

**JSC “KLAIPEDOS BALDAI”  
INTERMEDIATE FINANCIAL REPORTING  
MARCH 31, 2007**

## JSC "KLAIPEDOS BALDAI"

Company code: 140656052, Joniskes St., 21, Klaipeda

## PROFIT (LOSS) REPORT

March 31, 2007

Prepared in accordance with TFAS

(in thousands litas)

#	Accounts		January-March 2007	January-March 2006
I.	SALE INCOME		36 168	27 794
II.	SALE PRIME COSTS		(34 762)	(26 014)
III.	TOTAL PROFIT (LOSS)		1 406	1 780
IV.	ACTIVITY EXPENSES		(892)	(1 126)
IV.1.	Sale		(5)	(4)
IV.2.	General and administrative		(887)	(1 122)
V.	PROFIT (LOSS) OF TYPICAL ACTIVITY		514	654
VI.	OTHER ACTIVITY		73	60
VI.1.	Income		300	238
VI.2.	Expenditures		(227)	(178)
VII.	FINANCIAL AND INVESTMENT ACTIVITY		(305)	(82)
VII.1.	Income		79	96
VII.2.	Expenditures		(384)	(178)
VIII.	INCOME OF (LOSS) ORDINARY ACTIVITY		282	632
IX.	WINDFALL PROFITS		-	-
X.	LOSSES		-	-
XIII.	PROFIT (LOSS) BEFORE TAXES		282	632
XIV.	PROFIT TAX			(95)
XV.	NET PROFIT (LOSS)		282	537

Director


 Eimuntas Jankauskas

JSC "KLAIPEDOS BALDAI"  
 Company code: 140656052, Joniskes St., 21, Klaipeda  
 BALANCE  
 March 31, 2007

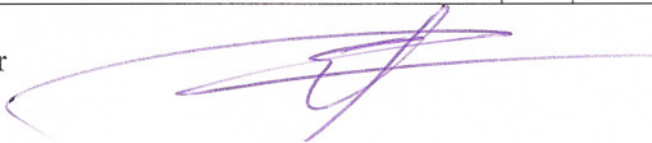
(Thousands litas)

#	Accounts	Reporting period	Previous reporting period
A.	LONG-TERM ASSETS	55 389	56 784
I.	INTANGIBLE ASSETS	394	488
I.1.	Patents, licenses	84	107
I.2.	Programming equipment	310	381
I.3.	Other intangible assets	-	-
II.	TANGIBLE ASSETS	52 345	53 635
II.1.	Land	-	-
II.2.	Buildings and constructions	33 660	34 239
II.3.	Machinery and equipment	17 948	18 986
II.4.	Transportation means	282	299
II.5.	Other equipment, devices, instruments and units	62	74
II.6.	Construction in progress	363	
II.7.	Other tangible assets	30	37
III.	FINANCIAL ASSETS	2 650	2 661
III.1.	Investments in affiliate and associated companies	22	22
III.2.	Credits to associated and affiliate companies	-	-
III.3.	Accounts receivable in one year	2 340	2 351
III.4.	Other financial assets	288	288
B.	SHORT-TERM ASSETS	38 716	36 376
I.	STOCK, ADVANCE PAYMENTS AND CONTRACTS IN PROGRESS	15 429	16 054
I.1.	Stock	14 544	15 026
I.1.1.	Raw materials and component parts	6 883	6 580
I.1.2.	Production in process	2 199	2 221
I.1.3.	Produced products	5 542	6 225
I.2.	Advance payments	885	1 028
I.3.	Contracts in process	-	-
II.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR	23 260	19 880
II.1.	Buyers' debts	19 257	15 566
II.2.	Debts of affiliate and associated companies	-	-
II.3.	Other accounts receivable	4 003	4 314
III.	OTHER SHORT-TERM ASSETS	-	-
III.1.	Short-term investments	-	-
III.2.	Time deposits	-	-
III.3.	Other short-term assets	-	-
IV.	MONEY AND MONEY EQUIVALENTS	27	442
	TOTAL ASSETS:	94 105	93 160

