

KLAIPEDOS BALDAI AB

INTERMEDIATE FINANCIAL STATEMENTS

30 SEPTEMBER 2009

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The Confirmation by the responsible individuals

Financial statements:

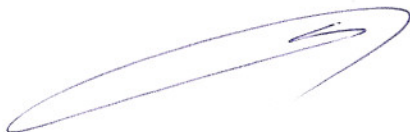
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For the Stocks committee of the Republic of Lithuania,
Konstitucijos pr. 23,
LT-08105 Vilnius

CONFIRMATION OF RESPONSIBLE PERSONS

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, Ramūnas Marozas, director Klaipėdos baldai AB, confirm that to my knowledge, there is an attached financial statements of nine month in 2009 of the Klaipėdos baldai AB which is not verified by auditors, made accordingly to the international financial statements 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

**KLAIPEDOS BALDAI AB
FINANCIAL STATEMENTS
30 SEPTEMBER 2009**

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

INCOME STATEMENT

#	Accounts	January- September 2009	July- September 2009	January- September 2008	July- September- 2008
I.	SALE INCOME	130 077	39 175	140 711	50 440
II.	SALE PRIME COSTS	(125 059)	(37 533)	(134 619)	(47 370)
III.	TOTAL PROFIT (LOSS)	5 018	1 642	6 092	3 070
IV.	ACTIVITY EXPENSES	(2 213)	(689)	(2 737)	(857)
IV.1.	Sale	0	0	(1)	0
IV.2.	General and administrative	(2 213)	(689)	(2 736)	(857)
V.	PROFIT (LOSS) OF TYPICAL ACTIVITY	2 805	953	3 354	2 213
VI.	OTHER ACTIVITY	964	398	755	344
VI.1.	Income	1 751	649	1 523	618
VI.2.	Expenditures	(787)	(251)	(768)	(274)
VII.	FINANCIAL AND INVESTMENT ACTIVITY	(774)	(207)	(875)	(291)
VII.1.	Income	0	0	314	101
VII.2.	Expenditures	(774)	(207)	(1 189)	(392)
VIII.	INCOME OF (LOSS) ORDINARY ACTIVITY	2 995	1 144	3 234	2 266
IX.	WINDFALL PROFITS				
X.	LOSSES				
XIII.	PROFIT (LOSS) BEFORE TAXES	2 995	1 144	3 234	2 266
XIV.	PROFIT TAX	(599)	(229)	(486)	(340)
XV.	NET PROFIT (LOSS)	2 396	915	2 748	1 926

Director



Ramūnas Marozas

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BALANCE

Accounts	2009-09-30	2008-12-31
A. LONG-TERM ASSETS	44 593	49 100
I. INTANGIBLE ASSETS	64	80
I.1. Patents, licenses	4	-
I.2. Programming equipment	60	80
I.3. Other intangible assets		-
II. TANGIBLE ASSETS	42 277	46 749
II.1. Land	-	-
II.2. Buildings and constructions	21 697	23 258
II.3. Machinery and equipment	12 768	15 588
II.4. Transportation means	324	394
II.5. Other equipment, devices, instruments and units		
II.6. Construction in progress	-	-
II.7. Other tangible assets	59	80
II.8. Investment property	7 429	7 429
II.8.1. Buildings	7 429	7 429
III. FINANCIAL ASSETS	2 252	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	1 942	1 961
III.4. Other financial assets	288	288
B. SHORT-TERM ASSETS	51 818	48 526
I. STOCK, ADVANCE PAYMENTS AND CONTRACTS IN PROGRESS	11 946	16 739
I.1. Stock	11 946	16 739
I.1.1. Raw materials and component parts	4 831	7 851
I.1.2. Production in process	889	868
I.1.3. Produced products	6 226	8 020
I.2. Advance payments		
I.3. Contracts in process		
II. ACCOUNTS RECEIVABLE WITHIN ONE YEAR	39 838	31 757
II.1. Buyers' debts	39 186	31 669
II.2. Debts of affiliate and associated companies	-	-
II.3. Other accounts receivable	652	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	34	30
TOTAL ASSETS:	96 411	97 626

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BALANCE (continued)

