APRANGA APB

Interim Consolidated Financial Statements

For the Nine months period ended 30 September 2011

(UNAUDITED)

3 November 2011
Vilnius

INFORMATION ABOUT COMPANY

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

TABLE OF CONTENT

REVIEW OF ACTYVITY OF THE GROUP COMPANIES

The retail turnover (including VAT) of Apranga Group has made LTL 121.1 million (EUR 35.1 million) in 3rd quarter 2011 or 10.3% more than in 2010. The turnover of stores, comparing to the same quarter 2010, increased in all countries. The highest growth rates were recorded in Estonia (13.2%), the lowest – in Latvia (6.6%).

The retail turnover (including VAT) of Apranga Group has made LTL 301.9 million (EUR 87.4 million) in January through September 2011 or 11.3% more than in 2010. The highest growth experienced Estonia, where the turnover increased by 21.8% during the year. This is mainly due to new store openings during the comparative period.

According to EUROSTAT data, the retail sales in Baltic States increased: 7% in Lithuania, 3% in Latvia and 3% in Estonia during the 9 months 2011. The retail sales during this period suffered a drop only in Estonia in January (it is probably associated with the introduction of the euro in Estonia from 1st January 2011) and in Latvia in April.

The retail turnover of the Group's stores by countries during the third quarter of 2011 was (LTL thousand, VAT included):

Country	9 months 2011	9 months 2010	Change
Lithuania	191 623	174 241	10,0%
Latvia	70 357	64 245	9,5%
Estonia	39 911	32 774	21,8%
Total:	**301 890**	**271 260**	**11,3%**

The retail turnover of the Group's stores during 9 months 2011 by countries was as follows (LTL thousand, VAT included):

Country	Q3 2011	Q3 2010	Change
Lithuania	76 079	68 463	11,1%
Latvia	28 393	26 641	6,6%
Estonia	16 643	14 699	13,2%
Total:	**121 116**	**109 803**	**10,3%**

The retail turnover of the Group's stores by chains during 9 months 2011 was as follows (LTL thousand, VAT included):

Chain	9 months 2011	9 months 2010	Change
Economy	32 982	31 303	5,4%
Youth	110 211	93 635	17,7%
Business	23 987	22 331	7,4%
Luxury	35 631	28 987	22,9%
Zara	87 195	77 531	12,5%
Outlets	11 884	17 474	-32,0%
Total	**301 890**	**271 261**	**11,3%**

The largest increase during the comparative 9 months period was experienced in Luxury and Youth chains (22.9% and 17.7%, respectively). Only the turnover of outlets decreased. This is mainly due to significantly – from 11 to 8 – reduced the number of outlets.

During the nine months of 2011 the Group opened 8, reconstructed 4 and closed 2 outlet stores. The capital expenditure of the retail chain expansion amounted to LTL 5.9 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	30 09 2011	30 09 2010	Change
Lithuania	77	75	2,7%
Latvia	32	31	3,2%
Estonia	11	10	10,0%
Total:	**120**	**116**	**3,4%**

The number of stores by chains was as follows:

Chain	30 09 2011	30 09 2010	Change
Economy	12	12	0,0%
Youth	61	57	7,0%
Business	13	11	18,2%
Luxury	16	15	6,7%
Zara	10	10	0,0%
Outlets	8	11	-27,3%
Total	**120**	**116**	**3,4%**

The total *sales area* operated by the Group has decreased by 0.9% or by 0.5 thousand sq. m. during the period from 30 September 2010 till 30 September 2011. The sales area decreased by 1.8% in Lithuania, didn't change in Latvia and increased by 3.2% in Estonia, where one store was opened during the year.

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

Country	30 09 2011	30 09 2010	Change
Lithuania	41,0	41,8	-1,8%
Latvia	17,5	17,5	0,0%
Estonia	5,6	5,5	3,2%
Total:	**64,2**	**64,7**	**-0,9%**

The Group has earned LTL 17 766 thousand of *profit before income tax* in nine months 2011, while profit before taxes were LTL 7 588 thousand during nine months of 2010 (the profit increased by 2.3 times). In third quarter the profit before income tax increased from LTL 6 783 thousand in 2010 to LTL 10 096 thousand in 2011, or by 48.8%. Profit growth was greater due to better new collections sales and more efficient inventory management at faster pace raised gross profit and profitability.

