

APRANGA, APB
Interim Consolidated Financial Statements and
Interim Report for the Six Months of 2007
Unaudited

17 August 2007
Vilnius

INTERIM CONSOLIDATED REPORT

General information

Interim consolidated report is prepared for the period January – June 2007.

Name of the Issuer: trade company "Apranga"
 Legal form: public limited liability company
 Date and place of registration: 1993 03 01 Board of Vilnius City
 Code of Enterprise: 121933274
 Registered office: Kirtimų str. 51, Vilnius, LT-02244, Lithuania
 Telephone number: +370 5 2390808
 Fax number: +370 5 2390800
 E-mail address: info@apranga.lt
 Internet address: www.apranga.lt

At 30 June 2007 Apranga Group (hereinafter the Group) consisted of the parent company APB Apranga (hereinafter the Company) and its wholly owned subsidiaries listed below. The principal activity of the Company and its subsidiaries is retail trade of apparel.

Title	Legal form	Date and place of registration	Code of Enterprise	Registered office	Telephone, fax, e-mail
UAB Apranga LT	Private limited liability company	27 04 2004 State enterprise Centre of Registers of the Republic of Lithuania	300021271	Kirtimų 51, Vilnius, Lithuania	Tel. 370 5 2390808 Fax. 370 5 2390808 info@apranga.lt
UAB Apranga BPB LT	Private limited liability company	29 11 2005 State enterprise Centre of Registers of the Republic of Lithuania	300509648	Kirtimų 51, Vilnius, Lithuania	Tel. 370 5 2390808 Fax. 370 5 2390808 info@apranga.lt
UAB Apranga PLT	Private limited liability company	21 03 2006 State enterprise Centre of Registers of the Republic of Lithuania	300551572	Kirtimų 51, Vilnius, Lithuania	Tel. 370 5 2390808 Fax. 370 5 2390808 info@apranga.lt
SIA Apranga	Private limited liability company	20 11 2002 Enterprise Register of the Republic of Latvia	40003610082	Elizabetes 51, Riga, Latvia	Tel. 371 6 7240020 Fax. 371 6 7240019 info@apranga.lt
SIA Apranga LV	Private limited liability company	30 03 2004 Enterprise Register of the Republic of Latvia	40003672631	Elizabetes 51, Riga, Latvia	Tel. 371 6 7240020 Fax. 371 6 7240019 info@apranga.lt
SIA Apranga BPB LV*	Private limited liability company	10 01 2007 Enterprise Register of the Republic of Latvia	40003887840	Elizabetes 51, Riga, Latvia	Tel. 371 6 7240020 Fax. 371 6 7240019 info@apranga.lt
SIA Apranga PLV*	Private limited liability company	10 01 2007 Enterprise Register of the Republic of Latvia	40003887747	Elizabetes 51, Riga, Latvia	Tel. 371 6 7240020 Fax. 371 6 7240019 info@apranga.lt
OÜ Apranga	Private limited liability company	19 07 2006 Tallinn City Court Register department	11274427	Ravala 4, Tallinn, Estonia	Tel. 372 6663444 Fax. 372 6663445 info@apranga.lt
OÜ Apranga Estonia	Private limited liability company	12 04 2004 Tallinn City Court Register department	11026132	Viru 4, Tallinn, Estonia	Tel. 372 6663444 Fax. 372 6663445 info@apranga.lt

* Established during first half of 2007 (see „Investments into subsidiaries“).

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.

Operations

Retail turnover of Group's stores during first half of 2007 by countries (LTL thousand, VAT included) was as follows:

Country	2007 H1	2006 H1	Change
Lithuania	121,928	78,026	56.3%
Latvia	44,217	30,385	45.5%
Estonia	16,972	11,608	46.2%
Total:	183,117	120,019	52.6%

During the first half of 2007 Apranga Group has opened 18 new stores, closed 4, and reconstructed 2 (see „Investments into non-current assets“).

Number of stores by countries was as follows:

Country	2007 H1	2006 H1	Change
Lithuania	56	41	36.6%
Latvia	18	12	50.0%
Estonia	3	1	200.0%
Total:	77	54	42.6%

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

Country	2007 H1	2006 H1	Change
Lithuania	33,9	23,5	44.3%
Latvia	9,9	6,9	43.5%
Estonia	2,6	1,7	52.9%
Total:	46,4	32,1	44.5%

The Group faces these types of risks:

Credit risk – the Group's credit risk is primarily attributable to its trade and other receivables. The Group has no significant concentration of credit risk, with exposure spread over a number of counter parties and customers. The credit risk on liquid funds is limited because the counter parties are banks with high credit ratings assigned by international credit-rating agencies.

