

19 May 2010
Vilnius

CONFIRMATION OF THE COMPANY'S RESPONSIBLE PERSONS

Hereby we confirm, that by our knowledge Consolidated Interim Financial Statements for the three months of 2010 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss of APB Apranga, as well as of Apranga Group consolidated companies.



Apranga Group General Manager
Rimantas Perveneckas



Apranga Group Chief Financial Officer
Saulius Bačauskas

APRANGA APB
Interim Consolidated Financial Statements
For the Three Months of 2010
Unaudited

19 May 2010
Vilnius

STATEMENT OF COMPREHENSIVE INCOME

| | Group | | Company | | |
|---|----------------|----------------|-----------------|----------------|----------------|
| | Q1 2010 | Q1 2009 | Q1 2010 | Q1 2009 | |
| | Note | | | | |
| Revenue | | 62 986 | 75 463 | 32 309 | 43 789 |
| Cost of sales | | (37 166) | (48 831) | (22 994) | (33 071) |
| Gross profit | | 25 820 | 26 632 | 9 315 | 10 718 |
| Operating expenses | | (26 254) | (36 412) | (12 703) | (18 724) |
| Other income | | 206 | 497 | 1 244 | 1 720 |
| Net foreign exchange gain (loss) | | (19) | (33) | (22) | 7 |
| Operating profit (loss) | | (247) | (9 316) | (2 166) | (6 279) |
| Finance costs | | (352) | (637) | (504) | (726) |
| Profit (loss) before income tax | | (599) | (9 953) | (2 670) | (7 005) |
| Income tax expense | | (51) | (77) | 432 | (121) |
| Profit (loss) for the year | | (650) | (10 030) | (2 238) | (7 126) |
| Other comprehensive income | | | | | |
| Currency translation difference | | 145 | - | - | - |
| TOTAL COMPREHENSIVE INCOME | | (505) | (10 030) | (2 238) | (7 126) |
| Basic and diluted earnings (losses) per share (in LTL) | | (0,01) | (0,28) | (0,04) | (0,20) |

BALANCE SHEET

| | Note | Group | | Company | |
|-------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 31 03 2010 | 31 12 2009 | 31 03 2010 | 31 12 2009 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | | 93 309 | 97 705 | 60 988 | 63 396 |
| Intangible assets | | 1 185 | 1 303 | 878 | 969 |
| Investments in subsidiaries | | - | - | 10 631 | 10 631 |
| Prepayments | | 921 | 924 | 391 | 395 |
| Trade and other receivables | | 66 | 66 | 66 | 66 |
| Deferred tax assets | | 816 | 384 | 816 | 384 |
| | | 96 297 | 100 382 | 73 770 | 75 841 |
| Current assets | | | | | |
| Inventories | | 69 155 | 65 211 | 42 981 | 42 948 |
| Non-current assets held for sale | | 1 118 | 1 118 | 1 118 | 1 118 |
| Prepayments | | 1 477 | 1 013 | 502 | 390 |
| Trade and other receivables | | 2 014 | 2 743 | 28 818 | 27 940 |
| Cash and cash equivalents | | 2 454 | 4 048 | 762 | 1 289 |
| | | 76 218 | 74 133 | 74 181 | 73 685 |
| TOTAL ASSETS | | 172 515 | 174 515 | 147 951 | 149 526 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Ordinary shares | | 55 292 | 55 292 | 55 292 | 55 292 |
| Legal reserve | | 2 912 | 2 912 | 2 912 | 2 912 |
| Translation difference | | (426) | (464) | - | - |
| Retained earnings | | 40 097 | 40 640 | 21 733 | 23 971 |
| | | 97 875 | 98 380 | 79 937 | 82 175 |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | | 2 346 | 2 228 | - | - |
| Obligations under finance leases | | 13 | - | - | - |
| Other liabilities | | 312 | 187 | 312 | 187 |
| | | 2 671 | 2 415 | 312 | 187 |
| Current liabilities | | | | | |
| Borrowings | | 36 002 | 41 166 | 50 161 | 50 123 |
| Obligations under finance leases | | 7 | - | - | - |
| Current income tax liability | | 404 | 212 | - | 66 |
| Trade and other payables | | 35 556 | 32 342 | 17 541 | 16 975 |
| | | 71 969 | 73 720 | 67 702 | 67 164 |
| Total liabilities | | 74 640 | 76 135 | 68 014 | 67 351 |
| TOTAL EQUITY AND LIABILITIES | | 172 515 | 174 515 | 147 951 | 149 526 |

