

KLAIPĖDOS BALDAI, AB

COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2013
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL
REPORTING STANDARDS, AS ADOPTED BY THE EUROPEAN UNION
(UNAUDITED)

KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
for the nine months ended 30 September 2013**

(All the sums in the table are shown in thousands litas, unless specified otherwise)

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for the nine months ended 30 September 2013**

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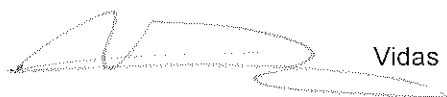
Statement of comprehensive income

	Notes	January- September 2013	July- September 2013	January- September 2012	July- September 2012
Revenue	2	148 120	56 009	144 744	53 823
Cost of sales	3	(142 338)	(53 873)	(138 516)	(51 219)
Gross profit		5 782	2 136	6 228	2 604
Selling costs	3	(252)	(68)	(197)	(81)
Administrative expenses	3	(2 488)	(839)	(2 445)	(838)
Other income	4	1 666	600	1 711	766
Other expenses	5	(678)	(226)	(646)	(227)
Other gains/(losses) - net	6	33	9	224	70
Operating profit		4 063	1 612	4 875	2 294
Finance income	7	116	31	149	36
Finance costs	7	(257)	(82)	(416)	(114)
Profit before income tax		3 922	1 561	4 608	2 216
Income tax income/(expense)		(348)	(98)	(597)	(243)
Profit for the year		3 574	1 463	4 011	1 973
Attributable to:					
Shareholders of the Company		3 574	1 463	4 011	1 973
		3 574	1 463	4 011	1 973

**Earnings per share
attributable to the owners of
the Company during the
year (expressed in LTL per
share)**

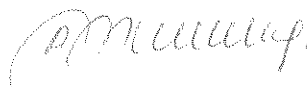
- basic and diluted	1	0,47	0,19	0,52	0,25
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Director



Vidas Mišeikis

Chief accountant



Audronė Mineikienė

KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
for the nine months ended 30 September 2013**

(All the sums in the table are shown in thousands litas, unless specified otherwise)

Statement of financial position

	Notes	30 September 2013	31 December 2012
ASSETS			
Non-current assets			
Property, plant and equipment	8	32 036	32 478
Investment property	9	5 562	5 562
Intangible assets	10	17	6
Available-for-sale financial assets	12	288	288
Other receivables	13	3 562	3 562
Other non-current assets	11	23	23
		41 488	41 919
Current assets			
Inventories	14	12 385	20 769
Trade and other receivables	15	52 959	42 768
Cash and cash equivalents	16	58	63
		65 402	63 600
Total assets		106 890	105 519
EQUITY			
Equity attributable to shareholders of the Company			
Ordinary shares	17	7 749	7 749
Own shares	18	(820)	(418)
Reserves	19	19 848	19 822
Retained earnings		57 032	53 484
Total equity		83 809	80 637
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		2 418	2 418
Borrowings	20	2 217	2 779
Defined benefit obligations	21	442	442
		5 077	5 639
Current liabilities			
Borrowings	20	10 642	13 270
Trade and other payables	22	6 978	5 787
Current income tax liabilities		384	186
		18 004	19 243
Total liabilities		23 081	24 882
Total equity and liabilities		106 890	105 519

Director



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Chief accountant



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KLAIPĖDOS BALDAI AB
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Statement of changes in equity

