

APRANGA

GROUP

APRANGA APB

Interim Consolidated Financial Statements

For the Twelve months period ended 31 December 2014

(UNAUDITED)

26 February 2015
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

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REVIEW OF ACTIVITY OF THE GROUP COMPANIES

The retail turnover (including VAT) of Apranga Group amounted to LTL 633.5 million in January through December 2014 or by 8.5% more than in 2013.

The retail turnover (including VAT) of Apranga Group has made LTL 177.5 million in 4th quarter 2014 or by 8.3% more than in 2013.

According to EUROSTAT data, the retail trade (except of motor vehicles and motorcycles) in Baltic States during the 12 months 2014 grew the most in Estonia (+7%) and Lithuania (+5%). In Latvia the retail trade growth rate also remained at a high level, but was a bit slower than in the other Baltic countries and amounted to 4%. In the fourth quarter of 2014 the retail trade growth in the Baltic countries was quite in line with the average annual results. European Union (28 countries) retail trade over the past year increased by 1.8% (the year before retail trade declined by 0.2%), and during the last quarter of 2014 the retail trade has increased by 2.7%.

The retail turnover of the Group's stores by countries during 12 months of 2014 was (LTL thousand, VAT included):

Country	12 months 2014	12 months 2013	Change
Lithuania	382 986	366 613	4,5%
Latvia	163 347	145 165	12,5%
Estonia	87 179	72 146	20,8%
Total:	633 512	583 924	8,5%

The retail turnover of the Group's stores during the fourth quarter 2014 by countries was as follows (LTL thousand, VAT included):

Country	Q4 2014	Q4 2013	Change
Lithuania	109 095	102 747	6,2%
Latvia	44 465	41 855	6,2%
Estonia	23 986	19 412	23,6%
Total:	177 546	164 014	8,3%

The highest growth rates in the fourth quarter of 2014 (the same as within 12 months of this year) were recorded in Estonia (+23.6%). High rate of growth in Estonia was mostly influenced by the relatively high number of stores opened (opened 7 new stores and closed 2) in the year 2014.

The retail turnover of the Group's stores by chains during 12 months 2014 was as follows (LTL thousand, VAT included):

Chain	2014	2013	2012	2014/2013, %	2014/2012, %
Economy (Apranga)	64 273	57 642	55 838	11,5%	15,1%
Youth ¹	210 672	197 361	178 959	6,7%	17,7%
Business ²	102 610	84 910	61 262	20,8%	67,5%
Luxury ³	83 389	69 788	57 544	19,5%	44,9%
Zara	149 367	152 799	154 481	-2,2%	-3,3%
Outlets	23 201	21 424	21 573	8,3%	7,5%
Total	633 512	583 924	529 657	8,5%	19,6%

¹ Aprangos galerija, Moskito, Mango, Bershka, Pull & Bear, Stradivarius, ALDO, Mexx, Promod, Desigual, Tom Tailor, s.Oliver.

² City, Massimo Dutti, Strellson, Marella, Pennyblack, Coccinelle.

³ Burberry, Emporio Armani, Hugo Boss, Ermenegildo Zegna, MaxMara, Weekend MaxMara, Armani Jeans, Marina Rinaldi, Tommy Hilfiger, Mados linija, Nude.

The company's strategy in recent years, pointing to the priority of development of Business and Luxury chains, fully justified itself and helped to maintain solid growth in the total turnover. In January-December 2014, Business and Luxury chains grew by 20.8% and 19.5%, respectively. Business chain has increased by 67.5% over the past two years, Luxury chain – by nearly 45%. Such growth was achieved mainly due to new store openings (Burberry,

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Tommy Hilfiger, Weekend MaxMara, Armani Jeans, City, Massimo Dutti), as well as due to rising consumption in these segments. Economy chain in 2014 also showed high turnover growth rate (11.5%).

In 2011-2014 the dynamics of the number of stores and sales area was as follows:

	31 12 2011	31 12 2012	31 12 2013	31 12 2014
The number of stores	121	134	148	161
Stores area (thousand sq. m.)	64,7	66,3	69,7	73,2

During the 12 months of 2014 Apranga Group opened 20 stores, reconstructed 8 and closed 7 stores. The capital expenditure of the retail chain expansion amounted to LTL 32.1 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 12 2014	31 12 2013	Change
Lithuania	97	92	5,4%
Latvia	44	41	7,3%
Estonia	20	15	33,3%
Total:	161	148	8,8%

The number of stores by chains was as follows:

Chain	31 12 2014	31 12 2013	Change
Economy	12	12	0,0%
Youth	82	79	3,8%
Business	24	21	14,3%
Luxury	26	19	36,8%
Zara	10	10	0,0%
Outlets	7	7	0,0%
Total	161	148	8,8%

The total *sales area* operated by the Group has increased by 5.1% or by 3.5 thousand sq. m. during the 12 months period until 31 December 2014. Sales area increased most in Estonia (29.3%).

