

**Public company “Vilniaus baldai”
Consolidate Financial Statement
for the three months of 2009**

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COMPANY INFORMATION

1. Reporting period covered by this Report

The Report has been drawn up for the three months of 2009.

2. Main data about the issuer

Name of the issuer	Public company (AB) Vilniaus baldai
Code	121922783
Authorized capital	15 545 068 LTL
Office address	Savanorių Ave. 178, LT-03154 Vilnius
Telephone	(+370~5) 252 57 00
Fax	(+370~5) 231 11 30
E-mail	info@vilniausbaldai.lt
Website	www.vilniausbaldai.lt
Legal and organizational form	Legal person of limited liability; public company
Date and place of registration	9 February 1993; Vilnius municipality
Register, in which data about the company are accumulated and stored	Register of legal entities
Type of activity	Design, manufacturing and sale of office, bedroom, sitting room and hall furniture

Information about the subsidiary company of the issuer

Name of the issuer	Public company (UAB) Ari - Lux
Code	120989616
Authorized capital	10 000 LTL
Share of (AB) Vilniaus baldai in the company	100 %
Office address	Savanorių Ave. 178, LT-03154 Vilnius
Telephone	(+370~5) 252 5744
Fax	(+370~5) 252 5744
E-mail	saxela@takas.lt
Website	-
Legal and organizational form	Private limited liability company
Date and place of registration	28 October 1991; the Board of Vilnius Municipality
Register, in which data about the company are accumulated and stored	Register of Legal Entities
Type of activity	Fitting packing

3. Information about where and how to access the Report and the documents, on the basis of which it has been drawn up, and the designation of the means of mass media for announcements

The Report and supporting documents, on the basis of which it has been drawn up, can be accessed at the Company's registered office at Savanorių Ave. 178, Vilnius.

The means of mass media for Vilniaus baldai AB announcements: NASDAQ OMX Vilnius AB, Central Storage Facility – Search for information.

4. Board

President of board: Vytautas Bucas.

Members of board: Darius Sulnis,
Raimondas Rajeckas.

5. Persons responsible for the accuracy of the information in the Report

Members of the managing bodies, employees and the Head of the Administration of the issuer are responsible for the accuracy of the information:

Nerijus Pacevicius, Chief Executive Officer, tel. (+370~5) 252 57 00, fax. (+370~5) 231 11 30,

Ausra Kibirkstiene, Chief Financial Officer, tel. (+370~5) 252 57 20

6. Declaration by the members of the issuer's managing bodies, employees, the Head of the Administration and the issuer's consultants that the information contained in the Report is in accordance with the facts and that the Report makes no omission likely to have an effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities.

Vilniaus baldai AB, represented by Nerijus Pacevicius, Chief Executive Officer, and Ausra Kibirkstiene, Chief Financial Officer, hereby confirm that the information contained in the Report is in accordance with the facts and that the Report makes no omission likely to have an effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities.

Nerijus Pacevicius, Chief Executive Officer of Vilniaus baldai AB

Ausra Kibirkstiene, Chief Financial Officer of Vilniaus baldai AB

Date of signing the Report – 15 May 2009.

INTERMEDIATE CONSOLIDATE FINANCIAL STATEMENT FOR THE THREE MONTHS OF 2009

The auditors reviewed the financial statements of 31 December 2008, while those of 31 March 2009 and of 31 March 2008 are unaudited.

1. BALANCE SHEET

	31.03.2009	31.12.2008	LTL thousand 31.03.2008
Assets			
Non - current assets:			
Non - current tangible assets	44 130	45 509	50 164
Intangible assets	214	270	394
Investment	2	2	21 511
Total non - current assets	44 346	45 781	72 069
Current assets			
Inventories	12 102	12 467	12 269
Trade debtors	11 031	10 534	9 860
Other accounts receivable	8 719	30 456	2 223
Cash and cash equivalents	54	18	40
Total current assets	31 906	53 475	24 392
Total assets	76 252	99 256	96 461
Shareholders' equity and liabilities			
Capital and reserves			
Share capital	15 545	15 545	15 545
Revaluation reserve	8 012	8 012	8 356
Legal reserve	1 422	1 422	1 222
Retained earnings	10 106	10 084	1 002
Total capital and reserves	35 085	35 063	26 125
Non - current liabilities			
Grants	15	19	28
Deferred tax liabilities	1 987	1 987	1 769
Loans and other interest bearing payables	6 261	6 261	23 358
Total non - current liabilities	8 263	8 267	25 155
Total current liabilities			
Loans and other interest bearing payables	13 571	37 672	26 844
Debts to suppliers	13 486	15 433	14 370
Other liabilities	5 847	2 821	3 967
Total current liabilities	32 904	55 926	45 181
Total liabilities	41 167	64 193	70 336
Total equity and liabilities	76 252	99 256	96 461