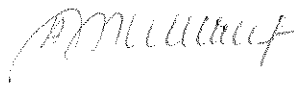
Note	Attributable to shareholders of the Company								Total equity
	Share capital	Own shares	Revaluation reserve	Legal reserve	Reserve for acquisition of own shares	Other reserves	Retained earnings		
Balance as at 31 December 2011	8 166	(1 506)	8 391	817	3 500	7 698	49 068	76 134	
Net profit	-	-	-	-	-	-	4 011	4 011	
Depreciation transfer gross	19	-	(1 059)	-	-	-	1 059	-	
Transfer to reserves	19	-	-	-	500	-	(500)	-	
Cancellation of own shares	19	(417)	1 506	-	-	-	(1 089)	-	
Balance as at 30 September 2012	7 749	-	7 332	817	4 000	7 698	52 549	80 145	
Changes during October – December 2012:									
Net profit	-	-	-	-	-	-	984	984	
Change in defined benefit obligations, net of tax	-	-	-	-	-	-	(74)	(74)	
Depreciation transfer gross	19	-	(216)	-	-	-	216	-	
Depreciation transfer – tax	19	-	191	-	-	-	(191)	-	
Acquisition of own shares	18	(418)	-	-	-	-	-	(418)	
Balance as at 31 December 2012	7 749	(418)	7 307	817	4 000	7 698	53 484	80 637	
Net profit	-	-	-	-	-	-	3 574	3 574	
Depreciation transfer gross	19	-	(974)	-	-	-	974	-	
Transfer to reserves	19	-	-	-	1 000	-	(1 000)	-	
Acquisition of own shares	18	(402)	-	-	-	-	-	(402)	
Balance as at 31 September 2013	7 749	(820)	6 333	817	5 000	7 698	57 032	83 809	

Director



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Chief accountant



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KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
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Cash flow statement

	Notes	30 September 2013	30 September 2012
Net profit		3 574	4 011
<i>Adjustments for:</i>			
Income tax expenses		348	597
Depreciation	8	3 577	3456
Amortisation	10	4	3
Loss (gain) on disposal of property, plant and equipment and write-off	6	(33)	(224)
Interest expenses	7	255	415
Interest received	7	(93)	(128)
Dividend received	7	(23)	(21)
Change in working capital:			
- amounts receivable and prepayments		(10 191)	(10)
- inventories		8 384	(3 382)
- amounts payable		1 625	789
Cash generated from operations		7 427	5 006
Interest paid	7	(255)	(415)
Income tax paid		(584)	(434)
Net cash generated from operating activities		6 588	4 657
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(3 157)	(2 765)
Purchase of intangible assets	10	(15)	(5)
Disposal of property, plant and equipment s		55	235
Loan received		-	1 091
Interest received	7	93	128
Dividend received	7	23	21
Net cash used in investing activities		(3 001)	(1 295)
Cash flows from financing activities			
Proceeds from borrowings		970	532
Repayment of borrowings		(4 143)	(3 727)
Acquisition of own shares		(402)	-
Finance lease principal payments		(17)	(52)
Net cash used in financing activities		(3 592)	(3 247)
Net increase (decrease) in cash and cash equivalents		(5)	115
Cash and cash equivalents at beginning of year	16	63	102
Cash and cash equivalents at end of year	16	58	217

Director



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Chief accountant



Audronė Mineikienė

KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
for the nine months ended 30 September 2013**

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1. General information

JSC "Klaipėdos baldai" (further – the Company) is registered as a joint-stock company on March 3, 1993. The Company's registration No. AB 93-59. The Company's office address is:
Joniskės St., 21, LT-91267 Klaipėda
Lithuania

Shareholders of the Company as at 30 September 2013 were as follows:

	Number of shares held	Shares of the share capital, %	Shares of votes, %
SBA Furniture Group UAB	6 055 566	78,14	79,97
Other shareholders	1 516 259	19,57	20,03
Own shares	177 424	2,29	-
Total	7 749 249	100,00	100,00

The Company's ordinary registered shares are quoted in the Current list of securities of Vilnius stock exchange.

During the 9 months of the year 2013, the Company's average number of employees was 700 (2012: 719).