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

Country	31 12 2014	31 12 2013	Change
Lithuania	44,0	43,2	1,9%
Latvia	20,4	19,7	3,5%
Estonia	8,9	6,9	29,3%
Total:	73,2	69,7	5,1%

Apranga Group has achieved the growth both in turnover and in profit in 2014, despite the significantly increased competition and unfavorable for the fashion business weather conditions (especially in September-December).

The Group has earned LTL 45.8 million of *profit before income tax* in 12 months 2014, while profit before taxes amounted to LTL 45.3 million during 12 months 2013 (an increase of 1.0%). In 4th quarter the profit before income tax decreased by 1.7% from LTL 12.2 million in 2013 to LTL 12.0 million in 2014.

EBITDA of the Group was LTL 65.3 million during 12 months 2014, and it was LTL 64.1 million in corresponding previous year period. EBITDA margin has decreased from 13.7% to 12.9% during the year. The current ratio of the Group decreased during the year and was 1.9 times.

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Main Group Indicators	12 months 2014	12 months 2013	12 months 2012
Net sales, LTL thousand	505 077	466 673	423 441
Net sales in foreign markets, LTL thousand	198 943	175 312	155 626
Like-to-like sales, %	1,7%	1,7%	17,0%
Gross profit, LTL thousand	236 472	218 971	198 481
Gross margin, %	46,8%	46,9%	46,9%
Operating profit, LTL thousand	46 053	45 473	44 083
Operating profit margin, %	9,1%	9,7%	10,4%
EBT, LTL thousand	45 779	45 346	44 019
EBT margin, %	9,1%	9,7%	10,4%
Profit (loss) for the period, LTL thousand	38 452	38 128	36 897
Profit (loss) for the period margin, %	7,6%	8,2%	8,7%
EBITDA, LTL thousand	65 268	64 093	61 412
EBITDA margin, %	12,9%	13,7%	14,5%
Return on equity (end of the period), %	24,4%	25,9%	26,4%
Return on assets (end of the period), %	16,3%	18,7%	18,9%
Net debt to equity*, %	11,1%	-2,2%	-6,3%
Current ratio, times	1,9	2,3	2,2

* (Interest bearing liabilities less cash) / Equity

Main Group Indicators	Q4 2014	Q4 2013	Q4 2012
Net sales, LTL thousand	142 178	130 142	120 161
Net sales in foreign markets, LTL thousand	54 714	48 372	42 274
Like-to-like sales, %	2,1%	1,5%	9,5%
Gross profit, LTL thousand	68 917	64 347	59 079
Gross margin, %	48,5%	49,4%	49,2%
Operating profit, LTL thousand	12 138	12 309	12 561
Operating profit margin, %	8,5%	9,5%	10,5%
EBT, LTL thousand	12 034	12 247	12 545
EBT margin, %	8,5%	9,4%	10,4%
Profit (loss) for the period, LTL thousand	10 112	10 298	10 795
Profit (loss) for the period margin, %	7,1%	7,9%	9,0%
EBITDA, LTL thousand	16 864	17 237	17 180
EBITDA margin, %	11,9%	13,2%	14,3%
Return on equity (end of the period), %	6,4%	7,0%	7,7%
Return on assets (end of the period), %	4,3%	5,1%	5,5%
Net debt to equity*, %	11,1%	-2,2%	-6,3%
Current ratio, times	1,9	2,3	2,2

* (Interest bearing liabilities less cash) / Equity

The *operating expenses* of the Group totaled LTL 190.4 million during 12 months 2014 and increased by 9.8%, comparing to the same period 2013. The finance costs of the Group were LTL 0.27 million in 12 months 2014 (about 0.1% of the total costs of the Group). Total finance debts of the Group increased from LTL 5.0 million to LTL 25.1 million during last 12 months, mainly due to the need to finance an increased working capital, investment to new and reconstructed stores, and also to the fact that the Company in May 2014 paid relatively high dividends (72.5% of profit) of LTL 27.6 million.

