimantas Perveneckas

Elena Guobytė

Apranga APB
51 Kirtimų St., Vilnius

22 September 2005

II. DATA ABOUT THE ISSUER'S AUTHORIZED CAPITAL, THE SECURITIES ISSUED AND MEMBERS OF THE MANAGING BODIES

6. The issuer's authorized capital

6.1. As of 1 July 2005, the authorized capital as registered in the Register of Legal Entities equalled LTL 8 822 990. It comprises 8 822 990 ordinary registered shares. The par value per share is LTL 1 (one). All shares are fully paid up.

6.2. The company has issued no debt securities or derivatives with the purpose to increase the authorized capital.

7. Major shareholders

As of 30 June 2005, Apranga APB shares were held by 734 persons.

The shareholders who have by the right of ownership or hold more than 5 percent of the issuer's authorized capital are the following:

Name of the shareholder (type, address of registered office and code of the enterprise)	Number of ordinary registered shares the shareholder holds by the right of ownership, units	Portion of the authorised capital held, %	Portion of the votes attaching to the shares held by the right of ownership, %	Portion of votes held by the shareholder together with the persons acting in concert, %
MG BALTIC INVESTMENT UAB 16 J.Jasinskio St., Vilnius 123249022	4 628 224	52.46	52.46	----
HANSABANK CLIENTS Liivalaia 8, Tallinn, Estonia 10060701	1 257 402	14.25	14.25	----
SKANDINAVISKA ENSKILDA BANKEN CLIENTS Sergels Torg 2, 10640 Stockholm, Sweden 50203290810	647 649	7.34	7.34	----

8. Securities not representing capital, the trading of which is regulated by the Law on Securities Market

In 2005, the company issued debentures worth LTL 20 million in par value for public trading in securities.

Name of the securities issued	Registered debentures of 2 years' maturity
Number	200 000
Par value per debenture	LTL 100
Total par value	LTL 20 000 000
Validity of the debentures	730 days (from 16.06.2005 to 15.06.2007)
Interest rate on the par value per security (size of coupon), %	4 (four) % annual interest rate
Periods of interest payment	Interest to be paid as coupons on: - 15.06.2006 (coupon rate: LTL 4.00 per debenture); - 15.06.2007 (coupon rate: LTL 4.00 per debenture).
Redemption price and maturity	LTL 100; redeemable on 15 June 2007.

The debentures issued by Apranga APB grant the debenture holders equal rights provided for by the Law on Companies, other legal acts of the Republic of Lithuania and the company's Articles of Association.

Debenture holders are entitled to the fixed annual interest. The annual interest rate is 4 % of the par value. The calculation of the interest commenced on 16 June 2005. Debenture holders will be paid interest in the form of coupon: on 15 June 2006 (the size of the coupon is LTL 4.00 per debenture) and on 15 June 2007 (the size of the coupon is LTL 4.00 per debenture).

Apranga APB, having issued the debentures, became the debtor of the debenture holder and assumed obligations for the benefit of the debenture holder. The debentures grant their holders the claim rights of the company's general creditors.

The debenture holders are entitled to:

- Receive the amount of money equal to the par value of the debentures held on the day of the debenture maturity;
- Receive the fixed amount of interest (in the form of coupons) during the debenture validity period on the interest payment days;
- Sell or otherwise transfer all or part of the debentures;
- If the debenture holder is a natural person, bequeath all or part of the debentures to one or several persons.

Holders of over 50% of the debentures of the issue are entitled to:

- Dismiss the intermediary of public trading in securities protecting their interests and demand that the company conclude an agreement with the intermediary of public trading in securities of their choice;
- Bring to the notice of the intermediary of public trading in securities protecting their interests that the violation committed by the company in relation to the specific issue of debentures is immaterial and therefore no special actions are needed to protect their interests (the provision shall not be applicable with respect to the violations committed by the company in relation to debenture redemption and payment of interest).

No restrictions are set on the transfer of the debentures. The debentures will not be converted into shares.

