

KLAIPEDOS BALDAI AB

INTERMEDIATE FINANCIAL REPORTING

31 MARCH 2009

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, Ramūnas Marozas, confirm that to my knowledge, there is an attached financial accountability 31 March 2009 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.

Director



Ramūnas Marozas

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

INCOME STATEMENT

#	Accounts		January-March 2009	January-March 2008
I.	SALE INCOME		48 635	43 058
II.	SALE PRIME COSTS		(46 686)	(41 662)
III.	TOTAL PROFIT (LOSS)		1 949	1 396
IV.	ACTIVITY EXPENSES		(746)	(940)
IV.1.	Sale		-	-
IV.2.	General and administrative		(746)	(940)
V.	PROFIT (LOSS) OF TYPICAL ACTIVITY		1 203	456
VI.	OTHER ACTIVITY		208	205
VI.1.	Income		462	423
VI.2.	Expenditures		(254)	(218)
VII.	FINANCIAL AND INVESTMENT ACTIVITY		(333)	(317)
VII.1.	Income		0	97
VII.2.	Expenditures		(333)	(414)
VIII.	INCOME OF (LOSS) ORDINARY ACTIVITY		1 078	344
IX.	WINDFALL PROFITS		-	-
X.	LOSSES		-	-
XIII.	PROFIT (LOSS) BEFORE TAXES		1 078	344
XIV.	PROFIT TAX		(215)	(52)
XV.	NET PROFIT (LOSS)		863	292

Director



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BALANCE

Accounts	2009-03-31	2008-12-31
A. LONG-TERM ASSETS	47 756	49 100
I. INTANGIBLE ASSETS	85	80
I.1. Patents, licenses	4	-
I.2. Programming equipment	81	80
I.3. Other intangible assets	-	-
II. TANGIBLE ASSETS	45 420	46 749
II.1. Land	-	-
II.2. Buildings and constructions	22 734	23 258
II.3. Machinery and equipment	14 813	15 588
II.4. Transportation means	371	394
II.5. Other equipment, devices, instruments and units	-	-
II.6. Construction in progress	-	-
II.7. Other tangible assets	73	80
II.8. Investment property	7 429	7 429
II.8.1. Buildings	7 429	7 429
III. FINANCIAL ASSETS	2 251	2 271
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	1 941	1 961
III.4. Other financial assets	288	288
B. SHORT-TERM ASSETS	51 687	48 526
I. STOCK, ADVANCE PAYMENTS AND CONTRACTS IN PROGRESS	15 282	16 739
I.1. Stock	15 282	16 739
I.1.1. Raw materials and component parts	7 765	7 851
I.1.2. Production in process	1 776	868
I.1.3. Produced products	5 741	8 020
I.2. Advance payments	-	-
I.3. Contracts in process	-	-
II. ACCOUNTS RECEIVABLE WITHIN ONE YEAR	36 325	31 757
II.1. Buyers' debts	36 272	31 669
II.2. Debts of affiliate and associated companies	-	-
II.3. Other accounts receivable	53	88
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	80	30
TOTAL ASSETS:	99 443	97 626

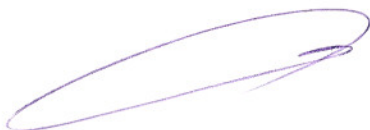
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BALANCE (continued)

	Accounts	2009-03-31	2008-12-31
C.	EQUITY CAPITAL	63 291	62 428
I.	CAPITAL	8 166	8 166
I.1.	Statutory (subscribed)	8 166	8 166
II.	REEVALUATION RESERVE (RESULTS)	10 273	10 575
III.	RESERVES	11 015	11 015
III.1.	Obligatory	817	817
III.3.	Reserve for acquisition on own shares	2 500	2 500
III.4.	Other reserves	7 698	7 698
IV.	UNDISTRIBUTED PROFITS (LOSS)	33 837	32 672
IV.1.	Profit (loss) of the reporting year	863	3 043
IV.2.	Profit (loss) of the previous year	32 974	29 629
D.	DOTATIONS, SUBSIDIES	-	-
E.	ACCOUNTS PAYABLE AND LIABILITIES	36 152	35 198
I.	ACCOUNTS PAYABLE IN ONE YEAR AND LONG-TERM LIABILITIES	10 073	11 006
I.1.	Financial debts	6 493	7 426
I.1.1.	Leasing (financial rent) and similar liabilities	3 198	3 563
I.1.2.	To credit institutions	3 295	3 863
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	3 580	3 580
I.6.	Other accounts payable and long-term liabilities	-	-
II.	ACCOUNTS PAYABLE WITHIN ONE YEAR AND SHORT-TERM LIABILITIES	26 079	24 192
II.1.	The current year part of long-term debts	3 725	3 627
II.2.	Financial debts	14 689	14 829
II.2.1.	To credit institutions	14 689	14 829
II.2.2.	Other debts	-	-
II.3.	Debts to providers	2 339	2 089
II.4.	Received advanced payments	-	-
II.5.	Profit tax liabilities	122	122
II.6.	Liabilities connected with labor relations	1 487	1 369
II.7.	Provisions	-	-
II.8.	Other accounts payable and short-term liabilities	3 717	2 156
	TOTAL EQUITY CAPITAL AND LIABILITIES	99 443	97 626

