

**Trade Company**

# APRANGA

**Report for the three quarters of the year 2006**

October 2006

## I. GENERAL PROVISIONS

### 1. Accountable period

First three quarters of the year 2006.

### 2. Main data about the Issuer

Name of the Issuer:	Trade Company APRANGA
Authorized capital:	35 291 960 Lt
Registered office:	Kirtimų 51, Vilnius LT-02244, Lithuania
Telephone number:	+370 5 239 08 08
Fax number:	+370 5 239 08 00
E-mail address:	<a href="mailto:info@apranga.lt">info@apranga.lt</a>
Legal and organizational form:	public trade company
Date and place of registration:	1993 03 01 Board of Vilnius city
Registration number:	AB 93-268
Code in the Register of Enterprises	121933274
Internet address:	<a href="http://www.apranga.lt">www.apranga.lt</a>

### 3. Information about where and how one can get acquainted with the report and the documents on the basis of which it was prepared and the name of the means of mass media

Reports and other documents used as the basis for this report are available in trade company APRANGA office, Kirtimų 51, Vilnius during working hours. Means of mass media: OMX information system, news agencies BNS and ELTA, company webpage <http://www.apranga.lt/investuotojams>.

### 4. Persons responsible for the accuracy of information in the report

Persons, responsible for the information in this report:

Rimantas Perveneckas	General Manager	tel. +370 5 2390 801,
Vaidas Savukynas	Chief Financial Officer	tel. +370 5 2390 843,
Company's fax number: +370 5 2390 800.		

### 5. Declaration by the members of Issuer's managing bodies

Members of Issuer's managing bodies confirm that information contained in this report is true and there are no suppressed facts which could influence investors' decisions in buying or selling the Issuer's securities, as well as market price of the Issuer's securities and their valuation.

Rimantas Perveneckas

Vaidas Savukynas



## II. INFORMATION ABOUT MAJOR SHAREHOLDERS AND MEMBERS OF THE MANAGING BODIES

### 6. Major shareholders

As on September 30<sup>th</sup>, 2006, the total number of Apranga's shareholders was 1355. The following shareholders hold more than 5 percent of the Company's share capital:

Shareholder	Registered office	Code in the Register of Enterprises	Number of shares	Share of authorized capital and votes %
UAB MG BALTIC INVESTMENT	Jasinskio 16, Vilnius, Lithuania	123249022	18.512.896	52.5%
AS HANSAPANK clients*	Liivalaia 8 Tallinn, Estonia	10060701	4.939.661	14.0%
SKANDINAVISKA ENSKILDA BANKEN clients*	Sergels Torg 2, 10640 Stockholm, Sweden	50203290810	2.348.924	6.7%

\* No clients having more than 5% of authorized capital.

### 7. Members of the managing bodies

#### 7.1. Members of the managing bodies and their participation in the Issuer's authorized capital

Activities	Name, Surname	Participation in authorized capital
Chairman of the Board	Darius Juozas Mockus	has 626.768 shares which makes up 1.78% of authorized capital and votes
Member of the Board, General Manager	Rimantas Perveneckas	has 796.920 shares which makes up 2.26% of authorized capital and votes
Member of the Board, Purchase Director	Iлона Šimkūnienė	has 19.320 shares which makes up 0.05% of authorized capital and votes
Member of the Board, Development Director	Ramūnas Gaidamavičius	has no shares of the company
Member of the Board	Raimondas Kurlianskis	has 224.788 shares which makes up 0.64% of authorized capital and votes
Member of the Board	Algimantas Variakojis	has 23.652 shares which makes up 0.07% of authorized capital and votes
Chief Financial Officer	Vaidas Savukynas	has no shares of the company
Chief Accountant	Elena Guobytė	has no shares of the company

#### 7.2. Members of the managing bodies and their participation in the activities of other companies, enterprises and organizations

**Darius Juozas Mockus** – Chairman of the Board.

Participation in management of other companies:

UAB Koncernas MG Baltic – President and Chairman of the Board;

UAB MG Baltic Trade – General Manager and Chairman of the Board;

AB Stumbras – Chairman of the Board;

UAB MG Valda – Member of the Board;

UAB Laisvas ir nepriklausomas kanalas – Member of the Board.

Participation in share capital of other companies:

UAB Koncernas „MG Baltic – 100% of company’s authorized capital;  
UAB Minvista – 99.99% of company’s authorized capital.