The issuer may not require the debenture issue to be redeemed before the maturity of the debentures.

The issuer undertakes, under an investor's written request, to redeem the debentures before the maturity term if at least one of the conditions below holds true:

- The debt/equity ratio (the issuer's and the group's of its subsidiaries consolidated financial debt (current and long-term) divided by the owner's equity), calculated on the basis of the financial statements, prepared in accordance with the International Financial Reporting Standards is above 1.25 (one point twenty five) for longer than two quarters in a run;
- The ratio of the issuer's and the group's of its subsidiaries consolidated financial debt and the aggregate operating profit of the last four quarters, calculated on the basis of the financial statements, prepared in accordance with the International Financial Reporting Standards is above 7.00 (seven) for longer than two quarters in a run;
- The issuer has failed to pay the interest due for more than 30 (thirty) days from the payment day.

On 30 June 2005 the debt/equity ratio (the issuer's and the group's of its subsidiaries consolidated financial debt (current and long-term) divided by the owner's equity), calculated on the basis of the financial statements, prepared in accordance with the International Financial Reporting Standards was 1.04.

The ratio of the issuer's and the group's of its subsidiaries consolidated financial debt and the aggregate operating profit of the last four quarters, calculated on the basis of the financial statements, prepared in accordance with the International Financial Reporting Standards on 30 June was 4.49.

9. Secondary trading in the issuer's securities

Ordinary registered shares (ORS) of Apranga APB (8 822 990 ORS of par value LTL 1 (one)) are traded on the Current List of the Vilnius Stock Exchange (hereinafter – the VSE).

Secondary trading in Apranga APB securities:

Reporting period	Price, LTL			Turnover, LTL			Total turnover	
	Highest	Lowest	Last session	Highest	Lowest	Last session	units	LTL
01.01.2005–31.03.2005	23.05	16.50	22.00	1 797 906	7 716	22 814	846 956	15 281 058
01.04.2005–30.06.2005	22.50	19.05	21.20	1 421 197	0	60 310	369 416	7 899 420

10. Agreements with intermediaries of public trading in securities

An agreement concerning management of securities accounting has been concluded with the financial brokerage firm Finasta AB (23 Konstitucijos St., Vilnius).

11. Members of the managing bodies

11.1. Members of the managing bodies and their participation in the issuer's authorized capital

Position held	Name, surname	Participation in the authorized capital
Chairman of the Board	Darius Juozas Mockus	holds 206 692 ORS, constituting 2.3% of the authorised capital and of the total number of votes
Member of the Board, Director General	Rimantas Perveneckas	holds 199 230 ORS, constituting 2.3% of the authorised capital and of the total number of votes
Member of the Board, Procurement Director	Ilona Šimkūnienė	holds 4 830 ORS, constituting 0.05% of the authorised capital and of the total number of votes
Member of the Board	Raimondas Paškevičius	holds no shares in the company
Member of the Board	Raimondas Kurlianskis	holds no shares in the company
Member of the Board	Algimantas Variakojis	holds no shares in the company
Finance and Economy Director	Saulius Bačasuskas	holds no shares in the company
Chief Accountant	Elena Guobytė	holds no shares in the company

11.2. Participation of the members of the managing bodies in the activities of other companies or their capital

Darius Juozas Mockus (16 J.Jasinskio St., Vilnius) – Chairman of the Board.

Participation in the management of other companies:

Concern MG Baltic UAB – President and Chairman of the Board;
MG Baltic Trade UAB – Director General and Chairman of the Board;
Stumbras AB – Chairman of the Board;
MG Valda UAB – Member of the Board;
Laisvas ir nepriklausomas kanalas UAB – Member of the Board.

Participation in the capital of other companies:

Concern MG Baltic UAB: 100 % of the company's authorised capital;
Minvista UAB: 99.99 % of the company's authorised capital.

