

29 May 2009
Vilnius

CONFIRMATION OF THE COMPANY'S RESPONSIBLE PERSONS

Hereby we confirm, that by our knowledge Consolidated Interim Financial Statements for the three months of 2009 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss of APB Apranga, as well as of Apranga Group consolidated companies.



Apranga Group General Manager
Rimantas Perveneckas



Apranga Group Chief Financial Officer
Vaidas Savukynas

APRANGA APB
Interim Consolidated Financial Statements
For the Three Months of 2009
Unaudited

29 May 2009
Vilnius

INCOME STATEMENTS

LTL thousand	Note	Group		Company	
		Q1 2009	Q1 2008	Q1 2009	Q1 2008
Revenue	3	75 463	100 479	43 789	58 041
Cost of sales		(48 831)	(59 723)	(33 071)	(41 511)
GROSS PROFIT		26 632	40 756	10 718	16 530
Operating expenses		(36 412)	(40 537)	(18 724)	(19 879)
Other income		497	215	1 720	2 367
Net foreign exchange gain (loss)		(33)	5	7	16
OPERATING PROFIT (LOSS)		(9 316)	439	(6 279)	(966)
Finance costs		(637)	(967)	(726)	(938)
LOSS BEFORE INCOME TAX		(9 953)	(528)	(7 005)	(1 904)
Income tax expense		(77)	(293)	(121)	48
NET LOSS		(10 030)	(821)	(7 126)	(1 856)
Basic and diluted earnings per share (in LTL)		(0.28)	(0.02)	(0.20)	(0.05)

BALANCE SHEETS

LTL thousand	Note	Group		Company	
		31 03 2009	31 12 2008	31 03 2009	31 12 2008
ASSETS					
Non-current assets					
Property, plant and equipment	4	111 064	110 363	74 792	72 796
Intangible assets	4	1 554	1 592	1 135	1 158
Investments in subsidiaries	5	-	-	9 987	9 987
Prepayments and other amounts receivable after one year		1 001	937	1 141	509
		113 619	112 892	87 055	84 450
Current assets					
Inventories		109 358	85 525	72 037	57 330
Non-current assets held for sale		1 118	1 118	1 118	1 118
Prepayments and other amounts receivable		10 314	9 029	32 025	24 866
Cash and cash equivalents		1 876	4 882	608	1 797
		122 666	100 554	105 788	85 111
TOTAL ASSETS	3	236 285	213 446	192 843	169 561
EQUITY AND LIABILITIES					
Equity					
Ordinary shares	1	35 292	35 292	35 292	35 292
Legal reserve		2 416	2 416	2 416	2 416
Translation difference		(489)	(405)	-	-
Retained earnings		48 045	58 075	26 164	33 290
		85 264	95 378	63 872	70 998
Non-current liabilities					
Deferred tax liabilities		5 316	5 312	3 320	3 199
Other liabilities		173	201	173	201
		5 489	5 513	3 493	3 400
Current liabilities					
Borrowings	6	54 163	56 889	61 081	53 811
Bonds issued	7	20 952	20 656	20 952	20 656
Obligations under finance leases		11	16	11	16
Current income tax liability		499	432	27	30
Trade and other payables		69 907	34 562	43 407	20 650
Total liabilities		145 532	112 555	125 478	95 163
		151 021	118 068	128 971	98 563
TOTAL EQUITY AND LIABILITIES		236 285	213 446	192 843	169 561

