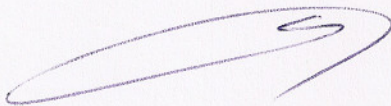


Joint-stock company „Klaipėdos baldai“  
For the Stocks committee of the Republic of Lithuania,  
Konstitucijos pr. 23,  
LT-08105 Vilnius

### 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 30 June 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, review of business development and practice, stated in the interim six months statement is correct.

Director



Ramūnas Marozas

**KLAIPEDOS BALDAI AB**

**INTERMEDIATE FINANCIAL REPORTING**

**30 JUNE 2010**

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

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

**INCOME STATEMENT**

	Accounts	January- June 2010	April- June 2010	January- June 2009	April- June 2009
<b>I.</b>	<b>SALE INCOME</b>	<b>69 835</b>	<b>34 057</b>	<b>90 902</b>	<b>42 267</b>
<b>II.</b>	<b>SALE PRIME COSTS</b>	<b>(66 253)</b>	<b>(32 430)</b>	<b>(87 526)</b>	<b>(40 840)</b>
<b>III.</b>	<b>TOTAL PROFIT (LOSS)</b>	<b>3 582</b>	<b>1 627</b>	<b>3 376</b>	<b>1 427</b>
<b>IV.</b>	<b>ACTIVITY EXPENSES</b>	<b>(1 521)</b>	<b>(787)</b>	<b>(1 524)</b>	<b>(778)</b>
IV.1.	Sale			-	-
IV.2.	General and administrative	(1 521)	(787)	(1 524)	(778)
<b>V.</b>	<b>PROFIT (LOSS) OF TYPICAL ACTIVITY</b>	<b>2 061</b>	<b>840</b>	<b>1 852</b>	<b>649</b>
<b>VI.</b>	<b>OTHER ACTIVITY</b>	<b>385</b>	<b>229</b>	<b>566</b>	<b>358</b>
VI.1.	Income	950	517	1 102	640
VI.2.	Expenditures	(565)	(288)	(536)	(282)
<b>VII.</b>	<b>FINANCIAL AND INVESTMENT ACTIVITY</b>	<b>(334)</b>	<b>(164)</b>	<b>(567)</b>	<b>(234)</b>
VII.1.	Income	-	-	-	-
VII.2.	Expenditures	(334)	(164)	(567)	(234)
<b>VIII.</b>	<b>INCOME OF (LOSS) ORDINARY ACTIVITY</b>	<b>2 112</b>	<b>905</b>	<b>1 851</b>	<b>773</b>
IX.	WINDFALL PROFITS	-	-	-	-
X.	LOSSES	-	-	-	-
<b>XIII.</b>	<b>PROFIT (LOSS) BEFORE TAXES</b>	<b>2 112</b>	<b>905</b>	<b>1 851</b>	<b>773</b>
<b>XIV.</b>	<b>PROFIT TAX</b>	<b>(317)</b>	<b>(136)</b>	<b>(370)</b>	<b>(155)</b>
<b>XV.</b>	<b>NET PROFIT (LOSS)</b>	<b>1 795</b>	<b>769</b>	<b>1 481</b>	<b>618</b>

Director



Ramūnas Marozas



**KLAIPEDOS BALDAI AB**  
**FINANCIAL REPORTING**  
**30 June 2010**

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

**BALANCE**

	Accounts	2010 06 30	2009 12 31
<b>A.</b>	<b>LONG-TERM ASSETS</b>	<b>39 756</b>	<b>46 151</b>
I.	INTANGIBLE ASSETS	39	53
I.1.	Patents, licenses	2	3
I.2.	Programming equipment	37	50
I.3.	Other intangible assets		
II.	TANGIBLE ASSETS	37 965	40 784
II.1.	Land	0	0
II.2.	Buildings and constructions	22 319	23 469
II.3.	Machinery and equipment	9 766	11 761
II.4.	Transportation means	322	376
II.5.	Other equipment, devices, instruments and units	20	29
II.6.	Construction in progress	392	
II.7.	Other tangible assets	50	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>B.</b>	<b>SHORT-TERM ASSETS</b>	<b>56 731</b>	<b>50 828</b>
I.	STOCK, ADVANCE PAYMENTS AND CONTRACTS IN PROGRESS	17 922	14 229
I.1.	Stock	17 454	14 180
I.1.1.	Raw materials and component parts	5 554	5 405
I.1.2.	Production in process	824	443
I.1.3.	Produced products	11 076	8 333
I.2.	Advance payments	468	48
I.3.	Contracts in process		
II.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR	38 762	36 517
II.1.	Buyers' debts	35 168	35 885
II.2.	Debts of affiliate and associated companies		
II.3.	Other accounts receivable	3 594	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	47	83
	<b>TOTAL ASSETS:</b>	<b>96 487</b>	<b>96 979</b>