Interest rate risk – the Group finances its operations by bank loans and by public offering of bonds (see „Borrowings“ and „Bonds“). The Group borrows in two currencies (LTL and LVL) and pays floating interest rate (related to VILIBOR and RIGIBOR), or fixed rate (on bonds). The Group did not use any financial instruments in order to control the risk of interest rate changes.

Foreign currencies exchange risk – the Group has a policy to synchronize the cash flows from expected sales in the future with the expected purchases and other expenses in each foreign currency. At the moment the Group doesn't use any derivative financial instruments in order to control foreign currencies exchange risk.

Main Indicators of the Group	2007 H1	2006 H1	Change
Net sales, LTL thousand	154,926	101,682	52.4%
Net sales in foreign markets, LTL thousand	52,103	35,655	46.1%
Gross profit, LTL thousand	70,660	44,671	58.2%
Gross margin	45.6%	43.9%	
EBT, LTL thousand	10,684	6,207	72.1%
EBT margin	6.9%	6.1%	
Net profit, LTL thousand**	8,162	5,139	58.8%
Net margin**	5.3%	5.1%	
EBITDA, LTL thousand	19,160	12,505	53.2%
EBITDA margin	12.4%	12.3%	
Return on equity (end of the period)	11.5%	9.3%	
Return on assets (end of the period)	12.2%	7.6%	
Net debt to equity*	74.0%	66.9%	
Current ratio, times	1.9	1.0	95.4%

*Interest bearing liabilities / Equity

**2006 H1 income tax evaluated at effective tax rate for 2006 (see „Basis of preparation and summary of main accounting principles“)

The Group and the Company respectively had 1405 and 715 employees on 30 June 2007. Number of employees in the Groups and the Company has increased by 235 and 68, respectively. The main reason of such increase is new stores opened.

Number of employees and average salary by categories on 30 June 2007 were as follows:

Employee category	Number of employees		Average monthly salary, LTL	
	Group	Company	Group	Company
Administration	115	73	5,994	7,797
Store's personnel	1,228	580	1,698	1,740
Logistics	62	62	1,771	1,771
Total:	1,405	715	2,053	2,361

Operational plans

The Group does not change its plans announced in December 2006 to reach a retail turnover of LTL 415 million in 2007 and to earn LTL 31 million profit before taxes.

Both second half of 2007 and year 2008 the Group plans an intensive expansion and is going to open over 25 stores during upcoming 18 months.

In March 2007 the Group announced forecasts to reach a retail turnover of LTL 1 billion in 2010 and to operate about 110 thousand sq. m. of trading area.

Ambitious expansion plans of the Group are based on the following assumptions:

- 1) Efforts of Baltic countries to reach an average EU's level of living lead to increase of disposable income and consumption of households;
- 2) Active expansion of shopping centres and increasing supply of trading areas;
- 3) Possibility of expansion beyond the Baltic states.

Securities

All 35291960 ordinary shares of nominal value LTL 1 each (ISIN code LT0000102337) that comprise Company's share capital are listed on Official list of Vilnius Stock Exchange.

All Company's shares give equal rights to shareholders.

Each owner of the ordinary registered share has the following property rights:

- 1) To receive part of the company's profit (dividend);
- 2) To receive a part of the assets of the company in liquidation;
- 3) To receive shares without payment if the share capital is increased out of the company's funds, except the cases specified in the Law on Companies.
- 4) To have the pre-emption right to acquire the shares or convertible debenture issued by the company, except in cases when General Shareholder's Meeting pursuant to Law on Companies decides to withdraw the pre-emption right in acquiring the company's issued shares for all shareholders;
- 5) As provided by laws to lend to the company, however the company borrowing from its shareholders has no right to mortgage or pledge its assets to shareholders. When the company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his/her place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case the company and shareholders are prohibited from negotiating a higher interest rate;
- 6) To receive Company's funds in event the share capital is decreased on purpose to pay Company's funds to shareholders;
- 7) Shareholder have other property rights provided by laws of the Republic of Lithuania.

