

APRANGA

GROUP

APRANGA APB

Interim Consolidated Financial Statements

For the Twelve months period ended 31 December 2011

(UNAUDITED)

15 February 2012
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

TABLE OF CONTENT

	PAGE
REVIEW OF ACTYVITY OF THE GROUP COMPANIES	4 – 7
FINANCIAL STATEMENTS:	
STATEMENT OF COMPREHENSIVE INCOME	8
BALANCE SHEET	9
STATEMENTS OF CHANGES IN EQUITY	10
STATEMENTS OF CASH FLOWS	11
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS	12 – 14

REVIEW OF ACTIVITY OF THE GROUP COMPANIES

The retail turnover (including VAT) of Apranga Group has made LTL 127.3 million in 4th quarter 2011 or by 17.6% more than in 2010. The highest growth rates were recorded in Latvia (20.0%), the lowest – in Lithuania (16.8%).

The retail turnover (including VAT) of Apranga Group has made LTL 429.2 million in January through December 2011 or 13.1% more than in 2010. The highest growth experienced Estonia, where the turnover increased by 20.5% during the year. This is mainly due to new store openings during the comparative period.

According to EUROSTAT data, the retail trade in Baltic States increased quit significantly from 4% (in Latvia and Estonia) to 9% (in Lithuania) during the 12 months 2011. Extremely high growth rates observed in the last two quarters (retail trade growth in the Baltic countries accounted for about 8%). Retail trade in Lithuania in last quarter of 2011 grew by almost 13%. Meanwhile, retail trade growth trend in Latvia and Estonia at the end of the year - more moderate than in Lithuania. Retail trade in Lithuania in 2011 grew the fastest in Europe.

The retail turnover of the Group's stores during 12 months 2011 by countries was as follows (LTL thousand, VAT included):

Country	2011	2010	Change
Lithuania	273 388	244 256	11,9%
Latvia	100 501	89 364	12,5%
Estonia	55 340	45 910	20,5%
Total:	429 229	379 530	13,1%

The retail turnover of the Group's stores by countries during 4th quarter 2011 was (LTL thousand, VAT included):

Country	Q4 2011	Q4 2010	Change
Lithuania	81 765	70 015	16,8%
Latvia	30 144	25 119	20,0%
Estonia	15 429	13 136	17,5%
Total:	127 339	108 270	17,6%

The retail turnover of the Group's stores by chains during 12 months 2011 was as follows (LTL thousand, VAT included):

Chain	2011	2010	Change
Economy	48 241	44 204	9,1%
Youth	153 014	132 822	15,2%
Business	36 950	31 916	15,8%
Luxury	50 156	40 037	25,3%
Zara	123 664	108 249	14,2%
Outlets	17 204	22 302	-22,9%
Total	429 229	379 530	13,1%

The largest increase during the comparative 12 months period was experienced in Luxury chain – the increase of 25.3%. Other chains are also grown quite significantly - from 9% to 16%. Only the turnover of outlets chain decreased – by about 23%.

During the twelve months of 2011 the Group opened 9, reconstructed 5 and closed 2 outlet stores. It was 1 opening and 1 store was reconstructed during 4th quarter of 2011. The capital expenditure of the retail chain expansion amounted to LTL 7.2 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	2011	2010	Change
Lithuania	78	73	6,8%
Latvia	32	31	3,2%
Estonia	11	10	10,0%
Total:	121	114	6,1%

The number of stores by chains was as follows:

Chain	31 12 2011	31 12 2010	Change
Economy	12	12	0,0%
Youth	62	57	8,8%
Business	13	11	18,2%
Luxury	16	15	6,7%
Zara	10	10	0,0%
Outlets	8	9	-11,1%
Total	121	114	6,1%

The total sales area operated by the Group has increased by 2.8% or by 1.7 thousand sq. m. during the period from 31 December 2010 till 31 December 2011.

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

Country	2011	2010	Change
Lithuania	41,3	40,0	3,1%
Latvia	17,8	17,5	1,8%
Estonia	5,6	5,5	3,2%
Total:	64,7	63,0	2,8%

The Group has earned LTL 29 573 thousand of *profit before income tax* in twelve months 2011, while profit before taxes was LTL 16 043 thousand during twelve months of 2010 (profit increased by 84.3%). During 4th quarter 2011 the Group has earned LTL 11 807 thousand of profit before income tax (profit before taxes was LTL 8 455 thousand during 4th quarter 2010), an increase of 39.6%.

EBITDA of the Group totalled LTL 47 429 thousand during twelve months 2011, while it was LTL 36 815 thousand in corresponding previous year period. EBITDA margin has increased from 12.2% to 13.9% during the year. ROE and ROA ratios reached 20.1% and 15.2% correspondently. The liquidity of the Group strengthened – the current ratio increased to 2.5.

