

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 2010 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

KLAIPEDOS BALDAI AB

INTERMEDIATE FINANCIAL REPORTING

31 MARCH 2010

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

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KLAIPEDOS BALDAI AB
FINANCIAL REPORTING
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(All the sums in the table are shown in thousands litas, unless specified otherwise)

INCOME STATEMENT

#	Accounts		January-March 2010	January-March 2009
I.	SALE INCOME		35 778	48 635
II.	SALE PRIME COSTS		33 823	(46 686)
III.	TOTAL PROFIT (LOSS)		1 955	1 949
IV.	ACTIVITY EXPENSES		(734)	(746)
IV.1.	Sale		-	-
IV.2.	General and administrative		(734)	(746)
V.	PROFIT (LOSS) OF TYPICAL ACTIVITY		1 221	1 203
VI.	OTHER ACTIVITY		156	208
VI.1.	Income		433	462
VI.2.	Expenditures		(277)	(254)
VII.	FINANCIAL AND INVESTMENT ACTIVITY		(170)	(333)
VII.1.	Income		-	-
VII.2.	Expenditures		(170)	(333)
VIII.	INCOME OF (LOSS) ORDINARY ACTIVITY		1 207	1 078
IX.	WINDFALL PROFITS		-	-
X.	LOSSES		-	-
XIII.	PROFIT (LOSS) BEFORE TAXES		1 207	1 078
XIV.	PROFIT TAX		(181)	(215)
XV.	NET PROFIT (LOSS)		1 026	863

Director



Ramūnas Marozas

KLAIPEDOS BALDAI AB
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BALANCE

Accounts	2010 03 31	2009 12 31
A. LONG-TERM ASSETS	40 865	46 151
I. INTANGIBLE ASSETS	46	53
I.1. Patents, licenses	3	3
I.2. Programming equipment	43	50
I.3. Other intangible assets		
II. TANGIBLE ASSETS	39 069	40 784
II.1. Land	0	0
II.2. Buildings and constructions	22 892	23 469
II.3. Machinery and equipment	10 648	11 761
II.4. Transportation means	349	376
II.5. Other equipment, devices, instruments and units	24	29
II.6. Construction in progress	6	
II.7. Other tangible assets	53	53
II.8. Investment property	5 096	5 096
II.8.1. Buildings	5 096	5 096
III. FINANCIAL ASSETS	1 752	5 314
III.1. Investments in affiliate and associated companies	23	23
III.2. Credits to associated and affiliate companies		
III.3. Accounts receivable in one year	1 441	5 003
III.4. Other financial assets	288	288
B. SHORT-TERM ASSETS	56 317	50 828
I. STOCK, ADVANCE PAYMENTS AND CONTRACTS IN PROGRESS	16 619	14 229
I.1. Stock	16 314	14 180
I.1.1. Raw materials and component parts	5 743	5 405
I.1.2. Production in process	679	443
I.1.3. Produced products	9 893	8 333
I.2. Advance payments	305	48
I.3. Contracts in process		
II. ACCOUNTS RECEIVABLE WITHIN ONE YEAR	39 628	36 517
II.1. Buyers' debts	35 569	35 885
II.2. Debts of affiliate and associated companies		
II.3. Other accounts receivable	4 059	632
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	70	83
TOTAL ASSETS:	97 183	96 979

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BALANCE (continued)

Accounts	2010 03 31	2009 12 31
C. EQUITY CAPITAL	69 472	68 446
I. CAPITAL	8 166	8 166
I.1. Statutory (subscribed)	8 166	8 166
II. REEVALUATION RESERVE (RESULTS)	10 208	10 560
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)	40 083	38 705
IV.1. Profit (loss) of the reporting year	1 026	5 153
IV.2. Profit (loss) of the previous year	39 057	33 551
D. DOTATIONS, SUBSIDIES		
E. ACCOUNTS PAYABLE AND LIABILITIES	27 711	28 533
I. ACCOUNTS PAYABLE IN ONE YEAR AND LONG-TERM LIABILITIES	4 738	7 166
I.1. Financial debts	2 215	4 643
I.1.1. Leasing (financial rent) and similar liabilities	1 801	2 122
I.1.2. To credit institutions	414	2 521
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	2 523	2 523
I.6. Other accounts payable and long-term liabilities		
II. ACCOUNTS PAYABLE WITHIN ONE YEAR AND SHORT-TERM LIABILITIES	22 973	21 367
II.1. The current year part of long-term debts	4 216	2 824
II.2. Financial debts	12 632	12 852
II.2.1. To credit institutions	12 632	12 852
II.2.2. Other debts		
II.3. Debts to providers	1 912	1 451
II.4. Received advanced payments	1	1
II.5. Profit tax liabilities	1162	981
II.6. Liabilities connected with labor relations	1 288	1 326
II.7. Provisions		
II.8. Other accounts payable and short-term liabilities	1 762	1 932
TOTAL EQUITY CAPITAL AND LIABILITIES	97 183	96 979