Earnings per share

Earnings per share are calculated as follows:

	January-September 2013	January-September 2012
Profit attributable to equity holders of the Company	3 574	4 011
Weighted average number of shares in issue (thousands)	7 598	7 749
Basic earnings per share (LTL)	0,47	0,52

2. Segment reporting

The Company operates in one business segment, i.e. manufacturing of furniture, as well as one geographical segment – Lithuania, with 99,8 per cent of the Company's total sales made to the SBA Baldų Kompanija UAB and all assets of Company are located in Lithuania.

Analysis of sales revenue by category

	January-September 2013	January-September 2012
Sales of goods	148 086	144 731
Revenue from services	34	13
	148 120	144 744

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3. Expenses by nature**Sale cost**

	January-September 2013	January-September 2012
Raw materials	(113 873)	(109 825)
Remuneration and social security	(20 512)	(21 014)
Depreciation and amortization	(2 893)	(2 775)
Utilities	(3 152)	(3 035)
Repairs	(986)	(1 008)
Other	(922)	(859)
	<u>(142 338)</u>	<u>(138 516)</u>

Selling costs

	January-September 2013	January-September 2012
Logistics	(252)	(197)
	<u>(252)</u>	<u>(197)</u>

Administrative expenses

	January-September 2013	January-September 2012
Remuneration and social security	(461)	(399)
Communication and IT maintenance expenses	(324)	(332)
Depreciation and amortization	(293)	(287)
Consulting, training, accounting services	(192)	(319)
Taxes other than income tax	(155)	(165)
Other	(1 063)	(943)
	<u>(2 488)</u>	<u>(2 445)</u>

Total cost of sales, selling costs and administrative expenses

(145 078) (141 158)

4. Other income

	January-September 2013	January-September 2012
Sales of heat	977	1 034
Rent income	336	360
Income from holiday houses	289	254
Other	64	63
	<u>1 666</u>	<u>1 711</u>

5. Other expenses

	January-September 2013	January-September 2012
Expenses of holiday houses	(618)	(592)
Other rental expenses	(1)	(2)
Direct operating expenses arising from investment property	(55)	(52)
Other	(4)	-
	<u>(678)</u>	<u>(646)</u>

6. Other gains/ (losses) net

	January-September 2013	January-September 2012
Gain on disposal of property, plant and equipment	33	224
	<u>33</u>	<u>224</u>

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(All the sums in the table are shown in thousands litas, unless specified otherwise)

7. Financial activities
Income

	January-September 2013	January-September 2012
Interest received	93	128
Interest received	23	21
	116	149

Expenses

	January-September 2013	January-September 2012
Interest expenses	(255)	(415)
Other	(2)	(1)
	(257)	(416)

8. Property plant and equipment

	Buildings	Plant and machinery	Vehicles	Total
At 1 January 2012				
Cost or revalued amount	39 436	50 455	1 012	90 903
Accumulated depreciation and impairment	(20 976)	(35 815)	(831)	(57 622)
Net book amount	18 460	14 640	181	33 281
Year ended 31 December 2012				
Opening net book amount	18 460	14 640	181	33 281
Additions	1 342	2 271	36	3 649
Sold / written off assets acquisition value	-	(2 637)	(344)	(2 981)
Sold / written off assets accumulated depreciation	-	2 624	344	2 968
Depreciation	(2 057)	(2 322)	(60)	(4 439)
Closing net book amount	17 745	14 576	157	32 478
At 31 December 2012				
Cost or revalued amount	40 778	50 089	704	91 571
Accumulated depreciation and impairment	(23 033)	(35 513)	(547)	(59 093)
Net book amount	17 745	14 576	157	32 478
At 30 September 2013				
Opening net book amount	17 745	14 576	157	32 478
Additions	587	2 557	13	3 157
Sold / written off assets acquisition value	-	(69)	(47)	(116)
Sold / written off assets accumulated depreciation	-	47	47	94
Depreciation	(1 619)	(1 911)	(47)	(3 577)
Closing net book amount	16 713	15 200	123	32 036
At 30 September 2013				
Cost or revalued amount	41 365	52 577	670	94 612
Accumulated depreciation and impairment	(24 652)	(37 377)	(547)	(62 576)
Net book amount	16 713	15 200	123	32 036

