

28 February 2013
Vilnius

CONFIRMATION OF THE COMPANY'S RESPONSIBLE PERSONS

Hereby we confirm, that by our knowledge Consolidated Interim Financial Statements for the twelve months of 2012 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss and cash flow 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

GROUP

APRANGA APB

Interim Consolidated Financial Statements

For the Nine months period ended 31 December 2012

(UNAUDITED)

28 February 2013
Vilnius

APB APRANGA

Company's code 121933274, Kirtimu 51, Vilnius

INFORMATION ABOUT COMPANY

Name of the company	Apranga APB
Legal form	Public limited liability company
Date of registration	1 st 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

APB APRANGA

Company's code 121933274, Kirtimu 51, Vilnius

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REVIEW OF ACTIVITY OF THE GROUP COMPANIES

The retail turnover (including VAT) of Apranga Group has made LTL 149.7 million in 4th quarter 2012 or by 17.5% more than in 2011. The highest growth rates were recorded in Lithuania (19.7%), the lowest – in Latvia (13.0%).

The retail turnover (including VAT) of Apranga Group amounted to LTL 529.7 million in January through December 2012 or by 23.4% more than in 2011. The highest growth rates were recorded in Latvia (25.1%), the lowest – in Estonia (19.6%).

In 2012 Apranga Group achieved a record yearly turnover. At the same the Group by 4% exceeded the pre-crisis year 2008 turnover.

According to EUROSTAT data, the retail trade (except of motor vehicles and motorcycles) in Baltic States during the 12 months 2012 grew the most in Latvia and Estonia (10% and 9%, accordingly). During 4th quarter 2012 retail sales growth in Estonia slowed down to 6%. Meanwhile, Latvian retail sales growth in last quarter of 2012 has maintained the same high level of 10%. In Lithuania retail growth rate in the last quarters of 2012 remained almost the same, and within 12 months was 4.5%.

The retail turnover of the Group's stores by countries during 12 months of 2012 was (LTL thousand, VAT included):

Country	2012	2011	Change
Lithuania	337 744	273 388	23,5%
Latvia	125 737	100 501	25,1%
Estonia	66 176	55 340	19,6%
Total:	529 657	429 229	23,4%

The retail turnover of the Group's stores during the fourth quarter 2012 by countries was as follows (LTL thousand, VAT included):

Country	Q4 2012	Q4 2011	Change
Lithuania	97 841	81 765	19,7%
Latvia	34 069	30 144	13,0%
Estonia	17 765	15 429	15,1%
Total:	149 675	127 339	17,5%

The retail turnover of the Group's stores during 2010-2012 by quarters was as follows:

	Q1	Q2	Q3	Q4	Year
2012/2011	25,5%	25,1%	26,7%	17,6%	23,4%
2011/2010	8,3%	15,6%	10,3%	17,6%	13,1%
2012/2010	35,8%	44,6%	39,8%	38,3%	39,6%

The retail turnover of the Group's stores by chains during 12 months 2012 was as follows (LTL thousand, VAT included):

Chain	2012	2011	Change
Economy	55 838	48 241	15,7%
Youth	178 959	153 014	17,0%
Business	61 262	36 950	65,8%
Luxury	57 544	50 156	14,7%
Zara	154 481	123 664	24,9%
Outlets	21 573	17 204	25,4%
Total	529 657	429 229	23,4%

In 12 months of 2012, the Business chain turnover increased mostly (+65.8%). This growth was mainly due to the 3 new "Massimo Dutti" and 4 small single-brand stores ("Strellson", "Marella", "Pennyblack", "Coccinelle") opening. Also, high turnover growth rates experienced Zara and Outlets.