Each owner of the ordinary registered share has the following non-property rights:

- 1) To attend and vote in General Shareholder's Meetings. One ordinary registered share grants to its owner one vote at the General Shareholders' Meeting. The right to vote at the General Shareholder's Meeting may be withdrawn or restricted in cases established by laws of the Republic of Lithuania, also in cases when share ownership is contested;
- 2) To receive information on the company as provided by Law on Companies;
- 3) To file a claim to the court requesting compensation of damage to company resulting from non-performance or improper performance of the duties of the Manager of the Company or members of the Board of the company which duties have been prescribed by law and these Articles of Association of the company as well as in other cases as may be prescribed by law;
- 4) Other non-property rights prescribed by law.

On 30 June 2007 the Company had 1,952 shareholders. Company's shareholders that control over 5% votes in General Shareholder Meeting were as follows:

Shareholder	Enterprise / personal code	Address	Number of shares	% of total ownership
UAB „MG Baltic Investment“	123249022	Jasinskio 16B, Vilnius, Lithuania	18512896	52.5
AS Hansapank clients	10060701	Liivalaia 8 Tallinn, Estonia	4601851	13.0
Skandinaviska Enskilda Banken clients	50203290810	Sergels Torg 2, 10640 Stockholm, Sweden	2167974	6.1

An issue of 200000 bonds of nominal value LTL 100 each (ISIN code LT0000402216) is listed on Bond list of Vilnius Stock Exchange (see „Bonds“).

The Company has concluded an agreement with FMI Finasta on supervision of securities accounts and an agreement on dividend payment.

The Company has concluded an agreement with AB SEB Vilniaus Bankas on underwriting of bonds (issue settlement).

The agreement on bond repurchase and interest payment between Company and AB DnB Nord Bankas has expired in June 2007.

General Shareholders' Meeting has a right to amend the Articles of Association under the qualified majority of votes, which may not be less than 2/3 of all votes the shareholders attending at the Meeting, except for the exceptions specified by Law on Companies.

Corporate governance

The management bodies of the Company are as follows: General Shareholders' Meeting, a collegial management body – Board, and a single-person management body – Manager of the Company.

Competence of General Shareholders' Meeting is the same as specified by the Law on Companies.

The Board, consisting of six members, is elected by General Shareholders' Meeting for a 4 year term. Company's Board members election and revocation procedure is the same as specified by Law on Companies.

Company's Board activity is conducted by chairman of the Board. The Board elects its chairman from among its members.

The Board continues in office for the period established in the Articles of Association or until a new Board is elected and assumes the office but not longer than until the annual General Shareholders' Meeting during the final year of its term of office.

Board of Company considers and approves:

- 1) The activity strategy of the Company;
- 2) The annual report of the Company;
- 3) The management structure of the Company and the positions of the employees;
- 4) The positions to which employees are recruited by competition;
- 5) Regulations of branches and representative offices of the Company.

The Board adopts the following resolutions:

- 1) Resolutions for the Company to become an incorporator or a member of other legal entities;
- 2) Resolutions to establish branches and representative offices of the Company;
- 3) Resolutions to invest, dispose of or lease the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated individually for every type of transaction);
- 4) Resolutions to pledge or mortgage the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated for the total amount of transactions);
- 5) Resolutions to offer surety or guarantee for the discharge of obligations of third persons the amount whereof exceeds 1/20 of the share capital of the Company;
- 6) Resolutions to acquire the tangible long-term assets the price whereof exceeds 1/20 of the share capital of the Company;
- 7) Resolutions to restructure the Company in the cases laid down in the Law on Restructuring of Enterprises;
- 8) Resolutions regarding issuance of debendure of the Company (except issuance of convertible debenture);
- 9) Other resolutions within the competence of the Board as prescribed by the Articles of Association or the resolutions of the General Shareholders' Meeting.

The Board analyses and assesses the documents submitted by the Manager of the Company on:

- 1) The implementation of the activity strategy of the Company;
- 2) The organisation of the activities of the Company;
- 3) Financial standing of the Company;
- 4) The results of economic activities, income and cost estimates, the stocktaking data and other accounting data of changes in the assets.

The Board elects and removes from office the Manager of the Company, fixes his/her remuneration and sets other terms of the employment agreement, approves his/her job description, provides incentives and imposes penalties.

The Board analyses and assesses the Company's draft annual financial statement and draft of profit/loss distribution and submits them to the General Shareholders' Meeting together with the annual report of the Company.

The Board is responsible for convening and arrangement of the General Shareholders' Meeting in due time.