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9. Investment property

	Total investment property
At 31 December 2012	
Investment property at fair value as at 1 January	5 562
Change during the period	-
Investment property at fair value as at 31 December	<u>5 562</u>
At 30 September 2013	
Investment property at fair value as at 1 January	5 562
Change during the period	-
Investment property at fair value as at 30 September	<u>5 562</u>

10. Intangible assets

	Computer software and other intangible assets
At 1 January 2012	
Cost	1333
Accumulated amortisation	<u>(1 331)</u>
Net book amount	<u>2</u>
At 31 December 2012	
Opening net book amount	2
Additions	7
Amortisation	<u>(3)</u>
Closing net book amount	<u>6</u>
At 31 December 2012	
Cost	1 340
Accumulated amortisation	<u>(1 334)</u>
Net book amount	<u>6</u>
At 30 September 2013	
Opening net book amount	6
Additions	15
Amortisation	<u>(4)</u>
Closing net book amount	<u>17</u>
At 30 September 2013	
Cost	1 355
Accumulated amortisation	<u>(1 338)</u>
Net book amount	<u>17</u>

11. Other non-current assets

	January- September 2013	January- December 2012
Investments in associated and affiliate companies	23	23
	<u>23</u>	<u>23</u>

12. Available-for-sale financial assets

	January- September 2013	January- December 2012
Available for sale financial assets	288	288
	<u>288</u>	<u>288</u>

KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
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13. Long-term receivable accounts

	January-September 2013	January-December 2012
Non-current part of loans granted to related parties (23 note)	3 562	3 562
	<u>3 562</u>	<u>3 562</u>

14. Stock

	January-September 2013	January-December 2012
Raw materials	4 835	3 866
Construction in process	1 685	1 922
Produced products and goods meant for resale	5 899	15 022
Reduction in price to the net value of possible realization	(34)	(41)
	<u>12 385</u>	<u>20 769</u>

15. Trade and other receivables

	January-September 2013	January-December 2012
Receivables from related parties including current portion of long-term debts	52 703	42 554
Trade receivables	130	94
Other amounts receivable and prepayments	126	120
	<u>52 959</u>	<u>42 768</u>

16. Cash and cash equivalents

	January-September 2013	January-December 2012
Cash at bank	50	59
Cash in hand	8	4
	<u>58</u>	<u>63</u>

17. Share capital

As at 30 September 2013 the share capital comprised 7 749 249 ordinary registered shares with par value of LTL 1 each. All the shares are fully paid

18. Own shares

As at 30 September 2013 the Company had 177 424 of its own shares and paid for them LTL 820 thousand. Own shares are accounted for by the amount paid as a reduction in shareholders' equity.

19. Reserves

	January-September 2013	January-December 2012
<i>Reserves:</i>		
- reevaluation reserve	6 333	7 307
- reserve presupposed by law	817	817
- reserve for acquisition of own shares	5 000	4 000
- other reserves	7 698	7 698
	<u>19 848</u>	<u>19 822</u>

Revaluation reserve

During the 9 months of the year 2013 as a result of depreciation of revalued assets, revaluation reserve was decreased by the amount of LTL 974 thousand (2012: LTL 1 509 thousand), where as the retained result was increased by the same amount accordingly.

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Legal reserve

Legal reserve is a compulsory reserve under the Lithuanian legislation. The legal reserve cannot be distributed as dividends and is formed to cover future losses. A part of legal reserve in excess of 10 per cent of the authorized share capital may be redistributed when appropriation of profit for the following financial year is performed.

Reserve for acquisition of own shares

This reserve is established following the decision made during the annual general meeting of shareholders in relation to distribution of profit available for appropriation. This reserve may be used only for the acquisition of the Company's shares. During the 9 months of the year 2013 this reserve was increased by LTL 1 000 thousand.