Director



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Statement of changes in equity

	Share capital	Reevaluation reserve	Legal reserves	Reserve for acquisition on own shares	Other reserves	Retained earnings	Total
Balance as at 1 January 2008	8 166	11 789	817		7 698	31 110	59 580
Used reserves	-	(302)	-	-	-	302	-
Net profit	-	-	-	-	-	292	292
Balance as at 31 March 2008	8 166	11 487	817	-	7 698	31 704	59 872
The year finished on December 31, 2008							
Balance as at 1 January 2008	8 166	11 789	817	-	7 698	31 110	59 580
Used reserves	-	(1 019)	-	-	-	1 019	-
Depreciation transfer-tax	-	(195)	-	-	-		(195)
Transfer to reserves for acquisition own shares				2 500		(2 500)	-
Net profit						3 043	3 043
Balance as at 31 December 2008	8 166	11 575	817	2 500	7 698	32 672	62 428
Used reserves	-	(302)	-	-	-	302	-
Net profit (loss)	-	-	-	-	-	863	863
Balance as at 31 March 2009	8 166	10 273	817	-	7 698	33 837	63 291

Director



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Cash flows statement

	31 March 2009	31 March 2008
Cash flows from ordinary activity		
Net result	863	292
Corrections:		
Wear and amortization	1 598	1 723
Value decrease	-	-
Written-off sums	(5)	-
Elimination of profit (loss) from sale of long-term assets	-	-
Changes of short-term assets and short-term liabilities:		
Decrease (increase) of buyers' debts	(5 685)	(2 802)
Decrease (increase) of other accounts receivable within one year	1 153	(35)
Decrease (increase) of stock	1 462	375
Decrease (increase) of advance payments	2	127
Decrease (increase) of accumulated income and expenditures of future periods	(44)	(21)
Increase (decrease) of short-term debts to providers	250	1 072
Increase (decrease) of provisions and deferred taxes		
Increase (decrease) of accumulated expenditures and income of future periods	469	168
Sums received in advance under signed contracts		-
Taxes, salaries and social insurance	1 214	401
Increase (decrease) of other payable sums and short-term liabilities	(2)	(1)
Net cash flows from ordinary activity	1 275	1 300
Acquisition of long-term assets by net value	(256)	(2 446)
Changes of share capital		
Acquisition (sale) of long-term financial assets	-	-
Net cash flows (used) for investment activity	(256)	(2 446)
Changes of long-term financial debts	(829)	977
Changes of other accounts payable and long-term liabilities	-	-
Changes of accounts receivable in one year	-	-
Changes of short-term financial debts	(140)	167
Changes of investments and time deposits	-	-
Net cash flows (used) for financial activity	(969)	1 144
Increase (decrease) of money and its equivalents	50	(2)
Money and its equivalents in the beginning of the period	30	49
Money and its equivalents in the end of the period	80	47

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Property plant and equipment

	Buildings	Vehicles	Machinery and equipment, equipment of computers and organiz.	Finance lease	Other tangible assets	Total
Cost or revalued amount 31 December 2008	35 724	949	30 813	14 476	560	82 522
Changes of current year						
Additions			260			260
Assigned and unused asset(-)						
Transcriptions from one article to another +/-(-)						
Cost or revalued amount 31 March 2009	35 724	949	31 073	14 476	560	82 782
Written-off sums and depreciation (-)						
Changes of current year						
Depreciation	(525)	(10)	(513)	(534)	(7)	(1 589)
Restored records (-)						
of assigned asset to the third parties (-)						
of write-offs (-)						
Transcriptions from one article to another +/-(-)						
Written-off sums and depreciation (-) 31 March 2009	(12 990)	(842)	(24 086)	(6 386)	(487)	(46 582)
Net book amount 31 March 2009	22 734	107	6 987	8 090	73	37 991
Among them:						
Transport equipment				264		
				7 826		

Investment property

2009-03-31 2008-12-31

Investment property at fair value as at 1 January					7 429	8 127
Additions					-	-
Transfer to owner occupied premises					-	(590)
Gain on fair value change					-	585
Losses from fair value change					-	(693)
Investment property at fair value					7 429	7 429