Main Group Indicators	2011	2010	Change
Net sales, LTL thousand	340 781	301 319	13,1%
Net sales in foreign markets, LTL thousand	125 598	109 608	14,6%
Like-to-like sales	10,7%	-2,4%	
Gross profit, LTL thousand	159 961	133 804	19,5%
Gross margin	46,9%	44,4%	
EBT, LTL thousand	29 573	16 043	84,3%
EBT margin	8,7%	5,3%	
Net profit (losses), LTL thousand	24 665	13 337	84,9%
Net margin	7,2%	4,4%	
EBITDA, LTL thousand	47 429	36 815	28,8%
EBITDA margin	13,9%	12,2%	
Return on equity (end of the period)	20,1%	11,9%	
Return on assets (end of the period)	15,2%	9,3%	
Net debt to equity*	-5,6%	0,0%	
Current ratio, times	2,5	2,1	20,7%

* (Interest bearing liabilities less cash) / Equity

Main Group Indicators	Q4 2011	Q4 2010	Change
Net sales, LTL thousand	101 449	86 007	18,0%
Net sales in foreign markets, LTL thousand	36 785	31 065	18,4%
Like-to-like sales	14,0%	4,4%	
Gross profit, LTL thousand	50 296	41 884	20,1%
Gross margin	49,6%	48,7%	
EBT, LTL thousand	11 807	8 455	39,6%
EBT margin	11,6%	9,8%	
Net profit (losses), LTL thousand	9 850	7 311	34,7%
Net margin	9,7%	8,5%	
EBITDA, LTL thousand	16 195	13 500	20,0%
EBITDA margin	16,0%	15,7%	
Return on equity (end of the period)	8,0%	6,5%	
Return on assets (end of the period)	6,1%	5,1%	
Net debt to equity*	-5,6%	0,0%	
Current ratio, times	2,5	2,1	20,7%

* (Interest bearing liabilities less cash) / Equity

The *operating expenses* of the Group totalled LTL 130 169 thousand during 12 months 2011 and increased by 11.4%, comparing to the same period 2010 (while sales increased by 13.1% during this period). Group operating expenses increased by 15.2% in 4th quarter 2011, comparing to 4th quarter 2010 (sales increase of 18.0% in comparable period). The *finance costs* of the Group totalled LTL 219 thousand during 12 months 2011 and decreased 3.9 times, comparing to the same period 2010. Group finance costs decreased by 10% in 4th quarter 2011, comparing to the same quarter 2010. Total finance debts of the Group decreased from LTL 4.1 million at 31 December 2010 to LTL 1.2 million at 31 December 2011.

In order to optimize the *level of inventories* and to adapt to the growing demand, the Group's inventories during the year 2011 has been gradually increased and in 12-month period grew by almost 23% (the Company inventories increased by 27%).

The *number of employees* during the year till 31 December 2011 in the Group has increased by 97 to 1325 (an increase of 7.9%), and has increased in Company by 38 to 598 (+6.8%). During the fourth quarter 2011 the number of employees increased by 4 (+0.7%) in the Group, and by 7 (+1.2%) in the Company.

The *average monthly salary* in the Group in the 4th quarter 2011 was LTL 2 604, in total year 2011 – LTL 2 238, and has increased 17.4% through the 12 months period.

The *price of the Company share* during 12 months 2011 decreased by 30% from LTL 7.15 per share (the maximum share price during the twelve months period was LTL 7.21 per share) to LTL 5.02 per share (the minimum share price during the twelve months period was 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 278 million at the end of December 2011. The average price of share during the year 2011 was LTL 5.66 per 1 share.

Apranga APB share price during 12 months 2011 period:



Information about members of the Management board on 31 December 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 0.09%	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	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		Company	
		2011	2010	2011	2010
Revenue	3	340 781	301 319	153 071	135 461
Cost of sales		(180 820)	(167 515)	(90 395)	(84 929)
Gross profit		159 961	133 804	62 676	50 532
Operating expenses		(130 429)	(117 675)	(62 045)	(54 350)
Other income		321	716	27 982	12 273
Net foreign exchange gain (loss)		(61)	63	(21)	23
Operating profit (loss)		29 792	16 908	28 592	8 478
Finance costs	7	(219)	(865)	(450)	(1 305)
Profit (loss) before income tax		29 573	16 043	28 142	7 173
Income tax expense		(4 908)	(2 706)	(1 582)	(190)
Profit (loss) for the year	3	24 665	13 337	26 560	6 983
Other comprehensive income					
Currency translation difference		344	52	-	-
TOTAL COMPREHENSIVE INCOME		25 009	13 389	26 560	6 983
Basic and diluted earnings (losses) per share (in LTL)		0,45	0,24	0,48	0,13