**Rimantas Perveneckas** - Member of the Board, General Manager. Does not participate in activities of other companies and does not have interest in the share capital in other companies.

**Iloņa Šimkūnienė** – Member of the Board, Purchase Director.

Participation in management of other companies:

UAB Apranga LT – Chairman of the Board;  
UAB Apranga BPB LT – Chairman of the Board;  
UAB Apranga P LT – Chairman of the Board;  
SIA Apranga LV – Chairman of the Board;  
OÜ Apranga Estonia – Chairman of the Board.

Does not have interest in the share capital of other companies.

**Raimondas Kurlianskis** – Member of the Board.

Participation in management of other companies:

UAB MG Baltic Investment – General Manager;  
UAB Koncernas MG Baltic – Member of the Board;  
UAB MG Baltic Media – Chairman of the Board;  
UAB Laisvas ir nepriklausomas kanalas – Chairman of the Board;  
AB Lėvuo – Member of the Board;  
UAB Neo Press – Chairman of the Board.

Participation in share capital of other companies:

UAB agrofirma Sėklos – 0.4% of company’s authorized capital;  
UAB MG Baltic Investment – 2.33% of company’s authorized capital.

**Algimantas Variakojs** – Member of the Board.

Participation in management of other companies:

AB FMĮ Finasta – Member of the Board, Project Manager;  
UAB Finasta investicijų valdymas – Member of the Board;  
UAB Panevėžio melioracija – Member of the Board;  
AB Verpstas – Member of the Board;  
UAB Gateka – Member of the Board;  
UAB Pozityvios investicijos – Director;  
AB Invetex – Member of the Board;  
AB Progresas – Member of the Board;  
AB Vilniaus Vingis – Member of the Board.

Participation in share capital of other companies:

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

**Vaidas Savukynas** – Chief Financial Officer.

Participation in management of other companies:

UAB Apranga LT – Member of the Board;  
UAB Apranga BPB LT – Member of the Board;  
UAB Apranga P LT – Member of the Board;  
OÜ Apranga – Member of the Board.

Does not have interest in the share capital of other companies.

**Ramūnas Gaidamavičius** – Development Director and Member of the Board.

Participation in management of other companies:

SIA Apranga – Chairman of the Board;  
OÜ Apranga Estonia – Member of the Board;  
UAB Apranga LT – Member of the Board;

SIA Apranga LV – Member of the Board;  
OÜ Apranga – Chairman of the Board.

Does not have interest in the share capital of other companies.

**Aušra Tartilienė** – ZARA Chain Director.

Participation in management of other companies:  
OÜ Apranga – Member of the Board.

Does not have interest in the share capital of other companies.

**Elena Guobytė** – Chief Accountant. Does not participate in activities of other companies and does not have interest in the share capital in other companies.

## III. FINANCIAL STATUS

## 8. Balance Sheet

Thousand LTL, not audited	Group		Company	
	2006 09 30	2005 12 31	2006 09 30	2005 12 31
<b>ASSETS</b>				
<b>Long term assets</b>				
Tangible assets	82.103	61.430	51.914	39.230
Intangible assets	681	514	545	425
Investments into associated companies	-	-	8.453	6.608
Accounts receivable after one year	437	482	287	332
<b>Total long term assets</b>	<b>83.221</b>	<b>62.426</b>	<b>61.199</b>	<b>46.595</b>
<b>Short term assets</b>				
Stock	61.667	38.366	40.111	25.586
Trade and other accounts receivable	9.484	5.379	23.846	13.510
For sale investments	1.118	9.078	1.118	9.078
Cash and cash equivalents	3.642	2.516	1.710	1.352
<b>Total short term assets</b>	<b>75.910</b>	<b>55.339</b>	<b>66.784</b>	<b>49.526</b>
<b>TOTAL ASSETS</b>	<b>159.131</b>	<b>117.765</b>	<b>127.983</b>	<b>96.121</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital	35.292	35.292	35.292	35.292
Legal reserves	1.081	882	1.081	882
Other reserves	7.536	-	7.536	-
Translation differences	(112)	(166)	-	-
Retained earnings	18.929	16.162	7.560	9.853
<b>Total capital and reserves</b>	<b>62.725</b>	<b>52.170</b>	<b>51.469</b>	<b>46.027</b>
<b>Long term liabilities</b>				
Long term loans	21.504	6.562	17.822	-
Bonds issued	-	20.000	-	20.000
Postponed tax liabilities	993	992	724	723
Leasing (financial lease) and similar liabilities	42	301	42	301
Other long term liabilities	86	85	86	85
<b>Total long term liabilities</b>	<b>22.624</b>	<b>27.940</b>	<b>18.673</b>	<b>21.109</b>
<b>Short term liabilities</b>				
Trade and other accounts payable	53.529	20.693	35.615	11.899
Bonds issued	20.235	436	20.033	436
Short term portion of long term accounts payable	18	625	18	625
Short term loans	-	15.901	2.175	16.025
<b>Total short term liabilities</b>	<b>73.781</b>	<b>37.655</b>	<b>57.841</b>	<b>28.985</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>159.131</b>	<b>117.765</b>	<b>127.983</b>	<b>96.121</b>