STATEMENTS OF CHANGES IN EQUITY

| GROUP | Note | Share capital | Legal reserve | Translation reserve | Retained earnings | Total |
|-----------------------------------|-------------|----------------------|----------------------|----------------------------|--------------------------|-----------------|
| Balance at 1 January 2009 | | 35 292 | 2 416 | (405) | 58 075 | 95 378 |
| Comprehensive income | | | | | | |
| Loss for the 1 quarter 2009 | | | | | (10 030) | (10 030) |
| Other comprehensive income | | | | | | |
| Currency translation difference | | - | - | (84) | - | (84) |
| Total comprehensive income | | - | - | (84) | (10 030) | (10 114) |
| Balance at 31 March 2009 | | 35 292 | 2 416 | (489) | 48 045 | 85 264 |
| Balance at 1 January 2010 | | 55 292 | 2 912 | (464) | 40 640 | 98 380 |
| Comprehensive income | | | | | | |
| Loss for the 1 quarter 2010 | | - | - | - | (650) | (650) |
| Other comprehensive income | | | | | | |
| Currency translation difference | | - | - | 38 | 107 | 145 |
| Total comprehensive income | | - | - | 38 | (543) | (505) |
| Balance at 31 March 2010 | | 55 292 | 2 912 | (426) | 40 097 | 97 875 |
| COMPANY | | Share capital | Legal reserve | Retained earnings | Total | |
| Balance at 1 January 2009 | | 35 292 | 2 416 | 33 290 | 70 998 | |
| Comprehensive income | | | | | | |
| Loss for the 1 quarter 2009 | | - | - | (7 126) | (7 126) | |
| Balance at 31 March 2009 | | 35 292 | 2 416 | 26 164 | 63 872 | |
| Balance at 1 January 2010 | | 55 292 | 2 912 | 23 971 | 82 175 | |
| Comprehensive income | | | | | | |
| Loss for the 1 quarter 2010 | | - | - | (2 238) | (2 238) | |
| Balance at 31 March 2010 | | 55 292 | 2 912 | 21 733 | 79 937 | |

STATEMENTS OF CASH FLOW

| Note | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | Q1 2010 | Q1 2009 | Q1 2010 | Q1 2009 |
| OPERATING ACTIVITIES | | | | |
| Profit (loss) before income taxes | (599) | (9 953) | (2 670) | (7 005) |
| Adjustments for: | | | | |
| Depreciation and amortization | 4 867 | 5 539 | 2 253 | 2 713 |
| Impairment charge | (222) | - | (222) | - |
| Change in allowances for slow-moving inventories | (3) | 463 | (103) | 396 |
| (Gain) / Loss on disposal of property, plant and equipment | (18) | (44) | (1) | (20) |
| Write-off of property, plant and equipment | 7 | - | - | - |
| Interest expenses | 351 | 635 | 354 | 525 |
| | 4 383 | (3 360) | (389) | (3 391) |
| Changes in operating assets and liabilities: | | | | |
| Decrease (Increase) in inventories | (3 941) | (24 296) | 70 | (15 103) |
| Decrease (Increase) in receivables | 356 | (1 349) | (790) | (4 627) |
| Unrealized foreign exchange loss | 57 | (36) | 22 | - |
| Increase (decrease) in payables | 3 339 | 35 317 | 669 | 22 729 |
| Cash generated from operations | 4 194 | 6 276 | (418) | (392) |
| Income taxes paid | (173) | (6) | (66) | (3) |
| Interest paid | (352) | (341) | (504) | (430) |
| Net cash from operating activities | 3 669 | 5 929 | (988) | (825) |
| INVESTING ACTIVITIES | | | | |
| Interest received | 1 | 2 | 150 | 201 |
| Loans granted | - | - | (8 272) | (13 157) |
| Loans repayments received | - | - | 8 076 | 9 993 |
| Purchases of property, plant and equipment and intangible assets | (653) | (7 026) | (64) | (4 958) |
| Proceeds on disposal of property, plant and equipment | 533 | 820 | 533 | 292 |
| Net cash used in investing activities | (119) | (6 204) | 423 | (7 629) |
| FINANCING ACTIVITIES | | | | |
| Proceeds from borrowings | 1 000 | 5 910 | 15 175 | 19 908 |
| Repayments of borrowings | - | (8 000) | (8 973) | (16 169) |
| Repayments of obligations under finance leases | 20 | (5) | - | (5) |
| Net cash from financing activities | 1 020 | (2 095) | 6 202 | 3 734 |
| NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS | 4 570 | (2 370) | 5 637 | (4 720) |
| CASH AND BANK OVERDRAFTS: | | | | |
| AT THE BEGINNING OF THE PERIOD | (5 118) | (3 007) | (7 877) | (1 925) |
| AT THE END OF THE PERIOD | (548) | (5 377) | (2 240) | (6 645) |