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Intangible assets

	Computer software and other intangible assets
At 1 January 2009 Cost	1 408
Changes of current year	
Additions	14
Transferred and unused assets (-)	
Rewritings from one account into another +/-(-)	
At 31 March 2009 Cost	1 422
Changes of the current year	
Amortisation	(9)
Assets transferred to the third persons	
Written off assets (-)	
Rewritings from on account to another +/-(-)	
Accumulated amortisation	(1 337)
Net book amount 31 March 2009	85

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1. General information

Klaipėdos baldai AB (hereinafter “the Company”) was registered as a public company on 3 March 1993. The Company’s registration No. AB 93-59. The Company’s registered address is as follows:

Joniskės g. 21, LT-91267 Klaipėda
 Republic of Lithuania

Shareholders of the Company as at 31 March 2009

	Number of shares, held	Percentage of the share capital
SBA Furniture Group UAB	5 708 441	69,90
Hansabank Clients	434 788	5,32
Association Industry Marketing and Business cente	262 374	3,21
Rančys Virgilijus	200 000	2,45
Skandinaviska Enskilda Banken	295 327	3,62
Other shareholders	1 265 382	15,50
Total	8 166 312	100

The Company’s ordinary registered shares are quoted on the Current List of ties of Vilnius Stock Exchange.

As at 31 March 2009, the Company’s average number of employees was 633 (2008: 640).

Information about segments

From May, 2004, the Company operate in one business segment, i.e. manufacturing of furniture, as well as one geographical segment-Lithuania, with 98,8 per cent of the total Company’s sales made to related party SBA Baldų Kompanija UAB and all Company’s assets allocated in Lithuania.

Sale cost

	January-March 2009	January-March 2008
Raw materials	38 163	33 416
Remuneration and social security	5 830	5 619
Depreciation	1 349	1 440
Utilities	860	861
Repairs	231	127
Other	253	199
	46 686	41 662

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Distribution costs		
	January-March	January-March
	2009	2008
Advertising	4	-
	<u>4</u>	<u>-</u>
Administrative expenses		
	January-March	January-March
	2009	2008
Remuneration and social security	141	167
Communication and IT maintenance expenses	99	99
Taxes other than income tax	50	45
Depreciation and amortization	80	166
Consulting, audit, training, accounting services	94	97
Association fees and decrease of value	7	89
Security expenses	55	58
Writing off of stock and decrease of value	-	-
Materials and maintenance expenses	58	13
Business travel expenses	5	3
Written off long-term tangible assets	-	-
Other	153	203
	<u>742</u>	<u>940</u>
Other income		
	January-March	January-March
	2009	2008
Rental income	189	171
Income from holiday houses	6	12
Gain on disposal of property, plant and equipment	-	-
Sales of thermoelectricity	156	176
Other	111	64
	<u>462</u>	<u>423</u>
Other expenses		
	January-March	January-March
	2008	2008
Expenditures of holiday houses	(144)	(143)
Other rental expenses	(110)	(75)
Other	-	-
	<u>(254)</u>	<u>(218)</u>

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Finance income

	January-March 2009	January-March 2008
Income from interest	-	88
Income from dividends	-	9
Other	-	-
	<u>-</u>	<u>97</u>

Finance cost

	January-March 2009	January-March 2008
Interest expenses	(333)	(404)
Other	-	(10)
	<u>(333)</u>	<u>(414)</u>

Investments in associated and affiliate companies

	2009-03-31	2008-12-31
In the beginning of the year	22	22
Contributions of shareholders to cover losses	-	-
Sale of affiliate company – cost	-	-
	<u>22</u>	<u>22</u>

Available-for-sale investments

	2009-03-31	2008-12-31
In the beginning of the year	288	288
Acquisitions	-	-
Transfers	-	-
Balance in the end of the period	<u>288</u>	<u>288</u>

Available-for-sale investments comprise investments in unquoted equity instruments and are carried at cost less impairment charges. There were no acquisitions/ disposals of available-for-sale investments.

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Other receivables

	2009-03-31	2008-12-31
Non-current part of loans granted to related parties	1 941	1 942
Prepayments for property, plant and equipment	-	19
	<u>1 941</u>	<u>1 961</u>

Stock

	2009-03-31	2008-12-31
Raw materials	7 821	7 907
Work in process	1 776	868
Finished products and goods for resale	5 741	8 020
Write-down to net authorized value	(56)	(56)
	<u>15 282</u>	<u>16 739</u>

As of March 31, 2009, the Company has pledged its stock amounting to LTL 12 000 thousand (31 December 2008: LTL 12 000 thousand) to secure the repayment of its borrowings.