STATEMENT OF CHANGES IN EQUITY

GROUP					
LTL thousand	Share Capital	Legal Reserve	Translation reserve	Retained earnings	Total
Balance at 1 January 2008	35 292	1 550	(76)	50 852	87 618
Currency translation difference – recognised directly in equity	-	-	(84)	-	(84)
Net loss for the period				(821)	(821)
Total recognised income and expenses for the period	-	-	(84)	(821)	(905)
Balance at 31 March 2008	35 292	1 550	(160)	50 031	86 713
Balance at 1 January 2009	35 292	2 416	(405)	58 075	95 378
Currency translation difference – recognised directly in equity	-	-	(84)	-	(84)
Net loss for the period	-	-	-	(10 030)	(10 030)
Total recognised income and expenses for the period	-	-	(84)	(10 030)	(10 114)
Balance at 31 March 2009	35 292	2 416	(489)	48 045	85 264
COMPANY					
LTL thousand	Share Capital	Legal Reserve	Retained earnings	Total	
Balance at 1 January 2008	35 292	1 550	29 886	66 728	
Net loss for the period	-	-	(1 856)	(1 856)	
Balance at 31 March 2008	35 292	1 550	28 030	64 872	
Balance at 1 January 2009	35 292	2 416	33 290	70 998	
Net loss for the period	-	-	(7 126)	(7 126)	
Balance at 31 March 2009	35 292	2 416	26 164	63 872	

STATEMENTS OF CASH FLOW

LTL thousand	Note	Group		Company	
		3 months 2009	3 months 2008	3 months 2009	3 months 2008
OPERATING ACTIVITIES					
Loss before income taxes		(9 953)	(528)	(7 005)	(1 904)
Adjustments for:					
Depreciation and amortisation		5 539	4.908	2 713	2.295
Change in allowances for slow-moving inventories		463	271	396	178
(Gain) on disposal of property, plant and equipment		(44)	(3)	(20)	(3)
Interest expenses		635	965	525	793
		(3 360)	5 613	(3 391)	1 359
Changes in operating assets and liabilities:					
(Increase) in inventories		(24 296)	(17.063)	(15 103)	(11.580)
(Increase) decrease in receivables		(1 349)	2.040	(4 627)	(6.445)
Unrealized foreign exchange (gain) loss		(36)	(84)	-	(11)
Increase in payables		35 317	21 981	22 729	22 108
Cash generated by operations		6 276	12 487	(392)	5 431
Income tax paid		(6)	(96)	(3)	(37)
Interest paid		(341)	(668)	(430)	(639)
Net cash from operating activities		5 929	11 723	(825)	4 755
INVESTING ACTIVITIES					
Interest received		2	2	201	145
Loans granted for subsidiaries		-	-	(13 157)	(8.869)
Loans repayments received from subsidiaries		-	-	9 993	15.168
Purchases of property, plant and equipment and intangible assets	4	(7 026)	(2.055)	(4 958)	(1.365)
Proceeds on disposal of property, plant and equipment		820	3	292	3
Investment in subsidiaries	5	-	-	-	(75)
Net cash used in investing activities		(6 204)	(2 050)	(7 629)	5 007
FINANCING ACTIVITIES					
Proceeds from borrowings	6	5 910	6.773	19 908	22.504
Repayments of borrowings	6	(8 000)	(17.600)	(16 169)	(32.139)
Repayments of obligations under finance leases		(5)	(5)	(5)	(5)
Net cash from financing activities		(2 095)	(10 832)	3 734	(9 640)
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		(2 370)	(1 159)	(4 720)	122
CASH AND OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		(3 007)	(7 161)	(1 925)	(5 032)
AT THE END OF THE PERIOD		(5 377)	(8 320)	(6 645)	(4 910)

NOTES

1. General information

APB Apranga, (hereinafter "the Company"), was incorporated and commenced its operations in March 1993. The Company's main office is situated in Kirtimu 51, Vilnius, Lithuania. The Company has legal form of public limited liability company under the Law on Companies of Republic of Lithuania. The principal activity of the Company and its subsidiaries (hereinafter "the Group") is retail trade of apparel.

