

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 September 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

30 SEPTEMBER 2010

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

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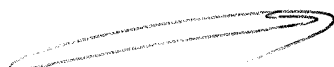
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(All the sums in the table are shown in thousands litas, unless specified otherwise)

INCOME STATEMENT

	Accounts	January- September 2010	July- September 2010	January- September 2009	July- September 2009
I.	SALE INCOME	114 586	44 751	130 077	39 175
II.	SALE PRIME COSTS	(109 135)	(42 883)	(125 059)	(37 533)
III.	TOTAL PROFIT (LOSS)	5 451	1 868	5 018	1 642
IV.	ACTIVITY EXPENSES	(2 286)	(765)	(2 213)	(689)
IV.1.	Sale			0	0
IV.2.	General and administrative	(2 286)	(765)	(2 213)	(689)
V.	PROFIT (LOSS) OF TYPICAL ACTIVITY	3 165	1 103	2 805	953
VI.	OTHER ACTIVITY	757	372	964	398
VI.1.	Income	1 604	654	1 751	649
VI.2.	Expenditures	(847)	(282)	(787)	(251)
VII.	FINANCIAL AND INVESTMENT ACTIVITY	(502)	(167)	(774)	(207)
VII.1.	Income			0	0
VII.2.	Expenditures	(502)	(167)	(774)	(207)
VIII.	INCOME OF (LOSS) ORDINARY ACTIVITY	3 420	1 308	2 995	1 144
IX.	WINDFALL PROFITS				
X.	LOSSES				
XIII.	PROFIT (LOSS) BEFORE TAXES	3 420	1 308	2 995	1 144
XIV.	PROFIT TAX	(474)	(157)	(599)	(229)
XV.	NET PROFIT (LOSS)	2 946	1 151	2 396	915

Director



Ramūnas Marozas

KLAIPEDOS BALDAI AB
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30 September 2010

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

BALANCE

	Accounts		2010 09 30	2009 12 31
A.	LONG-TERM ASSETS		39 826	46 151
I.	INTANGIBLE ASSETS		32	53
I.1.	Patents, licenses		2	3
I.2.	Programming equipment		30	50
I.3.	Other intangible assets			
II.	TANGIBLE ASSETS		38 042	40 784
II.1.	Land			0
II.2.	Buildings and constructions		21 746	23 469
II.3.	Machinery and equipment		8 875	11 761
II.4.	Transportation means		295	376
II.5.	Other equipment, devices, instruments and units		19	29
II.6.	Construction in progress		64	53
II.7.	Other tangible assets		1 947	
II.8.	Investment property		5 096	5 096
II.8.1.	Buildings		5 096	5 096
III.	FINANCIAL ASSETS		1 752	5314
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	5003
III.4.	Other financial assets		288	288
B.	SHORT-TERM ASSETS		57 319	50 828
I.	STOCK, ADVANCE PAYMENTS AND CONTRACTS IN PROGRESS		12 029	14 229
I.1.	Stock		11 366	14 180
I.1.1.	Raw materials and component parts		4 047	5 405
I.1.2.	Production in process		675	443
I.1.3.	Produced products		6 644	8 333
I.2.	Advance payments		663	48
I.3.	Contracts in process			
II.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR		45 071	36 517
II.1.	Buyers' debts		41 295	35 885
II.2.	Debts of affiliate and associated companies			
II.3.	Other accounts receivable		3 776	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		219	83
	TOTAL ASSETS:		97 145	96 979

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

BALANCE (continued)