	Accounts	2009-09-30	2008-12-31
C.	EQUITY CAPITAL	64 824	62 428
I.	CAPITAL	8 166	8 166
I.1.	Statutory (subscribed)	8 166	8 166
II.	REEVALUATION RESERVE (RESULTS)	9667	10 575
III.	RESERVES	11 015	11 015
III.1.	Obligatory	817	817
III.3.	Reserve for acquisiti on own shares	2 500	2 500
III.4.	Other reserves	7 698	7 698
IV.	UNDISTRUBUTED PROFITS (LOSS)	35 976	32 672
IV.1.	Profit (loss) of the reporting year	2 396	3 043
IV.2.	Profit (loss) of the previous year	33 580	29 629
D.	DOTATIONS, SUBSIDIES	-	-
E.	ACCOUNTS PAYABLE AND LIABILITIES	31 587	35 198
I.	ACCOUNTS PAYABLE IN ONE YEAR AND LONG-TERM LIABILITIES	8 656	11 006
I.1.	Financial debts	5 076	7 426
I.1.1.	Leasing (financial rent) and similar liabilities	2 452	3 563
I.1.2.	To credit institutions	2 624	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	22 931	24 192
II.1.	The current year part of long-term debts	4 256	3 627
II.2.	Financial debts	12 852	14 829
II.2.1.	To credit institutions	12 852	14 829
II.2.2.	Other debts	-	-
II.3.	Debts to providers	1 611	2 089
II.4.	Received advanced payments	2	-
II.5.	Profit tax liabilities	-	122
II.6.	Liabilities connected with labor relations	1 421	1 369
II.7.	Provisions	-	-
II.8.	Other accounts payable and short-term liabilities	2 789	2 156
	TOTAL EQUITY CAPITAL AND LIABILITIES	96 411	97 626

Director



Ramūnas Marozas

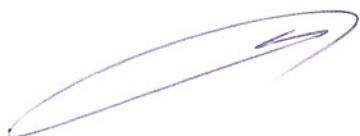
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(All the sums in the table are shown in thousands litas, unless specified otherwise)

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	-	(908)	-	-	-	908	-
Net profit	-	-	-	-	-	2 748	2 748
Balance as at 30 September 2008	8 166	10 881	817	-	7 698	34 766	62 328
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	10 575	817	2 500	7 698	32 672	62 428
Used reserves	-	(908)	-	-	-	908	-
Net profit (loss)	-	-	-	-	-	2 396	2 396
Balance as at 30 September 2009	8 166	9 667	817	2 500	7 698	35 976	64 824

Director



Ramūnas Marozas

KLAIPEDOS BALDAI AB
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Cash flows statement

	30 September	30 September
	2009	2008
Cash flows from ordinary activity	2 396	2 748
Net result		
Corrections:		
Wear and amortization	4 770	5 116
Value decrease	-	(31)
Written-off sums	(7)	(2)
Elimination of profit (loss) from sale of long-term assets	-	(11)
Changes of short-term assets and short-term liabilities:		
Decrease (increase) of buyers' debts	(8 698)	(5 173)
Decrease (increase) of other accounts receivable within one year	1 178	(669)
Decrease (increase) of stock	4 801	695
Decrease (increase) of advance payments	(552)	(440)
Decrease (increase) of accumulated income and expenditures of future periods	(23)	35
Increase (decrease) of short-term debts to providers	(477)	431
Increase (decrease) of provisions and deferred taxes	-	-
Increase (decrease) of accumulated expenditures and income of future periods	327	755
Sums received in advance under signed contracts	1	-
Taxes, salaries and social insurance	238	501
Increase (decrease) of other payable sums and short-term liabilities	-	(7)
Net cash flows from ordinary activity	3 956	3 948
Acquisition of long-term assets by net value	(264)	(3 816)
Changes of share capital		
Acquisition (sale) of long-term financial assets		
Net cash flows (used) for investment activity	(264)	(3 816)
Changes of long-term financial debts	11	26
Changes of other accounts payable and long-term liabilities	(1 722)	(302)
Changes of accounts receivable in one year	-	-
Changes of short-term financial debts	(1 977)	131
Changes of investments and time deposits		
Net cash flows (used) for financial activity	(3 688)	(145)
Increase (decrease) of money and its equivalents	4	(13)
Money and its equivalents in the beginning of the period	30	49
Money and its equivalents in the end of the period	34	36