**9. Profit (Loss) Statement**

Thousand LTL, not audited	Group		Company	
	2006 3 quarters	2005 3 quarters	2006 3 quarters	2005 3 quarters
Sales	172.053	116.636	105.568	81.274
Cost of goods sold	(96.292)	(66.503)	(70.379)	(55.838)
<b>GROSS PROFIT</b>	<b>75.761</b>	<b>50.133</b>	<b>35.189</b>	<b>25.435</b>
Operating expenses	(61.737)	(44.196)	(34.297)	(25.588)
<b>OPERATING PROFIT</b>	<b>14.024</b>	<b>5.937</b>	<b>892</b>	<b>(153)</b>
Profit from other operating activities	655	320	3.674	2.526
Financial expenses	(1.296)	(1.047)	2.995	(853)
<b>PROFIT BEFORE TAXES</b>	<b>13.383</b>	<b>5.210</b>	<b>7.560</b>	<b>1.520</b>
Profit tax expenses	-	-	-	-
<b>NET PROFIT</b>	<b>13.383</b>	<b>5.210</b>	<b>7.560</b>	<b>1.520</b>
<b>Earnings per share, LTL</b>	<b>0,38</b>	<b>0,15</b>	<b>0,21</b>	<b>0,04</b>

## Cash Flow Statement

Thousand LTL, not audited	Group		Company	
	2006 3 quarters	2005 3 quarters	2006 3 quarters	2005 3 quarters
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit before taxes</b>	<b>13.383</b>	<b>5.210</b>	<b>7.560</b>	<b>1.520</b>
Adjustments:				
Depreciation and amortization costs	8.405	6.737	3.964	3.088
Profit tax on dividends	(750)	-	-	-
Increase in inventory value	(717)	-	(717)	-
Dividends received	-	-	(4.031)	-
Net interest expenses	1.336	1.059	1.033	839
<b>Cash flow from operating activities before changes in short term assets and liabilities</b>	<b>21.658</b>	<b>13.006</b>	<b>7.809</b>	<b>5.447</b>
Increase in inventory	(22.583)	(12.721)	(13.807)	(7.690)
Increase (decrease) of amounts receivable	(3.409)	(536)	(10.291)	1.430
Unrealized profit (loss) due to translation differences	40	6	-	-
Increase in amounts payable	32.187	14.379	23.315	14.181
<b>Cash from operating activities</b>	<b>27.893</b>	<b>14.134</b>	<b>7.025</b>	<b>13.368</b>
Interest paid	(1.338)	(1.118)	(1.224)	(899)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>26.555</b>	<b>13.016</b>	<b>5.802</b>	<b>12.469</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest received	2	1	191	336
Acquisition of long term assets	(21.285)	(4.475)	(8.808)	(2.654)
Acquisition of subsidiaries	-	-	(1.845)	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(21.284)</b>	<b>(4.474)</b>	<b>(10.461)</b>	<b>(2.318)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividends paid	(2.118)	(2.029)	(2.118)	(2.029)
Dividends received	-	-	4.031	-
Net value of received (returned) loans	(1.160)	(18.190)	3.972	(19.868)
Leasing expenses	(867)	(489)	(867)	(489)
Revenue from bonds issued	-	12.844	-	12.844
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(4.145)</b>	<b>(7.864)</b>	<b>5.018</b>	<b>(9.542)</b>
<b>INCREASE IN CASH</b>	<b>1.127</b>	<b>678</b>	<b>358</b>	<b>609</b>
<b>CASH AT THE BEGINNING OF THE PERIOD</b>	<b>2.516</b>	<b>1.229</b>	<b>1.352</b>	<b>820</b>
<b>CASH AT THE END OF THE PERIOD</b>	<b>3.642</b>	<b>1.907</b>	<b>1.710</b>	<b>1.429</b>