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

**BALANCE (continued)**

Accounts	2010 06 30	2009 12 31
<b>C. EQUITY CAPITAL</b>	<b>70 241</b>	<b>68 446</b>
I. CAPITAL	8 166	8 166
I.1. Statutory (subscribed)	8 166	8 166
II. REEVALUATION RESERVE (RESULTS)	9 854	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)	41 206	38 705
IV.1. Profit (loss) of the reporting year	1 795	5 153
IV.2. Profit (loss) of the previous year	39 411	33 551
<b>D. DOTATIONS, SUBSIDIES</b>		
<b>E. ACCOUNTS PAYABLE AND LIABILITIES</b>	<b>26 246</b>	<b>28 533</b>
I. ACCOUNTS PAYABLE IN ONE YEAR AND LONG-TERM LIABILITIES	4 263	7 166
I.1. Financial debts	1 740	4 643
I.1.1. Leasing (financial rent) and similar liabilities	1 429	2 122
I.1.2. To credit institutions	311	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	<b>21 983</b>	<b>21 367</b>
II.1. The current year part of long-term debts	3 851	2 824
II.2. Financial debts	12 300	12 852
II.2.1. To credit institutions	12 300	12 852
II.2.2. Other debts		
II.3. Debts to providers	1 468	1 451
II.4. Received advanced payments	2	1
II.5. Profit tax liabilities	981	981
II.6. Liabilities connected with labor relations	1 166	1 326
II.7. Provisions		
II.8. Other accounts payable and short-term liabilities	2 215	1 932
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>	<b>96 487</b>	<b>96 979</b>

Director



Ramūnas Marozas

**KLAIPEDOS BALDAI AB**  
**FINANCIAL REPORTING**  
**30 June 2010**

(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
<b>Balance as at 1 January 2009</b>	8 166	10 575	817	2 500	7 698	32 672	62 428
Used reserves	-	( 605)	-	-	-	605	0
Net profit	-	-	-	-	-	1 481	1 481
<b>Balance as at 30 June 2009</b>	8 166	9 970	817	2 500	7 698	34 758	63 909
<b>The year finished on December 31, 2009</b>							
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
<b>Balance as at 31 December 2009</b>	8 166	10 560	817	2 500	7 698	38 705	68 446
Used reserves	-	( 706)	-	-	-	706	0
Net profit (loss)	-	-	-	-	-	1 795	1 795
<b>Balance as at 30 June 2010</b>	8 166	9 854	817	2 500	7 698	41 206	70 241

Director

Ramūnas Marozas



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

**Cash flows statement**

	30 June 2010	30 June 2009
<b>Cash flows from ordinary activity</b>		
Net result	1 795	1 481
Corrections:		
Wear and amortization	3 120	3 186
Value decrease		-
Written-off sums	( 16)	(7)
Elimination of profit (loss) from sale of long-term assets	( 50)	-
Changes of short-term assets and short-term liabilities:		
Decrease (increase) of buyers' debts	717	(4 835)
Decrease (increase) of other accounts receivable within one year	600	1 147
Decrease (increase) of stock	(3 258)	1 070
Decrease (increase) of advance payments	( 401)	(184)
Decrease (increase) of accumulated income and expenditures of future periods	( 19)	(52)
Increase (decrease) of short-term debts to providers	17	(188)
Increase (decrease) of provisions and deferred taxes		
Increase (decrease) of accumulated expenditures and income of future periods	624	664
Sums received in advance under signed contracts	1	-
Taxes, salaries and social insurance	( 501)	123
Increase (decrease) of other payable sums and short-term liabilities		(1)
<b>Net cash flows from ordinary activity</b>	<b>2 629</b>	<b>2 404</b>
Acquisition of long-term assets by net value	( 237)	(257)
Changes of share capital		
Acquisition (sale) of long-term financial assets		-
<b>Net cash flows (used) for investment activity</b>	<b>( 237)</b>	<b>(257)</b>
Changes of long-term financial debts	(1 876)	(146)
Changes of other accounts payable and long-term liabilities		-
Changes of accounts receivable in one year		-
Changes of short-term financial debts	( 552)	(1 977)
Changes of investments and time deposits		-
<b>Net cash flows (used) for financial activity</b>	<b>(2 428)</b>	<b>(2 124)</b>
<b>Increase (decrease) of money and its equivalents</b>	<b>( 36)</b>	<b>24</b>
<b>Money and its equivalents in the beginning of the period</b>	<b>83</b>	<b>30</b>
<b>Money and its equivalents in the end of the period</b>	<b>47</b>	<b>54</b>

Director

Ramūnas Marozas

**KLAIPEDOS BALDAI AB**  
**FINANCIAL REPORTING**  
**30 June 2010**

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

**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 June 2010**

	Number of shares, held	Percentage of the share capital
SBA Furniture Group UAB	5 908 441	72,35
Swedbank AS (Estonia) Clients	384 794	4,71
Skandinaviska Enskilda Banken	273 527	3,35
Association Industry Marketing and Business centre	262 374	3,21
Other shareholders	1 337 176	16,37
<b>Total</b>	<b>8 166 312</b>	<b>100,00</b>

As at 30 June 2009, the Company’s average number of employees was 526 ( 2008: 627).