Rimantas Perveneckas (51 Kirtimų St., Vilnius) – Member of the Board, Director General. He is also member of the Board in Palangos Varūna UAB. He does not participate in the activities or the capital of other companies.

Iloa Šimkūnienė (51 Kirtimų St., Vilnius) – Member of the Board, Procurement Director. She does not participate in the activities or the capital of other companies.

Raimondas Kurlianskis (16 J.Jasinskio St., Vilnius) – Member of the Board, holds no shares in the company. He is also Director General of MG Baltic Investment UAB.

Participation in the management of other companies:

Concern MG Baltic UAB – Member of the Board;
Lithuanian news agency ELTA AB – Director General and Chairman of the Board;
MG Baltic Media UAB – Chairman of the Board;
Laisvas ir nepriklausomas kanalas UAB – Chairman of the Board;
Agrofirma Sėklos UAB – Chairman of the Board;
MG Valda UAB – Member of the Board;
Neringos viešbutis UAB – Member of the Board;
Viršupis UAB – Member of the Board.

Participation in the capital of other companies:

Agrofirma Sėklos UAB – 7.83 % of the company's authorized capital.

Raimondas Paškevičius (16 J.Jasinskio St., Vilnius) – Member of the Board. He is also Director and Partner with Ekonominės konsultacijos ir tyrimai UAB (25 % of the capital).

Algimantas Variakojis (23 Konstitucijos St., Vilnius) – Member of the Board, holds no shares in the company.

Participation in the management of other companies:

Finasta AB, Member of the Board, manager of major projects;
Finasta investicijų valdymas UAB, Member of the Board;

Panevėžio melioracija UAB, Member of the Board;
Verpstatas AB, Member of the Board;
Vilniaus senamiesčio restauravimo direkcija UAB, Chairman of the Board;
Gateka UAB, Member of the Board;
Pozityvios investicijos UAB, Director;
Invetex AB, Member of the Board;
Progresas AB, Member of the Board;
Vilniaus Vingis AB, Member of the Board.

Participation in the capital of other companies:

Progresas AB – 9.99 % of the company's authorized capital;
Consulting firm Verslo praktika – 100 % of the company's authorized capital.

Saulius Bačauskas (51 Kirtimų St., Vilnius) – Finance and Economy Director. No participation in the activities or the capital of other companies.

Elena Guobytė (51 Kirtimų St., Vilnius) – Chief Accountant. No participation in the activities or the capital of other companies.

III. FINANCIAL STATUS

12. Balance Sheet

Balance sheet (according to the International Financial Reporting Standards), LTL thousand

	ENTERPRISE			GROUP		
	30.06.2005	31.12.2004	30.06.2004	30.06.2005	31.12.2004	30.06.2004
ASSETS						
LONG TERM ASSETS						
FIXED ASSETS	34052	34209	34282	56340	58244	38967
INTANGIBLE ASSETS	456	554	485	518	613	485
Investment into subsidiaries	4108	4108	1757	-	-	-
Investment for sale	7960	7960	9078	7960	7960	9078
Amounts receivable after one year	352	309	2303	502	459	324
TOTAL LONG TERM ASSETS	46928	47140	47905	65319	67276	48854
CURRENT ASSETS						
Inventories	23774	23603	21837	31476	31200	24527
Trade debtors and other amounts receivable	15230	18626	2234	2189	2898	2658
Investment for sale	1118	1118	-	1118	1118	-
Cash and cash equivalents	752	820	685	1259	1229	1210
TOTAL CURRENT ASSETS	40874	44167	24756	36041	36445	28395
TOTAL ASSETS	87802	91307	72661	101360	103721	77249
OWN CAPITAL AND LIABILITIES						
CAPITAL AND RESERVES						
Share capital	8823	8823	8823	8823	8823	8823
Legal reserve	882	748	748	882	748	748
Other reserves	-	-	-	-	-	-
Share premium account	441	441	441	441	441	441
Impact of the changes in currency exchange rate				(200)	(212)	173
Accrued profit	32433	34064	29719	34670	34482	29035
TOTAL OWN CAPITAL AND RESERVES	42579	44076	39731	44616	44282	39220
LONG TERM LIABILITIES						
Long term liabilities	18120	28509	13904	25291	28509	18786
Deferred taxes	104	103	-	259	301	-
Amounts payable on long term leasing	928	928	1513	928	928	1513
Other long term liabilities	85	85	501	109	84	501
TOTAL LONG TERM LIABILITIES	19236	29625	15918	26587	29822	20800
CURRENT LIABILITIES						
Trade debtors and other amounts payable	5652	7851	7278	9821	14894	7993
Debentures issued	20033	7156	7000	20033	7156	7000
Current portion of long-term leasing liabilities	302	599	235	302	599	235
Current loans	-	2000	2498	-	6968	2000
TOTAL CURRENT LIABILITIES	25987	17606	17012	30156	29617	17228
TOTAL OWNER'S EQUITY AND LIABILITIES	87802	91307	72661	101360	103721	77249