Main Group Indicators	12 months 2014	12 months 2013	Change
Net sales, LTL thousand	505 077	466 673	8,2%
Net sales in foreign markets, LTL thousand	198 943	175 312	13,5%
Gross profit, LTL thousand	236 472	218 971	8,0%
Operating expenses	(190 419)	(173 498)	9,8%
Operating profit, LTL thousand	46 053	45 473	1,3%
EBT, LTL thousand	45 779	45 346	1,0%
Profit (loss) for the period, LTL thousand	38 452	38 128	0,8%
EBITDA, LTL thousand	65 268	64 093	1,8%

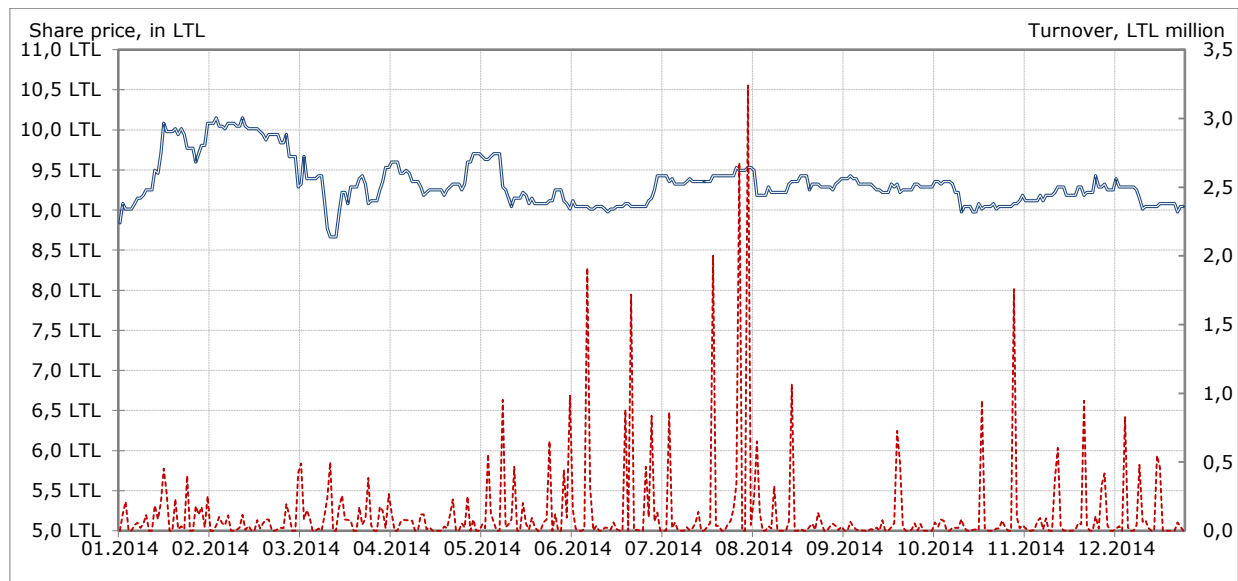
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The Group's level of inventories during the year grew by 21.6% (the increase from LTL 88.7 million to LTL 107.8 million). Company's inventories grew by 22.5%. The growth of inventories was driven both by new stores openings, and increase of 'warm' clothes stock due to unfavorable weather conditions.

The number of employees during the year till 31 December 2014 in the Group has increased by 151 to 1876 (+8.8%), and has increased in Company by 48 to 770 (+6.6%). During the 4th quarter 2014 the number of employees increased by 18 (+1.0%) in the Group, and increased by 14 (+1.9%) in the Company.

The price of the Company share during 12 months 2014 increased from LTL 8.98 per share to LTL 9.05 per share (+1%). The maximum share price during the twelve months period was LTL 10.15 per share, minimum share price - LTL 8.49 per share. The market capitalization of the Company increased from LTL 496 million at the beginning of the year to LTL 500 million at the end of December 2014. The weighted average price of 1 share during the reporting period was LTL 9.31. Company's share turnover was LTL 46.1 million during 12 months 2014.