## Statement on changes in Shareholder's Equity

<b>GROUP</b> Thousand LTL, not audited	<b>Share capital</b>	<b>Legal reserves</b>	<b>Other reserves</b>	<b>Share premium</b>	<b>Currency translation</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Closing Balance December 31<sup>st</sup>, 2004</b>	<b>8.823</b>	<b>748</b>	<b>-</b>	<b>441</b>	<b>(211)</b>	<b>34.481</b>	<b>44.282</b>
Transfer to Legal reserve		134				(134)	-
Dividends paid						(2.029)	(2.029)
Translation difference					6		6
Net profit						5.210	5.210
<b>Closing Balance September 30<sup>th</sup>, 2005</b>	<b>8.823</b>	<b>882</b>	<b>-</b>	<b>441</b>	<b>(205)</b>	<b>37.528</b>	<b>47.469</b>
<b>Closing Balance December 31<sup>st</sup>, 2005</b>	<b>35.292</b>	<b>882</b>	<b>-</b>	<b>-</b>	<b>(167)</b>	<b>16.162</b>	<b>52.170</b>
Transfer to Legal reserve		199				(199)	-
Transfer to Other reserves			7.536			(7.536)	-
Dividends paid						(2.118)	(2.118)
Tax on dividends						(750)	(750)
Translation difference					55	(15)	40
Net profit						13.383	13.383
<b>Closing Balance September 30<sup>th</sup>, 2006</b>	<b>35.292</b>	<b>1.081</b>	<b>7.536</b>	<b>-</b>	<b>(112)</b>	<b>18.927</b>	<b>62.725</b>

<b>COMPANY</b> Thousand LTL, not audited	<b>Share capital</b>	<b>Legal reserves</b>	<b>Other reserves</b>	<b>Share premium</b>	<b>Currency translation</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Closing Balance December 31<sup>st</sup>, 2004</b>	<b>8.823</b>	<b>748</b>	<b>-</b>	<b>441</b>	<b>-</b>	<b>34.064</b>	<b>44.076</b>
Transfer to Legal reserve		134				(134)	-
Dividends paid						(2.029)	(2.029)
Net profit						1.520	1.520
<b>Closing Balance September 30<sup>th</sup>, 2005</b>	<b>8.823</b>	<b>882</b>	<b>-</b>	<b>441</b>	<b>-</b>	<b>33.421</b>	<b>43.567</b>
<b>Closing Balance December 31<sup>st</sup>, 2005</b>	<b>35.292</b>	<b>882</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.853</b>	<b>46.027</b>
Transfer to Legal reserve		199				(199)	-
Transfer to Other reserves			7.536			(7.536)	-
Dividends paid						(2.118)	(2.118)
Net profit						7.560	7.560
<b>Closing Balance September 30<sup>th</sup>, 2006</b>	<b>35.292</b>	<b>1.081</b>	<b>7.536</b>	<b>-</b>	<b>-</b>	<b>7.560</b>	<b>51.469</b>

## 10. Explanatory letter

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Financial statements provided in this report have not been audited.

Companies that belong to Apranga Group and are consolidated by APB Apranga:

	Address	Type of activity	Authorized capital	Unpaid share	Type of shares belonging to the Issuer	Number of shares belonging to the Issuer	Nominal value of shares belonging to the Issuer	Issuer's share of votes %
SIA Apranga	Elizabetes 71, Riga, Latvia	Retail trade of clothes	500000 LVL	-	Common stock	10000	500000 LVL	100%
UAB Apranga LT	Kirtimų 51, Vilnius, Lithuania	Retail trade of clothes	2500000 LTL	-	Common stock	2500	2500000 LTL	100%
SIA Apranga LV	Elizabetes 71, Riga, Latvia	Retail trade of clothes	100000 LVL	-	Common stock	1000	100000 LVL	100%
OÜ Apranga Estonia	Viru 4, Tallinn, Estonia	Retail trade of clothes	2000000 EEK	-	Common stock	1	2000000 EEK	100%
UAB Apranga BPB LT	Kirtimų 51, Vilnius, Lithuania	Retail trade of clothes	500000 LTL	-	Common stock	500	500000 LTL	100%
UAB Apranga PLT	Kirtimų 51, Vilnius, Lithuania	Retail trade of clothes	300000 LTL	-	Common stock	300	300000 LTL	100%
OÜ „Apranga	Ravala 4 / Laikmaa 15, Tallinn, Estonia	Retail trade of clothes	7000000 EEK	-	Common stock	1	7000000 EEK	100%