EBITDA of the Group was LTL 31 234 thousand during nine months 2011, and it was LTL 23 315 thousand in corresponding previous year period. EBITDA margin has increased from 10.8% to 13.1% during the year. Net debt to equity ratio was only 7% at the end of the reporting period (9% at the end of September 2010). The current ratio of the Group remained at high level - 1.6 times.

Main Group Indicators	9 months 2011	9 months 2010	Change
Net sales, LTL thousand	239 332	215 312	11,2%
Net sales in foreign markets, LTL thousand	88 813	78 543	13,1%
Like-to-like sales	9,3%	-5,0%	
Gross profit, LTL thousand	109 665	91 920	19,3%
Gross margin	45,8%	42,7%	
EBT, LTL thousand	17 766	7 588	134,1%
EBT margin	7,4%	3,5%	
Net profit (losses), LTL thousand	14 815	6 026	145,9%
Net margin	6,2%	2,8%	
EBITDA, LTL thousand	31 234	23 315	34,0%
EBITDA margin	13,1%	10,8%	
Return on equity (end of the period)	13,1%	5,8%	
Return on assets (end of the period)	8,4%	3,6%	
Net debt to equity*	7,0%	9,2%	
Current ratio, times	1,6	1,5	6,7%

* (Interest bearing liabilities less cash) / Equity

Main Group Indicators	**Q3 2011**	**Q3 2010**	**Change**
Net sales, LTL thousand	96 735	87 376	10,7%
Net sales in foreign markets, LTL thousand	36 430	33 553	8,6%
Like-to-like sales	9,4%	6,5%	
Gross profit, LTL thousand	43 771	36 308	20,6%
Gross margin	45,2%	41,6%	
EBT, LTL thousand	10 096	6 783	48,8%
EBT margin	10,4%	7,8%	
Net profit (losses), LTL thousand	8 411	5 753	46,2%
Net margin	8,7%	6,6%	
EBITDA, LTL thousand	14 569	12 026	21,1%
EBITDA margin	15,1%	13,8%	
Return on equity (end of the period)	7,4%	5,5%	
Return on assets (end of the period)	4,8%	3,4%	
Net debt to equity*	7,0%	9,2%	
Current ratio, times	1,6	1,5	6,7%

* (Interest bearing liabilities less cash) / Equity

The *operating expenses* of the Group totaled LTL 92 237 thousand during 9 months 2011 and increased by 9.7%, comparing to the same period 2010 (while sales increased by 11.3% during this period). The *finance costs* of the Group totaled LTL 147 thousand during 9 months 2011 and decreased 5.3 times, comparing to the same period 2010. That was mostly impacted by rapid decrease of average level of finance debts. Total finance debts of the Group were LTL 11.1 million at 30 September 2011 (LTL 12.2 million at 30 September 2010).

The *level of inventories* increased from LTL 73.0 million to LTL 84.4 million, or by 16%, over the last 12 months.

The number of employees during the year till 30 September 2011 in the Group has increased by 32 to 1322 (2.5%), and has increased in Company by 20 to 591 (3.5%). During the third quarter 2011 the number of employees increase by 47 (3.6%) in the Group, and by 9 (1.5%) in the Company.

The average monthly salary in the Group companies in nine months 2011 was LTL 2 105 and has increased by 18.1% in 12 months period.

The price of the Company share during 9 months 2011 decreased from LTL 7.15 per share to LTL 4.90 per share. The maximum share price during the twelve months period was LTL 7.21 per share, minimum share price - LTL 4.33 per share. In this way, the market capitalization of the Company decreased from LTL 395 million at the beginning of the year to LTL 271 million at the end of September 2011. The average price of share during the reporting period was LTL 5.97 per 1 share. The share price during the last 12 months decreased from LTL 5.50 to LTL 4.90 per share, or by 12%.