Apranga APB share price during 12 months period from 1st January 2014 to 31st December 2014:



Information about members of the Management board on 31 December 2014:

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	-	29 04 2014	28 04 2018
Rimantas Perveneckas	Member of the Board, General Director	800 770 1.45%	29 04 2014	28 04 2018
Ilona Simkuniene	Member of the Board, Purchasing Director	-	29 04 2014	28 04 2018
Ramunas Gaidamavicius	Member of the Board, Development Director	5 000 0.01%	29 04 2014	28 04 2018
Vidas Lazickas	Member of the Board	50 000 0.09%	29 04 2014	28 04 2018
Marijus Strončikas	Member of the Board	4 450 0.01%	29 04 2014	28 04 2018

STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		Company	
		12 months 2014	12 months 2013	12 months 2014	12 months 2013
Revenue	3	505 077	466 673	225 183	201 484
Cost of sales		(268 605)	(247 702)	(141 794)	(122 928)
Gross profit		236 472	218 971	83 389	78 556
Operating expenses		(192 672)	(175 432)	(84 259)	(77 649)
Other income		2 336	1 963	38 092	38 975
Net foreign exchange gain (loss)		(83)	(29)	(122)	(26)
Operating profit (loss)		46 053	45 473	37 100	39 856
Finance costs	7	(274)	(127)	(321)	(198)
Profit (loss) before income tax		45 779	45 346	36 779	39 658
Income tax expense		(7 327)	(7 218)	(1 964)	(1 859)
Profit (loss) for the year	3	38 452	38 128	34 815	37 799
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
Currency translation difference		(67)	(165)	-	-
TOTAL COMPREHENSIVE INCOME		38 385	37 963	34 815	37 799
Basic and diluted earnings (losses) per share (in LTL)		0,69	0,69	0,63	0,68

	Note	Group		Company	
		Q4 2014	Q4 2013	Q4 2014	Q4 2013
Revenue	3	142 178	130 142	60 362	55 211
Cost of sales		(73 261)	(65 795)	(34 129)	(30 568)
Gross profit		68 917	64 347	26 233	24 643
General and administrative expenses		(57 703)	(52 551)	(25 976)	(23 740)
Other income		964	513	4 128	2 379
Net foreign exchange gain (loss)		(40)	-	(43)	2
Operating profit (loss)		12 138	12 309	4 342	3 284
Finance costs	7	(104)	(62)	(108)	(72)
Profit (loss) before income tax		12 034	12 247	4 234	3 212
Income tax expense		(1 922)	(1 949)	(692)	(509)
Profit (loss) for the year	3	10 112	10 298	3 542	2 703
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
Currency translation difference		1	19	-	-
TOTAL COMPREHENSIVE INCOME		10 113	10 317	3 542	2 703
Basic and diluted earnings (losses) per share (in LTL)		0,18	0,19	0,06	0,05

BALANCE SHEET

	Note	Group		Company	
		31 12 2014	31 12 2013	31 12 2014	31 12 2013
ASSETS					
Non-current assets					
Property, plant and equipment	4	93 095	80 852	55 436	51 363
Intangible assets	4	2 233	1 507	1 240	238
Investments in subsidiaries	5	-	-	16 110	16 101
Prepayments		1 154	1 201	273	296
Trade and other receivables		70	104	70	104
		96 552	83 664	73 129	68 102
Current assets					
Inventories		107 780	88 652	59 501	48 573
Available for sale financial assets	6	13 043	16 271	13 043	16 271
Non-current assets held for sale		1 118	1 118	1 118	1 118
Prepayments		6 341	3 010	4 874	2 665
Trade and other receivables		3 559	2 799	36 257	27 533
Cash and cash equivalents		7 541	8 275	2 324	1 293
		139 382	120 125	117 117	97 453
TOTAL ASSETS	3	235 934	203 789	190 246	165 555
EQUITY AND LIABILITIES					
Equity					
Ordinary shares		55 292	55 292	55 292	55 292
Legal reserve		5 529	5 529	5 529	5 529
Translation difference		(254)	(188)	-	-
Retained earnings	9	97 331	86 526	64 857	57 688
		157 898	147 159	125 678	118 509
Non-current liabilities					
Deferred tax liabilities		3 739	3 364	1 221	1 044
Other liabilities		845	503	845	503
		4 584	3 867	2 066	1 547
Current liabilities					
Borrowings	7	25 108	4 994	41 487	23 624
Current income tax liability		2 628	2 830	1 333	1 586
Trade and other payables		45 716	44 939	19 682	20 289
		73 452	52 763	62 502	45 499
Total liabilities		78 036	56 630	64 568	47 046
TOTAL EQUITY AND LIABILITIES		235 934	203 789	190 246	165 555