**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 98,1 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-June 2010	January-June 2009
Raw materials	51 938	71 030
Remuneration and social security	9 444	11 094
Depreciation	2 477	2 686
Utilities	1 606	1 629
Repairs	455	561
Other	333	526
	<b>66 253</b>	<b>87 526</b>

**Distribution costs**

	January-June 2010	January-June 2009
Advertising	-	4
	-	4



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

**Administrative expenses**

	January-June 2010	January-June 2009
Remuneration and social security	281	334
Communication and IT maintenance expenses	173	174
Taxes other than income tax	96	95
Depreciation and amortization	226	162
Consulting, audit, training, accounting services	198	185
Association fees and representation expenses	19	19
Security expenses	99	109
Writing off of stock and decrease of value	0	
Materials and maintenance expenses	20	36
Business travel expenses	4	14
Insurance	59	73
Other	346	319
	<u>1 521</u>	<u>1 520</u>
<b>Total cost of sales, distribution costs and administrative expenses</b>	<b>67 774</b>	<b>89 050</b>

**Other income**

	January-June 2010	January-June 2009
Rental income	373	374
Income from holiday houses	30	45
Gain on disposal of property, plant and equipment	50	-
Sales of thermoelectricity	331	415
Other	166	268
	<u>950</u>	<u>1 102</u>

**Other expenses**

	January-June 2010	January-June 2009
Expenditures of holiday houses	(371)	(306)
Other rental expenses	(194)	(230)
Other		
	<u>(565)</u>	<u>(536)</u>

**Finance income**

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

**Finance cost**

	January-June 2010	January-June 2009
Interest expenses	(334)	(567)
Other	-	-
	<u>(334)</u>	<u>(567)</u>



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

**Property plant and equipment**

	Buildings	Vehicles	Plant and machinery	Finance lease	Other tangible assets	Total
<b>a) Cost or revalued amount at 31 December 2009</b>	21 940	949	30 562	14 552	555	68 558
<b>Changes of current year</b>						
additions			44		11	55
assigned and unused asset(-)		(77)	(1 515)		(1)	(1 593)
transcriptions from one article to another +/-(-)						
<b>a) Cost or revalued amount at 30 June 2010</b>	21 940	872	29 091	14 552	565	67 020
<b>b) Revaluation at the 31 December 2009</b>	18 606					18 606
<b>b) Changes of current year</b>						
increase of value +/-(-)						
assigned asset to the third parties (-)						
write-offs (-)						
transcriptions from one article to another +/-(-)						
<b>b) Revaluation at 30 June 2010</b>	18 606					18 606
<b>c) Accumulated depreciation and impairment at 31 December 2009</b>	(17 077)	(873)	(25 035)	(7 988)	(502)	(51 475)
<b>c) Accumulated depreciation (-)</b>	(16 353)	(873)	(25 035)	(7 988)	(502)	(50 751)
<b>c) Accumulated impairment (-)</b>	(724)					(724)
<b>Changes of current year</b>	(1 150)	56	508	(1 075)	(13)	(1 674)
depreciation (-)	(1 150)	(21)	(847)	(1 075)	(14)	(3 107)
restored records						
assigned asset to the third parties		77	1 355		1	1 433
write-offs						
transcriptions from one article to another +/-(-)						
increase of value +/-(-)						
<b>c) Accumulated depreciation and impairment at 30 June 2010</b>	(18 227)	(817)	(24 527)	(9 063)	(515)	(53 149)
<b>d) Net book amount at 30 June 2010</b>	22 319	55	4 564	5 489	50	32 477
<i>Among them:</i>						
<i>Transport equipment</i>				267		
				5 222		

**Investment property**

	2010-06-30	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)
<b>Investment property at fair value as at 30 June 2010</b>	<b>5 096</b>	<b>5 096</b>

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

**Intangible assets**

	Computer software and other intangible assets
<b>At 31 December 2009 Cost</b>	<b>1 360</b>
Changes of current year	
Additions	
Transferred and unused assets (-)	
Rewritings from one account into another +/-(-)	
<b>At 30 June 2010 Cost</b>	<b>1 360</b>
<b>Accumulated depreciation at 31 December 2009</b>	<b>(1 307)</b>
Changes of the current year	(14)
Amortisation	(14)
Assets transferred to the third persons	
Written off assets (-)	
Rewritings from on account to another +/-(-)	
<b>Accumulated amortization at 30 June 2010</b>	<b>(1 321)</b>
<b>Net book amount at 30 June 2010</b>	<b>39</b>

**Investments in associated and affiliate companies**

	2010-06-30	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**

	2010-06-30	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.

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

**Other receivables**

	2010-06-30	2009-12-31
Non-courrent part of loans granted to related parties	1 441	5 003
Prepayments for property, plant and equipment	392	-
	1 833	5 003

**Stock**

	2010-06-30	2009-12-31
Raw materials	5 594	5 445
Work in process	824	443
Finiched products and goods for resale	11 105	8 361
Write-down to net authorized value	(69)	(69)
	17 454	14 180

As of June 30 2010 the Company has pledged its stock amounting to LTL 8 000 thousand to secure the repayment of its borrowings.

**Trade and other receivables**

	2010-06-30	2009-12-31
Receivables from related parties, including current portion of long-term debts	38 640	36 412
Trade receivables	89	83
Prepaid income tax	168	-
Prepayments and deferred charges	300	-
Other receivable accounts	32	70
	39 230	36 565

**Cach and cach equivalent**

	2010-06-30	2009-12-31
Cach at bank	24	79
Cach in hand	23	4
	47	83



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

**Share capital**

As of 30 June 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 6 months of the year 2009 there were no changes in share capital.