2. INCOME STATEMENT

	LTL thousand	
	I quarter 2009	I quarter 2008
Turnover	34 827	30 292
Production costs	(31 164)	(28 213)
Gross profit	3 663	2 079
Distribution costs	(166)	(309)
Administrative costs	(3 403)	(1 791)
Other operating income, net	216	234
Profit (loss) from operating activities	310	213
Financial income, net	(163)	(942)
Share of the associate's result	-	(1 186)
Profit (loss) before taxes	147	(1 915)
Income tax	(125)	-
Net annual profit (loss)	22	(1 915)
Earnings (loss) per share (in LTL)	0,01	(0,49)

3. STATEMENT OF CHANGES IN EQUITY

	LTL thousand				
	Share Capital	Legal reserve	Revaluation reserve	Accrued earnings	Total
Capital and reserves as of 31 December 2007	15 545	1 222	8 356	2 917	28 040
Replacement of the revaluation reserve	-	-	-	-	-
Dividends	-	-	-	-	-
Allocation to the legal reserve	-	-	-	-	-
Net profit (loss)	-	-	-	(1 915)	(1 915)
Capital and reserves as of 31 March 2008	15 545	1 222	8 356	1 002	26 125
Replacement of the revaluation reserve	-	-	(344)	344	-
Dividends	-	-	-	-	-
Allocation to the legal reserve	-	200	-	(200)	-
Net profit (loss)	-	-	-	8 938	8 938
Capital and reserves as of 31 December 2008	15 545	1 422	8 012	10 084	35 063
Replacement of the revaluation reserve	-	-	-	-	-
Dividends	-	-	-	-	-
Allocation to the legal reserve	-	-	-	-	-
Net profit (loss)	-	-	-	22	22
Capital and reserves as of 31 March 2009	15 545	1 422	8 012	10 106	35 085

4. CASH FLOW STATEMENT

	LTL thousand	
	31.03.2009	31.03.2008
Net profit (loss)	22	(1 915)
Adjustments:		
Depreciation and amortisation	1 645	1 808
Result on disposal, writing off, etc. of non - current tangible assets	-	(68)
Interest expenses (income)	108	-
Income tax expenses	125	-
Other financial (income) expenses	31	2 128
Cash flow from ordinary activities before changes in working capital	1 931	1 953
Changes in trade receivables and other amounts receivable	(617)	1 610
Changes in inventories	365	(682)
Changes in debts to suppliers and other liabilities	1 122	356
Cash flow from operating activities	2 801	3 237
Income tax paid	(80)	-
Cash flow from operating activities	2 721	3 237
(Acquisition) of tangible non - current assets	(219)	(264)
(Acquisition) of investments, net of cash acquired	-	-
Proceeds of sale of investment properties	-	-
Sale / writing of non - current tangible assets	-	27
Cash flows from investing activities	(219)	(237)
Loans granted / repayed	21 934	-
Loans received / repayed	(24 145)	(2 063)
Interest paid / received	(255)	(958)
Cash flows from financing activities, net	(2 466)	(3 021)
Cash flows from operating, investing and financing activities	36	(21)
Cash and cash equivalents as of 1 January 2009	18	61
Cash and cash equivalents as of 31 March 2009	54	40

5. EXPLANATORY NOTES

1 Summary of the basic accounting principles and practices

The public company Vilniaus baldai AB is a listed company in Lithuania.

The company manufactures furniture. As of 31 March 2009 the Group employed 538 people, Company employed 501 people (on 31 March 2008 Group employed 625 employees).

The Company's shares are traded on the Official List of the NASDAQ OMX Vilnius AB Stock Exchange.