Each member of the Board is entitled to initiate convening of the Board meeting. The Board may adopt resolutions and its meeting shall be deemed to have taken place when the meeting is attended by more than 2/3 of the members of the Board. The resolution of the Board is adopted if more votes for it are received than the votes against it. In the event of a tie, the Chairman of the Board shall have the casting vote. The member of the Board is not entitled to vote when the meeting of the Board discusses the issue related to his/her activities on the Board or the issue of his/her responsibility.

The Manager of the Company – General Director - is a single-person management body of the Company. The Manager of the Company acts at his/her own discretion in relation of the Company with other persons.

The Manager of the Company is elected and removed from office by the Board which also fixes his/her salary, approves his/her job description, provides incentives and imposes penalties. The employment agreement is concluded with the Manager of the Company and is signed on behalf of the Company by the Chairman of the Board or other person authorized by the Board.

In his/her activities the Manager of the Company complies with laws and other legal acts, Articles of Association, General Shareholders' Meeting resolutions, Board resolutions, his/her job descriptions.

The Manager of the Company acts on behalf of the Company and is entitled to enter into the transactions at his/her own discretion. The Manager of the Company may conclude the following transactions provided that there is a decision of the Board to enter into these transactions: to invest, dispose of or lease the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated individually for every type of transaction); to pledge or mortgage the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated for the total amount of transactions); to offer surety or guarantee for the discharge of obligations of third persons the amount whereof exceeds 1/20 of the share capital of the Company; to acquire the tangible long-term assets the price whereof exceeds 1/20 of the share capital of the Company.

The Manager of the Company is responsible for:

- 1) The organization of the Company's activity and implementation of its objectives;
- 2) The drawing up of the annual financial statements and the drafting of the annual report of the Company;
- 3) Concluding an agreement with the firm of auditors;
- 4) Submission of information and documents to the General Shareholders' Meeting and the Board in cases prescribed by Law on Companies or at their request;
- 5) Submission of the documents and data of the Company to manager of the Register of Legal Entities;
- 6) Submission of documents to the Securities Commission and Lithuanian Central Securities Depository;
- 7) Public announcement of information prescribed by Law on Companies in a daily newspaper indicated in Articles of Association;
- 8) Submission of information to shareholders;
- 9) The performance of other duties prescribed by laws as well as in the Articles of Association and the job descriptions of the Manager of the Company.

The Manager of the Company organises daily activities of the Company, hires and dismisses employees, concludes and terminates employment contracts with them, provides incentives and imposes penalties.

The Manager of the Company is responsible for preparation of the draft share subscription agreement and its data correctness.

The Manager of the Company issues authorizations and procurations within the scope of its competence.

The Manager of the Company is accountable and regularly reports to the Board on the implementation of Company's activity strategy, the organization of the Company's activity, the financial standing of the Company, the results of economic activity, the income and cost estimates, the stocktaking data and other accounting data of changes in the assets.

Information about Members of the management bodies on 30 June 2007:

Name, Surname	Position	Number of shares owned and part in the share capital %	Election date	End of term	Amounts received from the Company, LTL
Darius Juozas Mockus	Chairman of the Board	626768 1.78%	27 04 2006	27 04 2010	Dividends 68945.48
Rimantas Perveneckas	Member of the Board, General Director	796920 2.26%	27 04 2006	27 04 2010	Dividends 87661.20 Remuneration 391148.07
Ilona Šimkūnienė	Member of the Board, Purchasing Director	19320 0.05%	27 04 2006	27 04 2010	Dividends 2125.20 Remuneration 239854.55
Ramūnas Gaidamavičius	Member of the Board, Development Director	-	27 04 2006	27 04 2010	Remuneration 170161.43
Raimondas Kurlianskis	Member of the Board	244788 0.69%	27 04 2006	27 04 2010	Dividends 26927.68
Algimantas Variakojis	Member of the Board	13 0.00%	27 04 2006	27 04 2010	Dividends 1761.43
Members of the board in total:					Dividends 187418.99 Remuneration 801164.05
Members of the Board on average:					Dividends 37484.80 Remuneration 267055.68
Vaidas Savukynas	Chief Financial Officer	-	-	-	Remuneration 174181.07

During first half of 2007 the Company received the following notifications on managers' transactions with Company's ordinary shares (ISIN code LT0000102337):