Apranga APB share price during 12 months period from 1st October 2010 to 30th September 2011:

Information about members of the Management board on 30 September 2011:

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 0.06%	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	32 065 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 9 months 2011	Group 9 months 2010	Company 9 months 2011	Company 9 months 2010
Revenue	3	239 332	215 312	109 949	99 704
Cost of sales		(129 667)	(123 392)	(68 163)	(66 934)
Gross profit		**109 665**	**91 920**	**41 786**	**32 770**
Operating expenses		(92 237)	(84 114)	(43 713)	(37 613)
Other income		532	534	25 139	9 427
Net foreign exchange gain (loss)		(47)	31	(6)	28
Operating profit (loss)		**17 913**	**8 371**	**23 206**	**4 612**
Finance costs	7	(147)	(783)	(338)	(1 134)
Profit (loss) before income tax		**17 766**	**7 588**	**22 868**	**3 478**
Income tax expense		(2 951)	(1 562)	(711)	326
Profit (loss) for the year	3	**14 815**	**6 026**	**22 157**	**3 804**
Other comprehensive income					
Currency translation difference		364	187	-	-
TOTAL COMPREHENSIVE INCOME		**15 179**	**6 213**	**22 157**	**3 804**
Basic and diluted earnings (losses) per share (in LTL)		**0,27**	**0,11**	**0,40**	**0,07**

	Note	Group Q3 2011	Group Q3 2010	Company Q3 2011	Company Q3 2010
Revenue	3	96 735	87 376	46 781	40 921
Cost of sales		(52 964)	(51 068)	(31 038)	(28 743)
Gross profit		**43 771**	**36 308**	**15 743**	**12 178**
Operating expenses		(33 857)	(29 596)	(15 839)	(12 546)
Other income		243	163	2 415	1 505
Net foreign exchange gain (loss)		(15)	48	(14)	51
Operating profit (loss)		**10 142**	**6 923**	**2 305**	**1 188**
Finance costs	7	(46)	(140)	(98)	(243)
Profit (loss) before income tax		**10 096**	**6 783**	**2 207**	**945**
Income tax expense		(1 685)	(1 030)	(499)	(129)
Profit (loss) for the year	3	**8 411**	**5 753**	**1 708**	**816**
Other comprehensive income					
Currency translation difference		327	44	-	-
TOTAL COMPREHENSIVE INCOME		**8 738**	**5 797**	**1 708**	**816**
Basic and diluted earnings (losses) per share (in LTL)		**0,16**	**0,10**	**0,03**	**0,01**

BALANCE SHEET

	Note	Group		Company	
		30 09 2011	**31 12 2010**	**30 09 2011**	**31 12 2010**
ASSETS					
Non-current assets					
Property, plant and equipment		74 883	82 015	51 955	55 912
Intangible assets		561	859	381	630
Investments in subsidiaries	**5**	-	-	15 804	15 504
Prepayments		642	632	261	250
Trade and other receivables		129	69	129	69
Deferred tax assets		-	222	-	222
		76 215	**83 797**	**68 530**	**72 587**
Current assets					
Inventories		84 357	51 982	45 466	28 956
Non-current assets held for sale		1 118	1 118	1 118	1 118
Available-for-sale financial assets	**6**	6 153	-	6 153	-
Prepayments		3 046	1 125	1 347	846
Trade and other receivables		2 892	1 365	16 564	13 869
Cash and cash equivalents		3 142	4 188	986	1 389
		100 708	**59 778**	**71 634**	**46 178**
TOTAL ASSETS	**3**	**176 923**	**143 575**	**140 164**	**118 765**
EQUITY AND LIABILITIES					
Equity					
Ordinary shares		55 292	55 292	55 292	55 292
Legal reserve		3 262	2 912	3 262	2 912
Translation difference		(394)	(385)	-	-
Retained earnings		54 965	53 950	38 937	30 953
		113 125	**111 769**	**97 491**	**89 157**
Non-current liabilities					
Deferred tax liabilities		2 488	3 055	489	-
Obligations under finance leases		3	3	-	-
Other liabilities		394	273	394	273
		2 885	**3 331**	**883**	**273**
Current liabilities					
Borrowings	**7**	11 095	4 128	18 390	18 793
Obligations under finance leases		3	10	-	-
Current income tax liability		1 679	469	14	12
Trade and other payables		48 136	23 868	23 386	10 530
		60 913	**28 475**	**41 790**	**29 335**
Total liabilities		**63 798**	**31 806**	**42 673**	**29 608**
TOTAL EQUITY AND LIABILITIES		**176 923**	**143 575**	**140 164**	**118 765**