Significant accounting policies

Financial statements were drawn up in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the interpretations of the Standard Interpretation Committee of the IASB, with are those followed in the preparation of the Group's and Company's annual financial statements for the year ended 31 December 2008, with the exception of the new standards become effective, and tailored:

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements (effective for financial years beginning on or after 1 January 2009). The amendment to IFRS 1 allows an entity to determine the 'cost' of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognised in the income statement in the separate financial statements. The new requirements affect only the parent's separate financial statements and do not have an impact on the consolidated financial statements.

Amendment to IFRS 2 Share-based Payment (effective for financial years beginning on or after 1 January 2009). The amendment clarifies the definition of a vesting condition and prescribes the treatment for an award that is effectively cancelled. The amendment will have no impact on the financial position or performance of the Group and the Company, as the Group and the Company do not have share-based payments.

IFRS 8 Operating Segments (effective for financial years beginning on or after 1 January 2009). The standard sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. IFRS 8 replaces IAS 14 *Segment Reporting*. The Group and the Company expect that the operating segments determined in accordance with IFRS 8 will not materially differ from the business segments previously identified under IAS 14.

Amendment to IAS 1 Presentation of Financial Statements (effective for financial years beginning on or after 1 January 2009). This amendment introduces a number of changes, including introduction of a new terminology, revised presentation of equity transactions and introduction of a new statement of comprehensive income as well as amended requirements related to the presentation of the financial statements when they are restated retrospectively.

Amendment to IAS 23 Borrowing Costs (effective for annual periods beginning on or after 1 January 2009). The revised standard eliminates the option of expensing all borrowing costs and requires borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. In accordance with the transitional requirements of the Standard, the Group and the Company will adopt this as a prospective change. Accordingly, borrowing costs will be capitalised on qualifying assets with a commencement date after 1 January 2009. No changes will be made for borrowing costs incurred to this date that have been expensed.

Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation (effective for financial years beginning on or after 1 January 2009). The revisions provide a limited scope exception for puttable instruments to be classified as equity if they fulfil a number of specified features. The amendments to the standards will have no impact on the financial position or performance of the Group and the Company, as the Group and the Company have not issued such instruments.

Improvements to IFRS

In May 2008 IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard; most of the changes are effective for financial years beginning on or after 1 January 2009. The Group and the Company anticipate that these amendments to standards will have no material effect on the financial statements.

- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.* Clarification that all of a subsidiary's assets and liabilities are classified as held for sale, even when the entity will retain a non-controlling interest in the subsidiary after the sale.
- *IFRS 7 Financial Instruments: Disclosures.* Removal of the reference to 'total interest income' as a component of finance costs.
- *IAS 1 Presentation of Financial Statements.* Assets and liabilities classified as held for trading in accordance with IAS 39 are not automatically classified as current in the balance sheet.
- *IAS 8 Accounting Policies, Change in Accounting Estimates and Errors.* Clarification that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.
- *IAS 10 Events after the Reporting Period.* Clarification that dividends declared after the end of the reporting period are not obligations.
- *IAS 16 Property, Plant and Equipment.* Items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Also, replaced the term "net selling price" with "fair value less costs to sell".
- *IAS 18 Revenue.* Replacement of the term 'direct costs' with 'transaction costs' as defined in IAS 39.
- *IAS 19 Employee Benefits.* Revised the definition of 'past service costs', 'return on plan assets' and 'short term' and 'other long-term' employee benefits. Amendments to plans that result in a reduction in benefits related to future services are accounted for as curtailment.
- *IAS 20 Accounting for Government Grants and Disclosures of Government Assistance.* Loans granted in the future with no or low interest rates will not be exempt from the requirement to impute interest. The difference between the amount received and the discounted amount is accounted for as government grant. Also, revised various terms used to be consistent with other IFRS.
- *IAS 23 Borrowing Costs.* The definition of borrowing costs is revised to consolidate the two types of items that are considered components of 'borrowing costs' into one – the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39.
- *IAS 27 Consolidated and Separate Financial Statements.* When a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.
- *IAS 28 Investment in Associates.* If an associate is accounted for at fair value in accordance with IAS 39, only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies. In addition, an investment in an associate is a single asset for the purpose of conducting the impairment test. Therefore, any impairment is not separately allocated to the goodwill included in the investment balance.

