

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 December 2011 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

**JSC "KLAIPEDOS BALDAI"  
INTERMEDIATE FINANCIAL REPORTING  
12 MONTH PERIOD FOR 2011**

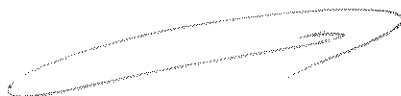
**JSC "KLAIPEDOS BALDAI"**  
**FINANCIAL REPORTING**  
**December 31, 2011**

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

**Statement of comprehensive income**

	Pastabos	January- December 2011	October- December 2011	January- December 2010	October- December 2010
Revenue	2	188 672	50 780	149 479	34 893
Cost of sales	3	(179 730)	(48 289)	(141 707)	(32 571)
<b>Gross profit</b>		<b>8 942</b>	<b>2 491</b>	<b>7 772</b>	<b>2 322</b>
Selling costs	3	(3)		(3)	(3)
Administrative expenses	3	(3 175)	(755)	(2 965)	(679)
Other income	4	2 116	517	1 971	416
Other expenses	5	(984)	(208)	(1 137)	(897)
Other gains/(losses) - net	6	20	2	(469)	88
<b>Operating profit</b>		<b>6 916</b>	<b>2 047</b>	<b>5 169</b>	<b>1 247</b>
Finance costs	7	(749)	(261)	(667)	(165)
<b>Profit before income tax</b>		<b>6 167</b>	<b>1 786</b>	<b>4 502</b>	<b>1 082</b>
Income tax income/(expense)		(622)	(78)	(415)	(59)
<b>Profit for the year</b>		<b>5 545</b>	<b>1 708</b>	<b>4 087</b>	<b>1 023</b>
<b>Attributable to:</b>					
Shareholders of the Company		5 545	1 708	4 087	1 023
		<b>5 545</b>	<b>1 708</b>	<b>4 087</b>	<b>1 023</b>
<b>Other comprehensive income</b>					
Change in defined benefit obligations, net of tax		17	17	(75)	(75)
<b>Other comprehensive income, net of tax</b>		<b>17</b>	<b>17</b>	<b>(75)</b>	<b>(75)</b>
<b>Total comprehensive income for the year</b>		<b>5 562</b>	<b>1 725</b>	<b>4 012</b>	<b>948</b>
<b>Attributable to:</b>					
Shareholders of the Company		5 562	1 725	4 012	948
		<b>5 562</b>	<b>1 725</b>	<b>4 012</b>	<b>948</b>
<b>Earnings per share attributable to the owners of the Company during the year (expressed in LTL per share)</b>					
- basic and diluted		0,70	0,22	0,49	0,12

Director



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**Statement of financial position**

	Pastabos	As at December	
		2011	2010
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	33 281	32 507
Investment property	9	5 562	4 490
Intangible assets	10	2	25
Available-for-sale financial assets	12	288	288
Other receivables	13	3 562	737
Other non-current assets	11	23	23
		<b>42 718</b>	<b>38 070</b>
<b>Current assets</b>			
Inventories	14	13 457	16 098
Trade and other receivables	15	47 150	43 297
Prepaid income tax		249	
Cash and cash equivalents	16	102	77
		<b>60 958</b>	<b>59 472</b>
<b>Total assets</b>		<b>103 676</b>	<b>97 542</b>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Ordinary shares	17	8 166	8 166
Own shares	18	(1 506)	-
Reserves	19	20 406	20 490
Retained earnings		49 068	43 422
<b>Total equity</b>		<b>76 134</b>	<b>72 078</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		2 483	2 333
Borrowings	20	13 867	15 788
Defined benefit obligations	21	301	348
		<b>16 651</b>	<b>18 469</b>
<b>Current liabilities</b>			
Borrowings	20	4 592	2 922
Trade and other payables	22	6 299	4 000
Current income tax liabilities			73
		<b>10 891</b>	<b>6 995</b>
<b>Total liabilities</b>		<b>27 542</b>	<b>25 464</b>
<b>Total equity and liabilities</b>		<b>103 676</b>	<b>97 542</b>

Director



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**Statement of changes in equity**