**Reserves**

	<b>2010-06-30</b>	<b>2009-12-31</b>
<i>Reserves:</i>	9 854	10 560
- reevaluation reserve	817	817
- reserve presupposed by law	2 500	2 500
- reserve for acquisition	7 698	7 698
- other reserves	20 869	21 575
	<u>9 854</u>	<u>10 560</u>

As of 30 June 2010, as a result of depreciation of revalued assets, revaluation reserve was reduced by LTL 706 thousand (2009: LTL 605 thousand), whereas the retained result for the year then ended was increased by the same amount.

**Borrowings**

	<b>2010-06-30</b>	<b>2009-12-31</b>
<i>Short-term borrowings</i>		
Short-term loans received from banks	12 300	12 852
Current portion of long-term loans received from banks	2 417	1 342
Finance lease liabilities	1 434	1 482
	<u>16 151</u>	<u>15 676</u>
<i>Long-term borrowings</i>		
Long-term loans received from banks	311	2 521
Finance lease liabilities	1 429	2 122
	<u>1 740</u>	<u>4 643</u>
<b>Total borrowings</b>	<u>17 891</u>	<u>20 319</u>

**Trade and other payables**

	<b>2010-06-30</b>	<b>2009-12-31</b>
Trade payables	795	798
Payables to related parties	673	653
Taxes	1404	769
Remuneration and social security payable	1034	1 187
Vacation reserve	1331	1 178
Other amounts payable and accrued charges	593	125
	<u>5 830</u>	<u>4 710</u>

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

**Related-party transactions**

**Sales of goods and services**

	January-June 2010	January-June 2009
<i>-Ultimate parent company:</i>		
Koncernas SBA UAB		-
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	68 953	90 043
Visagino linija UAB	50	188
Klaipėdos baldų prekyba UAB		-
Šilutės baldai UAB	105	169
Germanika UAB	932	454
Kauno baldai AB	9	7
Baldstata UAB	11	9
Akmena AB		-
	70 060	90 870

**Interest received**

	January-June 2010	January-June 2009
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	72	87
Klaipėdos baldų prekyba UAB	18	43
	90	130

**Purchases of goods and services**

	January-June 2010	January-June 2009
<i>-Ultimate parent company:</i>		
Koncernas SBA UAB	103	113
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	54 033	68 023
Visagino linija UAB	32	320
Baldstata UAB	306	235
Šilutės baldai AB		87
Šatrija AB		7
Karigė AB		178
Kauno baldai AB	12	54
Germanika UAB	90	36
Klaipėdos baldų prekyba UAB	1	-
Association Industry Marketing and Business Centre		9
Pastatų įdėjų įgyvendinimas, UAB	7	2
	54 586	69 064

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

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

**Related-party transactions (continued)**

**Amounts receivable within one year**

	2010-06-30	2009-12-31
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB		
trade receivables	32 697	33 969
loans	3 562	610
other receivables		
	36 258	34 579
Klaipėdos baldų prekyba UAB	527	976
Šilutės baldai AB	129	38
Kauno baldai AB		
Germanika UAB	1 726	819
	38 640	36 412

**Amounts receivable after one year**

	2010-06-30	2009-12-31
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB		3 562
Klaipėdos baldų prekyba UAB	1 441	1 441
	1 441	5 003

**Amounts payable within one year**

	2010-06-30	2009-12-31
<i>-Ultimate parent company:</i>		
Koncernas SBA UAB	42	19
<i>-Subsidiaries of ultimate parent company:</i>		
Association Industry Marketing and Business Centre	266	287
Baldstata UAB	82	45
Kauno baldai AB	41	37
Visagino linija UAB	242	265
	673	653

**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 68 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.





JSC "Klaipėdos baldai"

SIX-MONTH INTERIM REPORT OF 2010

**1. Reporting cycle, for which interim report is prepared.**

The interim report of JSC "Klaipėdos baldai" is prepared for six months of 2010<sup>th</sup>.

**2. Main data about an issuer.**

Name of the issuer	JSC "KLAIPEDOS BALDAI"
Authorized capital	8 166 312 LTL
Residence address	Joniskės Str. 21; 91267 Klaipėda, Lithuanian Republic
Telephone	(46) 31 39 35 (46) 31 39 60
Fax	(46) 31 39 51
E-mail address	<a href="mailto:info@kbaldai.lt">info@kbaldai.lt</a>
Juridical-organizational form	Joint-stock company
Date and place of registration	The 3 <sup>rd</sup> of March, 1993, Administration of Klaipėda City
Registration Nr.	AB 93-59
Company registry code	140656052

**3. Format of main issuer's activity.**

Furniture trade.

**4. Information about contracts with agents of public turnover securities.**

On the 30<sup>th</sup> of November, 2006, JSC "Klaipėdos baldai" and JSC SEB Vilnius bank (Gedimino Str. 12, LT-01103 Vilnius, tel.(5)268 2687, Fax(5)262 6043) concluded the following contract Nr.S-Gend-231 on the Securities accounts administration and service.

**5. Information about issuer's securities dealings on the controlled markets.**

JSC "Klaipėdos baldai" securities are entered into the lists of Vilnius Stock Exchange on the 9<sup>th</sup> of August, 1994. At this time in the additional dealings list of VSE there are 8 166 312 common inscribed paperless shares of JSC "Klaipėdos baldai" at par value of one litas, which aggregate par value – 8 166 312 litas.