Other reserves

Other reserves are established following the decision made during the annual general meeting of shareholders in relation to distribution of profit available for appropriation. These reserves may be used only for the purposes approved by annual general meeting of the shareholders.

20. Borrowings

	January-September 2013	January-December 2012
<i>Short-term credits</i>		
Short-term loans received from banks	-	-
Current portion of long-term loans received from banks	10 642	13 253
Finance lease liabilities	-	17
	<u>10 642</u>	<u>13 270</u>
<i>Long-term borrowings</i>		
Long-term loans received from banks	2 217	2 779
Finance lease liabilities	-	-
	<u>2 217</u>	<u>2 779</u>
Total borrowings	<u>12 859</u>	<u>16 049</u>

21. Defined benefit obligations

As at 30 September 2013 the Company accounted for defined benefit obligations for employees leaving the Company at the age of retirement and other benefits foreseen in the collective agreement. During the 9 months of the year 2013 additional accruals have not been performed. Outstanding amount of the liability is presented under the defined benefit obligations caption and other in the statement of financial position.

	January-September 2013	January-December 2012
Non-current liabilities	442	301
Current liabilities	140	153
	<u>582</u>	<u>454</u>

22. Trade and other payable sums

	January-September 2013	January- December 2012
Trade payable sums	1 508	1 510
Sums payable to affiliated parties (23 note)	1 153	395
Taxes	621	548
Salary and social insurance payable	1 883	1 521
Vacation reserve and bonuses	1 593	1 593
Current portion of non-current employee benefits	140	140
Other payable sums and accumulated expenditures	80	80
	<u>6 978</u>	<u>5 787</u>

KLAIPĖDOS BALDAI AB
Unaudited Interim Financial Statements
for the nine months ended 30 September 2013

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23. Related-party transactions

Sales of goods and services	January-September 2013	January-September 2012
<i>- Ultimate parent company:</i>		
Koncernas SBA UAB	2	1
<i>- Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	147 252	143 665
Visagino linija UAB	-	2
Šilutės baldai UAB	181	1 150
Germanika UAB	222	2
Kauno baldai AB	223	2
Baldstata UAB	14	13
Klaipėdos baldų prekyba UAB	-	1
Mebelain OOO	449	252
	148 343	145 088

Interest received	January-September 2013	January-September 2012
<i>- Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	92	117
Klaipėdos baldų prekyba UAB	-	10
	92	127

Purchases of goods and services	January-September 2013	January-September 2012
<i>- Ultimate parent company:</i>		
Koncernas SBA UAB	232	210
<i>- Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	102 849	110 995
Visagino linija UAB	451	107
Baldstata UAB	451	314
Association Industry Marketing and Business Centre	15	15
Šilutės baldai AB	13	104
Germanika UAB	2	13
Kauno baldai AB	2	-
Šatrija AB	30	19
Mebelain OOO	3	-
	104 048	111 777

Related party transactions mostly comprise sales and purchases of furniture and materials.

Amounts receivable within one year	30 September 2013	31 December 2012
<i>- Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	51 453	42 024
Šilutės baldai AB	217	450
Kauno baldai AB	238	-
Germanika UAB	269	-
Mebelain RAUB	526	80
	52 703	42 554

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(All the sums in the table are shown in thousands litas, unless specified otherwise)

Amounts receivable within one year

	30 September 2013	31 December 2012
SBA baldų kompanija UAB	3 562	3 562
	<u>3 562</u>	<u>3 562</u>

Related-party transactions (continued)***Amounts payable within one year***

	30 September 2013	31 December 2011
- <i>Ultimate parent company:</i>		
Koncernas SBA UAB	434	156
- <i>Subsidiaries of ultimate parent company:</i>		
Baldstata UAB	138	123
Kauno baldai AB	-	29
Visagino linija UAB	576	30
Association Industry Marketing and Business Centre	5	57
	<u>1 153</u>	<u>395</u>