Director



Ramūnas Marozas

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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 2009	8 166	10 575	817	2 500	7 698	32 672	62 428
Used reserves	-	(302)	-	-	-	302	0
Net profit	-	-	-	-	-	863	863
Balance as at 31 March 2009	8 166	10 273	817	2 500	7 698	33 837	63 291
The year finished on December 31, 2009							
Balance as at 1 January 2009	8 166	10 575	817	2 500	7 698	32 672	62 428
Used reserves	-	(1 100)	-	-	-	1 100	0
Depreciation transfer-tax	-	220	-	-	-	(220)	0
Revaluation of buildings	-	865	-	-	-	-	865
Net profit	-	-	-	-	-	5 153	5 153
Balance as at 31 December 2009	8 166	10 560	817	2 500	7 698	38 705	68 446
Used reserves	-	(352)	-	-	-	352	0
Net profit (loss)	-	-	-	-	-	1 026	1 026
Balance as at 31 March 2010	8 166	10 208	817	2 500	7 698	40 083	69 472

Director



Ramūnas Marozas

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Cash flows statement

	31 March 2010	31 March 2009
Cash flows from ordinary activity		
Net result	1 026	863
Corrections:		
Wear and amortization	1 586	1 598
Value decrease		
Written-off sums		(5)
Elimination of profit (loss) from sale of long-term assets	(42)	
Changes of short-term assets and short-term liabilities:		
Decrease (increase) of buyers' debts	317	(5 685)
Decrease (increase) of other accounts receivable within one year	134	1 153
Decrease (increase) of stock	(2 134)	1 462
Decrease (increase) of advance payments	(200)	2
Decrease (increase) of accumulated income and expenditures of future periods	(57)	(44)
Increase (decrease) of short-term debts to providers	461	250
Increase (decrease) of provisions and deferred taxes		
Increase (decrease) of accumulated expenditures and income of future periods	311	469
Sums received in advance under signed contracts		
Taxes, salaries and social insurance	(340)	1 214
Increase (decrease) of other payable sums and short-term liabilities	1	(2)
Net cash flows from ordinary activity	1 064	1 275
Acquisition of long-term assets by net value	179	(256)
Acquisition (sale) of long-term financial assets		
Net cash flows (used) for investment activity	179	(256)
Changes of long-term financial debts	(1 036)	(829)
Changes of other accounts payable and long-term liabilities		
Changes of accounts receivable in one year		
Changes of short-term financial debts	(220)	(140)
Changes of investments and time deposits		
Net cash flows (used) for financial activity	(1 256)	(969)
Increase (decrease) of money and its equivalents	(14)	50
Money and its equivalents in the beginning of the period	83	30
Money and its equivalents in the end of the period	70	80

Director



Ramūnas Marozas

General information

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

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 2010

	<u>Number of shares, held</u>	<u>Percentage of the share capital</u>
UAB „SBA furniture group“	5.908.441	72,35
Swedbank AS (Estonia) Clients	384.694	4,71
Skandinaviska Enskilda Banken AB	273.527	3,35
Association Industry Marketing and Business cente	262.374	3,21
Other shareholders	1.337.276	16,38
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 2010, the Company's average number of employees was 588 (2009: 633).

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 99,0 percent 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 2010	January-March 2009
Raw materials	26 292	38 163
Remuneration and social security	5 007	5 830
Depreciation	1 264	1 349
Utilities	856	860
Repairs	230	231
Other	174	253
	<u>33 823</u>	<u>46 686</u>

Distribution costs

	January-March 2010	January-March 2009
Advertising	0	4
	<u>0</u>	<u>4</u>

Administrative expenses

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	January-March 2010	January-March 2009
Remuneration and social security	127	141
Communication and IT maintenance expenses	84	99
Taxes other than income tax	52	50
Depreciation and amortization	113	80
Consulting, audit, training, accounting services	90	94
Association fees and representation expenses	8	9
Security expenses	49	55
Writing off of stock and decrease of value	0	0
Materials and maintenance expenses	12	17
Business travel expenses	2	5
Insurance	23	46
Other	172	145
	<u>734</u>	<u>742</u>

