

3 May 2013
Vilnius

CONFIRMATION OF THE COMPANY'S RESPONSIBLE PERSONS

Hereby we confirm, that by our knowledge Consolidated Interim Financial Statements for the three months of 2013 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 Three months period ended 31 March 2013

(UNAUDITED)

3 May 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

Despite the unusually cold weather (especially in March), the retail turnover (including VAT) of Apranga Group amounted to LTL 118.2 million in 1st quarter 2013 or by 9.2% more than in 2012. The highest growth rates were recorded in Estonia (18.3%), the lowest – in Latvia (4.6%).

According to EUROSTAT data, the retail trade (except of motor vehicles and motorcycles) in Baltic States during the 3 months 2013 grew the most in Latvia (+7%). In Lithuania during the same period the retail trade growth amounted to 3%. Meanwhile, in Estonia during the reporting period, retail sales experienced a small decline of 0.5%.

The retail turnover of the Group's stores by countries during the 1st quarter 2013 was (LTL thousand, VAT included):

Country	3 months 2013	3 months 2012	Change
Lithuania	76 740	70 154	9,4%
Latvia	27 059	25 871	4,6%
Estonia	14 441	12 207	18,3%
Total:	118 240	108 232	9,2%

The retail turnover of the Group's stores by chains during 3 months 2013 was as follows (LTL thousand, VAT included):

Chain	3 months 2013	3 months 2012	Change
Economy	11 244	12 839	-12,4%
Youth	38 142	35 654	7,0%
Business	16 876	12 321	37,0%
Luxury	15 781	12 781	23,5%
Zara	31 701	30 176	5,1%
Outlets	4 496	4 461	0,8%
Total	118 240	108 232	9,2%

In 1st quarter 2012, the Business chain turnover increased mostly –by 37.0%. It was mostly influenced by the opening of new Massimo Dutti stores. Also, high turnover growth rates experienced Luxury chain – the increase of 23.5%. The reconstruction of Apranga Akropolis store in Klaipeda had a significant impact on retail turnover decline.

During the three months 2013 the Group opened 5, reconstructed 2 and closed 1 store. The capital expenditure of the retail chain expansion amounted to LTL 4.7 million (see Note 4 "Investments into non-current assets"). 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	31 03 2013	31 03 2012	Change
Lithuania	90	83	8,4%
Latvia	36	32	12,5%
Estonia	12	11	9,1%
Total:	138	126	9,5%

The number of stores by chains was as follows:

Chain	31 03 2013	31 03 2012	Change
Economy	12	12	0,0%
Youth	70	65	7,7%
Business	20	15	33,3%
Luxury	19	16	18,8%
Zara	10	10	0,0%
Outlets	7	8	-12,5%
Total	138	126	9,5%

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REVIEW OF ACTIVITY OF THE GROUP COMPANIES
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2013
(all tabular amounts are in LTL thousands unless otherwise stated)

The total sales area operated by the Group has increased by 2.8% or by 1.8 thousand sq. m. during the period from 31 March 2012 till 31 March 2013. The stores gross area has increased proportionally in all countries – from 2.2% in Lithuania till 4.9% in Estonia.

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

Country	31 03 2013	31 03 2012	Change
Lithuania	43,0	42,0	2,2%
Latvia	18,5	17,9	3,4%
Estonia	5,9	5,6	4,9%
Total:	67,4	65,6	2,8%

The Group has earned LTL 5 461 thousand of *profit before income tax* in three months 2013, while profit before taxes was LTL 5 337 thousand during three months of 2012 (the increase by 2.3%).

EBITDA of the Group was LTL 9 942 thousand during three months 2013, and it was LTL 9 674 thousand in corresponding previous year period (the increase by 2.8%). *EBITDA* margin has decreased from 11.3% to 10.5% during the year. The liquidity of the Group remained the same – the current ratio during last twelve month was 2.4.