**6. Structure of issuer's authorized capital.**

Authorized capital of the company registered at the LR Board of Agriculture is 8 166 312 Lt. Structure of JSC "KLAIPEDOS BALDAI" authorized capital by stock type

Stock type	Stock number	Nominal value (Lt)	Aggregate value	par	Part of authorized capital (%)
Common inscribed paperless share	8 166 312	1	8 166 312		100,00
<b>In total:</b>	<b>8 166 312</b>	-	<b>8 166 312</b>		<b>100,00</b>

All stock of JSC "KLAIPEDOS BALDAI" is paid. There were no changes in the authorized capital at the recent time.

An ordinary registered share grants to its owner (shareholder) the following property rights:

- To receive a portion of the Company's profit (dividend);
- To receive a portion of the assets of the Company in liquidation;
- To receive shares free of charge when the authorized capital is increased from the Company's funds, save exceptions stipulated in the Law on Companies of the Republic of Lithuania;
- To acquire shares or convertible bonds issued by the Company by the right of pre-emption, except when the general shareholders meeting decides to recall the right of pre-emption for all the shareholders in accordance with the procedure prescribed by the Law on Companies of the Republic of Lithuania;
- To lend money to the Company in any manner prescribed by the laws; however, when borrowing money from its shareholders, the Company has no right to mortgage its property to the shareholders. When the Company borrows money from its shareholder, interest rate may not exceed the average interest rate of commercial banks located in the lender's place of residence or business, that is effective at the time of concluding a loan agreement. In such a case the Company and shareholders are forbidden to agree upon higher interest rates;
- To transfer all shares or part thereof to other persons;



7. To demand that other shareholders would compulsorily sell their shares to them, or to demand that other shareholders would compulsorily buy shares from them in cases and in the order prescribed by the Law on the Securities Market;
8. Other property rights established by the laws.

An ordinary registered share grants to its owner (shareholder) the following personal non-property rights:

1. To attend general shareholders meetings;
2. To vote at general shareholders meetings under the rights granted by the shares. One ordinary registered share grants one vote;
3. To receive information about the Company to the extent prescribed by the laws;
4. Other non-property rights established by the laws.

## 7. Shareholders.

Total number of JSC "KLAIPEDOS BALDAI" shareholders for the 30th of June, 2010, is 841.

The table below lists the major shareholders of the Company.

Name, surname (company name, type, residence address, company register code) of a shareholder	Number of common inscribed paperless share, belonging to a shareholder by right of ownership (pcs)	Part of authorized capital in stock (%)	Part of votes, provided by stock, belonging by right of ownership (%)
CJSC "SBA furniture group", 300103836 Laisves Av. 3, Vilnius	5 908 441	72,35	72,35
SWEDbank Clients, 10060701, Liivalaia 8, Tallinn	384 794	4,71	4,71
Skandinaviška Enskilda Banken AB Finnish Clients, 5020329081 Sergels Torg 2 ,10640 Stockholm, Sweden	273 527	3,35	3,35
Association "Business centre of industry and marketing" 134292039 K.Donelaicio Str .62, Kaunas	262 374	3,21	3,21
Other shareholders	1 337 176	16,38	16,38
In total	8 166 312	100	100

There are no shareholders holding special control rights.

There are no restrictions imposed on voting rights.

There are no mutual agreements between shareholders of which the Issuer is aware and due to which restrictions on transfer of securities and/or voting rights may be imposed.

Klaipėdos Baldai AB had no own shares.

## 8. Information about issuer's activity results.

Six-month sales of JSC "Klaipėdos baldai" in 2010 amounted to 69 835 thousands Lt, in comparison with the same period of time in 2009 sales decreased for 23,2 %. Six-month pre-tax profit in 2010 – 2112 thousands Lt.

Company, pursuing its activity, faces different risks.



Financial risk management is performed by the administration. More information about financial-risk management can be found in Company annual reports .

Credit risk is mostly influenced by financial condition of CJSC "SBA Baldu kompanija", as the company gets most income from CJSC "SBA Baldu kompanija". Conservative management of liquidity risk allows holding the due amount of cash and money equivalents, required to cover the planned expenses. The company performs short forecast of money flows and it is concluded contracts with banks on the opportunity to borrow money, if necessary.

Market risk: main company production is marketed by CJSC "SBA Baldu kompanija". Marketing and selling functions are performed by CJSC "SBA Baldu kompanija".

Stores (materials) risk issues from constantly varying costs of raw materials. Materials are bought through CJSC "SBA Baldu kompanija", that allows to expect beneficial prices from raw supplier by uniting purchases of several companies.

Product quality risk: From 1997 Quality Management System, competent to requirements of new standard LST EN ISO 9001:2001, is operating effectively at the Company. TUV CERT experts confirm every year during regulatory audits. Rising problems are constantly analyzed and solved; work is improved by choosing masterly stage of Quality Management Development – General Quality Management (GQM).

Ecology risk. At JSC "Klaipėdos baldai" is operating Environment Protection Management System competent to requirements of standards ISO 14001, implemented and certified in 1999. New, proprietary and of cleaner production technology is obtained by modernizing production. Environment Protection Management System requires permanent and systematic supervision, evaluation and effect (result) prognostication of system efficiency. To perform this, monitoring is pursued to supervise changes during particular period of time (ratio of energy input and furniture production, power resources input for 1000 m2 of made production and so on). Internal and external audits of functional system are also performed.