Director



Ramūnas Marozas

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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			(199)			(199)
Additions			270			270
Assigned and unused asset(-)			(469)			(469)
Transcriptions from one article to another +/-(-)						
Cost or revalued amount 30 September 2009	35 724	949	30 614	14 476	560	82 323
Written-off sums and depreciation (-)						
Changes of current year	(1 561)	(31)	(1 059)	(1 601)	(21)	(4 273)
Depreciation	(1 561)	(31)	(1 526)	(1 601)	(21)	(4 740)
Restored records (-)						
of assigned asset to the third parties (-)			2			2
of write-offs (-)			465			465
Transcriptions from one article to another +/-(-)						
Written-off sums and depreciation (-) 30 September 2009	(14 027)	(863)	(24 631)	(7 453)	(501)	(47 475)
Net book amount 30 September 2009	21 697	86	5 983	7 023	59	34 848
<i>Among them:</i>						
<i>Transport equipment</i>				238		
				6 785		

Investment property

2009-09-30 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 30 September 2009 Cost	1 422
Changes of the current year	(30)
Amortisation	(30)
Assets transferred to the third persons	
Written off assets (-)	
Rewritings from on account to another +/-(-)	
Accumulated amortization 30 September 2009	(1 358)
Net book amount 30 September 2009	64

KLAIPEDOS BALDAI AB
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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 30 September 2009

	Number of shares, held	Percentage of the share capital
SBA Furniture Group UAB	5 908 441	72,35
Hansabank Clients	450 507	5,52
Association Industry Marketing and Business centre	262 374	3,21
Skandinaviska Enskilda Banken	274 027	3,36
Other shareholders	1 270 963	15,56
Total	8 166 312	100

As at 30 September 2009, the Company’s average number of employees was 624 (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 98,96 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- September 2009	January- September 2008
Raw materials	101 505	109 344
Remuneration and social security	15 751	17 287
Depreciation	4 019	4 326
Utilities	2 233	2 346
Repairs	854	610
Other	697	706
	125 059	134 619

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Distribution costs		
	January- September 2009	January- September 2008
Advertising	5	-
	<u>5</u>	<u>-</u>
Administrative expenses		
	January- September 2009	January- September 2008
Remuneration and social security	399	404
Communication and IT maintenance expenses	285	296
Taxes other than income tax	139	148
Depreciation and amortization	243	362
Consulting, audit, training, accounting services	281	262
Association fees and decrease of value	26	294
Security expenses	161	176
Writing off of stock and decrease of value	-	-
Materials and maintenance expenses	102	120
Business travel expenses	16	8
Written off long-term tangible assets	-	-
Other	561	667
	<u>2 213</u>	<u>2 737</u>
Other income		
	January- September 2009	January- September 2008
Rental income	562	505
Income from holiday houses	148	174
Gain on disposal of property, plant and equipment	-	11
Sales of thermoelectricity	666	695
Other	375	138
	<u>1 751</u>	<u>1 523</u>
Other expenses		
	January- September 2009	January- September 2008
Expenditures of holiday houses	(458)	(434)
Other rental expenses	(303)	(334)
Other	(26)	-
	<u>(787)</u>	<u>(768)</u>

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Finance income

	January- September 2009	January- September 2008
Income from interest	-	286
Income from dividends	-	28
Other	-	-
	<hr/>	<hr/>
	-	314

Finance cost

	January- September 2009	January- September 2008
Interest expenses	(774)	(1 162)
Other	-	(27)
	<hr/>	<hr/>
	(774)	(1 189)

Investments in associated and affiliate companies

	2009-09-30	2008-12-31
In the beginning of the year	22	22
Contributions of shareholders to cover losses	-	-
Sale of affiliate company – cost	-	-
	<hr/>	<hr/>
	22	22

Available-for-sale investments

	2009-09-30	2008-12-31
In the beginning of the year	288	288
Acquisitions	-	-
Transfers	-	-
	<hr/>	<hr/>
Balance in the end of the period	288	288

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

	2009-09-30	2008-12-31
Non-current part of loans granted to related parties	1 942	1 942
Prepayments for property, plant and equipment	-	19
	<u>1 942</u>	<u>1 961</u>

Stock

	2009-09-30	2008-12-31
Raw materials	4 887	7 907
Work in process	889	868
Finished products and goods for resale	6 226	8 020
Write-down to net authorized value	(56)	(56)
	<u>11 946</u>	<u>16 739</u>