STATEMENTS OF CHANGES IN EQUITY

GROUP	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 1 January 2013		55 292	4 612	(45)	79 748	139 607
Comprehensive income						
Profit for the 12 months 2013	3				38 128	38 128
Other comprehensive income						
Currency translation difference		-	-	(161)	(23)	(184)
Total comprehensive income		-	-	(161)	38 105	37 944
Transactions with owners						
Transfer to legal reserve		-	917	-	(917)	-
Dividends paid		-	-	-	(30 411)	(30 411)
Balance at 31 December 2013		55 292	5 529	(206)	86 525	147 140
Comprehensive income						
Profit for the 12 months 2014	3	-	-	-	38 452	38 452
Other comprehensive income						
Currency translation difference		-	-	(66)	(1)	(67)
Total comprehensive income		-	-	(66)	38 451	38 385
Transactions with owners						
Dividends paid	9	-	-	-	(27 646)	(27 646)
Balance at 31 December 2014		55 292	5 529	(254)	97 331	157 898

COMPANY		Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2013		55 292	4 612	51 217	111 121
Comprehensive income					
Profit for the 12 months 2013		-	-	37 799	37 799
Transactions with owners					
Transfer to legal reserve		-	917	(917)	-
Dividends paid		-	-	(30 411)	(30 411)
Balance at 31 December 2013		55 292	5 529	57 688	118 509
Comprehensive income					
Profit for the 12 months 2014			-	34 815	34 815
Transactions with owners					
Dividends paid	9			(27 646)	(27 646)
Balance at 31 December 2014		55 292	5 529	64 857	125 678

STATEMENTS OF CASH FLOW

	Note	Group		Company	
		12 months 2014	12 months 2013	12 months 2014	12 months 2013
OPERATING ACTIVITIES					
Profit (loss) before income taxes	3	45 779	45 346	36 779	39 658
Adjustments for:					
Depreciation and amortization		19 215	18 620	8 942	8 130
Impairment charge		(49)	302	(34)	47
Change in allowances for slow-moving inventories		900	662	775	619
Gain on disposal of property, plant and equipment		(23)	4	7	4
Write-off of property, plant and equipment		(27)	177	(8)	117
Dividends income		-	-	(24 180)	(27 532)
Interest expenses, net of interest income		(346)	(555)	(405)	(538)
		65 449	64 556	21 876	20 505
Changes in operating assets and liabilities:					
Decrease (increase) in inventories		(20 028)	(14 082)	(11 703)	(8 346)
Decrease (increase) in receivables		(4 058)	(675)	(8 527)	(2 130)
Unrealized foreign exchange loss (gain)		(67)	(165)	-	-
Increase (decrease) in payables		1 060	(1 587)	(310)	(230)
Cash generated from operations		42 356	48 047	1 336	9 799
Income taxes paid		(7 154)	(9 291)	(2 054)	(2 358)
Interest paid	7	(274)	(127)	(321)	(198)
Net cash from operating activities		34 928	38 629	(1 039)	7 243
INVESTING ACTIVITIES					
Interest received		620	907	726	967
Dividends received		-	-	24 180	27 532
Loans granted		(16 000)	(49 500)	(65 531)	(91 067)
Loans repayments received		16 000	57 500	63 134	94 195
Purchases of property, plant and equipment and intangible assets	3, 4	(37 168)	(23 563)	(15 167)	(9 300)
Proceeds on disposal of property, plant and equipment	3, 4	5 083	787	1 185	21
Purchases of available-for-sale financial assets	6	(2 350)	(5 679)	(2 350)	(5 679)
Proceeds on disposal of available-for-sale financial assets	6	5 626	5 761	5 626	5 761
Investment in subsidiaries	5	-	-	(9)	-
Net cash used in investing activities		(28 189)	(13 787)	11 794	22 430
FINANCING ACTIVITIES					
Dividends paid	9	(27 587)	(30 365)	(27 587)	(30 365)
Proceeds from borrowings	7	156 390	35 501	288 256	162 184
Repayments of borrowings	7	(133 390)	(35 501)	(267 507)	(167 192)
Net cash from financing activities		(4 587)	(30 365)	(6 838)	(35 373)
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS					
		2 152	(5 523)	3 917	(5 700)
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		3 281	8 804	(3 701)	1 999
AT THE END OF THE PERIOD		5 433	3 281	216	(3 701)