Personnel risk: the number of fired workers has decreased in 2009. It was conditioned by effective policy of incentive of workers, as well as capacity of newly employed workers to adjust to requirements and aims, raised by the company. The company considers its priority to increase productivity of workers and also salaries.

The Company's Board is responsible for the development and verification of the sequence and directions of the Company's internal-control actions, while the Company's Director is responsible for the implementation thereof. The following sequence of internal-control actions is established in the Company:

1. Determination of standards (control standards define effectiveness indicators);
2. Comparison of actual data with planned data;
3. Decision-making.

Internal-control directions vary depending on changes inside the Company and in the external environment.

More information about company's six-month work and financial results is given in financial accountability report.

## 9. Personnel.

According to the information on the 30<sup>th</sup> of June, 2010, average listing number of operatives at the company was 526 workers, 493 of them are workers, what makes 93.7 % of all operatives, and 33 managers and specialists – 6.3 % of all operatives. 35 workers with higher education, 37 – with further education, 104 – with vocational-technical education, 54 – with professional secondary education, 260 – with secondary education and 36 – with uncompleted secondary education worked in the company in 2010

Company spent 2 172 Lt for personnel training during the half-year of 2010

Average number of workers and average salary:

	Half-year of 2010
Average conditional number of workers, prs.	526
Average salary or worker per month, Lt	2341
Average salary of managers and specialists per month	4545
Average salary of workman per month	2176



Rights and obligations of issuer's workers, covered in the collective agreement of the company didn't change since information representation in the annual report of 2009.

**10. Order of changing issuer's regulations.**

Regulations of JSC "Klaipėdos baldai" cover, that only general meeting of JSC "Klaipėdos baldai" shareholders has an exclusive right to change company regulations, except cases, covered by the law of joint-stock company of Lithuanian Republic. For making a decision on regulations change 2/3 votes of shareholders, majority of participating in the general meeting, are needed.

**11. Issuer's organs.**

According to regulations of JSC "Klaipėdos baldai", Company regulatory bodies are General Meeting of Shareholders, Council of Supervisors, The Management and Company Director. Resolutions of the General Meeting of Shareholders, accepted on the questions, covered by Company regulations, within the competence of General Meeting of Shareholders, are compulsory for shareholders, Council of Supervisors, Management, Director and other Company workers.

Shareholders, who were Company shareholders at the end of the accounting day of the General Meeting of Shareholders, have a right to participate in the General Meeting of Shareholders. Company meeting accounting day is the fifth working day to the General Meeting of Shareholders or the fifth working day to the repeated General Meeting of Shareholders. The person, participating in the General Meeting of Shareholders and having a right to vote, has to present personal identity document. The person, who is not a shareholder, besides personal identity document, should present a document, confirming a right to vote.

Collegial supervision organ - Council of Supervisors is chosen by the General Meeting of Shareholders in the order, covered by the law of joint-stock company of Lithuanian Republic. The Council of Supervisors consists of 3 (three) Council members. The Council of Supervisors is chosen for the period of 4 (four) years. The Council of Supervisors is choosing the council chairman from its members. The General Meeting of Shareholders can cancel all Council of Supervisors or its individual members till the end of tenure of Council of Supervisors. If individual members of the Council are chosen, they are chosen only till the end of functional council tenure.

The Council of Supervisors choose and destitute management members, supervises management and work of company director, presents responses and offers to the General Meeting of Shareholders on the strategy of company activity, annual financial accountability, project of profit distribution and company annual report, as well as on the management and work of company director, lays proposals to management and company director to cancel their resolutions, which contradict law and other legal acts, company regulations or resolutions of the General Meeting of Shareholders. It also solves other questions on the company and its management work supervision, which are assigned to the competence of the Council of Supervisors by resolutions at the General Meeting of Shareholders. The Council of Supervisors doesn't have a right to consign or pass functions, assigned to its competence in the joint-stock company law of Lithuanian Republic, for performing to other company organs.

The Management is a collegial organ of company administration, which consists of 3 (three) management members. The Council of Supervisors is choosing The Management for a period of 4 (four) years. The Council of Supervisors can cancel all Management or its individual members till the end of their tenure. If individual members of the Management are chosen, they are chosen only till the end of functional management tenure. The Management is choosing the management chairman from its members.

The Management choose and destitute the company director, sets his salary, other conditions of employment contract, official provisions, stimulates him and fines him.

The Director is a head of the Company. The head of the company is a one-man company management organ, which organizes company's activity. Authorizations and responsibility of the company administration members are determined by an order of the director.



**12. Members of collegial organs, company director.****COUNCIL OF SUPERVISORS (the 30<sup>th</sup> of June, 2010)**

Nr.	Post	Name, Surname	Participation in issuer's capital (stock) %	Part of votes, %	Qualification
1.	Chairman	Egidijus Valentinavicius	-	-	Higher education in the field of economy (economics and management) Vice President of Business Management (Private Limited Liability Company (UAB) Concern "SBA")
2.	Member	Dalia Maleckiene	-	-	Higher education in the field of engineering (production management) Head of Business Planning (Private Limited Liability Company (UAB) Concern "SBA")
3.	Member	Virgilijus Rancys	-	-	Higher education in the field of economy (finance and credit) Head of Treasury (Private Limited Liability Company (UAB) Concern "SBA")