BALANCE (continued)  
March 31, 2007

#	Accounts	Reporting period	Previous reporting period
C.	EQUITY CAPITAL	56 644	56 363
I.	CAPITAL	8 166	8 166
I.1.	Statutory (subscribed)	8 166	8 166
II.	REEVALUATION RESERVE (RESULTS)	12 365	12 668
III.	RESERVES	8 515	8 515
III.1.	Obligatory	817	817
III.3.	Other reserves	7 698	7 698
IV.	UNDISTRIBUTED PROFITS (LOSS)	27 598	27 014
IV.1.	Profit (loss) of the reporting year	282	3 031
IV.2.	Profit (loss) of the previous year	27 316	23 983
D.	DOTATIONS, SUBSIDIES	-	-
E.	ACCOUNTS PAYABLE AND LIABILITIES	37 461	36 797
I.	ACCOUNTS PAYABLE IN ONE YEAR AND LONG-TERM LIABILITIES	11 776	11 092
I.1.	Financial debts	9 001	8 103
I.1.1.	Leasing (financial rent) and similar liabilities	3 152	3 446
I.1.2.	To credit institutions	5 849	4 658
I.1.3.	Other financial debts	-	-
I.2.	Debts to providers		
I.3.	Received advanced payments	-	-
I.4.	Provisions	-	-
I.4.1.	To cover liabilities and demands	-	-
I.4.2.	Other provisions	-	-
I.5.	Deferred taxes	2 775	2 775
I.6.	Other accounts payable and long-term liabilities		214
II.	ACCOUNTS PAYABLE WITHIN ONE YEAR AND SHORT-TERM LIABILITIES	25 685	25 705
II.1.	The current year part of long-term debts	1 564	2 234
II.2.	Financial debts	19 156	18 749
II.2.1.	To credit institutions	19 156	18 749
II.2.2.	Other debts	-	-
II.3.	Debts to providers	1 212	1 291
II.4.	Received advanced payments		17
II.5.	Profit tax liabilities	-	-
II.6.	Liabilities connected with labor relations	2 114	1 912
II.7.	Provisions	-	-
II.8.	Other accounts payable and short-term liabilities	1 639	1 502
	TOTAL EQUITY CAPITAL AND LIABILITIES	94 105	93 160

Director



Eimuntas Jankauskas

Report on changes of equity capital

March 31, 2007

(Thousands litas)

	Share capital	Reevaluation reserve	Reserves set forth by law	Other reserves	Undistributed profit	Total
Balance as of January 1, 2006	8 166	5 792	817	7 698	23 121	45 594
Used reserves	-	(93)	-	-	93	-
Net profit	-	-	-	-	537	537
Balance as of March 31, 2006	8 166	5 699	817	7 698	23 751	46 131
The year finished on December 31, 2006						
Balance as of January 1, 2006	8 166	5 792	817	7 698	23 121	45 594
Used reserves	-	(862)	-	-	862	-
Reevaluation of buildings	-	9 103	-	-		9 103
Recognition of deferred profit tax liabilities		(1 365)				(1 365)
Net profit					3 031	3 031
Balance as of December 31, 2006	8 166	12 668	817	7 698	27 014	56 363
Used reserves	-	(303)	-	-	303	
Net profit (loss)	-	-	-	-	282	282
Balance as of March 31, 2007	8 166	12 365	817	7 698	27 598	56 644