Group sales for the first three quarters of year 2006 increased by 47.5% as compared with the same period of year 2005. Cost of goods sold, as compared to the first three quarters of year 2005, increased by 44.8%, which allowed increasing consolidated gross profitability for 9 months from 43% in 2005 to 44% in 2006. Gross profit has reached LTL 25.6 million (EUR 7.4 million), or 51% bigger than during first three quarters of year 2005.

Group sales grew by 54.5% in the third quarter 2006, and by 41.8 in first quarter, and by 44.4% in the second quarter.

Sales and cost of goods sold according to geographical segments were:

Thousand LTL	3 quarters of 2006				3 quarters of 2006			
	Lithuania	Latvia	Estonia	Total	Lithuania	Latvia	Estonia	Total
Sales	113.004	42.387	16.662	172.053	76.199	27.628	12.809	116.636
Cost of Goods Sold	-65.190	-22.773	-8.330	-96.292	(45.674)	(14.289)	(6.540)	(66.503)
Gross Profit	47.815	19.614	8.332	75.761	30.525	13.339	6.269	50.133

Group sales in January through September 2006 increased by 48.3% in Lithuania, 53.4% in Latvia, and 30% in Estonia. Sales in foreign markets increased by 46% and comprised 34.4% of Group's sales. Turnovers of all chains developed by Apranga increased rapidly in comparison with the same period of 2005:

- Economy chain (Apranga) grew by	34.2%
- Youth chain -	59.4%
- Business chain (City) -	37.7%
- Luxury chain -	34.0%
- Zara chain -	65.9%
- Outlets -	39.3%

Due to fast expansion, increasing rent of trading areas and growing wages Group's operating expenses increased by 39.7% up to LTL 61.7 million (EUR 17.9 million). Growth of gross profit was higher than growth of operating expenses, which allowed Group operating profit to reach LTL 14 million (EUR 4.1 million), or 2.6 times bigger than during first 9 months of year 2005. Group's Operating margin has increased from 5.1% to 8.2% during the year.

EBITDA margin of 3 quarters of 2006 was 13.4% (11.1% in the same period of 2005).

During the reporting period the Group has acquired long term assets for LTL 21.3 million (EUR 6.2 million), of which LTL 7.7 million (EUR 2.2 million) were taken from liquidated subsidiaries UAB Tokata and UAB Šešupė – Ontario. Closing balance of Group's tangible and intangible long term assets was LTL 83.2 million (EUR 24.1 million).

Line For sale investments accounts for shares of not operating company UAB Palangos Varūna which are going to be sold.

Due to increase in trading areas, increase in turnovers and seasonal acquisition of clothing collections Group's inventories increased by 61% up to LTL 61.7 million (EUR 17.9 million) since the beginning of the year. Group's inventory turnover (inventory / COGS) has increased to 1.6 from 1.5.

Group's assets at the end of reportable period were LTL 159.1 million (EUR 46.1 million) and has increased by 35% since the beginning of the year. ROA of the Group was 8.4% for 3 quarters (4.5% year ago, respectively).

APB Apranga has paid LTL 2118 thousand (EUR 613.4 thousand) as dividends for the year 2005.

The Company has fully covered the authorized capital of companies UAB Apranga BPB LT, UAB Apranga PLT and OÜ Apranga.

In February 2006 the Company prematurely paid back LTL 876 thousand (EUR 254 thousand) of leasing payments for leased premises.