Main Group Indicators	Q1 2013	Q1 2012	Q1 2011
Net sales, LTL thousand	94 600	85 835	67 895
Net sales in foreign markets, LTL thousand	33 669	30 575	24 016
Like-to-like sales, %	1,9%	19,7%	6,1%
Gross profit, LTL thousand	40 547	37 274	29 032
Gross margin, %	42,9%	43,4%	42,8%
Operating profit, LTL thousand	5 473	5 353	1 550
Operating profit margin, %	5,8%	6,2%	2,3%
EBT, LTL thousand	5 461	5 337	1 503
EBT margin, %	5,8%	6,2%	2,2%
Profit (loss) for the period, LTL thousand	4 543	4 341	1 089
Profit (loss) for the period margin, %	4,8%	5,1%	1,6%
EBITDA, LTL thousand	9 942	9 674	5 967
EBITDA margin, %	10,5%	11,3%	8,8%
Return on equity (end of the period), %	3,2%	3,4%	1,0%
Return on assets (end of the period), %	2,3%	2,5%	0,7%
Net debt to equity*, %	-4,1%	-4,4%	-0,1%
Current ratio, times	2,4	2,4	2,0

* (Interest bearing liabilities less cash) / Equity

The *operating expenses* of the Group totaled LTL 35 399 thousand during 3 months 2013 and increased by 10.0%, comparing to the same period 2012 (for comparison, turnovers increased by 10.2% during this period).

Main Group Indicators	Q1 2013	Q1 2012	Change
Net sales, LTL thousand	94 600	85 835	10,2%
Net sales in foreign markets, LTL thousand	33 669	30 575	10,1%
Gross profit, LTL thousand	40 547	37 274	8,8%
Operating expenses	(35 399)	(32 193)	10,0%
Operating profit, LTL thousand	5 473	5 353	2,2%
EBT, LTL thousand	5 461	5 337	2,3%
Profit (loss) for the period, LTL thousand	4 543	4 341	4,7%
EBITDA, LTL thousand	9 942	9 674	2,8%

The *finance costs* of the Group totaled LTL 12 thousand during 3 months 2013 and could be counted as insignificant in total costs. The Group had no finance debts at 31 March 2013 (no finance debts at 31 March 2012 also).

The *level of inventories* comparing to that the year before increased from LTL 74.7 million to LTL 85.6 million, or by 14.6%. Company's inventories grew by 3.9%.

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REVIEW OF ACTIVITY OF THE GROUP COMPANIES
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2013
(all tabular amounts are in LTL thousands unless otherwise stated)

The number of employees during the year till 31 March 2013 in the Group has increased by 184 to 1 559 (13.4%), and increased in Company by 55 to 684 (8.7%).

The price of the Company share during 3 months 2013 increased by 24% from LTL 7.35 per share to LTL 9.12 per share. The maximum share price during the three months period was LTL 9.29 per share, minimum share price - LTL 7.32 per share. In this way, the market capitalization of the Company increased from LTL 407 million at the beginning of the year to LTL 504 million at the end of March 2013. The average price of share during the reporting period was LTL 8.33 per 1 share. The share price during the last 12 months period increased from LTL 6.04 to LTL 9.12 per share, or by 51%.

Apranga APB share price during 12 months period from 1st April 2012 to 31st March 2013:



Information about members of the Management board on 31 March 2013:

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	
		3 months 2013	3 months 2012	3 months 2013	3 months 2012
Revenue	3	94 600	85 835	43 432	40 298
Cost of sales		(54 053)	(48 561)	(29 499)	(26 382)
Gross profit		40 547	37 274	13 933	13 916
Operating expenses		(35 399)	(32 193)	(15 179)	(14 776)
Other income		382	267	2 451	2 119
Net foreign exchange gain (loss)		(57)	5	(54)	4
Operating profit (loss)		5 473	5 353	1 151	1 263
Finance costs	5	(12)	(16)	(40)	(93)
Profit (loss) before income tax		5 461	5 337	1 111	1 170
Income tax expense		(918)	(996)	(62)	(260)
Profit (loss) for the year	3	4 543	4 341	1 049	910
Other comprehensive income					
Currency translation difference		(157)	(63)	-	-
TOTAL COMPREHENSIVE INCOME		4 386	4 278	1 049	910
Basic and diluted earnings (losses) per share (in LTL)		0,08	0,08	0,02	0,02