STATEMENTS OF CHANGES IN EQUITY

GROUP

	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 1 January 2010		**55 292**	**2 912**	**(464)**	**40 640**	**98 380**
Comprehensive income						
Profit for the 9 months 2010					6 026	6 026
Other comprehensive income						
Currency translation difference				81	106	187
Total comprehensive income		**-**	**-**	**81**	**6 132**	**6 213**
Balance at 30 September 2010		**55 292**	**2 912**	**(383)**	**46 772**	**104 593**
Balance at 1 January 2011		**55 292**	**2 912**	**(385)**	**53 950**	**111 769**
Comprehensive income						
Profit for the 9 months 2011					14 815	14 815
Other comprehensive income						
Currency translation difference				(9)	373	364
Total comprehensive income		**-**	**-**	**(9)**	**15 188**	**15 179**
Transactions with owners						
Transfer to legal reserve	**9**		350		(350)	-
Dividends paid	**9**				(13 823)	(13 823)
Balance at 30 September 2011		**55 292**	**3 262**	**(394)**	**54 965**	**113 125**

COMPANY

	Note	Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2010		**55 292**	**2 912**	**23 971**	**82 175**
Comprehensive income					
Profit for the 9 months 2010				3 804	3 804
Balance at 30 September 2010		**55 292**	**2 912**	**27 775**	**85 979**
Balance at 1 January 2011		**55 292**	**2 912**	**30 953**	**89 157**
Comprehensive income					
Profit for the 9 months 2011				22 157	22 157
Transactions with owners					
Transfer to legal reserve	**9**		350	(350)	-
Dividends paid	**9**			(13 823)	(13 823)
Balance at 30 September 2011		**55 292**	**3 262**	**38 937**	**97 491**

STATEMENTS OF CASH FLOW

		Group		Company	
	Note	9 months 2011	9 months 2010	9 months 2011	9 months 2010
OPERATING ACTIVITIES					
Profit (loss) before income taxes		17 766	7 588	22 868	3 478
Adjustments for:		-	-	-	-
Depreciation and amortization		13 321	14 944	6 608	6 767
Impairment charge		-	1 278	-	(222)
Change in allowances for slow-moving inventories		(981)	(844)	(637)	(991)
(Gain) / Loss on disposal of property, plant and equipment		(22)	(10)	(22)	(5)
Write-off of property, plant and equipment		11	40	9	33
Dividends income		-	-	(19 218)	(5 474)
Interest expenses		94	786	244	870
		30 189	**23 782**	**9 852**	**4 456**
Changes in operating assets and liabilities:					
Decrease (Increase) in inventories		(31 394)	(6 913)	(15 873)	7 078
Decrease (Increase) in receivables		(1 597)	485	(4 365)	12 496
Unrealized foreign exchange loss (gain)		364	189	6	(28)
Increase (decrease) in payables		22 468	14 373	12 970	5 279
Cash generated from operations		**20 030**	**31 916**	**2 590**	**29 281**
Income taxes paid		(2 086)	(193)	2	(84)
Interest paid	**7**	(147)	(788)	(338)	(1 139)
Net cash from operating activities		**17 797**	**30 935**	**2 254**	**28 058**
INVESTING ACTIVITIES					
Interest received		53	2	94	269
Dividends received		-	-	19 218	5 474
Loans granted		(10 000)	-	(34 966)	(17 630)
Loans repayments received		10 000	-	36 064	16 084
Purchases of property, plant and equipment and intangible assets	**4**	(6 260)	(4 221)	(3 265)	(1 333)
Proceeds on disposal of property, plant and equipment	**4**	380	824	876	324
Purchases of available-for-sale financial assets	**6**	(6 153)	-	(6 153)	-
Investment in subsidiaries	**5**	-	-	(300)	(4 873)
Net cash used in investing activities		**(11 980)**	**(3 395)**	**11 568**	**(1 685)**
FINANCING ACTIVITIES					
Dividends paid	**9**	(13 823)	-	(13 823)	-
Proceeds from borrowings		8 000	42 343	66 855	101 278
Repayments of borrowings		-	(69 345)	(66 224)	(126 045)
Repayments of obligations under finance leases		(7)	15	-	-
Net cash from financing activities		**(5 830)**	**(26 987)**	**(13 192)**	**(24 767)**
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		**(13)**	**553**	**630**	**1 606**
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		**60**	**(5 118)**	**(2 739)**	**(7 877)**
AT THE END OF THE PERIOD		**47**	**(4 565)**	**(2 109)**	**(6 271)**

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 30 September 2011 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
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 30 September 2011 the Company had 3 483 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	6 846 457	12,4%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	3 918 837	7,1%
SEB AB clients	502032908101	Sergels Torg 2, Stockholm, Sweden	3 579 051	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.