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 2010 the Group consisted of the Company and the following 100% owned subsidiaries:

| Name | Country | Headquarters | Principal activity |
|-------------------------|-----------|-------------------------------------|-------------------------|
| UAB Apranga LT | Lithuania | Kirtimu 51, Vilnius | Retail trade of apparel |
| UAB Apranga BPB LT | Lithuania | Kirtimu 51, Vilnius | Retail trade of apparel |
| UAB Apranga PLT | Lithuania | Kirtimu 51, Vilnius | Retail trade of apparel |
| UAB Apranga SLT | Lithuania | Kirtimu 51, Vilnius | Retail trade of apparel |
| SIA Apranga | Latvia | Elizabetes 51, Riga | Retail trade of apparel |
| SIA Apranga LV | Latvia | Elizabetes 51, Riga | Retail trade of apparel |
| SIA Apranga BPB LV | Latvia | Elizabetes 51, Riga | Retail trade of apparel |
| SIA Apranga PLV | Latvia | Elizabetes 51, Riga | Retail trade of apparel |
| SIA Apranga SLV | Latvia | Terbatas 30, Riga | Retail trade of apparel |
| OU Apranga ¹ | Estonia | Pärnu mnt 10/Väike-Karja 12 Tallinn | Retail trade of apparel |
| OU Apranga Estonia | Estonia | Pärnu mnt 10/Väike-Karja 12 Tallinn | Retail trade of apparel |
| OU Apranga BEE | Estonia | Pärnu mnt 10/Väike-Karja 12 Tallinn | Retail trade of apparel |
| OU Apranga PB Trade | Estonia | Pärnu mnt 10/Väike-Karja 12 Tallinn | Retail trade of apparel |
| OU Apranga ST Retail | Estonia | Pärnu mnt 10/Väike-Karja 12 Tallinn | Retail trade of apparel |

¹ 100 % jointly with OU Apranga Estonia

All 55 291 960 ordinary shares of nominal value LTL 1 each (ISIN code LT0000102337) that comprise Company's share capital are listed on Official list of NASDAQ OMX Vilnius Stock Exchange.

At 23 April 2010 the Company had 3 494 shareholders. Company's shareholders which owned or had under management more than 5% of share capital were:

| Shareholder | Enterprise code | Address | Number of shares | % of total ownership |
|-------------------------------|-----------------|-----------------------------------|------------------|----------------------|
| UAB MG Baltic Investment | 123249022 | Jasinskio 16B, Vilnius, Lithuania | 29 677 397 | 53,7% |
| Swedbank AS (Estonia) clients | 10060701 | Liivalaia 8 Tallinn, Estonia | 5 902 903 | 10,7% |
| UAB Minvista | 110685692 | Jasinskio 16, Vilnius, Lithuania | 3 569 954 | 6,5% |

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 2010 | 3 months 2009 | Change |
|---------------|---------------|---------------|---------------|
| Lithuania | 53 693 | 65 687 | -18,3% |
| Latvia | 18 463 | 19 597 | -5,8% |
| Estonia | 7 541 | 8 617 | -12,5% |
| Total: | 79 697 | 93 901 | -15,1% |

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

| Country | 31 03 2010 | 31 03 2009 | Change |
|---------------|------------|------------|--------------|
| Lithuania | 74 | 77 | -3,9% |
| Latvia | 29 | 31 | -6,5% |
| Estonia | 6 | 9 | -33,3% |
| Total: | 109 | 117 | -6,8% |

APRANGA APB, Interim information for three months of 2010
(all tabular amounts are in LTL thousands unless otherwise stated)

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

| Country | 31 03 2010 | 31 03 2009 | Change |
|----------------|-------------------|-------------------|---------------|
| Lithuania | 40,7 | 45,3 | -10,2% |
| Latvia | 16,8 | 18,4 | -8,7% |
| Estonia | 4,7 | 5,5 | -14,5% |
| Total: | 62,2 | 69,2 | -10,1% |

The Group has opened 1 new store and closed 3 stores in three months 2010 (see Note 4. Investments into non-current assets).

| Main Group Indicators | 3 months 2010 | 3 months 2009 | Change |
|--|--------------------------|--------------------------|---------------|
| Net sales, LTL thousand | 62 986 | 75 463 | -16,5% |
| Net sales in foreign markets, LTL thousand | 20 895 | 23 071 | -9,4% |
| Like-to-like sales | -13,9% | -31,5% | |
| Gross profit, LTL thousand | 25 820 | 26 632 | -3,0% |
| Gross margin | 41,0% | 35,3% | |
| EBT, LTL thousand | (599) | (9 953) | |
| EBT margin | -1,0% | -13,2% | |
| Net profit (losses), LTL thousand | (650) | (10 030) | |
| Net margin | -1,0% | -13,3% | |
| EBITDA, LTL thousand | 4 620 | (3 777) | |
| EBITDA margin | 7,3% | -5,0% | |
| Return on equity (end of the period) | -0,7% | -11,8% | |
| Return on assets (end of the period) | -0,4% | -4,2% | |
| Net debt to equity* | 34,3% | 61,3% | |
| Current ratio, times | 1,1 | 0,8 | 25,6% |

* (Interest bearing liabilities less cash) / Equity

At 31 March 2010 the Group and the Company had 1 220 and 561 employees, respectively. Number of employees in the Group and the Company during the last 12 months has decreased by 335 (-21.5%) and 201 (-26.4%), respectively.