13. Income Statement

Income Statement (according to the International Financial Reporting Standards), LTL thousand

	ENTERPRISE		GROUP	
	1ST HALF 2005	1ST HALF 2004	1ST HALF 2005	1ST HALF 2004
Sales	48548	41085	71053	42286
Cost of good sold	(32411)	(26225)	(39514)	(25689)
GROSS PROFIT	16137	14860	31539	16596
Operating expenditure	(16651)	(13997)	(28722)	(16257)
		-		-
OPERATING PROFIT	(514)	863	2817	339
Net operating profit from other activities	1587	596	508	593
Expenditure	(541)	(439)	(973)	(597)
PROFIT BEFORE TAXES	532	1019	2352	335
Income tax	-	-	-	-
NET PROFIT	532	1019	2352	335
PROFIT PER SHARE. LTL	0.06	0.12	0.27	0.04

Cash Flow Statement (according to the International Financial Reporting Standards), LTL thousand

	ENTERPRISE		GROUP	
	1 st half, 2005	2004	1 st half, 2005	2004
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxes	532	6338	2352	7317
Adjustments:				
Depreciation and amortisation costs	2032	3809	4499	5443
Loss on sale of fixed assets	-	25	-	25
Net interest costs	785	896	947	1477
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN CURRENT ASSETS AND LIABILITIES	3349	11068	7797	14262
Increase in inventories	(171)	(4647)	(276)	(9604)
Increase in amounts receivable	3353	(14247)	666	(302)
Unrealized profit (loss) from changes in exchange rate of foreign currency	-		12	167
Increase in amounts payable	(2199)	177	(5089)	6600
Cash flows from operating activities (+/-)	4332	(8003)	3111	11123
Profit tax paid	-	(1091)	-	(1680)
Interest paid	(1037)	(1124)	(947)	(1482)
Net cash flows from operating activities (+/-)	3296	(10218)	2164	7633
INVESTMENT ACTIVITIES				
Interest received	252	195	-	5
Purchase of fixed assets	(1777)	(6409)	(2499)	(27440)
Purchase of subsidiaries	-	(3822)	-	-
Purchase of investment for resale	-	-	-	-
NET CASH FLOW FROM INVESTMENT ACTIVITIES	(1524)	(10036)	(2499)	(27435)
FINANCIAL ACTIVITIES				
Dividends paid	(2029)	(1764)	(2029)	(1764)
Loans received (repaid) at net value	(12389)	15663	(10186)	15509
Leasing	(297)	(560)	(297)	(560)
Income from debenture issue	12876	7000	12876	7000
NET CASH FLOWS FROM FINANCIAL ACTIVITIES	(1839)	20339	364	20185
NET INCREASE IN CASH FLOWS	(68)	85	29	383
NET CASH AT THE BEGINNING OF THE YEAR	820	735	1229	846
NET CASH AT THE END OF THE YEAR	752	820	1259	1229

Statement of Changes in Equity (according to the International Financial Reporting Standards), LTL thousand