Group's financial debts for 30 September, 2006, LTL thousand:

<b>GROUP</b>	<b>Debt or part payable</b>		
	<b>Within 1 year</b>	<b>After 1 year (but not later than 5 years)</b>	<b>After 5 years</b>
<b>Financial debts</b>			
Leasing (financial lease) and similar liabilities	18	42	-
Credit institutions	-		-
AB SEB Vilniaus bankas, LTL credit line	17.822		-
SIA DnB NORD, LVL credit line	-	3.681	-
Bonds issued	20.000	-	-
<b>Total</b>	<b>37.840</b>	<b>3.723</b>	<b>-</b>

All financial debts of the group totaled to LTL 41.5 million (EUR 12 million), of which LTL 37.8 million (EUR 10.9 million) are denominated in LTL, and LTL 3.7 million (EUR 1.1 million) are denominated in LVL. Financial debt of the Group has decreased by LTL 0.9 million (EUR 0.26 million) since the beginning of the year. Average interest rate on Group borrowings was 4%.

Trade and other amounts payable of the Group increased by 2.6 times up to LTL 53.5 million (EUR 15.5 million), as compared to the end of year 2005. Part of the amounts payable are covered by guarantees and credit letters issued by SEB Vilniaus Bankas and HVB~Bank, total amount of which was LTL 26.7 million (EUR 7.7 million) at the end of reporting period.

#### IV. MATERIAL EVENTS IN THE ISSUER'S ACTIVITY

##### 11. Material events in the Issuer's activity

Apranga Group has opened 14 new stores with total area of 7500 sq. m. in three quarters of 2006. Investments to stores' repair and equipment totaled almost LTL 15 million (EUR 4.3 million). Apranga Group brought to Baltics market new international brands Pull and Bear (Spain); Bershka (Spain), Ermenegildo Zegna (Italy) in 2006. Apranga Group managed 37,500 sq. m. of operating stores area September 30, 2006 (26,500 sq. m. at September 30, 2005, and 30,500 sq. m. at December 31, 2005, respectively). 11 out of 14 new stores opened in Lithuania pursuing main expansion direction for 2006 – local market. Noteworthy fact is that 10 of 14 new stores were opened not in a newly built trading center, increasing Apranga's Group advantage over amount of rival trading areas.

On October 10<sup>th</sup>, 2006 Vaidas Savukynas replaced Saulius Bačauskas as a Chief Financial Officer.

On March 21<sup>st</sup>, 2006 Apranga established a new subsidiary UAB Apranga PLT. This company is an operator of Pull and Bear stores' chain in Lithuania.

On April 28<sup>th</sup>, 2006 during ordinary shareholders' meeting Company's report and financial reports for year 2005 were approved, as well as profit distribution and election of Company's Board took place.

On May 31<sup>st</sup>, 2006 the Board decided to call an extraordinary general meeting of shareholders and to propose acquisition of not operating UAB Tokata and UAB Šešupė – Ontario by APB Apranga.

On July 11<sup>th</sup>, 2006 extraordinary general meeting of shareholders decided to approve preparation of APB Apranga's reorganization conditions regarding acquisition of UAB Tokata and UAB Šešupė – Ontario, which would terminate their activities, by APB Apranga which would continue its activities after reorganization. It was also decided to select UAB PricewaterhouseCoopers as an auditor of APB Apranga.

On July 28<sup>th</sup>, 2006 APB Apranga and SEB Vilniaus bankas have agreed to prolong the loan agreement for two years and increase the borrowing limit to LTL 60 million (EUR 17.4 million).

On August 22<sup>nd</sup> during an extraordinary general meeting of shareholders it was decided to confirm preparation of APB Apranga's reorganization conditions regarding acquisition of UAB Tokata and UAB Šešupė – Ontario, which would terminate their activities, by APB Apranga which would continue its activities after restructuring.

On August 24<sup>th</sup>, 2006 Apranga Group acquired business of Dutch company MEXX in Latvia from Latvian company SIA BaltikaL.

On August 24<sup>th</sup> a new subsidiary of Apranga Group - OÜ Apranga in Estonia with authorized capital of EEK 7 million (EUR 447 thousand) – started its operations. APB Apranga has 100% of subsidiary's capital and votes. APB Apranga has also finished reorganization and acquisition of AB Tokata and AB Šešupė – Ontario, which terminated their activities.

On September 2006 Apranga Group announced updated plans and forecast for years 2007 – 2008. Apranga Group is planning to reach a retail turnover of LTL 285 – 290 million (EUR 83 – 84 million) (with VAT). By the end of the year Apranga Group's chain of stores will consist of 68 stores with the total area 38.6 thousand sq. m. during years 2007 – 2008 Apranga Group is going to maintain high pace of growth and is planning to reach a turnover of LTL 380 – 400 million (EUR 110 – 116 million) in year 2007 and LTL 500 – 525 million (EUR 145 – 152 million) in year 2008. Apranga Group is planning to open 50 new stores by the end of year 2008.