BALANCE SHEET

	Note	Group		Company	
		31 03 2013	31 12 2012	31 03 2013	31 12 2012
ASSETS					
Non-current assets					
Property, plant and equipment		78 543	78 356	49 368	50 376
Intangible assets		349	330	282	244
Investments in subsidiaries		-	-	16 101	16 101
Prepayments		992	899	188	202
Trade and other receivables		113	113	113	113
		79 997	79 698	66 052	67 036
Current assets					
Inventories		85 567	75 232	45 797	40 846
Available for sale financial assets		16 246	16 239	16 246	16 239
Non-current assets held for sale		1 118	1 118	1 118	1 118
Prepayments		4 759	3 319	3 062	1 929
Trade and other receivables		3 051	10 447	25 069	29 697
Cash and cash equivalents		5 884	8 804	2 043	1 999
		116 625	115 159	93 335	91 828
TOTAL ASSETS	3	196 622	194 857	159 387	158 864
EQUITY AND LIABILITIES					
Equity					
Ordinary shares		55 292	55 292	55 292	55 292
Legal reserve		4 612	4 612	4 612	4 612
Translation difference		(201)	(45)	-	-
Retained earnings		84 290	79 748	52 266	51 216
		143 993	139 607	112 170	111 120
Non-current liabilities					
Deferred tax liabilities		3 823	3 540	1 190	1 205
Other liabilities		221	339	221	339
		4 044	3 879	1 411	1 544
Current liabilities					
Borrowings	5	-	-	23 058	23 639
Current income tax liability		5 332	4 727	1 967	1 910
Trade and other payables		43 253	46 644	20 781	20 651
		48 585	51 371	45 806	46 200
Total liabilities		52 629	55 250	47 217	47 744
TOTAL EQUITY AND LIABILITIES		196 622	194 857	159 387	158 864

STATEMENTS OF CHANGES IN EQUITY

GROUP

Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 1 January 2012	55 292	3 262	92	64 456	123 102
Comprehensive income					
Profit for the 3 months 2012				4 341	4 341
Other comprehensive income					
Currency translation difference	-	-	(200)	137	(63)
Total comprehensive income	-	-	(200)	4 478	4 278
Balance at 31 March 2012	55 292	3 262	(108)	68 934	127 380
Balance at 1 January 2013	55 292	4 612	(45)	79 748	139 607
Comprehensive income					
Profit for the 3 months 2013	-	-	-	4 543	4 543
Other comprehensive income					
Currency translation difference	-	-	(156)	(1)	(157)
Total comprehensive income	-	-	(156)	4 542	4 386
Balance at 31 March 2013	55 292	4 612	(201)	84 290	143 993

COMPANY

	Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2012	55 292	3 262	43 492	102 046
Comprehensive income				
Profit for the 3 months 2012	-	-	910	910
Balance at 31 March 2012	55 292	3 262	44 402	102 956
Balance at 1 January 2013	55 292	4 612	51 217	111 121
Comprehensive income				
Profit for the 3 months 2013	-	-	1 049	1 049
Balance at 31 March 2013	55 292	4 612	52 266	112 170