Director

Eimuntas Jankauskas

JSC "KLAIPEDOS BALDAI"  
 FINANCIAL REPORTING  
 March 31, 2007

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

Cash flows report	Thousands litas	
	March 31, 2006	March 31, 2007
Cash flows in thousands LTL		
Cash flows from ordinary activity		
Net result	537	282
Corrections adjusting net profit with cash flows from ordinary activity	-	-
Corrections	-	-
Wear and amortization	1320	1810
Value decrease	75	-
Written-off sums	5	-
Elimination of profit (loss) from sale of long-term assets	(26)	(2)
Elimination of results of connected companies and minority part	-	-
	1911	2090
Changes of short-term assets and short-term liabilities	-	-
Decrease (increase) of buyers' debts	(2241)	(3691)
Decrease (increase) of other accounts receivable within one year	(26)	6
Decrease (increase) of stock	1616	483
Decrease (increase) of advance payments	(1884)	(17)
Decrease (increase) of accumulated income and expenditures of future periods	(339)	161
Increase (decrease) of short-term debts to providers	(694)	(80)
Increase (decrease) of provisions and deferred taxes	-	-
Increase (decrease) of accumulated expenditures and income of future periods	565	140
Sums received in advance under signed contracts	(213)	(17)
Taxes, salaries and social insurance	166	201
Increase (decrease) of other payable sums and short-term liabilities	(3)	(3)
Net cash flows from ordinary activity	(1142)	(727)
	-	-
Acquisition of long-term assets by net value	(238)	(424)
Changes of share capital	-	-
Acquisition (sale) of long-term financial assets	-	-
Net cash flows (used) for investment activity	(238)	(424)
	-	-
Changes of long-term financial debts	802	(10616)
Changes of other accounts payable and long-term liabilities	(60)	(246)
Changes of accounts receivable in one year	603	620
Changes of short-term financial debts	-	11599
Changes of investments and time deposits	-	-
Net cash flows (used) for financial activity	1345	736
	-	-
Increase (decrease) of money and its equivalents	(35)	(415)
	-	-
Money and its equivalents in the beginning of the period	896	442
	-	-
Money and its equivalents in the end of the period	861	27

Director

Eimuntas Jankauskas

## Long-term tangible assets (Lt)

AB "Klaipėdos baldai"  
Company code 140656052  
The 31st of March, 2007

	Land and buildings	Buildings	Vehicles	Machinery and equipment, equipment of computers and organiz.	Redemption rent rights	Other tangible assets	Unfinished construction	Paying in advance	Total
<b>a) Acquisition value at the end of previous financial year</b>	26.176	1.595	1.000	30.678	10.937	502	0	0	70.888
<b>a) Changes of current year</b>	0	19	0	-5	0	-10	0	361	366
.Acquisitions of asset	0	19	0	46	0	0	0	361	427
.Assigned and unused asset(-)	0	0	0	-51	0	-10	0	0	-61
.Transcriptions from one article to another +/-(-)	0	0	0	0	0	0	0	0	0
<b>a) Acquisition value at the end of current year</b>	26.176	1.614	1.000	30.673	10.937	492	0	361	71.254
<b>b) Reappraisal at the end of previous financial years</b>	16.413	100	0	0	0	0	0	0	16.514
<b>b) Changes of current year</b>	0	0	0	0	0	0	0	0	0
.of increase of value	0	0	0	0	0	0	0	0	0
.of assigned asset to the third parties (-)	0	0	0	0	0	0	0	0	0
.of write-offs (-)	0	0	0	0	0	0	0	0	0
.Transcriptions from one article to another +/-(-)	0	0	0	0	0	0	0	0	0
<b>b) Reappraisal at the end of current year</b>	16.413	100	0	0	0	0	0	0	16.514
<b>c) Written-off sums and depreciation (-)</b>	8.717	1.329	804	19.944	2.508	465	0	0	33.766
c) Written-off sums and depreciation (-) (Deprec.)	8.695	1.324	804	19.944	2.508	465	0	0	33.740
c) Written-off sums and depreciation (-) (Reduction of value)	22	5	0	0	0	0	0	0	27
<b>c) Changes of current year</b>	572	26	10	643	408	-3	0	0	1.656
.Increases	572	26	10	693	408	7	0	0	1.716
.Restored records (-)	0	0	0	0	0	0	0	0	0
.of assigned asset to the third parties (-)	0	0	0	-50	0	0	0	0	-50
.of write-offs (-)	0	0	0	0	0	-10	0	0	-10
.Transcriptions from one article to another +/-(-)	0	0	0	0	0	0	0	0	0
.Moratoriums for asset, which is used little+/-(-)	0	0	0	0	0	0	0	0	0
<b>c) Written-off sums and depreciation (-) At the end of current year</b>	9.289	1.355	814	20.587	2.916	462	0	0	35.422
<b>d) Net value at the end of current year</b>	33.300	360	186	10.086	8.021	30	0	361	52.345