At 31 March 2009 the Group consisted of the Company and the following 100% owned subsidiaries:

Name	Country	Headquarters	Principal activity
UAB Apranga LT	Lithuania	Kirtimu 51, Vilnius	Retail trade of apparel
UAB Apranga BPB LT	Lithuania	Kirtimu 51, Vilnius	Retail trade of apparel
UAB Apranga PLT	Lithuania	Kirtimu 51, Vilnius	Retail trade of apparel
UAB Apranga SLT	Lithuania	Kirtimu 51, Vilnius	Retail trade of apparel
SIA Apranga	Latvia	Elizabetes 51, Riga	Retail trade of apparel
SIA Apranga LV	Latvia	Elizabetes 51, Riga	Retail trade of apparel
SIA Apranga BPB LV	Latvia	Elizabetes 51, Riga	Retail trade of apparel
SIA Apranga PLV	Latvia	Elizabetes 51, Riga	Retail trade of apparel
SIA Apranga SLV	Latvia	Terbatas 30, Riga	Retail trade of apparel
OÜ Apranga ¹	Estonia	Ravala 4/Laikmaa 15, Tallinn	Retail trade of apparel
OÜ Apranga Estonia	Estonia	Viru 4, Tallinn	Retail trade of apparel
OÜ Apranga BEE	Estonia	Ravala 4/Laikmaa 15, Tallinn	Retail trade of apparel
OÜ Apranga PB Trade	Estonia	Ravala 4/Laikmaa 15, Tallinn	Retail trade of apparel
OÜ Apranga ST Retail	Estonia	Ravala 4/Laikmaa 15, Tallinn	Retail trade of apparel

¹ Company controls 53.9% of shares directly and the rest 46.1% through its subsidiary

All 35291960 ordinary shares of nominal value LTL 1 each (ISIN code LT0000102337) that comprise Company's share capital are listed on Official list of NASDAQ OMX Vilnius Stock Exchange.

At 31 March 2009 the Company had 3447 shareholders. Company's shareholders which owned or had under management more than 5% of share capital were:

Shareholder	Enterprise code	Address	Number of shares	% of total ownership
UAB MG Baltic Investment	123249022	Jasinskio 16B, Vilnius, Lithuania	18 487 729	52.4%
Swedbank AS (Estonia)	10060701	Liivalaia 8 Tallinn, Estonia	3 263 584	9.2%

An issue of 200000 bonds of nominal value LTL 100 each with the maturity of 2 years (ISIN code LT0000402216) is listed on Bond list of NASDAQ OMX Vilnius Stock Exchange (see. „7. Bonds“).

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.

Retail turnover of Group's stores by countries was as follows (LTL thousand, VAT included):

Country	3 months 2009	3 months 2008	Change
Lithuania	65 687	81 460	-19.4%
Latvia	19 597	29 409	-33.4%
Estonia	8 617	10 658	-19.2%
Total:	93 901	121 527	-22.7%

Apranga Group has opened 19 new stores and has closed 3 stores in three months 2009 (see 4. „Investments into non-current assets“). 16 of them were opened in March, and 10 of them – on the last day of March.

Group's number of stores by countries was as follows:

Country	31 03 2009	31 03 2008	Change
Lithuania	77	55	40.0%
Latvia	31	24	29.2%
Estonia	9	5	80.0%
Total:	117	84	39.3%

Groups' area of stores by countries was as follows (thousand sq. m.):

Country	31 03 2009	31 03 2008	Change
Lithuania	45.2	36.4	24.2%
Latvia	18.8	13.6	38.2%
Estonia	5.4	4.2	28.6%
Total:	69.4	54.2	28.0%

Main Indicators of the Group	3 months 2009	3 months 2008	Change
Net sales, LTL thousand	75 463	100 479	-24.9%
Net sales in foreign markets, LTL thousand	23 071	33 779	-31.7%
Like-to-like sales	-31.5%	15.6%	
Gross profit, LTL thousand	26 632	40 756	-34.7%
Gross margin	35.3%	40.6%	
EBT, LTL thousand	(9 953)	(528)	-18.6 t.
EBT margin	-13.2%	-0.5%	
Net loss, LTL thousand	(10 030)	(821)	-12.2 t.
Net margin	-13.3%	-0.8%	
EBITDA, LTL thousand	(3 777)	5 347	-1.7 t.
EBITDA margin	-5.0%	5.3%	
Return on equity (end of the period)	-11.8%	-0.9%	
Return on assets (end of the period)	-4.2%	-0.4%	
Net debt to equity*	61.3%	54.5%	
Current ratio, times	0.8	0.9	-5.7%

*Interest bearing liabilities / Equity

At 31 March 2009 the Group and the Company had 1706 and 848 employees, respectively. Number of employees in the Group and the Company during the last 12 months has increased by 77 and 37, respectively.