Accounts	2010 09 30	2009 12 31
C. EQUITY CAPITAL	71 392	68 446
I. CAPITAL	8 166	8 166
I.1. Statutory (subscribed)	8 166	8 166
II. REEVALUATION RESERVE (RESULTS)	9 500	10560
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)	42 711	38 704
IV.1. Profit (loss) of the reporting year	2 946	5153
IV.2. Profit (loss) of the previous year	39 765	33551
D. DOTATIONS, SUBSIDIES		
E. ACCOUNTS PAYABLE AND LIABILITIES	25 753	28 533
I. ACCOUNTS PAYABLE IN ONE YEAR AND LONG-TERM LIABILITIES	3 738	7 166
I.1. Financial debts	1 215	4 643
I.1.1. Leasing (financial rent) and similar liabilities	1 008	2 122
I.1.2. To credit institutions	207	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	22 015	21 367
II.1. The current year part of long-term debts	3 902	2 824
II.2. Financial debts	12 134	12 852
II.2.1. To credit institutions	12 134	12 852
II.2.2. Other debts		
II.3. Debts to providers	1 624	1 451
II.4. Received advanced payments	1	1
II.5. Profit tax liabilities		981
II.6. Liabilities connected with labor relations	1 445	1326
II.7. Provisions		
II.8. Other accounts payable and short-term liabilities	2 909	1 932
TOTAL EQUITY CAPITAL AND LIABILITIES	97 145	96 979

Director



Ramūnas Marozas

KLAIPEDOS BALDAI AB
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Statement of changes in equity

	Share capital	Reevaluation reserve	Legal reserves	Reserve for acquisition 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	-	(908)	-	-	-	908	0
Net profit	-	-	-	-	-	2 396	2 396
Balance as at 30 September 2009	8 166	9 667	817	2 500	7 698	35 976	64 824
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	-	(1 060)	-	-	-	1 060	0
Net profit (loss)	-	-	-	-	-	2 946	2 946
Balance as at 30 September 2010	8 166	9 500	817	2 500	7 698	42 711	71 392

Director



Ramūnas Marozas

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Cash flows statement

	30 September 2010	30 September 2009
Cash flows from ordinary activity		
Net result	2 946	2 396
Corrections:		
Wear and amortization	4 631	4 770
Value decrease and written-off sums	(37)	(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	(5 911)	(8 696)
Decrease (increase) of other accounts receivable within one year	568	1 178
Decrease (increase) of stock	2 851	4 801
Decrease (increase) of advance payments	(600)	(552)
Decrease (increase) of accumulated income and expenditures of future periods	(15)	(23)
Increase (decrease) of short-term debts to providers	173	(477)
Increase (decrease) of provisions and deferred taxes	0	
Increase (decrease) of accumulated expenditures and income of future periods	849	327
Sums received in advance under signed contracts	0	1
Taxes, salaries and social insurance	(737)	238
Increase (decrease) of other payable sums and short-term liabilities	5	
Net cash flows from ordinary activity	4 673	3 956
Acquisition of long-term assets by net value	(1 819)	(264)
Acquisition (sale) of long-term financial assets		
Net cash flows (used) for investment activity	(1 819)	(264)
Changes of long-term financial debts	(2 001)	(1 711)
Changes of short-term financial debts	(717)	(1 977)
Changes of investments and time deposits		
Net cash flows (used) for financial activity	(2 718)	(3 688)
Increase (decrease) of money and its equivalents	136	4
Money and its equivalents in the beginning of the period	83	30
Money and its equivalents in the end of the period	219	34

Director



Ramūnas Marozas

KLAIPEDOS BALDAI AB
FINANCIAL REPORTING
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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 2010

	Number of shares, held	Percentage of the share capital
SBA Furniture Group UAB	5 908 441	72,35
Swedbank AS (Estonia) Clients	383 501	4,70
Skandinaviska Enskilda Banken	273 527	3,35
Association Industry Marketing and Business centre	262 374	3,21
Other shareholders	1 338 469	16,39
Total	8 166 312	100,00

As at 30 September 2010, the Company’s average number of employees was 527 (2009: 624).