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		30 09 2011	31 12 2010	30 09 2010
1 EUR	=	3.4528 LTL	3.4528 LTL	3.4528 LTL
1 LVL	=	4.8672 LTL	4.8679 LTL	4.8673 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 analyzed on a country basis.

The segment information provided to the Directors for the reportable segments for the 9 months 2011 is as follows:

9 months 2011	**Lithuania**	**Latvia**	**Estonia**	**Total**	**Inter-company elimina-tions**	**Total in consolidated financial statements**
Total segment revenue	168 332	58 461	33 192	259 985	-	
Inter-segment revenue	(17 813)	(2 266)	(574)	(20 653)	-	
Revenue from external customers	**150 519**	**56 195**	**32 618**	**239 332**	**-**	**239 332**
Gross margin	**45,3%**	**46,3%**	**47,1%**	**45,8%**		**45,8%**
Profit for the year	**8 328**	**3 529**	**2 958**	**14 815**	**-**	**14 815**
Total assets	150 299	33 432	15 689	199 420	(22 497)	176 923
Additions to non-current assets (other than financial instruments and prepayments for leases)	3 413	2 058	409	5 880		5 880

9 months 2010	**Lithuania**	**Latvia**	**Estonia**	**Total**	**Inter-company elimina-tions**	**Total in consolidated financial statements**
Total segment revenue	151 404	53 857	27 251	232 512	-	
Inter-segment revenue	(14 635)	(2 088)	(477)	(17 200)	-	
Revenue from external customers	**136 769**	**51 769**	**26 774**	**215 312**	**-**	**215 312**
Gross margin	**41,4%**	**43,3%**	**48,1%**	**42,7%**		**42,7%**
Profit (loss) for the year	**1 453**	**1 017**	**3 556**	**6 026**	**-**	**6 026**
Total assets	147 650	33 232	22 600	203 482	(35 577)	167 905
Additions to non-current assets (other than financial instruments and prepayments for leases)	1 295	384	1 718	3 397		3 397

4. Investments into non-current assets

Investments into development and reconstruction of retail network amounted to LTL 5.9 million in 9 months 2011 (LTL 3.0 million in 3rd quarter 2011). The Company's investments into retail network have reached LTL 2.4 million, daughter companies - LTL 3.5 million.

5. Investments in subsidiaries

In May 2011, the Company established a subsidiary UAB Apranga MLT. The share capital of the subsidiary comprises of 300 shares with a par value of LTL 1000 each. All shares have been fully paid in cash.

6. Investments into financial assets

In third quarter 2011 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 nearly LTL 6.2 million.

7. Borrowings

In May 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 67 000 thousand in order to finance 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 61 500 thousand in 30 September 2011. The maximum limit of credit line will decrease till LTL 61 000 thousand till the repayment deadline. The credit line expires on 30 November 2011, the interests are paid for the amount used and the interest rate is calculated as 1 month VILIBOR plus margin.

In July 2011, the Group and NORDEA bank have signed the amendment to agreement which modified the previous contract on the guarantees' limit. According to it, the Group was provided a credit line of EUR 5 000 thousand in order to finance the working capital and issuing guarantees.

8. Guarantees and letters of credit

As of 30 September 2011 guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled LTL 24 601 thousand (31 December 2010: LTL 23 220 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 30 September 2011 amounted to LTL 32 131 thousand (31 December 2010: LTL 30 531 thousand).

As of 30 September 2011 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled LTL 1 787 thousand (31 December 2010: LTL 1 143 thousand).

9. Dividends

On 29 April 2011 the Company's shareholders' meeting decided to pay out LTL 13 823 thousand in dividends, LTL 700 thousand annual bonuses, and allocate LTL 350 thousand to legal reserve.

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