## Long-term tangible assets (Lt)

AB "Klaipėdos baldai"  
 Company code 140656052  
 The 31st of March, 2007

	Land and buildings	Buildings	Vehicles	Machinery and equipment, equipment of computers and organiz.	Redemption rent rights	Other tangible assets	Unfinished construction	Paying in advance	Total
<b>a) Acquisition value at the end of previous financial year</b>	26.176	1.595	1.000	30.678	10.937	502	0	0	70.888
<b>a) Changes of current year</b>	0	19	0	-5	0	-10	0	361	366
.Acquisitions of asset	0	19	0	46	0	0	0	361	427
.Assigned and unused asset(-)	0	0	0	-51	0	-10	0	0	-61
.Transcriptions from one article to another +/-(-)	0	0	0	0	0	0	0	0	0
<b>a) Acquisition value at the end of current year</b>	26.176	1.614	1.000	30.673	10.937	492	0	361	71.254
<b>b) Reappraisal at the end of previous financial years</b>	16.413	100	0	0	0	0	0	0	16.514
<b>b) Changes of current year</b>	0	0	0	0	0	0	0	0	0
.of increase of value	0	0	0	0	0	0	0	0	0
.of assigned asset to the third parties (-)	0	0	0	0	0	0	0	0	0
.of write-offs (-)	0	0	0	0	0	0	0	0	0
.Transcriptions from one article to another +/-(-)	0	0	0	0	0	0	0	0	0
<b>b) Reappraisal at the end of current year</b>	16.413	100	0	0	0	0	0	0	16.514
<b>c) Written-off sums and depreciation (-)</b>	8.717	1.329	804	19.944	2.508	465	0	0	33.766
c) Written-off sums and depreciation (-) (Deprec.)	8.695	1.324	804	19.944	2.508	465	0	0	33.740
c) Written-off sums and depreciation (-) (Reduction of value)	22	5	0	0	0	0	0	0	27
<b>c) Changes of current year</b>	572	26	10	643	408	-3	0	0	1.656
.Increases	572	26	10	693	408	7	0	0	1.716
.Restored records (-)	0	0	0	0	0	0	0	0	0
.of assigned asset to the third parties (-)	0	0	0	-50	0	0	0	0	-50
.of write-offs (-)	0	0	0	0	0	-10	0	0	-10
.Transcriptions from one article to another +/-(-)	0	0	0	0	0	0	0	0	0
.Moratoriums for asset, which is used little+/-(-)	0	0	0	0	0	0	0	0	0
<b>c) Written-off sums and depreciation (-) At the end of current year</b>	9.289	1.355	814	20.587	2.916	462	0	0	35.422
<b>d) Net value at the end of current year</b>	33.300	360	186	10.086	8.021	30	0	361	52.345



Long-term intangible assets (LTL)

Name:  
Address:  
Company code

JSC "Klaipėdos baldai"  
Juoniskes St., 21, Klaipėda, Lithuania  
140656052

March 31, 2007

(thousands LTL)

	Research and development works	Program equipment	Prestige	Advance payments
a) ACQUISITION VALUE In the end of the previous year		1.302	0	0
a) Changes of current year			0	0
Acquisition of assets			0	0
Transferred and unused assets (-)			0	0
Rewritings from one account into another +/-(-)		-		
a) ACQUISITION VALUE In the end of the current year		1.302	0	0
b) WRITTEN OFF SUMS AND WEAR (-)		814		
b) WRITTEN OFF SUMS AND WEAR (-) (OrdDep)		814		
b) WRITTEN OFF SUMS AND WEAR (-) (Imp)				
b) Changes of the current year				
Increases		94		
Restoring entries (-)				
Assets transferred to the third persons				
Written off assets (-)				
Rewritings from on account to another +/-(-)		-		
Provisions for little used assets +/-(-)				
b) WRITTEN OFF SUMS AND WEAR (-) in the end of the current year		908		
c) NET VALUE IN THE END OF THE CURRENT YEAR		394		0

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

## 1. General information

JSC "Klaipėdos baldai" (further – the Company) is registered as a joint-stock company on March 3, 1993. The Company's registration # AB 93-59. The Company's office address is:

Joniskės St., 21, LT-91267 Klaipėda  
Lithuania

On March 31, 2007, the Company's shareholders were:

	Number of shares, pcs.	Share of the share capital, %
JSC "SBA furniture group"	5 508 441	67,45
Hansabank	539 888	6,61
Association Industry and Marketing Business center	262 374	3,21
Virgilijus Rancys	400 000	4,90
"Skandinaviska Enskilda Banken"	207 139	2,54
Other shareholders	1 248 470	15,29
Total	8 166 312	100

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

During the 3 months of the year 2007 average number of the Company's employees was 659 (in 2006 – 715).