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-September 2010	January-September 2009
Raw materials	87 692	101 505
Remuneration and social security	14 081	15 751
Depreciation	3 667	4 019
Utilities	2 467	2 233
Repairs	701	854
Other	527	698
	109 135	125 059

Distribution costs

	January-September 2010	January-September 2009
Advertising	-	5
	-	5

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Administrative expenses

	January- September 2010	January- September 2009
Remuneration and social security	402	399
Communication and IT maintenance expenses	266	285
Taxes other than income tax	138	139
Depreciation and amortization	339	243
Consulting, audit, training, accounting services	310	281
Association fees and representation expenses	22	26
Security expenses	152	161
Writing off of stock and decrease of value		
Materials and maintenance expenses	85	102
Business travel expenses	5	16
Insurance	90	98
Other	477	459
	2 286	2 208
Total cost of sales, distribution costs and administrative expenses	111 422	127 273

Other income

	January- September 2010	January- September 2009
Rental income	560	562
Income from holiday houses	135	148
Gain on disposal of property plant and equipment	50	-
Sales of thermoelectricity	628	666
Other	232	375
	1 604	1 751

Other expenses

	January- September 2010	January- September 2009
Expenditures of holiday houses	(555)	(458)
Other rental expenses	(290)	(303)
Other	(2)	(26)
	(847)	(787)

Finance income

	January- September 2010	January- September 2009
Income from interest	-	-
Income from dividends	-	-
Other	-	-
	-	-

Finance cost

	January- September 2010	January- September 2009
Interest expenses	(502)	(774)
Other	-	-
	(502)	(774)

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Property plant and equipment

	Buildings	Vehicles	Plant and machinery	Other tangible assets	Total
a) Cost or revalued amount at 31 December 2009	21 940	1 362	44 700	555	68 557
a) Changes of current year					
additions			216	32	248
assigned and unused asset(-)		(77)	(1 638)	(1)	(1 716)
transcriptions from one article to another +/-(-)					
a) Cost or revalued amount at 30 September 2010	21 940	1 285	43 278	586	67 089
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 30 September 2010	18 606				18 606
c) Accumulated depreciation and impairment at 31 December 2009	(17 077)	(986)	(32 910)	(502)	(51 475)
c) Accumulated depreciation (-)	(16 353)	(986)	(32 910)	(502)	(50 751)
c) Accumulated impairment (-)	(724)				(724)
Changes of current year	(1 723)	(4)	(1 308)	(20)	(3 055)
depreciation (-)	(1 723)	(81)	(2 785)	(21)	(4 610)
restored records					
assigned asset to the third parties		77	1 477	1	1 555
write-offs					
transcriptions from one article to another +/-(-)					
increase of value +/-(-)					
c) Accumulated depreciation and impairment at 30 September 2010	(18 800)	(990)	(34 218)	(522)	(54 530)
d) Net book amount at 30 September 2010	21 746	295	9 060	64	31 165
<i>Among them acquired by Finance leasing:</i>		250	4 507		4 756

Investment property

	2010-09-30	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)
Investment property at fair value as at 30 June 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 30 September 2010 Cost	1 360
Accumulated depreciation at 31 December 2009	(1 307)
Changes of the current year	(21)
Amortisation	(21)
Assets transferred to the third persons	
Written off assets (-)	
Rewritings from on account to another +/-(-)	
Accumulated amortization at 30 September 2010	(1 328)
Net book amount at 30 September 2010	39

Investments in associated and affiliate companies

	2010-09-30	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

	2010-09-30	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.

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Other receivables

	2010-09-30	2009-12-31
Non-courrent part of loans granted to related parties	1 441	5 003
Prepayments for property, plant and equipment	1 781	-
	<u>3 222</u>	<u>5 003</u>

Stock

	2010-09-30	2009-12-31
Raw materials	4 088	5 445
Work in process	675	443
Finiched products and goods for resale	6 675	8 361
Write-down to net authorized value	(69)	(69)
	<u>11 366</u>	<u>14 180</u>

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

Trade and other receivables

	2010-09-30	2009-12-31
Receivables from related parties, including current portion of long-term debts	44 896	36 412
Trade receivables	124	83
Prepaid income tax	504	-
Prepayments and deferred charges	147	-
Other receivable accounts	63	70
	<u>45 734</u>	<u>36 565</u>

Cach and cach equivalents

	2010-09-30	2009-12-31
Cach at bank	213	79
Cach in hand	6	4
	<u>219</u>	<u>83</u>

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Share capital

As of 30 September 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 9 months of the year 2010 there were no changes in share capital.