Enterprise	Share capital	Legal reserve	Share premium account	Other reserves	Profit before appropriation	Total
BALANCE AS OF 31 DECEMBER 2003	8823	461	441	25001	5750	40476
Legal reserve made	-	288	-	-	(288)	-
Other reserves decreased	-	-	-	(25001)	25001	-
Dividends paid	-	-	-	-	(1765)	(1765)
Net annual profit	-	-	-	-	5364	5364
BALANCE AS OF 31 DECEMBER 2004	8823	748	441	-	34064	44076
Legal reserve made	-	134	-	-	(134)	-
Dividends paid	-	-	-	-	(2029)	(2029)
Net annual profit	-	-	-	-	532	532
BALANCE AS OF 30 JUNE 2005	8823	882	441	-	32433	42579

GROUP	Share capital	Legal reserves	Share premium account	Other reserves	Influence of changes in currency exchange rate	Accrued profit	Total
BALANCE AS OF 31 DECEMBER 2003	8823	461	441	25001	(36)	5450	40140
Legal reserve made	-	288	-	-	-	(288)	-
Other reserves decreased	-	-	-	(25001)	-	25001	-
Negative influence of changes in currency exchange rate	-	-	-	-	(176)	-	(176)
Dividends paid	-	-	-	-	-	(1765)	(1765)
Net annual profit	-	-	-	-	-	6082	6082
BALANCE AS OF 31 DECEMBER 2004	8823	748	441	-	(212)	34481	44282
Legal reserve made	-	134	-	-	-	(134)	-
Other reserves decreased	-	-	-	-	-	-	-
Negative influence of changes in currency exchange rate	-	-	-	-	11	-	11
Dividends paid	-	-	-	-	-	(2029)	(2029)
Net annual profit	-	-	-	-	-	2352	2352
Balance as of 30 June 2005	8823	882	441	-	(200)	34670	44616

14. Explanatory Notes

The Apranga Group comprises Apranga APB (parent company) and its subsidiary SIA Apranga as well as Apranga LT UAB, SIA Apranga LV, and OU Apranga Estonia, the latter three founded in 2004.

The financial statements were drawn up in accordance with the International Financial Reporting Standards. Starting from the year 2004, Apranga APB conducts its accounting and consolidates the Group's financials in accordance with the International Financial Reporting Standards.

The auditors did not perform audit of the interim financial statements of the Apranga Group. The consolidated financial statements of Apranga Group of 31 December 2004 were audited.

Subsidiaries forming the Apranga Group and consolidated in the accounts:

	SIA Apranga	Apranga LT UAB	SIA Apranga LV	OU Apranga Estonia
Address	51 Elizabetes St., Riga. Latvija	51 Kirtimų St., Vilnius	51 Elizabetes St., Riga. Latvija	4 Viru valjak, Tallinn. Estonia
Type of activities	Retail trade	Retail trade	Retail trade	Retail trade
Authorized capital	LVL 500 000	LTL 500 000	LVL 100 000	EEK 2 000 000
Type of the shares held by the issuer	ORS	ORS	ORS	ORS
Number of ORS held by the issuer	10 000	500	1 000	1
Par value of the shares held by the issuer	LVL 500 000	LTL 500 000	LVL 100 000	EEK 2 000 000
Portion of the votes attaching to the issuer's shares held by the right of ownership, %	100%	100%	100%	100%

The Group's sales in the first half of 2005, compared to the sales of the first quarter 2004, went soaring up by 68%, the increase accounting for 28.8 million. This result was achieved through a fast expansion of the Group, especially on the foreign markets. In May 2004, a franchise agreement was signed with the world largest vertical retailer, INDITEX Group, concerning a franchise chain of ZARA stores in the Baltic States. In August 2004, the first ZARA stores were opened in Tallinn and Riga. The third store was opened in Vilnius in November 2004. Also, in August 2004 Emporio Armani, the first in East Europe store to sell clothes of one of the world-famous fashion designers, Giorgio Armani, was launched in Riga (Latvia). In February 2005, the Emporio Armani was opened in Vilnius too. All in all, the Apranga Group opened 12 new stores during 2004 and 3 new stores during the first half of 2005. Hence, the high turnover growth during the reporting period.