- *IAS 29 Financial Reporting in Hyperinflationary Economies.* Revised the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list. Also, revised various terms used to be consistent with other IFRS.
- *IAS 31 Interest in Joint ventures:* If a joint venture is accounted for at fair value, in accordance with IAS 39, only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expense will apply.
- *IAS 34 Interim Financial Reporting.* Earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.
- *IAS 36 Impairment of Assets.* When discounted cash flows are used to estimate 'fair value less cost to sell' additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'.
- *IAS 38 Intangible Assets.* Expenditure on advertising and promotional activities is recognised as an expense when the entity either has the right to access the goods or has received the service. The reference to there being rarely, if ever, persuasive evidence to support an amortisation method of intangible assets other than a straight-line method has been removed.
- *IAS 39 Financial Instruments: Recognition and Measurement.* Changes in circumstances relating to derivatives are not reclassifications and therefore may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Removed the reference in IAS 39 to a 'segment' when determining whether an instrument qualifies as a hedge. Require the use of the revised effective interest rate when remeasuring a debt instrument on the cessation of fair value hedge accounting.
- *IAS 40 Investment Property.* Revision of the scope such that property under construction or development for future use as an investment property is classified as investment property. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. Also, revised of the conditions for a voluntary change in accounting policy to be consistent with IAS 8 and clarified that the carrying amount of investment property held under lease is the valuation obtained increased by any recognised liability.
- *IAS 41 Agriculture.* Removed the reference to the use of a pre-tax discount rate to determine fair value. Removed the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Also, replaced the term 'point-of-sale costs' with 'costs to sell'.

IFRIC 13 Customer Loyalty Programmes (effective for financial years beginning on or after 1 July 2008). This interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credit and deferred over the period that the award credit is fulfilled. The Group and the Company do not maintain customer loyalty programmes, therefore, this interpretation will have no impact on the financial position or performance of the Group and the Company.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for financial years beginning on or after 1 January 2009). This interpretation specifies the conditions for recognising a net asset for a defined benefit pension plan. The Group and the Company do not have defined benefit plans, therefore, the interpretation will have no impact on the financial position or performance of the Group and the Company.

Basis for drawing up of the statements

The interim consolidated financial statements for the three months ended 31 March 2009 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's and Company's annual financial statements as at 31 December 2008.

In the financial statements all figures are provided in LTL thousand. The statements are drawn up applying the method of historical costs.

When drawing up the financial statements in accordance with the IFRS, the managers are required to make calculations and estimations to support the assumptions that have an impact on application of the accounting principles and on the amounts of assets and liabilities, income and costs. The calculations and related assumptions are based on historical experience and other factors that correspond to the present situation and on the basis of which conclusions concerning the carrying amount of assets and liabilities are made that cannot be decided on the basis of other sources. The actual amounts may differ from these assumptions.

The Company's accounting policies are consistent with those used in the previous years.

Amounts in foreign currencies are shown in the national currency

Transactions in foreign currencies are recorded in litas at the official exchange rate on the day of the transaction. Accounts receivable and payable and cash in foreign currencies are translated into litas at the exchange rate on the balance sheet day. The differences in the currency exchange rates that occur after the transactions are recorded in the Income Statement.

Balance Sheet

Non - current tangible assets

Non - current tangible assets, except buildings, are disclosed at acquisition or production cost, less accrued depreciation and impairment losses. The costs of internally developed assets include the costs of materials, direct labour costs and respective indirect production costs.

The value of buildings is disclosed at revaluation cost less accrued depreciation and impairment losses. Revaluation of buildings is performed every five years.

The costs suffered in an attempt to replace an element of tangible assets that is recorded separately, including costs of major repairs, undergo capitalisation. Other costs are capitalized only if they increase the expected economic benefit receivable from those assets. All other costs related to these assets are recorded in the Income Statement when incurred. Depreciation (amortization) of the non-current tangible assets is calculated on a straight – line basis over the estimated useful life of the assets and disclosed in the Income Statement, while its major elements are recorded separately.

The projected useful economic life of the assets is as follows:

– buildings	40 years
– non - current tangible assets	6 – 10 years
– vehicles	5 – 10 years
– other assets	2 – 6 years

Non - current intangible assets

Non-current intangible assets that consist of the acquired software are recorded at actual acquisition or production cost, less accrued amortisation. Amortization is calculated on a straight – line basis over a period of 3 years.

Trade debtors and other accounts receivable

Trade debtors and other accounts receivable are disclosed at costs after the deduction of the provisions for potential losses.

Inventories

Raw materials are recorded at the acquisition cost or at net realizable value, whichever are lower, less provisions for slow - turnover and outdated inventory items.