Reserves

	2010-09-30	2009-12-31
<i>Reserves:</i>	9 500	10 560
- reevaluation reserve	817	817
- reserve presupposed by law	2 500	2 500
- reserve for acquisition	7 698	7 698
- other reserves		
	20 515	21 575

As of 30 September 2010, as a result of depreciation of revalued assets, revaluation reserve was reduced by LTL 1060 thousand (2009: LTL 908 thousand), whereas the retained result for the year then ended was increased by the same amount.

Borrowings

	2010-09-30	2009-12-31
<i>Short-term borrowings</i>		
Short-term loans received from banks	12 134	12 852
Current portion of long-term loans received from banks	2 417	1 342
Finance lease liabilities	1 485	1 482
	16 036	15 676
<i>Long-term borrowings</i>		
Long-term loans received from banks	207	2 521
Finance lease liabilities	1 008	2 122
	1 215	4 643
Total borrowings	17 251	20 319

Trade and other payables

	2010-09-30	2009-12-31
Trade payables	1 026	798
Payables to related parties	599	653
Taxes	921	769
Remuneration and social security payable	1 281	1 187
Vacation reserve	1 282	1 178
Other amounts payable and accrued charges	880	125
	5 978	4 710

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Related-party transactions

Sales of goods and services

	January-September 2010	January-September 2009
<i>-Ultimate parent company:</i>		
Koncernas SBA UAB	-	-
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	113 264	128 955
Visagino linija UAB	63	265
Klaipėdos baldų prekyba UAB	-	-
Šilutės baldai UAB	285	199
Germanika UAB	1 215	684
Kauno baldai AB	13	9
Baldstata UAB	13	15
	114 853	130 129

Interest received

	January-September 2010	January-September 2009
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	109	121
Klaipėdos baldų prekyba UAB	42	82
	151	203

Purchases of goods and services

	January-September 2010	January-September 2009
<i>-Ultimate parent company:</i>		
Koncernas SBA UAB	154	145
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	83 203	94 182
Visagino linija UAB	49	409
Baldstata UAB	301	366
Šilutės baldai AB	40	106
Šatrija AB	14	10
Karigė AB		178
Kauno baldai AB	23	68
Germanika UAB	92	57
Klaipėdos baldų prekyba UAB	1	2
Association Industry Marketing and Business Centre	12	13
Pastatų įdėjų įgyvendinimas, UAB		2
	83 889	95 538

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

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Related-party transactions (continued)

Amounts receivable within one year

	2010-09-30	2009-12-31
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB		
trade receivables	38 741	33 969
loans	3 562	610
other receivables		
	<u>42 302</u>	<u>34 579</u>
Klaipėdos baldų prekyba UAB	191	976
Šilutės baldai AB	336	38
Kauno baldai AB		
Germanika UAB	2 067	819
	<u>44 896</u>	<u>36 412</u>

Amounts receivable after one year

	2010-09-30	2009-12-31
<i>-Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB		3 562
Klaipėdos baldų prekyba UAB	1 441	1 441
	<u>1 441</u>	<u>5 003</u>

Amounts payable within one year

	2010-09-30	2009-12-31
<i>-Ultimate parent company:</i>		
Koncernas SBA UAB	47	19
<i>-Subsidiaries of ultimate parent company:</i>		
Association Industry Marketing and Business Centre	256	287
Baldstata UAB	81	45
Kauno baldai AB	48	37
Visagino linija UAB	248	265
	<u>680</u>	<u>653</u>