On 31 March 2009 the average monthly salary in the Group companies was LTL 1960 and has decreased by 14.8% during the last 12 months.

2. Basis of preparation and summary of main accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The principle accounting policies applied in the preparation of Interim financial statements are the same to those applied in preparation of the Annual financial statements.

The applicable rates used for the balance sheet preparation were as follows:

Currency	31 03 2009	31 12 2008	31 03 2008
1 EUR =	3.4528 LTL	3.4528 LTL	3.4528 LTL
1 LVL =	4.8687 LTL	4.8872 LTL	4.9550 LTL
10 EEK =	2.2067 LTL	2.2067 LTL	2.2067 LTL

3. Segment information

The following is information on revenues and carrying amount of total assets by the segments:

LTL thousand	3 months 2009			
	Lithuania	Latvia	Estonia	Total
Total segment revenue	61 676	16 827	7 661	86 164
Intersegment revenue	(9 285)	(843)	(573)	(10 701)
Revenue	52 391	15 984	7 088	75 463

LTL thousand	3 months 2008			
	Lithuania	Latvia	Estonia	Total
Total segment revenue	79 394	25 781	9 711	114 886
Intersegment revenue	(12 694)	(1 025)	(688)	(14 407)
Revenue	66 700	24 756	9 023	100 479

LTL thousand	Assets	
	31 03 2009	31 03 2008
Lithuania	180 160	157 920
Latvia	40 400	38 556
Estonia	15 725	14 279
Total	236 285	210 755

4. Investments into non-current assets

Investments into development of retail network amounted to LTL 6250 thousand in 3 months of 2009.

5. Investments into subsidiaries

In February 2009 the Company has increased the share capitals of OÜ „Apranga PB Trade“ ir OÜ „Apranga ST Retail“ from EEK 40 thousand (LTL 9 thousand) to EEK 1500 thousand (LTL 331 thousand). The Company has made the payment to the share capital in cash.

6. Borrowings

In June 2008, the Group and SEB Bank concluded an agreement for the change of the previously concluded agreement for credit line. According to it, the Group was granted a credit line of LTL 80000 thousand for financing of future expansion and working capital, also for issuance of guarantees and letters of credit. The credit line expires on 31 May 2010, the interests are paid for the amount used and the interest rate is calculated as the overnight VILIBOR plus margin.

In February 2008, the Group has settled accounts with SIA DnB Nord Banka according to the credit line agreement.

7. Bonds

On 27 April 2007 the Annual general meeting of shareholders of APB Apranga has resolved to issue two years maturity intangible registered bonds of total nominal value LTL 20000 thousand. The date of issue is 16 June 2007, and maturity date is 15 June 2009. Yearly coupon is 5.99%, coupon dates are June 16, 2009 and June 15, 2009. Nominal value of one bond is LTL 100. Total quantity of bonds is 200000.

8. Guarantees

As of 31 March 2009 guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totalled LTL 23491 thousand (31 December 2008: LTL 22184 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 31 March 2009 amounted to LTL 32748 thousand (31 December 2008: LTL 31155 thousand).

As of 31 March 2009 the Company did not have any guarantees to the credit institutions issued to secure the obligations of subsidiaries (31 December 2008: LTL 7820 thousand). As of 31 March

2009 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totalled LTL 2431 thousand (31 December 2008: LTL 2431 thousand).

9. Post balance sheet events

The Annual shareholders meeting of APB Apranga held on 30 April has resolved not to pay any dividends for the year 2008, and to transfer LTL 496 thousand to the Company's legal reserve. The same meeting resolved to increase the Company's share capital by additional shareholders' contributions issuing 20,000,000 ordinary registered shares of nominal value of LTL 1 and has determined the subscription price of one share of LTL 1.