Construction in progress is disclosed at costs that include the purchase price of raw materials and assembling units, direct labour costs and related indirect production costs.

Completed products are disclosed at the standard sales price adjusted by an estimated average margin.

When calculating the costs the FIFO method is applied.

Cash and cash equivalents

For the purposes of this Cash Flow Statement, cash and cash equivalents include cash on hand and demand deposits.

Impairment

The carrying amount of the Company's assets, excluding inventories and the deferred tax assets is tested at each balance sheet date for impairment when changes in circumstances indicate that the carrying amount may not be recoverable.

If any such indication exists, the recoverable amount of the assets is tested. The recoverable amount of the intangible assets not yet used is tested at each balance sheet date. Where the carrying amount of the asset exceeds the estimated recoverable amount, the impairment losses are recognized in the Income statement.

Calculation of the recoverable amount

The recoverable amount is its fair value less costs to sell or its value in use, whichever is higher. The asset value in use is calculated by discounting future cash flows to their present value applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Dividend

Dividends are recorded as a liability in the period they are announced.

Amounts carrying interest

The amounts carrying interest are disclosed at nominal value, less the costs of related transactions. After the initial recognition, the amounts carrying interest are recorded at amortized value, showing the difference between the nominal and amortized value in the Income Statement during the lifetime of the liability in accordance with the effective interest rates.

Income Statement

Income

Income from sales is recognised in the Income Statement when the material risk and benefit in relation to title has been accepted by the customer. Income from services is recognised in the Income Statement if they were rendered before the balance sheet date. Income is not recognized if there are doubts concerning recovery of the transaction amounts or related costs or there is a probability that the goods will be returned.

Production costs

Production costs cover direct and indirect costs related to income from the sales of the year, including depreciation and remuneration. The costs of imported products include acquisition costs and transportation costs related to the sales of the year.

Income tax for the reporting year

The income tax includes current and deferred taxes. Income tax is recorded in the Income Statement, except those instances when it is related to items directly recorded in shareholders' equity, in which case it is recorded in shareholders' equity.

The current income tax is the actual tax calculated on the annual taxable income, applying tax rates effective and applicable at the balance sheet date, including adjustments to tax amounts in the previous year, if any.

The deferred tax is calculated using the liability method of net positive timing differences between accounting and taxation balance sheet values of assets and liabilities. The deferred tax amount depends on the projected use of the assets and coverage of the liabilities in the future and projected tax rates at the balance sheet date.

Deferred tax allowances are recognized as an asset in the balance sheet to the extent that they are considered capable of being realized in the future. The deferred tax asset is discounted to the amount to be realized.

Segment reporting

A segment is a significant part of the enterprise business, based on the products supplied or services rendered (business segment) or on the supply of products/ rendering of services within a particular economic environment that is subject to risks and returns particular for that economic environment.

Cash Flow Statement

The cash flow statement shows inflow and outflow of cash during the reporting period and the financial status at the end of the year. The cash flows are classified according to three main types of activities, namely, operating, investing and financing activities.

In the Cash Flow Statement the operating cash flows are recorded using the indirect method, i.e. on the basis of income and costs as recorded in the Income Statement.

Cash and cash equivalents comprise cash at bank and on hand together with short -term securities recorded in current assets.

Cash flows from operating activities are recorded as a net profit or loss adjusted for the effects of non - cash transactions, changes in working capital, financial and extraordinary items, less income tax paid.

Working capital includes current assets, except those recorded in cash and cash equivalents, and current liabilities, except loans, taxes and dividends. Cash at bank and on hand together with short - term securities recorded in current assets are not included.

Cash flows from investing comprise increase and decrease in non - current assets. The increase is shown as costs. The decrease is recorded as the sales costs after deduction of the expenses.

Cash flows from financing activities include cash received from and paid to the shareholders, loans received and repaid, and long - term and short - term liabilities, not included into the working capital.

2 Segment reporting

The Company's single business segment (the basis for the primary segment report format) pertains to furniture manufacturing. Information about the segments is provided with regard to the Company's geographical segments (the secondary segment report format).