Issuer	Number of the securities	Price of the securities, LTL	Total value of the transaction, LTL	Form of transaction (acquisition, transfer)	Type of transaction	Date of conclusion of the transaction	Place of the transaction*	Form of settlement	Category of the person **
Raimondas Kurlianskis	5000	14.96	74800.00	Acquisition	Repo	28 02 2007	AUTO	Cash	1.2
Raimondas Kurlianskis	15000	15.00	225000.00	Acquisition	Repo	28 02 2007	AUTO	Cash	1.2
Algimantas Variakojis	10960	7.50	82254.38	Acquisition	Repo	26 04 2007	XOFF	Cash	1.2
Algimantas Variakojis	5053	7.53	38040.48	Acquisition	Repo	26 04 2007	XOFF	Cash	1.2
Algimantas Variakojis	16000	10.63	170080.00	Transfer	Repo	11 06 2007	XOFF	Cash	1.2

*

AUTO - automatically matched trade concluded in the regulated market

TS - manual trade concluded in the regulated market

XOFF - OTC trade

**

1. A manager of the issuer:

1.1. Manager of the Company;

1.2. Member of the Board;

1.3. Member of the Supervisory Board;

1.4. Other employee.

2. A person closely related to the manager of the:

2.1. Spouse, partner;

2.2. Child, foster child;

2.3. Other person;

2.4. Legal person.

Compliance with the Governance Code

Essential changes related with APB "Apranga" report for year 2006 concerning the compliance with the Governance Code for the companies listed on the regulated market were as follows:

APB "Apranga" does not comply with 6.3 recommendation of Code. Company's general shareholders' meeting convened on 27 April 2007 approved the new version of Company's Articles of Association, wherein the demand for advanced shareholders' approval for transactions regarding transferring of the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated individually for every type of transaction) and offering surety or guarantee for the discharge of obligations of third parties the amount whereof exceeds 1/20 of the share capital of the Company was excluded. New version of Articles of Association was registered in Register of Legal Entities on 15 May 2007.

Resolutions regarding transferring, investment, pledge or any other type of encumbrance of the Company's tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company are carried by Company's Board pursuant to the Law on Companies and Company's Articles of Association.

Publicly announced information

Company publicly announced and broadcasted through OMX Client News Service and own webpage the following information:

Title	Category of announcement	Language	Date
Apranga Group results for the year 2006 exceeded the most optimistic expectations	Company Release	Lt, En	2007-01-03
On subsidiaries establishment in Latvia	Company Release	Lt, En	2007-01-11
Apranga Group sales in January, 2007 – excellent start of the year	Company Release	Lt, En	2007-02-01
Apranga Group preliminary results of 2007	Company Release	Lt, En	2007-02-27
On expansion plans 2007 - 2010	Company Release	Lt, En	2007-02-27
On turnover of Apranga Group in February 2007	Company Release	Lt, En	2007-03-02
Apranga Group extends INDITEX chain in Latvia	Press Release	Lt, En	2007-03-01
On presentation to investors' in conference in Tallinn	Investor News	Lt, En	2007-03-02
Apranga Group expands in Šiauliai	Press Release	Lt, En	2007-03-14
Notice of the General Meeting	Notice of the general meeting of shareholders	Lt, En	2007-03-20
APRANGA Group expands in Latvia	Investor News	Lt, En	2007-03-23
Apranga Group turnover in January through March, 2007	Company Release	Lt, En	2007-04-03
On amendment of the general meeting agenda	Notice of the general meeting of shareholders	Lt, En	2007-04-04
Apranga Group launching 9 new stores in Kaunas	Investor News	Lt, En	2007-04-06
On proposals of resolutions of general meeting	Company Release	Lt, En	2007-04-16
On new edition of articles of association of APB Apranga	Investor News	Lt, En	2007-04-17
On audited financial statements and consolidated annual report for the 2006	Annual announcement / report	Lt, En	2007-04-18
On preliminary results of 1st quarter 2007	Company Release	Lt, En	2007-04-25
Apranga Group expands the clothing chain City	Investor News	Lt, En	2007-04-27
Resolutions of Annual general meeting of shareholders	Resolutions of general meeting of shareholders	Lt, En	2007-04-27
Board resolution on bonds issue	Final terms of bonds	Lt, En	2007-04-27
On events in Estonia	Investor News	Lt, En	2007-05-02
On turnover of Apranga Group in April 2007	Company Release	Lt, En	2007-05-02
Notification on Apranga APB manager's transactions	Notification on managers' transactions	Lt, En	2007-05-03
„Apranga" expands the young fashion chain	Investor News	Lt, En	2007-05-04
On interim report for 1st quarter 2007	Interim report	Lt, En	2007-05-15