**The Management (the 30<sup>th</sup> of June, 2010)**

Nr.	Post	Name, Surname	Start of tenure	End of tenure	Participation in issuer's capital	Part of votes, %
1.	Chairman	Ricerdas Kiaurakis	25 04 2008	25 04 2012	-	-
2.	Member	Rasa Zvirbliene	13 02 2009	25 04 2012	-	-
3.	Member	Eimuntas Jankauskas	13 02 2009	25 04 2012	-	-

**ADMINISTRATION DIRECTOR (the 30<sup>th</sup> of June, 2010)**

Post	Name, Surname	Works at this post	Participation in issuer's capital (available stock)	Participation in issuer's capital (available stock)
Director	Ramunas Marozas	01 04 2008	-	-

**13. Essential and newest events in the issuer's activity.**

All essential events, which happened in 2010, are presented to Vilnius Stock Exchange and Stock Commission as it is required by rules of periodic display of information about issuer's work and their stock. Any information about the company essential events can be found at: [www.nasdaqomxbaltic.com](http://www.nasdaqomxbaltic.com).

**1.) 2010 02 26**

The preliminary unaudited results and 12 months interim information of 2009

Unaudited results of AB Klaipedos baldai of 2009:

Overall 2009 sales reached 170 000 thousand Lt (49235 thousand EUR) or 8,2 percent less than in 2008. The reason of decreased sales are situation in markets.



Pre-tax profit of 2009 was 4963 thousand LTL (1437 thousand EUR), or 11.6 percent more than in 2008, then it was 4447 thousand Lt ( 1288 thousand EUR).

Profit was determined by the production processes effectiveness and optimization of costs.

Ramunas Marozas  
Managing Director

**2.) 2010 03 26**

Concerning general shareholder meeting

Convocation of an ordinary general meeting of SC Klaipėdos baldai shareholders

By the initiative and decision of the Company Board, an ordinary general meeting of SC Klaipėdos baldai (registered at Joniskės str. 21, Klaipėda, company number 140656052) shareholders is being convoked at Joniskės str. 21, Klaipėda on 28 April 2010 at 11 am. Shareholders' registration starts at 10 am.

Only the persons who were shareholders of the company at the end of the general shareholders' meeting accounting day shall have the right to attend and vote at the general shareholders' meeting. The meeting accounting day is 21 April 2010.

Property rights shall be held by the persons who were SC Klaipėdos baldai shareholders at the end of the tenth working day after the general shareholders' meeting having adopted the respective decision. The rights accounting day is 12 May 2010.

The agenda of the ordinary general shareholders' meeting:

1. The Supervisory Council record and offer of the year 2009 financial accountability, profit distribution project and annual report.
2. Auditor report of year 2009 financial accountability.
3. Financial accountability statement for 2009.
4. Profit distribution project statement for 2009.
5. The election of annual auditor for 2010 and the establishment of the rate for the report.

The general shareholders' meeting is convened on the initiative and by the resolution of the Board of the Company.

The Company shall not provide the possibility to attend and vote in the general shareholders' meeting through electronic communication channels.

Each shareholder holding shares that grant at least 1/20 of all votes shall have the right of proposing to supplement the agenda of the general shareholders' meeting. Draft decisions on the proposed issues shall be submitted together with the proposal or, if the decisions are not needed to be approved, explanations on each proposed issue of the general shareholders' meeting shall be presented. Proposal to supplement the agenda must be presented in writing sending it by a registered mail at the above-specified head-office address of the Company. The agenda shall be supplemented if the proposal will be received not later than 14 days before the general shareholders' meeting.

Each shareholder holding shares that grant at least 1/20 of all votes shall have the right of proposing draft resolutions on the issues already included or to be included in the agenda of the general shareholders' meeting, to nominate additional candidates for members of the Company's managerial body, the audit company. The proposed draft decisions must be presented in writing sending them by a registered mail at the above-specified head-office address of the Company

The shareholders shall also be entitled to propose draft resolutions on the general shareholders' meeting agenda issues in writing during the meeting.

The shareholders shall have the right to present questions related to the general shareholders' meeting agenda issues to the Company in advance in writing, by stating the shareholder's personal ID number in the letter and sending by a registered mail. The Company undertakes to respond if the questions are received not later 3 working days before the general shareholders' meeting.

A shareholder or a person authorised by him attending the general shareholders' meeting and entitled to vote shall submit an identity document.

Each shareholder shall also have the right to authorise another person (natural or legal), in the manner prescribed by law, to attend and vote at the general shareholders' meeting on his behalf. At the meeting the authorised person shall enjoy the same rights as the shareholder represented by him would have unless the authorized person's rights are limited by the power of attorney or by the laws. The authorised person must produce a power of attorney certified in the manner prescribed by law. A power of attorney issued in a foreign state must be translated into Lithuanian and legalised in the manner

prescribed by law.

A shareholder or a person authorised by him shall have the right to vote in writing in advance by filling in the general ballot paper. On shareholder's request, the Company shall, not later than 10 days before the meeting, send the general ballot paper by registered mail free of charge. The filled in general ballot paper and the document confirming the voting right (if any) must be submitted to the Company in writing not later than on the last working day before the general shareholders' meeting sending it by registered mail at the above-specified head-office address of the Company.