As of September 30, 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

	2009-09-30	2008-12-31
Receivables from related parties, including current portion of long-term debts	39 034	31 537
Trade receivables	152	132
Receivable VAT	-	-
Prepaid income tax	463	-
Prepayments and deferred charges	-	-
Other amounts receivable	189	88
	<u>39 838</u>	<u>31 757</u>

Cash and cash equivalents

	2009-09-30	2008-12-31
Cash at bank	24	18
Cash in hand	10	12
	<u>34</u>	<u>30</u>

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Share capital

As of 30 September 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 9 months of the year 2009 there were no changes in share capital.

Reserves

	2009-09-30	2008-12-31
<i>Reserves:</i>		
- reevaluation reserve	9 667	10 575
- reserve presupposed by law	817	817
- reserve for acquisition	2 500	2 500
- other reserves	7 698	7 698
	20 682	21 590

As of 30 September 2009, as a result of depreciation of revalued assets, revaluation reserve was reduced by LTL 605 thousand (2008: LTL 1 019 thousand), whereas the retained result for the year then ended was increased by the same amount.

Borrowings

	2009-09-30	2008-12-31
<i>Short-term borrowings</i>		
Short-term loans received from banks	12 852	14 829
Current portion of long-term loans received from banks	2 791	2 280
Finance lease liabilities	1 465	1 347
	17 108	18 456
<i>Long-term borrowings</i>		
Long-term loans received from banks	2 624	3 863
Finance lease liabilities	2 452	3 563
	5 076	7 426
Total borrowings	22 184	25 882

Trade and other payables

	2009-09-30	2008-12-31
Trade payables	916	1 337
Payables to related parties	695	752
Taxes	1 081	773
Remuneration and social security payable	1 421	1 369
Vacation reserve	806	1 254
Other amounts payable and accrued charges	904	129
	5 823	5 614

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Related-party transactions

<i>Sales of goods and services</i>	January- September 2009	January- September 2008
Koncernas SBA UAB	-	-
SBA baldų kompanija UAB	128 955	138 766
Visagino linija UAB	265	344
Klaipėdos baldų prekyba UAB	-	162
Šilutės baldai UAB	199	572
Euromodus UAB	2	2
Germanika UAB	684	421
Kauno baldai AB	9	9
Baldstata UAB	15	-
Utenos trikotažo prekyba UAB	-	1
	130 131	140 277
 <i>Interest received</i>		
SBA baldų kompanija UAB	121	164
Klaipėdos baldų prekyba UAB	82	122
	203	286
 <i>Purchases of goods and services</i>		
Koncernas SBA UAB	145	147
SBA baldų kompanija UAB	94 182	105 083
Visagino linija UAB	409	197
Baldstata UAB	366	340
Šilutės baldai AB	106	107
Šatrija AB	10	20
Karigė AB	178	222
Kauno baldai AB	68	4
Germanika UAB	57	7
Klaipėdos baldų prekyba UAB	2	7
Association Industry Marketing and Business Centre	13	282
Pastatų įdėjų įgyvendinimas, UAB	2	-
	95 538	106 416

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>	2009-09-30	2008-12-31
SBA baldų kompanija UAB		
trade receivables	33 904	24 278
loans	3 562	3 562
other receivables	12	1 199
	<u>37 478</u>	<u>29 039</u>
Klaipėdos baldų prekyba UAB	1 044	1 038
Šilutės baldai AB	62	1 112
Kauno baldai AB	-	35
Germanika UAB	450	313
Visagino linija UAB	-	-
Karigė AB	-	-
	<u>39 034</u>	<u>31 537</u>
 <i>Amounts receivable after one year</i>		
Klaipėdos baldų prekyba UAB	1 942	1 942
	<u>1 942</u>	<u>1 942</u>
 <i>Amounts payable within one year</i>		
Koncernas SBA UAB	77	106
Association Industry Marketing and Business Centre	296	308
Baldstata UAB	85	153
Kauno baldai AB	26	-
Karigė AB	-	145
Visagino linija UAB	211	40
Šatrija UAB	-	-
Pastatų įdėjų įgyvendinimas UAB	-	-
	<u>695</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 75 thousand in case the lease agreement between SEB Lizingas UAB and Akmena AB is terminated prior to its expiry term.