During the nine months of 2012 Apranga Group opened 18 stores (including 2 "Burberry", 3 "Massimo Dutti" and 5 "Aldo" stores), reconstructed 9 and closed 5 stores due to the end of their lease agreements and non-viability. The capital expenditure of the retail chain expansion amounted to LTL 24.3 million (see Note 4 "Investments into non-current assets"). The Group's investments in 2012 were more than 3 times higher than in 2011. Investments (acquisitions) by segments are disclosed in Note 3 ("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	2012	2011	Change
Lithuania	89	78	14,1%
Latvia	33	32	3,1%
Estonia	12	11	9,1%
Total:	134	121	10,7%

The number of stores by chains was as follows:

Chain	2012	2011	Change
Economy	12	12	0,0%
Youth	68	62	9,7%
Business	18	13	38,5%
Luxury	18	16	12,5%
Zara	10	10	0,0%
Outlets	8	8	0,0%
Total	134	121	10,7%

The total *sales area* operated by the Group has increased by 2.6% or by 1.6 thousand sq. m. during the period from 31 December 2011 till 31 December 2012.

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

Country	2012	2011	Change
Lithuania	42,5	41,3	3,1%
Latvia	17,9	17,8	0,5%
Estonia	5,9	5,6	4,9%
Total:	66,3	64,7	2,6%

The Group has earned LTL 44.0 million of *profit before income tax* in twelve months 2012, while profit before taxes amounted to LTL 29.7 million during twelve months of 2011 (an increase of 48.0%). In 4th quarter the profit before income tax increased from LTL 12.0 million in 2011 to LTL 12.5 million in 2012 (an increase of 4.7%).

EBITDA of the Group was LTL 61.4 million during 12 months 2012, and it was LTL 47.6 million in corresponding previous year period (an increase of 29.0%). *EBITDA* margin has increased from 14.0% to 14.5% during the year. The current ratio of the Group was improved to the ratio of 2.2.

In 2012 the Group achieved record profits and profitability results in the history of the company.

Substantial Apranga Group's financial performance improvement due to:

- very high turnover growth rates;
- successful performance of newly opened and reconstructed stores;
- maintained level of gross profitability;
- turnover and gross profit growth rates were by more than one-fourth higher than the growth of operating expenses.

APB APRANGA, company's code 121933274, Kirtimu 51, Vilnius
REVIEW OF ACTIVITY OF THE GROUP COMPANIES
FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2012
(all tabular amounts are in LTL thousands unless otherwise stated)

Main Group Indicators	2012	2011	2010
Net sales, LTL thousand	423 441	340 781	301 319
Net sales in foreign markets, LTL thousand	155 626	125 598	109 608
Like-to-like sales, %	17,0%	10,7%	-2,4%
Gross profit, LTL thousand	198 481	159 961	133 804
Gross margin, %	46,9%	46,9%	44,4%
Operating profit, LTL thousand	44 083	29 968	16 908
Operating profit margin, %	10,4%	8,8%	5,6%
EBT, LTL thousand	44 019	29 749	16 043
EBT margin, %	10,4%	8,7%	5,3%
Profit (loss) for the period, LTL thousand	36 725	24 814	13 337
Profit (loss) for the period margin, %	8,7%	7,3%	4,4%
EBITDA, LTL thousand	61 412	47 612	36 815
EBITDA margin, %	14,5%	14,0%	12,2%
Return on equity (end of the period), %	26,3%	20,2%	11,9%
Return on assets (end of the period), %	18,8%	15,4%	9,3%
Net debt to equity*, %	-6,3%	-5,6%	0,0%
Current ratio, times	2,2	2,6	2,1

* (Interest bearing liabilities less cash) / Equity

Main Group Indicators	Q4 2012	Q4 2011	Q4 2010
Net sales, LTL thousand	120 161	101 449	86 007
Net sales in foreign markets, LTL thousand	42 274	36 785	31 065
Like-to-like sales, %	9,5%	14,0%	4,4%
Gross profit, LTL thousand	59 079	50 296	41 884
Gross margin, %	49,2%	49,6%	48,7%
Operating profit, LTL thousand	12 561	12 055	8 537
Operating profit margin, %	10,5%	11,9%	9,9%
EBT, LTL thousand	12 545	11 983	8 455
EBT margin, %	10,4%	11,8%	9,8%
Profit (loss) for the period, LTL thousand	10 623	9 999	7 311
Profit (loss) for the period margin, %	8,8%	9,9%	8,5%
EBITDA, LTL thousand	17 180	16 378	13 500
EBITDA margin, %	14,3%	16,1%	15,7%
Return on equity (end of the period), %	7,6%	8,1%	6,5%
Return on assets (end of the period), %	5,5%	6,2%	5,1%
Net debt to equity*, %	-6,3%	-5,6%	0,0%
Current ratio, times	2,2	2,6	2,1

* (Interest bearing liabilities less cash) / Equity

The *operating expenses* of the Group totaled LTL 156.1 million during 12 months 2012 and increased by 19.2%, comparing to the same period 2011 (in comparison, sales increased by 24.3% during this period).