STATEMENTS OF CASH FLOW

	Note	Group		Company	
		3 months 2013	3 months 2012	3 months 2013	3 months 2012
OPERATING ACTIVITIES					
Profit (loss) before income taxes	3	5 461	5 337	1 111	1 170
Adjustments for:					
Depreciation and amortization		4 469	4 321	2 068	2 180
Impairment charge		(9)	-	(9)	-
Change in allowances for slow-moving inventories		(340)	(1 234)	143	(65)
Gain on disposal of property, plant and equipment		2	(4)	2	(4)
Write-off of property, plant and equipment		55	27	55	27
Interest expenses, net of interest income		(176)	(135)	(150)	(61)
		9 462	8 312	3 220	3 247
Changes in operating assets and liabilities:					
Decrease (increase) in inventories		(9 995)	(9 396)	(5 094)	(6 999)
Decrease (increase) in receivables		(2 103)	(1 862)	(3 450)	(80)
Unrealized foreign exchange loss (gain)		(157)	(63)	-	-
Increase (decrease) in payables		(3 509)	8 062	26	3 124
Cash generated from operations		(6 302)	5 053	(5 298)	(708)
Income taxes paid		(30)	(73)	(34)	(83)
Interest paid	5	(12)	(16)	(40)	(93)
Net cash from operating activities		(6 344)	4 964	(5 372)	(884)
INVESTING ACTIVITIES					
Interest received		154	151	156	153
Loans granted		(25 500)	(26 000)	(30 230)	(29 746)
Loans repayments received		33 500	25 000	37 225	27 422
Purchases of property, plant and equipment and intangible assets	3, 4	(5 155)	(6 241)	(1 157)	(3 424)
Proceeds on disposal of property, plant and equipment	3, 4	432	903	11	689
Purchases of available-for-sale financial assets		(7)	(90)	(7)	(90)
Investment in subsidiaries		-	-	-	148
Net cash used in investing activities		3 424	(6 277)	5 998	(4 848)
FINANCING ACTIVITIES					
Proceeds from borrowings		-	-	27 271	26 601
Repayments of borrowings		-	-	(27 853)	(20 438)
Repayments of obligations under finance leases		-	(3)	-	-
Net cash from financing activities		-	(3)	(582)	6 163
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		(2 920)	(1 316)	44	431
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		8 804	6 878	1 999	1 863
AT THE END OF THE PERIOD		5 884	5 562	2 043	2 294

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 March 2013 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 23 April 2013 the Company had 3 265 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	7 249 269	13,1%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	4 314 604	7,8%

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:

Currency		31 03 2013	31 12 2012	31 03 2012
1 EUR	=	3.4528 LTL	3.4528 LTL	3.4528 LTL
1 LVL	=	4.9224 LTL	4.9520 LTL	4.9297LTL

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 3 months 2013 is as follows:

3 months 2013	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	Total in consolidated financial statements
Total segment revenue	68 976	22 836	12 173	103 985	-	
Inter-segment revenue	(8 045)	(963)	(377)	(9 385)	-	
Revenue from external customers	60 931	21 873	11 796	94 600	-	94 600
Gross margin	41,2%	45,6%	46,2%	42,9%		42,9%
Profit (loss) for the year	3 098	565	880	4 543	-	4 543
Total assets	179 341	45 695	18 441	243 477	(46 855)	196 622
Additions to non-current assets (other than financial instruments and prepayments for leases)	1 952	2 733	48	4 733	(10)	4 723

3 months 2012	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	Total in consolidated financial statements
Total segment revenue	61 559	21 234	10 393	93 186	-	
Inter-segment revenue	(6 299)	(581)	(471)	(7 351)	-	
Revenue from external customers	55 260	20 653	9 922	85 835	-	85 835
Gross margin	42,5%	44,0%	47,6%	43,4%		43,4%
Profit for the year	2 726	995	620	4 341	-	4 341
Total assets	154 900	33 468	16 393	204 761	(31 514)	173 247
Additions to non-current assets (other than financial instruments and prepayments for leases)	4 066	1 276	209	5 551	(213)	5 338

4. Investments into non-current assets

Investments into development and reconstruction of retail network amounted to LTL 4.7 million in 3 months 2013. The Company's investments into retail network have reached LTL 1.1 million, daughter companies - LTL 3.6 million.

5. 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.

6. Guarantees and letters of credit

As of 31 March 2013 guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled LTL 31 060 thousand (31 December 2012: LTL 29 332 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 31 March 2013 amounted to LTL 38 566 thousand (31 December 2012: LTL 36 661 thousand).

As of 31 March 2013 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled LTL 1 719 thousand (31 December 2012: LTL 1 725 thousand).

7. Events after the reporting period

The Annual shareholders meeting of APB Apranga held on 30 April 2013 has resolved to pay LTL 30 411 thousand in dividends, allocate LTL 917 thousand to legal reserve, and to pay LTL 720 thousand as annual bonuses.