Apranga has announced these material events during first three quarters of year 2006:

Material event	Date of announcement	Mean of mass media
Apranga Group profit in August 2006	2006-09-26	OMX informational system, BNS ir ELTA news agencies
Apranga expanding to regional centers	2006-09-22	OMX informational system, BNS ir ELTA news agencies
Hugo Boss triumphs over Lithuania	2006-09-15	OMX informational system, BNS ir ELTA news agencies
On updated plans for 2006 and forecast for 2007 - 2008	2006-09-12	OMX informational system, BNS ir ELTA news agencies
Apranga Group retail turnover in August 2006	2006-09-04	OMX informational system, BNS ir ELTA news agencies
On changes in Apranga Group structure	2006-08-31	OMX informational system, BNS ir ELTA news agencies
On expansion of Apranga Group in the Baltic states	2006-08-31	OMX informational system, BNS ir ELTA news agencies
Apranga Group acquired MEXX business in Latvia	2006-08-24	OMX informational system, BNS ir ELTA news agencies
Resolutions of extraordinary general meeting of shareholders	2006-08-22	OMX informational system, BNS ir ELTA news agencies
Apranga Group opens the first Pull & Bear store and fifth ZARA store in Baltic States in Vilnius	2006-08-11	OMX informational system, BNS ir ELTA news agencies
Apranga Group opens the first Bershka store in capitals of Baltic States in Vilnius	2006-08-04	OMX informational system, BNS ir ELTA news agencies
Apranga Group retail turnover in July 2006	2006-08-02	OMX informational system, BNS ir ELTA news agencies
On loan agreement with SEB Vilniaus bankas	2006-07-28	OMX informational system, BNS ir ELTA news agencies
Apranga group preliminary profit for the 1st half 2006	2006-07-27	OMX informational system, BNS ir ELTA news agencies
Reorganization of Apranga APB	2006-07-18	OMX informational system, BNS ir ELTA news agencies
On approval of company's conditions of reorganization	2006-07-17	OMX informational system, BNS ir ELTA news agencies
On proposals of resolutions of extraordinary general meeting	2006-07-17	OMX informational system, BNS ir ELTA news agencies
Notice of the Extraordinary General Meeting	2006-07-17	OMX informational system, BNS ir ELTA news agencies
Resolutions of extraordinary general meeting of shareholders	2006-07-11	OMX informational system, BNS ir ELTA news agencies
Apranga Group turnover in June 2006	2006-07-04	OMX informational system, BNS ir ELTA news agencies
On proposals of resolutions of extraordinary general meeting	2006-06-20	OMX informational system, BNS ir ELTA news agencies
Apranga Group turnover in May 2006	2006-06-01	OMX informational system, BNS ir ELTA news agencies
Notice of the Extraordinary General Meeting	2006-05-31	OMX informational system, BNS ir ELTA news agencies
Apranga Group turnover in April 2006	2006-05-04	OMX informational system, BNS ir ELTA news agencies

Resolutions of Annual general meeting of shareholders	2006-04-28	OMX informational system, BNS ir ELTA news agencies
Profit for the 1st quarter, 2006 (not audited)	2006-04-25	OMX informational system, BNS ir ELTA news agencies
On proposals of resolutions of general meeting	2006-04-13	OMX informational system, BNS ir ELTA news agencies
Apranga Group turnover in March 2006	2006-04-04	OMX informational system, BNS ir ELTA news agencies
Notice of the General Meeting	2006-03-23	OMX informational system, BNS ir ELTA news agencies
On new subsidiary establishment	2006-03-22	OMX informational system, BNS ir ELTA news agencies
Turnover of Apranga Group Chain Increased by 39.2% in January through February	2006-03-02	OMX informational system, BNS ir ELTA news agencies
Apranga Group increased its not audited profit before taxes by 52% in 2005	2006-03-01	OMX informational system, BNS ir ELTA news agencies
Apranga Group turnover in January 2006	2006-02-01	OMX informational system, BNS ir ELTA news agencies
APRANGA Group exceeded the turnover limit of LTL 200 million (EUR 56 million) in 2005	2006-01-03	OMX informational system, BNS ir ELTA news agencies