Main Group Indicators	2012	2011	Change
Net sales, LTL thousand	423 441	340 781	24,3%
Net sales in foreign markets, LTL thousand	155 626	125 598	23,9%
Gross profit, LTL thousand	198 481	159 961	24,1%
Operating expenses	(156 096)	(130 944)	19,2%
Operating profit, LTL thousand	44 083	29 968	47,1%
EBT, LTL thousand	44 019	29 749	48,0%
Profit (loss) for the period, LTL thousand	36 725	24 814	48,0%
EBITDA, LTL thousand	61 412	47 612	29,0%

The *finance costs* of the Group due to continued decline of average level of finance debts was LTL 64 thousand in 12 months 2012, and decreased by 3.4 times during the year. The Group ended the year 2012 without any financial debts (it was LTL 1.2 million at the end of 2011).

APB APRANGA, company's code 121933274, Kirtimu 51, Vilnius
REVIEW OF ACTIVITY OF THE GROUP COMPANIES
FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2012
(all tabular amounts are in LTL thousands unless otherwise stated)

The Group's *level of inventories* during the year 2012 grew by 17.5% to LTL 75.2 million (Company's inventories grew by 10.3%).

The *number of employees* during the year till 31 December 2012 in the Group has increased by 242 to 1567 (+18.3%), and has increased in Company by 95 to 693 (+15.9%). During the 4th quarter 2012 the number of employees decreased by 6 (-0.4%) in the Group, and increased by 5 (+0.7%) in the Company.

The *average monthly salary* in the Group and the Company in the 4th quarter 2012 has increased 7.8% and 7.4%, respectively, in comparison to the 4th quarter 2011. The average monthly salary in the 12 months 2012 was LTL 2 448 and comparing to the 12 months 2011 has increased by 9.4% in the Group (increased by 13.0% in the Company).

The *price of the Company share* during 12 months 2012 increased from LTL 5.02 per share to LTL 7.35 per share (+46%). The maximum share price during the twelve months period was LTL 7.46 per share, minimum share price - LTL 5.02 per share. The market capitalization of the Company increased from LTL 278 million at the beginning of the year to LTL 407 million at the end of December 2012. The average price of share during the reporting period was LTL 6.23 per 1 share.

Apranga APB share price during 12 months 2012 period:



Information about members of the Management board on 31 December 2012:

Name, Surname	Position	Number of shares owned and part in the share capital	Election date	End of term
Darius Juozas Mockus	Chairman of the Board	981 958 1.78%	30 04 2010	30 04 2014
Rimantas Perveneckas	Member of the Board, General Director	1 000 000 1.81%	30 04 2010	30 04 2014
Ilona Simkuniene	Member of the Board, Purchasing Director	49 573 0.09%	30 04 2010	30 04 2014
Ramunas Gaidamavicius	Member of the Board, Development Director	5 000 0.01%	30 04 2010	30 04 2014
Vidas Lazickas	Member of the Board	35 615 0.06%	29 04 2011	30 04 2014
Marijus Strončikas	Member of the Board	4 365 0.01%	30 04 2010	30 04 2014

STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		Company	
		2012	2011	2012	2011
Revenue	3	423 441	340 781	180 002	153 071
Cost of sales		(224 960)	(180 820)	(107 035)	(90 395)
Gross profit		198 481	159 961	72 967	62 676
Operating expenses		(156 096)	(130 944)	(72 729)	(62 077)
Other income		1 608	1 012	31 197	28 193
Net foreign exchange gain (loss)		90	(61)	84	(21)
Operating profit (loss)		44 083	29 968	31 519	28 771
Finance costs	6	(64)	(219)	(212)	(450)
Profit (loss) before income tax		44 019	29 749	31 307	28 321
Income tax expense		(7 294)	(4 935)	(1 906)	(1 610)
Profit (loss) for the year	3	36 725	24 814	29 401	26 711
Other comprehensive income					
Currency translation difference		67	342	-	-
TOTAL COMPREHENSIVE INCOME		36 792	25 156	29 401	26 711
Basic and diluted earnings (losses) per share (in LTL)		0,67	0,45	0,53	0,48

	Note	Group		Company	
		Q4 2012	Q4 2011	Q4 2012	Q4 2011
Revenue	3	120 161	101 449	49 844	43 122
Cost of sales		(61 082)	(51 153)	(26 549)	(22 232)
Gross profit		59 079	50 296	23 295	20 890
General and administrative expenses		(47 315)	(38 707)	(21 699)	(18 364)
Other income		774	480	3 132	3 054
Net foreign exchange gain (loss)		23	(14)	24	(15)
Operating profit (loss)		12 561	12 055	4 752	5 565
Finance costs	6	(16)	(72)	64	(112)
Profit (loss) before income tax		12 545	11 983	4 816	5 453
Income tax expense		(1 922)	(1 984)	(732)	(899)
Profit (loss) for the year	3	10 623	9 999	4 084	4 554
Other comprehensive income					
Currency translation difference		(66)	(22)	-	-
TOTAL COMPREHENSIVE INCOME		10 557	9 977	4 084	4 554
Basic and diluted earnings (losses) per share (in LTL)		0,19	0,18	0,07	0,08

BALANCE SHEET

	Note	Group		Company	
		31 12 2012	31 12 2011	31 12 2012	31 12 2011
ASSETS					
Non-current assets					
Property, plant and equipment		78 356	71 555	50 376	49 978
Intangible assets		330	608	244	445
Investments in subsidiaries		-	-	16 101	16 101
Prepayments		899	862	202	326
Trade and other receivables		113	151	113	151
		79 698	73 176	67 036	67 001
Current assets					
Inventories		75 232	64 034	40 846	37 035
Available for sale financial assets	5	16 071	10 510	16 071	10 510
Non-current assets held for sale		1 118	1 118	1 118	1 118
Prepayments		3 319	1 831	1 929	1 349
Trade and other receivables		10 615	2 440	29 865	13 393
Cash and cash equivalents		8 804	8 056	1 999	3 040
		115 159	87 989	91 828	66 445
TOTAL ASSETS	3	194 857	161 165	158 864	133 446
EQUITY AND LIABILITIES					
Equity					
Ordinary shares		55 292	55 292	55 292	55 292
Legal reserve		4 612	3 262	4 612	3 262
Translation difference		(45)	92	-	-
Retained earnings		79 577	64 456	51 085	43 492
		139 436	123 102	110 989	102 046
Non-current liabilities					
Deferred tax liabilities		3 672	3 763	1 336	1 335
Other liabilities		339	392	339	392
		4 011	4 155	1 675	1 727
Current liabilities					
Borrowings	6	-	1 178	23 639	14 053
Obligations under finance leases		-	3	-	-
Current income tax liability		4 767	972	1 910	79
Trade and other payables		46 643	31 755	20 651	15 541
		51 410	33 908	46 200	29 673
Total liabilities		55 421	38 063	47 875	31 400
TOTAL EQUITY AND LIABILITIES		194 857	161 165	158 864	133 446

STATEMENTS OF CHANGES IN EQUITY

GROUP

	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 1 January 2011		55 292	2 912	(385)	53 950	111 769
Comprehensive income						
Profit for the 12 months 2011					24 814	24 814
Other comprehensive income						
Currency translation difference		-	-	477	(135)	342
Total comprehensive income		-	-	477	24 679	25 156
Transactions with owners						
Transfer to legal reserve		-	350	-	(350)	-
Dividends paid		-	-	-	(13 823)	(13 823)
Balance at 31 December 2011		55 292	3 262	92	64 456	123 102
Comprehensive income						
Profit for the 12 months 2012		-	-	-	36 725	36 725
Other comprehensive income						
Currency translation difference		-	-	(137)	204	67
Total comprehensive income		-	-	(137)	36 929	36 792
Transactions with owners						
Transfer to legal reserve	8	-	1 350	-	(1 350)	-
Dividends paid	8	-	-	-	(20 458)	(20 458)
Balance at 31 December 2012		55 292	4 612	(45)	79 577	139 436