	Note	Group		Company	
		Q4 2011	Q4 2010	Q4 2011	Q4 2010
Revenue	3	101 449	86 007	43 122	35 757
Cost of sales		(51 153)	(44 123)	(22 232)	(17 995)
Gross profit		50 296	41 884	20 890	17 762
General and administrative expenses		(38 192)	(33 561)	(18 332)	(16 737)
Other income		(211)	182	2 843	2 846
Net foreign exchange gain (loss)		(14)	32	(15)	(5)
Operating profit (loss)		11 879	8 537	5 386	3 866
Finance costs	7	(72)	(82)	(112)	(171)
Profit (loss) before income tax		11 807	8 455	5 274	3 695
Income tax expense		(1 957)	(1 144)	(871)	(516)
Profit (loss) for the year	3	9 850	7 311	4 403	3 179
Other comprehensive income					
Currency translation difference		(20)	(135)	-	-
TOTAL COMPREHENSIVE INCOME		9 830	7 176	4 403	3 179
Basic and diluted earnings (losses) per share (in LTL)		0,18	0,13	0,08	0,06

BALANCE SHEET

		Group		Company	
	Note	31 12 2011	31 12 2010	31 12 2011	31 12 2010
ASSETS					
Non-current assets					
Property, plant and equipment		71 389	82 015	49 813	55 912
Intangible assets		608	859	445	630
Investments in subsidiaries	5	-	-	16 101	15 504
Prepayments		862	632	326	250
Trade and other receivables		151	69	151	69
Deferred tax assets		-	222	-	222
		73 010	83 797	66 836	72 587
Current assets					
Inventories		64 034	51 982	37 035	28 956
Non-current assets held for sale	6	11 369	1 118	11 369	1 118
Prepayments		2 755	1 125	1 349	846
Trade and other receivables		3 140	1 365	13 612	13 869
Cash and cash equivalents		8 056	4 188	3 040	1 389
		89 354	59 778	66 405	46 178
TOTAL ASSETS	3	162 364	143 575	133 241	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		107	(385)	-	-
Retained earnings		64 294	53 950	43 341	30 953
		122 955	111 769	101 895	89 157
Non-current liabilities					
Deferred tax liabilities		3 747	3 055	1 331	-
Obligations under finance leases		-	3	-	-
Other liabilities		392	273	392	273
		4 139	3 331	1 723	273
Current liabilities					
Borrowings	7	1 178	4 128	14 053	18 793
Obligations under finance leases		3	10	-	-
Current income tax liability		1 884	469	56	12
Trade and other payables		32 205	23 868	15 514	10 530
		35 270	28 475	29 623	29 335
Total liabilities		39 409	31 806	31 346	29 608
TOTAL EQUITY AND LIABILITIES		162 364	143 575	133 241	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 12 months 2010					13 337	13 337
Other comprehensive income						
Currency translation difference		-	-	79	(27)	52
Total comprehensive income		-	-	79	13 310	13 389
Balance at 31 December 2010		55 292	2 912	(385)	53 950	111 769
Comprehensive income						
Profit for the 12 months 2011		-	-	-	24 665	24 665
Other comprehensive income						
Currency translation difference		-	-	492	(148)	344
Total comprehensive income		-	-	492	24 517	25 009
Transactions with owners						
Transfer to legal reserve	9	-	350		(350)	-
Dividends paid	9	-			(13 823)	(13 823)
Balance at 31 December 2011		55 292	3 262	107	64 294	122 955

COMPANY

		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 12 months 2010		-	-	6 983	6 983
Balance at 31 December 2010		55 292	2 912	30 954	89 158
Comprehensive income					
Profit for the 12 months 2011		-	-	26 560	26 560
Transactions with owners					
Transfer to legal reserve	9	-	350	(350)	-
Dividends paid	9	-	-	(13 823)	(13 823)
Balance at 31 December 2011		55 292	3 262	43 341	101 895