Note	Attributable to shareholders of the Company							Total equity
	Share capital	Own shares	Revaluation reserve	Legal reserve	Reserve for acquisition of own shares	Other reserves	Retained earnings	
<b>Balance as at 31 December 2009</b>	<b>8 166</b>	<b>-</b>	<b>10 560</b>	<b>817</b>	<b>2 500</b>	<b>7 698</b>	<b>38 705</b>	<b>68 446</b>
Correction	24	-	-	-	-	-	(380)	(380)
<b>Balance as at 31 December 2009</b>	<b>8 166</b>	<b>-</b>	<b>10 560</b>	<b>817</b>	<b>2 500</b>	<b>7 698</b>	<b>38 325</b>	<b>68 066</b>
Net profit for the year	-	-	-	-	-	-	4 087	4 087
Change in defined benefit obligations, net of tax	-	-	-	-	-	-	(75)	(75)
Total comprehensive income	-	-	-	-	-	-	4 012	4 012
Depreciation transfer gross	19	-	(1 277)	-	-	-	1 277	-
Depreciation transfer – tax	19	-	192	-	-	-	(192)	-
<b>Balance as at 31 December 2010</b>	<b>8 166</b>	<b>-</b>	<b>9 475</b>	<b>817</b>	<b>2 500</b>	<b>7 698</b>	<b>43 422</b>	<b>72 078</b>
Net profit for the year	-	-	-	-	-	-	5 545	5 545
Change in defined benefit obligations, net of tax	-	-	-	-	-	-	17	17
Total comprehensive income	-	-	-	-	-	-	5 562	5 562
Depreciation transfer gross	19	-	(1 275)	-	-	-	1 275	-
Depreciation transfer – tax	19	-	191	-	-	-	(191)	-
Transfer to reserves	19	-	-	-	1 000	-	(1 000)	-
Acquisition of own shares	18	(1 506)	-	-	-	-	-	(1 506)
<b>Balance as at 31 December 2011</b>	<b>8 166</b>	<b>(1 506)</b>	<b>8 391</b>	<b>817</b>	<b>3 500</b>	<b>7 698</b>	<b>49 068</b>	<b>76 134</b>

Director



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**Cash flow statement**

	Notes	Year ended 31 December	
		2011	2010
Net profit		5 545	4 087
<i>Adjustments for:</i>			
Income tax expenses	10	622	415
Depreciation	13	4133	5 793
Amortisation	15	23	28
(Gain)/loss on fair value change, net	8		606
Loss (gain) on disposal of property, plant and equipment and write-off	8	(20)	(137)
Write-down of inventories	18		2
Interest expenses	9	676	667
Interest income	6	(240)	(200)
Other finance expenses	9	73	
Change in working capital:			
– amounts receivable and prepayments		(7 076)	(2 466)
– inventories		2 641	(1 920)
– amounts payable		2 272	(884)
Cash generated from operations		8 649	5 991
Interest paid	9	(676)	(667)
Other finance expenses	9	(73)	
Income tax paid		(871)	(1 446)
Net cash generated from operating activities		7 029	3 878
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	13	(5 857)	(2 772)
Repayment of loans granted		350	
Disposal of property, plant and equipment		20	297
Interest received		240	200
Net cash used in investing activities		(5 247)	(2 275)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		3 924	14 015
Repayment of borrowings		(4 107)	(12 174)
Acquisition of own shares		(1 506)	
Finance lease principal payments		(68)	(3 450)
Net cash used in financing activities		(1 757)	(1609)
<b>Net increase (decrease) in cash and cash equivalents</b>		25	(6)
Cash and cash equivalents at beginning of year	20	77	83
Cash and cash equivalents at end of year	20	102	77

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**1. General information**

JSC "Klaipėdos baldai" (further – the Company) is registered as a joint-stock company on March 3, 1993. The Company's registration No. AB 93-59. The Company's office address is:  
Joniskės St., 21, LT-91267 Klaipėda  
Lithuania

Shareholders of the Company as at 31 December 2011 were as follows:

	Number of shares held	Shares of the share capital, %	Shares of votes, %
SBA Furniture Group UAB	5 908 441	72.35	76.25
Swedbank AS (Estonia) clients	348 827	4.27	4.50
Association Industry Marketing and Business Centre	262 374	3.21	3.39
Skandinaviska Enskilda Banken	147 125	1.80	1.90
Other shareholders	1 082 482	13.26	13.96
Own shares	417 063	5.11	
<b>Total</b>	<b>8 166 312</b>	<b>100.00</b>	<b>100.00</b>

The Company's ordinary registered shares are quoted in the Current list of securities of Vilnius stock exchange.

In 2011, the Company's average number of employees was 597 (2010: 530).