The average monthly salary in the Group companies in the first quarter of 2010 was LTL 1 553 and has decreased by 22.0% in comparison with the first quarter 2009.

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 2010 | 31 12 2009 | 31 03 2009 |
|-----------------|-------------------|-------------------|-------------------|
| 1 EUR = | 3,4528 LTL | 3,4528 LTL | 3,4528 LTL |
| 1 LVL = | 4,8726 LTL | 4,8679 LTL | 4,8687 LTL |
| 10 EEK = | 2,2067 LTL | 2,2067 LTL | 2,2067 LTL |

3. Segment information

Management has determined the operating segments based on the reports reviewed by the General Director and other 6 Directors (responsible for managing, marketing, human resources, purchases, development and finance) that are used to make strategic decisions.

All financial information, including the measure of profit and total assets, is analysed on a country basis.

APRANGA APB, Interim information for three months of 2010
(all tabular amounts are in LTL thousands unless otherwise stated)

The segment information provided to the Directors for the reportable segments for the first quarter 2010 is as follows:

| Q1 2010 | Lithuania | Latvia | Estonia | Total | Inter-company eliminations | Total in consolidated financial statements |
|---|------------------|---------------|----------------|---------------|-----------------------------------|---|
| Total segment revenue | 47 417 | 15 692 | 6 422 | 69 531 | - | |
| Inter-segment revenue | (5 326) | (910) | (309) | (6 545) | - | |
| Revenue from external customers | 42 091 | 14 782 | 6 113 | 62 986 | - | 62 986 |
| Gross margin | 39,3% | 42,2% | 49,9% | 41,0% | | 41,0% |
| Profit (loss) for the year | (907) | (41) | 298 | (650) | - | (650) |
| Total assets | 163 489 | 33 943 | 18 009 | 215 441 | (42 926) | 172 515 |
| Additions to non-current assets (other than financial instruments and prepayments for leases) | 64 | - | 296 | 360 | | 360 |

| Q1 2009 | Lithuania | Latvia | Estonia | Total | Inter-company eliminations | Total in consolidated financial statements |
|---|------------------|----------------|----------------|-----------------|-----------------------------------|---|
| Total segment revenue | 61 676 | 16 827 | 7 661 | 86 164 | - | |
| Inter-segment revenue | (9 284) | (843) | (574) | (10 701) | - | |
| Revenue from external customers | 52 392 | 15 984 | 7 087 | 75 463 | - | 75 463 |
| Gross margin | 33,7% | 36,3% | 44,7% | 35,3% | | 35,3% |
| Profit for the year | (7 489) | (1 829) | (712) | (10 030) | - | (10 030) |
| Total assets | 213 812 | 40 847 | 19 103 | 273 762 | (37 477) | 236 285 |
| Additions to non-current assets (other than financial instruments and prepayments for leases) | 4 846 | 230 | 1 174 | 6 250 | | 6 250 |

4. Investments into non-current assets

Investments into development and reconstruction of retail network amounted to LTL 0.4 million in first quarter 2010.

5. Borrowings

In February 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 72 000 thousand in order to finance renovation of the chain and further expansion, also for increasing 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 72 000 thousand in February 2010. The maximum limit of credit line gradually decreases till LTL 67 000 thousand by the repayment deadline. The credit line expires on 31 May 2010, the interests are paid for the amount used and the interest rate is calculated as 1 month VILIBOR plus margin.

6. Guarantees and letters of credit

As of 31 March 2010 guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totalled LTL 21 925 thousand (31 December 2009: LTL 22 322 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 31 March 2010 amounted to LTL 29 194 thousand (31 December 2009: LTL 29 796 thousand).

As of 31 March 2010 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totalled LTL 2 407 thousand (31 December 2009: LTL 2 534 thousand).

7. Post balance sheet events

The Annual shareholders meeting of APB Apranga held on 30 April 2010 has resolved not to pay any dividends for the year 2009. The same meeting also elected Company's members of the Board for new 4-year term and approved the audit committee of 2 members for the new 4-year term.