Title	Category of announcement	Language	Date
On new edition of articles of association of APB Apranga	Articles	Lt, En	2007-05-18
On prospectus for 2006 of APB Apranga	Annual announcement / report	Lt, En	2007-05-22
On investor's calendar for the rest of 2007	Investor's calendar	Lt, En	2007-06-01
On bonds issue prospectus of APB Apranga	Final terms of bonds	Lt, En	2007-06-01
On turnover of Apranga Group in May 2007	Stock Exchange Release	Lt, En	2007-06-04
Apranga awarded by Euromoney	Investor News	Lt, En	2007-06-05
Apranga awarded by Euromoney	Press Release	Lt, En	2007-06-05
Notification on Apranga APB manager's transactions	Notification on managers' transactions	Lt, En	2007-06-13
On completing of APB Apranga bonds issue subscription and real interest rate	Additional information	Lt, En	2007-06-18
On APB Apranga bonds listing on Baltic bond list	Stock Exchange Release	Lt, En	2007-06-22
On corrected prospectus for 2006 of APB Apranga	Annual information	Lt, En	2007-06-29
On corrected interim report for 1st quarter 2007	Interim information	Lt, En	2007-06-29

Contents of above mentioned announcements can be obtained on Vilnius Stock Exchange webpage <http://www.baltic.omxgroup.com/market/?pg=details&instrument=LT0000102337&list=2&tab=news> and on Company's webpage <http://www.apranga.lt/investuotojams/index.php?lang=2>.

INCOME STATEMENT

LTL thousand	Note	Group		Company	
		2007 H1	2006 H1	2007 H1	2006 H1
Revenue	2	154,926	101,682	84,674	62,125
Cost of sales	1	(84,266)	(57,011)	(53,970)	(40,800)
GROSS PROFIT		70,660	44,671	30,704	21,325
Selling costs	1	(59,400)	(38,079)	(30,302)	(21,278)
Net other income	1	553	479	11,338	6,316
Foreign exchange gain (loss), net		(25)	-	(6)	-
PROFIT FROM OPERATIONS		11,788	7,071	11,734	6,363
Finance costs		(1,104)	(864)	(1,091)	(673)
PROFIT BEFORE TAXES		10,684	6,207	10,643	5,690
Income tax expense	1	(2,522)	-	(831)	-
NET PROFIT	1	8,162	6,207	9,812	5,690
Basic and diluted earnings per share (in LTL)		0.23	0.18	0.28	0.16

BALANCE SHEET

LTL Thousand	Note	Group		Company	
		30 06 2007	31 12 2006	30 06 2007	31 12 2006
ASSETS					
Non-current assets					
Property, plant and equipment	3	92,641	84,598	58,330	54,315
Intangible assets	3	771	721	631	509
Investments in subsidiaries	4	-	-	9,046	8,453
Prepayments and other receivables		634	894	283	551
		94,046	86,213	68,290	63,828
Current assets					
Inventories		50,003	48,626	31,670	31,179
Non-current assets held for sale		1,118	1,118	1,118	1,118
Receivables and prepayments		4,205	2,436	22,943	18,495
Cash and cash equivalents		4,455	4,770	1,929	2,312
		59,781	56,950	57,660	53,104
TOTAL ASSETS		153,827	143,163	125,950	116,932
EQUITY AND LIABILITIES					
Equity					
Ordinary shares		35,292	35,292	35,292	35,292
Legal reserve		1,550	1,081	1,550	1,081
Translation difference		(111)	(178)	-	-
Retained earnings		34,094	30,293	22,370	16,909
		70,825	66,488	59,212	53,282
Non-current liabilities					
Borrowings	5	28,326	16,567	28,326	19,881
Bonds issued	6	20,000	-	20,000	-
Deferred tax liabilities		3,483	2,091	1,217	525
Obligations under finance leases		26	37	26	37
Other liabilities		65	87	66	86
		51,900	18,782	49,635	20,529
Current liabilities					
Borrowings	5	4,043	7,844	4,012	2,959
Bonds issued	6	49	20,436	49	20,436
Obligations under finance leases		19	18	19	18
Current income tax liability		1,846	1,668	315	178
Trade and other payables		25,145	27,927	12,708	19,530
		31,102	57,893	17,103	43,121
Total liabilities		83,002	76,675	66,738	63,650
TOTAL EQUITY AND LIABILITIES		153,827	143,163	125,950	116,932