Total cost of sales, distribution costs and administrative expenses 34 557 47 432

Other income

	January-March 2010	January-March 2009
Rental income	187	189
Income from holiday houses	4	6
Gain on disposal of property, plant and equipment	42	-
Sales of thermoelectricity	130	156
Other	70	111
	<u>433</u>	<u>462</u>

Other expenses

	January-March 2010	January-March 2009
Expenditures of holiday houses	(182)	(144)
Other rental expenses	(95)	(110)
Other	-	-
	<u>(277)</u>	<u>(254)</u>

Finance income

	January-March 2010	January-March 2009
Income from interest	-	-
Income from dividends	-	-
Other	-	-
	<u>-</u>	<u>-</u>

Finance cost

	January-March 2010	January-March 2009
Interest expenses	(170)	(333)
Other	-	-
	<u>(170)</u>	<u>(333)</u>

Property plant and equipment

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	Buildings	Vehicles	Plant and machinery	Finance lease	Other tangible assets	Total
a) Cost or revalued amount at 31 December 2009	21 940	949	30 562	14 552	555	68 558
Changes of current year						
additions			15		8	23
assigned and unused asset(-)			(1 485)			(1 485)
transcriptions from one article to another +/-(-)						
a) Cost or revalued amount at 31 March 2010	21 940	949	29 092	14 552	563	67 096
b) Revaluation at the 31 December 2009	18 606					18 606
b) Changes of current year						
increase of value +/-(-)						
assigned asset to the third parties (-)						
write-offs (-)						
transcriptions from one article to another +/-(-)						
b) Revaluation at 31 March 2010	18 606	0	0	0	0	18 606
c) Accumulated depreciation and impairment at 31 December 2009	(17 077)	(873)	(25 035)	(7 988)	(502)	(51 475)
c) Accumulated depreciation (-)	(16 353)	(873)	(25 035)	(7 988)	(502)	(50 751)
c) Accumulated impairment (-)	(724)					(724)
Changes of current year	(577)	(10)	878	(538)	(8)	(255)
depreciation (-)	(577)	(10)	(447)	(538)	(8)	(1 580)
restored records						
assigned asset to the third parties			1 325			1 325
write-offs						
transcriptions from one article to another +/-(-)						
increase of value +/-(-)						
c) Accumulated depreciation and impairment at 31 March 2010	(17 654)	(883)	(24 157)	(8 526)	(509)	(51 730)
d) Net book amount at 31 March 2010	22 892	66	4 935	6 026	54	33 972
<i>Among them:</i>						
<i>Transport equipment</i>				283		
				5 743		

Investment property

	2010-03-31	2009-12-31
Investment property at fair value as at 1 January	5 096	7 429
Additions		
Transfer to owner occupied premises		(1 310)
Gain on fair value change		
Losses from fair value change		(1 023)
Investment property at fair value as at 31 March 2010	5 096	5 096

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Intangible assets

	Computer software and other intangible assets
At 31 December 2009 Cost	1 360
Changes of current year	
Additions	
Transferred and unused assets (-)	
Rewritings from one account into another +/(-)	
At 31 March 2010 Cost	1 360
Accumulated depreciation at 31 December 2009	(1 307)
Changes of the current year	(7)
Amortisation	(7)
Assets transferred to the third persons	
Written off assets (-)	
Rewritings from on account to another +/(-)	
Accumulated amortization at 31 March 2010	(1 314)
Net book amount at 31 March 2010	46

Investments in associated and affiliate companies

	2010-03-31	2009-12-31
In the beginning of the year	23	23
Contributions of shareholders to cover losses	-	-
Sale of affiliate company – cost	-	-
	<u>23</u>	<u>23</u>

Available-for-sale investments

	2010-03-31	2009-12-31
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.

Other receivables

	2010-03-31	2009-12-31
Non-current part of loans granted to related parties	1 441	5 003
Prepayments for property, plant and equipment	-	-
	<u>1 441</u>	<u>5 003</u>

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	2010-03-31	2009-12-31
Raw materials	5 783	7 821
Work in process	679	1 776
Finished products and goods for resale	9 921	5 741
Write-down to net authorized value	(69)	(56)
	16 314	15 282

As of March 31 2010 the Company has pledged its stock amounting to LTL 8 000 thousand to secure the repayment of its borrowings.