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 2014 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
OU Apranga MDE	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 2014 the Company had 2 870 shareholders. Company's shareholders which owned or had under management more than 5% of share capital were:

Shareholder	Enterprise code	Address	Number of shares	% of total ownership
UAB MG Baltic Investment	123249022	Jasinskio 16B, Vilnius, Lithuania	29 677 397	53,7%
Swedbank AS (Estonia) clients	10060701	Liivalaia 8 Tallinn, Estonia	5 897 625	10,7%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	5 355 627	9,7%

The ultimate parent company whose financial statements are available for public use is UAB Konzernas 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:

2014		2013	
1 EUR	= 3.4528 LTL	1 EUR	= 3.4528 LTL
		1 LVL	= 4.9184 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 2014 is as follows:

12 months 2014	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	351 895	134 478	71 461	557 834	-	
Inter-segment revenue	(45 761)	(4 577)	(2 419)	(52 757)	-	
Revenue from external customers	306 134	129 901	69 042	505 077	-	505 077
Gross margin	45,7%	48,7%	48,2%	46,8%		46,8%
Profit (loss) for the year	23 754	9 219	5 479	38 452	-	38 452
Total assets	207 487	49 933	28 965	286 385	(50 451)	235 934
Additions to non-current assets (other than financial instruments and prepayments for leases)	18 360	8 468	10 340	37 168	(5 083)	32 085

12 months 2013	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	327 230	121 078	59 816	508 124	-	
Inter-segment revenue	(35 869)	(4 147)	(1 435)	(41 451)	-	
Revenue from external customers	291 361	116 931	58 381	466 673	-	466 673
Gross margin	46,4%	47,9%	47,5%	46,9%		46,9%
Profit (loss) for the year	24 339	8 605	5 184	38 128	-	38 128
Total assets	182 668	44 098	21 413	248 179	(44 390)	203 789
Additions to non-current assets (other than financial instruments and prepayments for leases)	14 485	5 805	3 273	23 563	(787)	22 776

4. Investments into non-current assets

Net investments of the Group amounted to LTL 32.1 million in 12 months 2014 (LTL 4.6 million in 4th quarter 2014). The Company totally invested LTL 14.0 million in 12 months 2014. Daughter companies' investments into development of the retail network amounted to LTL 18.1 million.

5. Investments into subsidiaries

In February 2014, the Company established a subsidiary OU Apranga MDE, which operates Massimo Dutti stores in Estonia. The share capital of the subsidiary is EUR 2 500 (equivalent to LTL 8.6 thousand). All shares have been fully paid in cash. The Company controls 100% of the subsidiary's capital and voting rights.

6. Investments into financial assets

During the 3rd quarter 2014 the Company for LTL 2.5 million sold and for the approximately same amount acquired the Lithuanian Government issued long-term bonds (redemption year - 2022) denominated in Litas, which are recorded as Available for sale financial assets.

In October 2014 the Company for LTL 3.1 million sold the Lithuanian Government issued long-term bonds denominated in Litas. Total investments in the Lithuanian Government issued the long-term bonds amounted to LTL 13.0 million on 31 December 2014.

7. Borrowings

In November 2014, the Company and SEB bank have signed the amendment to agreement which modified the previous contract on the credit line. According to it, the credit line of LTL 70 000 thousand in order to finance the working capital, issuing guarantees and opening letters of credit, was provided. The credit line now will expire on 30 November 2015. The interests are paid for the amount used and the interest rate is calculated as 1-month VILIBOR plus margin. There is fixed interest rate set for amount used for the issuance of guarantees and letters of credit.

In June 2014, 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 credit line extended until 30 June 2016. 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 2014 guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled LTL 35 412 thousand (31 December 2013: LTL 34 891 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 31 December 2014 amounted to LTL 41 413 thousand (31 December 2013: LTL 41 281 thousand).

As of 31 December 2014 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled LTL 2 642 thousand (31 December 2013: LTL 2 356 thousand).

9. Profit distribution

The Annual shareholders meeting of APB Apranga held on 29 April 2014 has resolved to pay LTL 27 646 thousand in dividends and to pay LTL 750 thousand as annual bonuses for the year 2013.

10. Turnover and expansion plans in 2015

Apranga Group plans to reach LTL 704 million turnover (including VAT) in 2015, or by 11% more, than actual the year 2014 turnover.

Apranga Group plans to open or reconstruct 16-20 stores during 2015. Investments are planned to amount to about LTL 20-25 million.