Sales and costs of the goods sold according to the geographical segments during the reporting period ending on 30 June:

GROUP	1 st half 2005				1 st half 2004			
	LTL thousand				LTL thousand			
	Lithuania	Latvia	Estonia	Total	Lithuania	Latvia	Estonia	Total
Sales	46 868	16 643	7 541	71 053	36 721	5 565	-	42 286
Costs of goods sold	-27 036	-8 763	-3 715	-39 514	-21 861	-3 828	-	-25 689
Gross profit	19 833	7 880	3 826	31 539	14 860	1 737	-	16 596

ENTERPRISE	1 st half 2005				1 st half 2004			
	LTL thousand				LTL thousand			
	Lithuania	Latvia	Estonia	Total	Lithuania	Latvia	Estonia	Total
Sales	40 911	7 637	-	48 548	36 721	4 364	-	41 085
Costs of goods sold	-24 775	-7 637	-	-32 411	-22 425	-3 801	-	-26 225
Gross profit	16 137	0	-	16 137	14 296	564	-	14 860

The Group's gross profits from sales rose from 39.2% in the first half of 2004 to 44.4% in the first half of 2005. The earned gross profit amounted to LTL 31.5 million and was by LTL 14.9 million (or 90%) higher than during the corresponding period in 2004. In general, that was caused by new more profitable projects.

Due to intense development, the costs of the Group have also increased and amounted to LTL 28.7 million (an increase of 77%). The increased need for borrowing to finance new projects pushed the financial costs up by 63%.

In the first half of 2005, the Group earned a profit of LTL 2.35 million before taxes, while during the same period in 2004 the profit before taxes amounted to LTL 0.335 million. The higher profit was achieved through increased turnover of the goods and higher profits from sales.

Retail trade in clothes, to some extent, is of a seasonal character; it is also affected by sales campaigns. Usually the turnover of goods and the profit, accordingly, is higher in the second half of the year. Therefore, a greater portion of the annual profit is gained in the second half of the year.

The investment made into launching new stores resulted in a considerable increase in the value of fixed assets (by LTL 17.4 million, or 45% at residual value). During the reporting period the Group acquired LTL 2.5 million worth of fixed assets. At the end of the reporting period the fixed assets held by the Group constituted LTL 56.3 million at residual value.

As the Group has decided to sell the holding in Palangos Varūna UAB in 2005, this investment is recorded within the current assets (on 30 June 2004 it was recorded as investment for sale under long-term assets).

Furthermore, after new stores were opened, the Group's inventories grew considerably due to a sharp expansion of the sales areas and an increased turnover. At the end of the first half of 2005 they amounted to LTL 31.5 million and, compared with the corresponding period last year, rose by 28%.

At the end of the reporting period total assets of the group amounted to LTL 101.4 million and, compared with the same period of the previous year, increased by LTL 24.1 million, or 31%.

During the first half of 2005 Apranga APB paid out LTL 2.029 million as dividend for the year 2004.

The Group's financial liabilities as of 30 June 2005, LTL thousand:

GROUP	Debts or their portion to be paid		
	Within one financial year	After one year, but not later than within five years	After five years
Financial debts (including those to subsidiaries and associated companies)			
Leasing (financial) or other similar liabilities	302	928	-
To credit institutions	-	25 291	-
Vilniaus bankas AB, credit line, LTL	-	18 120	-
SIA NORD/LB, credit line, LVL	-	7 171	-
Other financial debts	-	20 033	-
	302	46 252	-

The credit line agreement with Vilniaus Bankas AB is valid until 17 May 2006, and the credit line agreement with SIA NORD/LB is valid until 31 January 2007 (the term was extended in March 2005, therefore part of the short-term debts was moved to the long-term ones).