COMPANY

		Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2011		55 292	2 912	30 954	89 158
Comprehensive income					
Profit for the 12 months 2011		-	-	26 711	26 711
Transactions with owners					
Transfer to legal reserve		-	350	(350)	-
Dividends paid		-	-	(13 823)	(13 823)
Balance at 31 December 2011		55 292	3 262	43 492	102 046
Comprehensive income					
Profit for the 12 months 2012		-	-	29 401	29 401
Transactions with owners					
Transfer to legal reserve	8	-	1 350	(1 350)	-
Dividends paid	8	-	-	(20 458)	(20 458)
Balance at 31 December 2012		55 292	4 612	51 085	110 989

STATEMENTS OF CASH FLOW

	Note	Group		Company	
		2012	2011	2012	2011
OPERATING ACTIVITIES					
Profit (loss) before income taxes	3	44 019	29 749	31 307	28 321
Adjustments for:					
Depreciation and amortization		17 329	17 644	8 823	8 814
Impairment charge		297	424	296	358
Change in allowances for slow-moving inventories		(57)	(908)	(101)	(865)
Gain on disposal of property, plant and equipment		(28)	(22)	(28)	(22)
Write-off of property, plant and equipment		209	26	208	22
Dividends income		-	-	(20 325)	(19 218)
Interest expenses, net of interest income		(523)	76	(406)	257
		61 246	46 989	19 774	17 667
Changes in operating assets and liabilities:					
Decrease (increase) in inventories		(11 141)	(11 144)	(3 710)	(7 214)
Decrease (increase) in receivables		(1 662)	(2 093)	(8 288)	(2 219)
Unrealized foreign exchange loss (gain)		67	342	-	-
Increase (decrease) in payables		14 662	7 890	4 898	4 881
Cash generated from operations		63 172	41 984	12 674	13 115
Income taxes paid		(3 590)	(3 502)	(88)	-
Interest paid	6	(68)	(219)	(215)	(450)
Net cash from operating activities		59 514	38 263	12 371	12 665
INVESTING ACTIVITIES					
Interest received		732	26	762	76
Dividends received		-	-	20 325	19 218
Loans granted		(98 500)	(20 000)	(123 754)	(21 665)
Loans repayments received		90 500	20 000	115 150	23 699
Purchases of property, plant and equipment and intangible assets	4	(25 837)	(9 759)	(10 536)	(4 453)
Proceeds on disposal of property, plant and equipment	4	1 507	2 398	1 040	1 401
Purchases of available-for-sale financial assets	5	(5 702)	(10 393)	(5 702)	(10 393)
Investment in subsidiaries		-	-	-	(449)
Net cash used in investing activities		(37 300)	(17 728)	(2 715)	7 434
FINANCING ACTIVITIES					
Dividends paid	8	(20 285)	(13 707)	(20 285)	(13 707)
Proceeds from borrowings		-	14 400	131 640	106 546
Repayments of borrowings		-	(14 400)	(120 875)	(108 336)
Repayments of obligations under finance leases		(3)	(10)	-	-
Net cash from financing activities		(20 288)	(13 717)	(9 520)	(15 497)
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		1 926	6 818	136	4 602
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		6 878	60	1 863	(2 739)
AT THE END OF THE PERIOD		8 804	6 878	1 999	1 863

NOTES TO INTERIM CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS

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 December 2012 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
UAB Apranga MLT	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
SIA Apranga MLV	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 Baltic equity list of NASDAQ OMX Vilnius Stock Exchange.

At 31 December 2012 the Company had 3 352 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	7 606 400	13,8%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	4 314 604	7,8%
Swedish clients SEB	5020329081SE	Sergels Torg 2, Stockholm, Sweden	2 919 023	5,3%

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.