STATEMENT OF CHANGES IN EQUITY

GROUP LTL thousand	Share Capital	Legal Reserve	Translation reserve	Retained earnings	Total
Balance at 31 December 2005 (adjusted)	35,292	882	(167)	15,190	51,197
Transfers to legal reserves	-	199	-	(199)	-
Dividends paid	-	-	-	(2,117)	(2,117)
Exchange differences	-	-	13	(16)	(3)
Net profit for the period	-	-	-	6,207	6,207
Balance at 30 June 2006	35,292	1,081	(154)	19,065	55,284
Balance at 31 December 2006	35,292	1,081	(178)	30,293	66,488
Transfers to legal reserves	-	469	-	(469)	-
Dividends paid	-	-	-	(3,882)	(3,882)
Exchange differences	-	-	67	(10)	57
Net profit for the period	-	-	-	8,162	8,162
Balance at 30 June 2007	35,292	1,550	(111)	34,094	70,825
COMPANY LTL thousand	Share Capital	Legal Reserve	Translation reserve	Total	
Balance at 31 December 2005	35,292	882	9,853	46,027	
Transfers to legal reserves	-	199	(199)	-	
Dividends paid	-	-	(2,117)	(2,117)	
Net profit for the period	-	-	5,690	5,690	
Balance at 30 June 2006	35,292	1,081	13,227	49,600	
Balance at 31 December 2006	35,292	1,081	16,909	53,282	
Transfers to legal reserves	-	469	(469)	-	
Dividends paid	-	-	(3,882)	(3,882)	
Net profit for the period	-	-	9,812	9,812	
Balance at 30 June 2007	35,292	1,550	22,370	59,212	

STATEMENT OF CASH FLOW

LTL thousand	Group		Company	
	2007 H1	2006 H1	2007 H1	2006 H1
OPERATING ACTIVITIES				
Profit before income taxes	10,684	6,207	10,643	5,690
Adjustments for:				
Depreciation and amortisation	7,372	5,434	3,220	2,566
Provisions of slow moving inventories	(324)	(717)	(324)	(717)
(Gain) / loss on disposal of property, plant and equipment	34	-	34	-
Dividends received	-	-	(7,273)	(4,031)
Interest expenses, net	1,102	952	888	668
	18,868	11,876	7,188	4,176
Changes in operating assets and liabilities:				
Increase in inventories	(1,053)	1,304	(167)	260
Decrease (increase) in receivables	(1,509)	485	(2,679)	(3,384)
Unrealized foreign exchange (gain) / loss	57	(3)	6	-
Increase in payables	(3,191)	(4,357)	(7,235)	(3,305)
Cash generated by operations	13,172	9,305	(2,887)	(2,253)
Income tax paid	(952)	-	(2)	-
Interest paid	(1,104)	(954)	(1,091)	(790)
Net cash from operating activities	11,116	8,351	(3,980)	(3,043)
INVESTING ACTIVITIES				
Interest received	2	2	203	122
Dividends received	-	-	7,273	4,031
Loans granted for subsidiaries	-	-	(42,438)	(15,834)
Loans returned from subsidiaries	-	-	40,937	15,972
Purchases of property, plant and equipment and intangible assets	(15,513)	(6,927)	(7,405)	(3,472)
Proceeds on disposal of property, plant and equipment	14	-	14	-
Acquisition of subsidiaries	-	-	(593)	(300)
Net cash used in investing activities	(15,497)	(6,925)	(2,009)	519
FINANCING ACTIVITIES				
Dividends paid	(3,882)	(2,117)	(3,882)	(2,117)
Loans received	7,958	1,121	9,498	5,235
Repayments of obligations under finance leases	(10)	(863)	(10)	(880)
Repurchase of bonds	(20,000)	-	(20,000)	-
Revenues from bon issue	20,000	-	20,000	-
Net cash (used in) / from financing activities	4,066	(1,859)	5,606	2,238
NET INCREASE IN CASH	(315)	(433)	(383)	(286)
CASH AT THE BEGINNING OF THE YEAR	4,770	2,516	2,312	1,352
CASH AT THE END OF THE PERIOD	4,455	2,083	1,929	1,066

NOTES

1. Basis of preparation and summary of main accounting principles

The financial statements have been prepared in accordance with in with International Financial Reporting Standards as adopted by the EU.

Interim financial statements were based on the same accounting principles as the annual financial statements.