Trade and other receivables

	2009-03-31	2008-12-31
Receivables from related parties, including current portion of long-term debts	36 068	31 537
Trade receivables	204	132
Receivable VAT	-	-
Prepaid income tax	-	-
Prepayments and deferred charges	-	-
Other receivable accounts	53	88
	<u>36 325</u>	<u>31 757</u>

Cash and cash equivalents

	2009-03-31	2008-12-31
Cash at bank	69	18
Cash in hand	11	12
	<u>80</u>	<u>30</u>

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Share capital

As of 31 March 2009, the share capital consisted of **8 166 312** ordinary registered shares with par value of LTL 1 each. All the shares are fully paid. During the 1st quarter of the year 2009 there were no changes in share capital.

Reserves

	2009-03-31	2008-12-31
<i>Reserves:</i>		
- reevaluation reserve	10 273	10 575
- reserve presupposed by law	817	817
- reserve for acquisition	2 500	2 500
- other reserves	7 698	7 698
	<u>21 288</u>	<u>21 590</u>

As of 31 March 2009, as a result of depreciation of revalued assets, revaluation reserve was reduced by LTL 302 thousand (2008: LTL 1 019 thousand), whereas the retained result for the year then ended was increased by the same amount.

Borrowings

	2009-03-31	2008-12-31
<i>Short-term borrowings</i>		
Short-term loans received from banks	14 689	14 829
Current portion of long-term loans received from banks	2 278	2 280
Finance lease liabilities	1 447	1 347
	<u>18 414</u>	<u>18 456</u>
<i>Long-term borrowings</i>		
Long-term loans received from banks	3 295	3 863
Finance lease liabilities	3 198	3 563
	<u>6 493</u>	<u>7 426</u>
Total borrowings	<u>24 907</u>	<u>25 882</u>

Trade and other payables

	2009-03-31	2008-12-31
Trade payables	1 166	1 337
Payables to related parties	1 173	752
Taxes	1 869	773
Remuneration and social security payable	1 487	1 369
Vacation reserve	1 504	1 254
Other amounts payable and accrued charges	344	129
	<u>7 543</u>	<u>5 614</u>

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Related-party transactions

<i>Sales of goods and services</i>	January-March 2009	January-March 2008
<i>-Ultimate parent company:</i>		
Koncernas SBA UAB	-	-
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	48 035	42 470
Visagino linija UAB	78	157
Klaipėdos baldų prekyba UAB	-	103
Šilutės baldai UAB	147	139
Euromodus UAB	1	1
Germanika UAB	225	106
Kauno baldai AB	3	2
Baldstata UAB	-	4
	<hr/> 48 489	<hr/> 42 982
 <i>Interest received</i>		
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	50	53
Klaipėdos baldų prekyba UAB	21	34
	<hr/> 71	<hr/> 87
 <i>Purchases of goods and services</i>		
<i>-Ultimate parent company:</i>		
Koncernas SBA UAB	57	54
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	35 523	32 040
Visagino linija UAB	200	20
Baldstata UAB	94	111
Šilutės baldai AB	53	33
Šatrija AB	-	18
Karigė AB	178	15
Kauno baldai AB	34	3
Germanika UAB	10	5
Association Industry Marketing and Business Centre	5	86
	<hr/> 36 154	<hr/> 32 274

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

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Related-party transactions (continued)

<i>Amounts receivable within one year</i>	2009-03-31	2008-12-31
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB		
trade receivables	31 365	24 278
loans	3 562	3 562
other receivables	17	1 199
	<u>34 944</u>	<u>29 039</u>
Klaipėdos baldų prekyba UAB	1 061	1 038
Šilutės baldai AB	63	1 112
Kauno baldai AB	-	35
Germanika UAB	-	313
Visagino linija UAB	-	-
Karigė AB	-	-
	<u>36 068</u>	<u>31 537</u>
 <i>Amounts receivable after one year</i>		
<i>-Subsidiaries of ultimate parent company:</i>		
Klaipėdos baldų prekyba UAB	1 942	1 942
	<u>1 942</u>	<u>1 942</u>
 <i>Amounts payable within one year</i>		
<i>-Ultimate parent company:</i>		
Koncernas SBA UAB	175	106
<i>-Subsidiaries of ultimate parent company:</i>		
Association Industry Marketing and Business Centre	313	308
Baldstata UAB	108	153
Kauno baldai AB	36	-
Karigė AB	357	145
Visagino linija UAB	184	40
	<u>1 173</u>	<u>752</u>

Contingent liabilities and commitments

Guarantees issued

The Company has a commitment against SEB Lizingas UAB to repurchase equipment leased by Akmena AB from SEB Lizingas UAB for the amount of LTL 98 thousand in case the lease agreement between SEB Lizingas UAB and Akmena AB is terminated prior to its expiry term.