### Information about segments

From May, 2004, the Company has been carrying on its activity in one business segment – furniture production, and in one geographic segment – in Lithuania. The Company's basic activity is production of furniture. During the 1<sup>st</sup> quarter of the year 2007 98,6 per cent of all the Company's sales were done to its affiliated party JSC "SBA baldų kompanija".

### Sale cost

	3 months of 2007	3 months of 2006
Raw materials	27 031	18 544
Salary and social insurance	5 187	5 108
Wear and tear	1 475	1 043
Utilities	786	552
Repairs	151	184
Other	132	583
	34 762	26 014

## JSC "KLAIPEDOS BALDAI"

## FINANCIAL REPORTING

March 31, 2007

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

Sale and distribution expenditures	3 months of 2007	3 month of 2006
Advertising	5	4
Salary and social insurance of sales personnel	-	-
Other expenditures	-	-
	<u>5</u>	<u>4</u>
General and administrative expenses	3 months of 2007	3 month of 2006
Salary and social insurance	182	1 399
Communication and informational technologies expenses	86	119
Taxes, except for profit tax	47	106
Wear and amortization	173	145
Consulting, audit, training, accounting services	100	-
Association fees and decrease of value	75	59
Security expenses	44	40
Writing off of stock and decrease of value	-	75
Materials and operation expenses	31	47
Business travel expenses	13	19
Written off long-term tangible assets	-	-
Other	136	166
	<u>887</u>	<u>1 122</u>
Income of another activity	3 months of 2007	3 month of 2006
Rent income	143	131
Income from resorts	16	9
Profit from sale of long-term tangible assets	2	26
Other	139	45
	<u>300</u>	<u>238</u>
Expenditures of another activity	3 months of 2007	3 month of 2006
Expenditures of resort	(139)	(94)
Rent expenditures	(88)	(84)
Other	-	-
	<u>(227)</u>	<u>(178)</u>
Income of financial activity	3 months of 2007	3 month of 2006
Income from interest	79	69

Income from dividends	-	27
Other	-	-
	<u>79</u>	<u>96</u>

JSC "KLAIPEDOS BALDAI"  
FINANCIAL REPORTING  
March 31, 2007

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

Expenditures of financial activity	3 months of 2007	3 month of 2006
Interest expenditures	(372)	(178)
Other	(12)	-
	<u>(384)</u>	<u>(178)</u>

Investments in associated and affiliate companies	3 months of 2007	3 month of 2006
In the beginning of the year	22	22
Contributions of shareholders to cover losses		
Sale of affiliate company – cost		
Minus decrease of value	-	-
Sale of affiliate company – contribution of shareholders to cover losses	-	-
	<u>22</u>	<u>22</u>

To sell owned investments	3 months of 2007	3 month of 2006
In the beginning of the year	288	210
Acquisitions	-	-
Restoration of decrease of value	-	(78)
Transfers	-	-
Balance in the end of the period	<u>288</u>	<u>210</u>
Long-term	288	210
Short-term	-	-
	<u>288</u>	<u>210</u>

Long-term receivable accounts	3 months of 2007	3 month of 2006
Long-term share of credits granted to affiliated parties	2 339	2 947
Credits granted to employees	1	25
	<u>2 340</u>	<u>2 972</u>

Stock	3 months of 2007	3 month of 2006
-------	------------------	--------------------

Raw materials	7 077	4 472
Construction in process	2 117	1 690
Produced products and goods meant for resale	5 542	2 846
Reduction in price to the net value of possible realization	(195)	(516)
	<u>14 544</u>	<u>8 492</u>

As of March 31, 2007, the Company has mortgaged stock 10 000 thousand LTL of value in order to guarantee payment of credit.