Income and all assets according to geographical segments:

	Sales		Total assets	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
	LTL thousand	LTL thousand	LTL thousand	LTL thousand
Lithuania	56	274	76 252	96 461
Other European countries	24 160	18 006	-	-
Other countries	10 611	12 012	-	-
	<u>34 827</u>	<u>30 292</u>	<u>76 252</u>	<u>96 461</u>

3 Distribution costs

	31.03.2009	31.03.2008
	LTL thousand	LTL thousand
Remuneration and social insurance	88	234
Depreciation	31	37
Export costs (transportation)	28	18
Advertising	-	2
Other	19	18
	<u>166</u>	<u>309</u>

4 Administrative costs

	31.03.2009	31.03.2008
	LTL thousand	LTL thousand
Remuneration and social insurance	774	748
Depreciation and amortization	145	146
Operation taxes expenses	83	117
Utilities and communication	57	153
Insurance	42	31
Bank services	34	14
Business trips	20	19
Repairs and maintenance costs	17	160
Employee training and other	5	3
Professional services	4	7
Other	2 222	393
	<u>3 403</u>	<u>1 791</u>

5 Income from ancillary activities, net

	31.03.2009	31.03.2008
	LTL thousand	LTL thousand
Rent income	214	273
Other income and losses	2	(39)
	<u>216</u>	<u>234</u>

6 Financial income, net

	31.03.2009	31.03.2008
	LTL thousand	LTL thousand
Bank loan interest costs	(108)	(915)
Currency exchange profit, less loss	(31)	(21)
Other income and losses	(24)	(6)
	<u>(163)</u>	<u>(942)</u>

7 Personnel costs

	31.03.2009	31.03.2008
	LTL thousand	LTL thousand
Production and product development costs	4 635	4 590
Sales, administrative and other costs	862	1 021
	<u>5 497</u>	<u>25 552</u>
	<u>5 497</u>	<u>5 611</u>

8 Earnings per share

The basic portion of earnings per share is computed by dividing net shareholders' earnings by the weighted average number of common shares outstanding during the year.

	31.03.2009	31.03.2008
	LTL thousand	LTL thousand
Net annual profit (loss)	22	(1 915)
Weighted average number of the shares (thousand)	3 886	3 886
Earnings per share (LTL)	<u>0,01</u>	<u>(0,49)</u>

The Company has issued no other securities that could be potentially converted into common shares. The earnings per share and the earnings per potentially convertible share is the same.

9 Non - current tangible assets

LTL thousand	Buildings	Machinery and equipment	Vehicles	Other non - current assets	Construction in progress	Total
Costs as of 1 January	32 778	59 631	133	2 987	-	95 529
Increase	-	194	-	20	-	214
Sales	-	-	-	-	-	-
Writing off	-	(5)	-	(10)	-	(15)
Regrouping	-	-	-	-	-	-
Costs as of 31 March	32 778	59 820	133	2 997	-	95 728
Depreciation as of 1 January	11 332	36 458	72	2 158	-	50 020
Depreciation during first quarter of the year	260	1 257	3	73	-	1 593
Sales	-	-	-	-	-	-
Writing off	-	(5)	-	(10)	-	(15)
Regrouping	-	-	-	-	-	-
Depreciation as of 31 March	11 592	37 710	75	2 221	-	51 598
Net carrying value as of 31 March	21 186	22 110	58	776	-	44 130
Net carrying value as of 1 January	21 446	23 173	61	829	-	45 509
Depreciation period	40 years	6 - 10 years	5 – 10 years	2 – 6 years		

Depreciation was broken down as follows:

	31.03.2009	31.03.2008
	LTL thousand	LTL thousand
Production and product development costs	1 472	1 618
Sales, administrative and other costs	121	131
Total	1 593	1 749

10 Investments

	31.03.2009	31.12.2008
	LTL thousand	LTL thousand
Other	2	2
	2	2

11 Inventories

	31.03.2009	31.12.2008
	LTL thousand	LTL thousand
Raw materials	5 405	7 119
Production in progress	2 007	2 173
Finished products	4 690	3 175
	<u>12 102</u>	<u>12 467</u>

Raw materials include wood, fittings and accessories, plastic elements, chemicals and other materials used in production.

12 Other accounts receivable

	31.03.2009	31.12.2008
	LTL thousand	LTL thousand
Loans granted	6 797	28 732
Advance income tax	80	-
Amounts receivable from the state (VAT recoverable)	1 481	1 227
Other amounts receivable and future costs	361	497
	<u>8 719</u>	<u>30 456</u>

Granted loans

As of 31 December 2008 the Company's balance of loans granted by Invalda AB was 28 732 thousand LTL. During period 2009 January - March Invalda AB returned 23 345 thousand LTL loans and an additional signed loan contracts with the Company 1 410 thousand LTL.