STATEMENTS OF CASH FLOW

		Group		Company	
	Note	2011	2010	2011	2010
OPERATING ACTIVITIES					
Profit (loss) before income taxes		29 573	16 043	28 142	7 173
Adjustments for:		-	-	-	-
Depreciation and amortization		17 637	19 907	8 807	9 027
Impairment charge		424	450	358	348
Change in allowances for slow-moving inventories		(919)	(1 042)	(865)	(1 194)
Gain on disposal of property, plant and equipment		(22)	(30)	(22)	(10)
Write-off of property, plant and equipment		26	335	22	328
Dividends income		-	-	(19 218)	(5 474)
Interest expenses		76	863	257	1 017
		46 795	36 526	17 481	11 215
Changes in operating assets and liabilities:					
Decrease (Increase) in inventories		(11 133)	14 271	(7 214)	15 186
Decrease (Increase) in receivables		(3 717)	1 667	(2 438)	5 608
Unrealized foreign exchange loss (gain)		344	80	1	(26)
Increase (decrease) in payables		8 456	(8 500)	5 103	(6 330)
Cash generated from operations		40 745	44 044	12 933	25 653
Income taxes paid		(2 579)	(1 460)	15	(82)
Interest paid	7	(219)	(865)	(450)	(1 305)
Net cash from operating activities		37 947	41 719	12 498	24 266
INVESTING ACTIVITIES					
Interest received		143	2	193	288
Dividends received		-	-	19 218	5 474
Loans granted		(20 000)	-	(21 665)	(31 928)
Loans repayments received		20 000	-	23 699	40 077
Purchases of property, plant and equipment and intangible assets	4	(9 066)	(4 592)	(3 762)	(2 217)
Proceeds on disposal of property, plant and equipment	4	1 878	53	881	347
Purchases of available-for-sale financial assets	6	(10 251)	-	(10 251)	-
Investment in subsidiaries	5	-	-	(597)	(4 873)
Net cash used in investing activities		(17 296)	(4 537)	7 716	7 168
FINANCING ACTIVITIES					
Dividends paid	9	(13 823)	-	(13 823)	-
Proceeds from borrowings		14 400	55 988	106 546	138 857
Repayments of borrowings		(14 400)	(87 992)	(108 336)	(165 153)
Repayments of obligations under finance leases		(10)	-	-	-
Net cash from financing activities		(13 833)	(32 004)	(15 613)	(26 296)
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS					
		6 818	5 178	4 601	5 138
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		60	(5 118)	(2 739)	(7 877)
AT THE END OF THE PERIOD		6 878	60	1 862	(2 739)

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 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
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 2011 the Company had 3 397 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	6 948 159	12,6%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	4 022 349	7,3%
SEB AB clients	502032908101	Sergels Torg 2, Stockholm, Sweden	3 245 056	5,9%

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:

2011		2010	
1 EUR	= 3.4528 LTL	1 EUR	= 3.4528 LTL
1 LVL	= 4.9421 LTL	1 LVL	= 4.8643 LTL
		10 EEK	= 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 12 months 2011 is as follows:

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%	47,2%	46,9%		46,9%
Profit (loss) for the year	16 371	3 958	4 336	24 665	-	24 665
Total assets	140 868	31 399	14 653	186 920	(24 556)	162 364
Additions to non-current assets (other than financial instruments and prepayments for leases)	4 259	3 192	588	8 039	(851)	7 188

12 months 2010	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	Total in consolidated financial statements
Total segment revenue	207 882	75 043	38 458	321 383	-	
Inter-segment revenue	(16 171)	(2 963)	(930)	(20 064)	-	
Revenue from external customers	191 711	72 080	37 528	301 319	-	301 319
Gross margin	43,7%	43,3%	48,1%	44,4%		44,4%
Profit for the year	3 290	5 351	4 696	13 337	-	13 337
Total assets	125 802	28 563	17 068	171 433	(27 858)	143 575
Additions to non-current assets (other than financial instruments and prepayments for leases)	2 410	541	2 457	5 408	(798)	4 610

4. Investments into non-current assets

Investments into development and reconstruction of retail network amounted to LTL 7.2 million in 12 months 2011 (LTL 1.3 million in 4th quarter 2011). The Company's investments into retail network have reached LTL 2.9 million, daughter companies - LTL 4.3 million.

5. Investments into 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.

In November 2011, the Company established a subsidiary SIA Apranga MLV. The share capital of the subsidiary comprises of 600 shares with a par value of LVL 100 each. The Company has made first instalment to share capital in amount of LVL 30 thousand (LTL 149 thousand) in cash.

6. Investments into financial assets

In 2011 the Company has acquired the Lithuanian Government issued the long-term bonds denominated in Litas and in Euros, which are recorded as Available-for-sale financial assets. Total amount acquired is LTL 10.3 million.

7. Borrowings

In November 2011, 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 2012, 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 July 2011, the Company 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. The credit line expires on 30 June 2013. 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.

8. Guarantees and letters of credit

As of 31 December 2011 guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled LTL 24 774 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 31 December 2011 amounted to LTL 32 388 thousand (31 December 2010: LTL 30 531 thousand).

As of 31 December 2011 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled LTL 1 278 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.

10. Turnover and expansion plans in 2012

Apranga Group plans to reach LTL 461.8 million (EUR 133.7 million) retail chain turnover (including VAT) in 2012, or by 7.6% more, than in 2011.

Apranga Group plans to double investments into development and renovation of the chain in 2012. Apranga Group will open 9-11 new stores during 2012, and 8 stores will be totally reconstructed.