The following comparable figures from previous interim financial statements were modified:

a) In income statement for the period ended 30 June 2006 inventory write down to net realizable value was reclassified from operating expenses to cost of sales;

b) In income statement for the period ended 30 June 2006 other income was netted off with other expenses. Other income is presented on a gross basis and other expenses were reclassified to general and administrative expenses;

c) Net profit of the first half of 2007 is provided in financial statements disregarding the income tax effect. Taking income tax of the Company's profit in first half of 2007 into account as an effective tax rate (Group – 17.2%, Company – 7.5%), comparative net profit for the first half of 2006 would be as follows: Group's – LTL 5,139 thousand, Company's – LTL 5,263 thousand, and net profitability would respectively be 5.1% and 8.5%.

The applicable rates used for the principal currencies as of years 2006 and 2005 were as follows:

Currency	30 06 2007	31 12 2006	30 06 2006
1 EUR =	3,4528 LTL	3,4528 LTL	3,4528 LTL
1 LVL =	4,9597 LTL	4,9537 LTL	4,9610 LTL
10 EEK =	2,2067 LTL	2,2067 LTL	2,2067 LTL

2. Segment information

The following is an information on revenues and carrying amount of total assets by the segments:

LTL thousand

2007 H1

	Lithuania	Latvia	Estonia	Group
Total segment revenue	116,305	38,136	14,680	169,121
Intersegment revenue	(13,482)	(414)	(299)	(14,195)
Revenue	102,823	37,722	14,381	154,926

2006 H1

	Lithuania	Latvia	Estonia	Group
Total segment revenue	75,223	25,998	9,927	111,148
Intersegment revenue	(9,200)	(181)	(89)	(9,470)
Revenue	66,023	25,817	9,838	101,678

LTL thousand

Assets

	2007 06 30	2006 06 30
Lithuania	120,513	95,848
Latvia	22,931	17,246
Estonia	10,383	5,133
Group	153,827	118,227

3. Investments into non-current assets

Investments into development of retail network amounted to LTL 14,406 thousand during first half of 2007. Acquisitions of other non-current assets (vehicles, warehouse and office equipment, IT) amounted to LTL 1,107 thousand during first half of 2007.

4. Investments into subsidiaries

On 10 January 2007, the Company has established 2 subsidiaries SIA Apranga BPB LV and SIA Apranga PLV, The share capital of each subsidiary is comprised of 600 shares with a par value of LVL. On 26 February 2007 the shares of SIA Apranga BPB LV were fully paid in cash. On 29 March 2007 the shares of SIA Apranga PLV were fully paid in cash.

5. Borrowings

On 31 January 2007, the Group and SIA DnB Nord Banka concluded an agreement for the change of the previously concluded agreement for credit line. According to the agreement the Group was granted credit line amounting LVL 2,000 for financing of working capital and issuance of guarantees and letters of credit. The credit line expires on 31 January 2008. The credit line is bearing a floating interest rate calculated as the 3-month RIGIBOR plus margin, interest being paid for the drawdown amount, and a fixed interest rate for amount used for the issuance of guarantees and letters of credit.

6. Bonds

On 27 April 2007 the Annual general meeting of shareholders of APB Apranga has resolved to issue two years maturity intangible registered bonds of total nominal value LTL 20,000 thousand. The date of issue is June 16, 2007, maturity date is June 15, 2009. Yearly coupon is 5.99%, coupon dates are June 16, 2008 and June 15, 2009. Nominal value of one bond is LTL 100. Total quantity of bonds is 200,000.

On June 15, 2007 Company redeemed intangible registered bonds of total nominal value LTL 20,000 thousand, which were issued on 16 June 2005, and paid LTL 800 thousand as last coupon. Nominal value of one bond was LTL 100. Total quantity of bonds was 200,000

7. Guarantees

As of 30 June 2007 guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totalled LTL 21,782 thousand (30 December 2006: LTL 15,480 thousand). The letters of credit and guarantees provided to suppliers by the credit institution on behalf of the Group as of 30 June 2007 amounted to LTL 29,592 thousand (30 December 2006: LTL 529 thousand).

As of 30 June 2007 the Company's guarantees to the credit institutions issued to secure the obligations of subsidiaries totalled LTL 7,936 thousand (30 December 2006: LTL 7,926 thousand). As of 30 June 2007 the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totalled LTL 529 thousand (30 December 2006: LTL 529 thousand).

8. Dividends

On 27 April 2007, the Annual general meeting of shareholders of APB Apranga has resolved to pay LTL 3,882 thousand dividends, LTL 0.11 per 1 share. Dividends were paid by cash in June 2007.