13 Cash and cash equivalents

	31.03.2009	31.12.2008
	LTL thousand	LTL thousand
Cash in banks	47	14
Cash on hand	7	4
	<u>54</u>	<u>18</u>

14 Capital and reserves

Share capital

The share capital is made up of 3 886 267 common shares of the nominal value of LTL 4, while the total value of the share capital amounts to LTL 15 545 068.

Legal reserve

The reserve of 1 422 thousand LTL is the legal reserve made under the laws of the Republic of Lithuania. An allocation of at least 5% of the net profit must be made into the legal reserve out of the profit to be appropriated every year until the legal reserve reaches 10% of the authorized capital.

15 Loans and other borrowings, secured with pledged assets

	31.03.2009	31.12.2008
	LTL thousand	LTL thousand
Non - current liabilities		
Long - term loan	6 261	6 261
Net carrying value as end of period	6 261	6 261
Short - term liabilities, secured with pledged assets		
Current portion of loans	1 878	14 623
Other current borrowings (including credit line)	11 693	23 049
Net carrying value as end of period	13 571	37 672
	19 832	43 933

	Maturity term	31.03.2009	31.12.2008
		LTL thousand	LTL thousand
Current borrowings			
Credit line in Danske Bank A/S Lithuania branch	25.02.2010	11 693	11 115
Loan to Invalda AB	21.01.2009	-	11 934
Non - current borrowings			
Credit in Danske Bank A/S Lithuania branch	01.07.2012	8 139	20 884

Schedule of payment for financial liabilities, secured with pledged assets:

LTL thousand	Total amount payable as of 31 March 2009	2009 04 – 12 month's	2010	2011-2012
Loan of EUR 6 178 thousand	8 139	1 878	2 504	3 757
Used credit	11 693	-	11 693	-
Total	19 832	1 878	14 197	3 757

16 Other creditors

	31.03.2009	31.12.2008
LTL thousand	LTL thousand	LTL thousand
Holiday pay reserve	1 124	1 124
Remuneration	1 556	446
Operating taxes	22	-
Income tax liability	887	764
Other accounts payable and accrued taxes	2 258	487
	5 847	2 821

Currency risk

The Company's exposure to the currency risk when selling, purchasing and borrowing in foreign currencies, except EUR is mostly related to the SEK.

Accounts receivable and payable in foreign currencies as of 31 March 2009 may be broken down as follows:

LTL thousand	EUR	USD	SEK	Other
Loans granted	6 797	-	-	-
Trade receivables	36	-	-	-
Borrowings	(19 832)	-	-	-
Debts to suppliers	(4 240)	(30)	(1 031)	(7)
	(17 239)	(30)	(1 031)	(7)

Interest risk

Euribor related floating interest rates are applied to the loans extended to the Company.

As of 31 March 2009 the Company used no financial instruments as interest risk hedging.

17 Related party transactions

31.03.2009	<u>Purchases</u>	<u>Sales</u>	<u>Receivables</u>	<u>Payables</u>
	LTL thousand	LTL thousand	LTL thousand	LTL thousand
AB Invalda	65	258	6 947	-
UAB Invalda nekilnojamojo turto valdymas	33	84	70	-
UAB Invalda service	39	-	-	1
AB bankas Finasta	-	-	-	89
AB FMI Finasta	11	-	-	4
UAB Baltic Amadeus infrastruktūros paslaugos	9	-	-	-
UAB Informatikos pasaulis	133	-	-	-
	<u>290</u>	<u>342</u>	<u>7 017</u>	<u>94</u>

31.03.2008	<u>Purchases</u>	<u>Sales</u>	<u>Receivables</u>	<u>Payables</u>
	LTL thousand	LTL thousand	LTL thousand	LTL thousand
AB Invalda	283	-	-	12 030
UAB Invalda nekilnojamojo turto valdymas	36	126	125	10
UAB Invalda service	271	-	-	296
AB FMI Finasta	4	-	-	3
UAB Giriu bizonas	5 357	-	-	2 098
	<u>5 951</u>	<u>126</u>	<u>125</u>	<u>14 437</u>