JSC "KLAIPEDOS BALDAI"

FINANCIAL REPORTING

March 31, 2007

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

Accounts receivable, advanced payments and expenditures of future period	3 months of 2007	3 month of 2006
Accounts receivable from affiliated parties, including short-term share of long-term debts	23 007	16 671
Accounts receivable from trade	175	226
Receivable VAT	-	-
Profit tax paid in advance	681	1 039
Short-term share of credits granted to employees	78	85
Advanced payments and expenditures of future period	204	2 474
Other receivable accounts	-	2
Decrease of value of bad accounts receivable	-	-
	<u>24 145</u>	<u>20 497</u>

#### Money and money equivalents

	3 months of 2007	3 month of 2006
Money at the bank	9	854
Money in cash	18	7
	<u>27</u>	<u>861</u>

#### Share capital

As of March 31, 2007, the share capital consisted of 8 166 312 ordinary registered shares, each of nominal value 1 LTL. All the shares are fully paid. During the 1<sup>st</sup> quarter of the year 2007 there were no changes of share capital.

#### Reserves

	3 months of 2007	3 month of 2006
Reserves:		
- reevaluation reserve	12 365	5 699
- reserve presupposed by law	817	817
- other reserves	7 698	7 698
	<u>20 880</u>	<u>14 214</u>

#### Credits

	3 months of 2007	3 month of 2006
Short-term credits		
Short-term bank credits	16 569	7 372
Short-term share of long-term credits received from banks and non-financial institutions	2 587	3 180
Leasing liabilities	1 564	1 240
	<hr/> 20 720	<hr/> 11 792

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

	3 months of 2007	3 month of 2006
Long-term credits		
Long-term credits received from banks and non-financial institutions	5 849	6 364
Leasing liabilities	3 152	1 144
	<u>9 001</u>	<u>7 508</u>
Total credits	<u>29 721</u>	<u>19 300</u>

## Trade and other payable sums

	3 months of 2007	3 month of 2006
Trade payable sums	1 169	1 270
Sums payable to affiliated parties	43	32
Taxes	825	777
Salary and social insurance payable	1 289	1 188
Sums received in advance	-	311
Vacation reserve	1 571	1 321
Other payable sums and accumulated expenditures	68	349
	<u>4 965</u>	<u>5 248</u>

## Unspecified liabilities

## Guarantees and warranties given

The Company has concluded warranty contracts with JSC DnB Nord bank, JSC bank "Snoras", "Bayerische Hypo-und WEREINSBANK" and JSC bank "Hansabankas" under which it warrants with all its assets for financial liabilities of JSC "SBA Furniture Group" and JSC "SBA baldu kompanija" to the mentioned banks.

The Company's management is sure that JSC "SBA Furniture Group" and JSC "SBA baldu kompanija" shall fulfill their obligations to the banks and other creditors.

Besides, the Company has an obligation to JSC "VB lizingas" to repurchase equipment rented from JSC "VB lizingas" by JSC "Akmėna" for 108 thousand Euro should the rent contract between JSC "VB lizingas" and JSC "Akmėna" be terminated before it expires.

## Liabilities

Guided by the contract concluded on October 2, 2002, with Klaipėda city municipality, the Company in exchange for the right to expand its production facilities undertook to finance various municipality projects total preliminary expenses of which amount to 1 100 thousand LTL. In the 1<sup>st</sup> quarter of the year 2007 the Company has not financed the mentioned projects (in 2006 it did not finance the mentioned projects).

Joint-stock company „Klaipėdos baldai“

For the Stocks committee of the Republic of Lithuania,

Konstitucijos pr. 23,

LT-08105 Vilnius

## THE CONFIRMATION BY THE RESPONSIBLE INDIVIDUALS

Following the 22nd article of the Lithuania's Republic's stocks law and also following the Laws of the periodic and fill-in information arrangements and presentations, I, Joint-stock Company's „Klaipėdos baldai“ director, Eimuntas Jankauskas, confirm that to my knowledge, there is an attached financial accountability 31 March 2007 of the joint-stock company's „Klaipėdos baldai“ which is not verified by auditors, made accordingly to the international financial accountability standards initiated by the European Union, coincide with the reality and fairly indicate the company's wealth, obligations, financial state, profit or detriment.

Attached: financial accountability 3 month of 2007 the joint-stock company's „Klaipėdos baldai“

Director



Eimuntas Jankauskas