Trade and other receivables

	2010-03-31	2009-12-31
Receivables from related parties, including current portion of long-term debts	39 504	36 412
Trade receivables	115	83
Receivable VAT	-	-
Prepaid income tax	-	-
Prepayments and deferred charges	-	-
Other receivable accounts	314	70
	39 504	36 565

Cash and cash equivalents

	2010-03-31	2009-12-31
Cash at bank	65	79
Cash in hand	5	4
	70	83

Share capital

As of 31 March 2010 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 2010 there were no changes in share capital.

Reserves

	2010-03-31	2009-12-31
<i>Reserves:</i>		
- reevaluation reserve	10 208	10 560
- reserve presupposed by law	817	817
- reserve for acquisition	2 500	2 500
- other reserves	7 698	7 698
	21 223	21 575

As of 31 March 2010 as a result of depreciation of revalued assets, revaluation reserve was reduced by LTL 352 thousand(2009: LTL 1 100 thousand), where as the retained result for the year then ended was increased by the same amount.

Borrowings

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	2010-03-31	2009-12-31
<i>Short-term borrowings</i>		
Short-term loans received from banks	12 632	12 852
Current portion of long-term loans received from banks	2 881	1 342
Finance lease liabilities	1 335	1 482
	16 848	15 676
<i>Long-term borrowings</i>		
Long-term loans received from banks	414	2 521
Finance lease liabilities	1 801	2 122
	2 215	4 643
Total borrowings	19 063	20 319

Trade and other payables

	2010-03-31	2009-12-31
Trade payables	1 178	798
Payables to related parties	734	653
Taxes	1 301	769
Remuneration and social security payable	1 298	1 187
Vacation reserve	1 336	1 178
Other amounts payable and accrued charges	277	125
	6 124	4 710

Related-party transactions

Sales of goods and services

	January-March 2010	January-March 2009
<i>-Ultimate parent company:</i>		
Koncernas SBA UAB	-	-
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	35 483	48 035
Visagino linija UAB	49	78
Klaipėdos baldų prekyba UAB		-
Šilutės baldai UAB	42	147
Euromodus UAB	1	1
Germanika UAB	365	225
Kauno baldai AB	3	3
Baldstata UAB	5	-
	35 948	48 489

Interest received

	January-March 2010	January-March 2009
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	36	50
Klaipėdos baldų prekyba UAB	14	21
	50	71

Purchases of goods and services

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	January-March 2010	January-March 2009
<i>-Ultimate parent company:</i>		
Koncernas SBA UAB	57	57
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	27 643	35 523
Visagino linija UAB	21	200
Baldstata UAB	95	94
Šilutės baldai AB	23	53
Šatrija AB		-
Karigė AB		178
Kauno baldai AB	8	34
Germanika UAB	87	10
Association Industry Marketing and Business Centre	4	5
	27 939	36 154

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

Amounts receivable within one year

	2010-03-31	2009-12-31
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB		
trade receivables	33 598	33 969
loans	3 562	610
other receivables	475	
	37 635	34 579
Klaipėdos baldų prekyba UAB	514	976
Šilutės baldai AB	61	38
Kauno baldai AB		
Germanika UAB	1 294	819
	39 504	36 412

Amounts receivable after one year

	2010-03-31	2009-03-31
<i>-Subsidiaries of ultimate parent company:</i>		
UAB „SBA baldų kompanija”	-	3 562
Klaipėdos baldų prekyba UAB	1 441	1 441
	1 441	5 003

Amounts payable within one year

	2010-03-31	2009-03-31
<i>-Ultimate parent company:</i>		
Koncernas SBA UAB	88	19
<i>-Subsidiaries of ultimate parent company:</i>		
Association Industry Marketing and Business Centre	276	287
Baldstata UAB	96	45
Kauno baldai AB	43	37
Visagino linija UAB	231	265
	734	653

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Contingent liabilities and commitments

Guarantees issued

The Company has a commitment against SEB Lizingas UAB to repurchase equipment leased by Akmena UAB from SEB Lizingas UAB for the amount of LTL 73 thousand in case the lease agreement between SEB Lizingas UAB and Akmena AB is terminated prior to its expiry term. The Company has issued a guarantee to bank Swedbank AB for the loan of Visagino linija UAB in the amount of LTL 16,694 thousand maturing on 10 February 2014.