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:

2012		2011	
1 EUR	= 3.4528 LTL	1 EUR	= 3.4528 LTL
1 LVL	= 4.9520 LTL	1 LVL	= 4.9421 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 analyzed on a country basis.

The segment information provided to the Directors for the reportable segments for the 12 months 2012 is as follows:

12 months 2012	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	Total in consolidated financial statements
Total segment revenue	293 548	104 855	55 459	453 862	-	
Inter-segment revenue	(25 733)	(3 443)	(1 245)	(30 421)	-	
Revenue from external customers	267 815	101 412	54 214	423 441	-	423 441
Gross margin	46,8%	46,8%	47,5%	46,9%		46,9%
Profit (loss) for the year	22 531	8 784	5 410	36 725	-	36 725
Total assets	177 583	42 534	18 634	238 751	(43 894)	194 857
Additions to non-current assets (other than financial instruments and prepayments for leases)	12 223	9 520	2 632	24 375	(46)	24 329

12 months 2011	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	Total in consolidated financial statements
Total segment revenue	236 668	83 115	46 056	365 839	-	
Inter-segment revenue	(21 485)	(2 760)	(813)	(25 058)	-	
Revenue from external customers	215 183	80 355	45 243	340 781	-	340 781
Gross margin	46,8%	47,0%	47,3%	46,9%		46,9%
Profit for the year	14 967	5 801	4 046	24 814	-	24 814
Total assets	141 076	30 475	14 653	186 204	(25 039)	161 165
Additions to non-current assets (other than financial instruments and prepayments for leases)	4 077	3 547	588	8 212	(851)	7 361

4. Investments into non-current assets

Net investments of the Group amounted to LTL 24.3 million in first 12 months of 2012 (LTL 2.7 million in 4th quarter 2012). The Company totally invested LTL 9.5 million in first 12 months of 2012. Daughter companies' investments into development of the retail network amounted to LTL 14.8 million.

5. Investments into financial assets

In fourth quarter 2012 the Company has acquired the Lithuanian Government issued the long-term bonds denominated in Litas, which are recorded as Available-for-sale financial assets. Total amount acquired for LTL 3.0 million. Total investments in the Lithuanian Government issued the long-term bonds amounted to LTL 16.1 million on 31 December 2012.

6. Borrowings

In November 2012, the Company and SEB bank 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 60 000 thousand in order to finance the working capital, issuing guarantees and opening letters of credit. The credit line expires on 30 November 2013. The interests are paid for the amount used and the interest rate is calculated as 1-night VILIBOR plus margin. There is fixed interest rate set for amount used for the issuance of guarantees and letters of credit.

In June 2012, the Company and NORDEA bank have signed the amendment to the overdraft facility and general agreement on bank's guarantees. Under this amendment, the Group granted EUR 5 000 thousand credit line extended until 30 June 2014. For the drawdown amount of LTL portion of the credit line a floating interest rate calculated as the 1-week VILIBOR plus margin is being paid, and for the drawdown amount of EUR portion of the credit line a floating interest rate calculated as the EONIA plus margin is being paid. There is fixed interest rate set for amount used for the issuance of guarantees.

7. Guarantees and letters of credit

As of 31 December 2012 guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled LTL 29 332 thousand (31 December 2011: LTL 24 774 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 31 December 2012 amounted to LTL 36 661 thousand (31 December 2011: LTL 32 388 thousand).

As of 31 December 2012 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled LTL 1 725 thousand (31 December 2011: LTL 1 278 thousand).

8. Profit distribution

On 27 April 2012 the Company's shareholders' meeting decided to pay out LTL 20 458 thousand in dividends, LTL 720 thousand annual bonuses and to allocate LTL 1 350 thousand to the legal reserve.

9. Turnover and expansion plans in 2012

Group plans to reach LTL 589 million retail chain turnover (including VAT) in 2013 or by 11.2% more, than actual the year 2012 turnover (LTL 529.6 million).

Group plans to open or reconstruct 15-17 stores during 2013. The investments are planned to amount to about LTL 18-22 million.