The documents related to the convening and the agenda of general shareholders' meeting, draft decisions on each agenda item, documents that must be submitted to the meeting, the form of the general ballot paper and other information related to the implementation of the shareholder rights will be available for the shareholders during working hours at AB Klaipėdos baldai head-office in Joniskes str. 21, Klaipėda and partly on the Company's website <http://www.klaipedos-baldai.lt>.

SC „Klaipėdos baldai“

Director Ramunas Marozas

### 3.) 2010 04 02

#### RESOLUTION PROJECTS FOR GENERAL STOCKHOLDER'S MEETING HELD ON 2010 APRIL 28th

The board meeting of SC "Klaipėdos baldai" has prepared resolution projects for stockholders meeting and vote:

1. The supervisory council reviews and proposals concerning the financial accountability of SC "Klaipėdos baldai" for 2009, profit distribution project and company report for 2009 by the board meeting.  
Resolution: approve the supervisory council auditor.

2. The auditor report concerning the financial accountability of SC „Klaipėdos baldai“ for 2009.  
Resolution: approve the report auditor.

3. Financial accountability consolidation for 2009.  
Resolution: approve the financial accountability for 2009.

4. Profit distribution project for 2009.  
Resolution: approve the profit distribution project as it follows:

#### PROFIT DISTRIBUTION PROJECT

Article	Amount thousand/Lt	Amount thousand/EUR
Retained earnings (loss) in the end of last fiscal year	32 672	9 462
Net profit (loss)	5 153	1 492
Distributable result-profit (loss) in the end of fiscal year	37 825	10 955
The contribution of stockholders for the loss refund	-	-
Transfer from the reserve	880	255
Distributable earnings	38 705	11 210
The distribution of profit:		
reserves set by law	-	-
other reserves	-	-
dividends	-	-



other	-	-
Retained earnings in the end of fiscal year	38 705	11 210

5. The election of the auditor for 2010, the establishment of the rate for the report.

Four resolutions drafts are approval for vote:

- Decided to select JSC "PriceWaterHouseCoopers" as the auditor company for 2010 and determine 47 000 Lt excl. VAT as wage.
- Decided to select JSC "KPMG Baltics" as the auditor company for 2010 and determine 45 000 Lt excl. VAT as wage.
- Decided to select JSC " Deloitte Lietuva" as the auditor company for 2010 and determine 50 000 Lt excl. VAT as wage.
- Decided to select JSC " ERNST & YOUNG BALTIC " as the auditor company for 2010 and determine 44 886 Lt (13 000 euro) excl. VAT as wage.

The auditor company will be the one that receives more votes.

Managing Director  
Ramunas Marozas

#### 4.) 2010 04 28

THE GENERAL SHAREHOLDER'S MEETING OF AB „KLAIPĖDOS BALDAI“ HELD ON 28.04.2010 HAS PASSED FOLLOWING RESOLUTIONS:

- To approve the Supervisory Council's reports and proposals regarding the Company's annual financial accountability statements, profit distribution project and the Company's annual report for the year 2009.
- To approve the Auditor's Report on the Company's annual financial accountability statements for the year 2009.
- To approve the financial accountability statements for the year 2009.
- To approve the appropriation of profit for the year 2009.

#### PROFIT DISTRIBUTION

Articles	Amount thousand/Lt	Amount thousand/EUR
Retained earnings (loss) in the end of last fiscal year	32672	9462
Net profit (loss)	5153	1492
Distributable result-profit (loss) in the end of fiscal year	37825	10955
The contribution of stockholders for the loss refund	-	-
Transfer from the reserve	880	255
Distributable earnings	38705	11210
The distribution of profit:		
reserves set by law	-	-
other reserves	-	-
dividends	-	-
other	-	-
Retained earnings in the end of fiscal year	38705	11210

5. Decided to select JSC "PriceWaterHouseCoopers" as the auditor company for 2010 and determine 40 000 Lt excl. VAT as wage.

Ramunas Marozas



Managing Director

**5.) 2010 04 28**

On annual information

Klaipėdos baldai, AB annual information for 2009 approved by the Ordinary General Shareholders Meeting is presented

**6.) 2010 05 28**

Preliminary unaudited results for 3 months of 2010 and forecasting performance for 2010

Unaudited results of AB Klaipėdos baldai for 3 months of 2010:

Overall sales during January - March 2010 reached LTL 35778 thousand (EUR 10362 thousand), in the corresponding period of 2009 were 48635 LTL thousand (EUR 14086 thousand).

Earnings before taxes were LTL 1207 thousand (EUR 350 thousand) during January - March 2010. In the corresponding period of 2009 earnings before taxes were LTL 1078 thousand (EUR 312 thousand). Gross profit margin for January - March 2010 reached 5.5% and exceeded forecast for 2010 by 1.0 pp. This result was achieved by improvement of the efficiency in the production and cost optimization. Management expects to achieve planned annual turnover and financial results, therefore annual forecasts are not adjusted 1st quarter ended March 31, 2010.


Ramunas Marozas  
Director

**14. Information about pursuance of Management Code.**

JSC "Klaipėdos baldai" mainly follows listing company Management Code of recommendatory nature, confirmed in August of 2006 at Vilnius Stock Exchange. In 2009 Company established internal Audit Committee. Audit Committee consist from three members. One member of Audit Committee are independent.

JSC "KLAIPEDOS BALDAI"

Director



Ramunas Marozas