Other financial debts of the Group as of 30 June 2005 (LTL 20.033 thousand) comprised mainly the company's debenture issue of LTL 20 million in June 2005. The debenture issue of 2004 worth LTL 7 million was redeemed on time in June 2005. The borrowing through debenture issue amounts to LTL 13 million.

As of 30 June 2005, the financial debts totalled LTL 46.252 thousand, including LTL 39.081 thousand to be repaid in litas, and LTL 7.171 thousand to be repaid in the Latvian latas. Compared with the respective period of the previous year, the Group's financial debts augmented by LTL 19 million, or 69%. Additional financial capital was used to finance investment into the stores and as the working capital.

The average interest rate of the Group is 4 %.

The Group's trade debtors and other amounts payable, compared with the end of the first half in 2004, equalled LTL 9.8 million, up by 23% on the result of the same period the previous year. That is also to be related to the increased turnover of the Group and the growing acquisition of goods from the suppliers.

15. Information about the audit

The Annual General Meeting of the Apranga APB shareholders, which was held on 29 April 2005, repeatedly elected Deloitte & Touche UAB auditor of the company's financials for the year 2005. In the company audit is conducted once a year. The audit is conducted in accordance with the International Audit Standards. The semi-annual results are not subject to audit.

IV. MATERIAL EVENTS IN THE ISSUER'S ACTIVITIES

16. Material events in the issuer's activities

During the first half of the year 2005, the Apranga Group opened 3 new outlets: City_{men & women} (Vilnius, trading centre Akropolis), Emporio Armani (Vilnius), City_{men & women} (Riga, trading centre Domina). Part of the oldest and largest of Apranga stores in Vilnius (16 J.Jasinskio St.) was reorganised into a sales store.

Furthermore, in August–September 2005 three more stores were opened in Lithuania and Latvia: Apranga (in Panevėžys, trading centre Babilonas), Miss Sixty Energie (Riga), Moskito (Riga).

In June 2005, a debenture issue of LTL 20 million par value was launched; the debenture issue of 2004 in the amount of LTL 7 million was successfully redeemed on time.

Type of the material event	Date of notice about the material event	Means of mass media
Concerning admission of Apranga APB shares into the Official List of the VSE	05.09.2005	BNS and ELTA news agencies
Apranga Group's turnover in January – August 2005	01.09.2005	BNS and ELTA news agencies
Apranga Group's turnover in January – July 2005	01.08.2005	BNS and ELTA news agencies
Apranga Group's profit in the first half of 2005	25.07.2005	BNS and ELTA news agencies
Apranga Group's turnover in the first half of 2005	04.07.2005	BNS and ELTA news agencies
Apranga Group continues up the growth path	01.06.2005	BNS and ELTA news agencies
Turnover in January – April 2005	02.05.2005	BNS and ELTA news agencies
The results of the first quarter 2005	29.04.2005	BNS and ELTA news agencies
Resolutions of the General Shareholders' Meeting	29.04.2005	BNS and ELTA news agencies
Turnover in March and during the first quarter 2005	04.04.2005	BNS and ELTA news agencies
Draft resolutions of the General Shareholders' Meeting	29.03.2005	BNS and ELTA news agencies
Convocation of the General Shareholders' Meeting	29.03.2005	BNS and ELTA news agencies
Turnover in February 2005	01.03.2005	BNS and ELTA news agencies
Preliminary unaudited profit of 2004	28.02.2005	BNS and ELTA news agencies
Apranga continues introducing the world "big-ones" to Lithuania	11.02.2005	BNS and ELTA news agencies
Turnover in January 2005	03.02.2005	BNS and ELTA news agencies
Turnover of 2004 and plans for 2005	10.01.2005	BNS and ELTA news agencies

17. Court (arbitration) proceedings

During the reporting period, no court (arbitration) proceedings likely to have had or to have a material effect on the financial position of Apranga APB took place.