**2. Information about segments**

From May, 2004, the Company has been carrying on its activity in one business segment – furniture production, and in one geographic segment – in Lithuania. The Company's basic activity is production of furniture. During the year ended 31 December 2011, 98 per cent of the Company's total sales were made to SBA Baldų Kompanija UAB (97.9 per cent in 2010)

Analysis of sales revenue by category	January-December 2011	January-December 2010
Sales of goods	188 541	149 404
Revenue from services	131	75
	<b>188 672</b>	<b>149 479</b>

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**3. Expenses by nature**

**Sale cost**

	<b>January- December 2011</b>	<b>January- December 2010</b>
Raw materials	143 276	110 957
Salary and social insurance	23 642	18 482
Wear and tear	3 360	4 690
Utilities	3 832	3 319
Repairs	791	584
Other	4 829	3 675
	<b>179 730</b>	<b>141 707</b>

**Sale and distribution expenditures**

	<b>January- December 2011</b>	<b>January- December 2010</b>
Advertising	3	7
	<b>3</b>	<b>7</b>

**General and administrative expenses**

	<b>January-December 2011</b>	<b>January-December 2010</b>
Salary and social insurance	511	540
Communication and informational technologies expenses	349	309
Taxes, except for profit tax	219	181
Wear and amortization	229	297
Consulting, audit, training, accounting services	409	407
Association fees and decrease of value	53	39
Security expenses	180	207
Writing off of stock and decrease of value	(4)	2
Materials and operation expenses	85	52
Business travel expenses	17	9
Insurance	123	122
Other	1 004	800
	<b>3 175</b>	<b>2 965</b>
Total cost of sales, distribution costs and administrative Expenses	<b>182 908</b>	<b>144 675</b>

**4. Income of another activity**

	<b>January- December 2011</b>	<b>January- December 2010</b>
Sales of thermoelectricity	993	770
Rent income	633	772
Interest income	240	200
Income from holiday houses	178	140
Dividend income	12	35
Other	60	54
	<b>2 116</b>	<b>1 971</b>



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**5. Expenditures of another activity**

	<b>January- December 2011</b>	<b>January- December 2010</b>
Expenditures of holiday houses	(845)	(730)
Other rental expenses	(59)	(340)
Direct operating expenses arising from investment property	(67)	(50)
Other	(13)	(17)
	<u>(984)</u>	<u>(1 137)</u>

**6. Other gains (losses) net**

	<b>January- December 2011</b>	<b>January- December 2010</b>
Gain on investment property revaluation		
Loss on investment property revaluation	-	(606)
Gain on disposal of property, plant and equipment	20	137
	<u>20</u>	<u>(469)</u>

**7. Finance costs**

	<b>January- December 2011</b>	<b>January- December 2010</b>
Interest expenses	(667)	(667)
Other finance expenses	(73)	-
	<u>(749)</u>	<u>(667)</u>

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**8. Long-term tangible assets**

	Buildings	Plant and machinery	Vehicles	equipment of computers and organiz.	Construction in progress	Other tangible asset	Total
Cost or revalued amount at 31 December 2009	21 365	10 294	270	40	479	59	32 507
a) Acquisition value at the end of previous financial years	21 855	43 581	1 285	640	479	586	68 426
Changes of current year:							
. Acquisitions of asset	200	4 556	-	62	915	124	5 857
. Assigned and unused asset(-)		( 2 587)	( 77)	( 150)	( 4)	-	( 2 818)
. Transcriptions from construction in progress	-	479	-	-	( 479)	-	-
. Transcriptions from one article to another +/(-)	( 1 225)	-	-	-	-	-	( 1 225)
Acquisition value at the end of current year	20 830	48 033	1 012	689	915	694	72 173
b) Reappraisal at the end of previous financial years	18 606	-	-	-	-	-	18 606
Changes of current year:							
. of increase of value	-	-	-	-	-	-	-
. of assigned asset to the third parties (-)	-	-	-	-	-	-	-
. of write-offs (-)	-	-	-	-	-	-	-
. Transcriptions from one article to another +/(-)	-	-	-	-	-	-	-
Revaluation at the end of current year	18 606	-	-	-	-	-	18 606
c) Written-off sums and depreciation at the end of previous financial years	18 478	33 287	1 015	600	-	527	53 907
Changes of current year:							
. Increases	2 049	1 945	89	27	-	39	4 149
. Restored records	-	-	-	-	-	-	-
. of assigned asset to the third parties	-	( 583)	( 273)	( 13)	-	( 16)	( 885)
. transcriptions from one article to another	( 153)	-	-	-	-	-	( 153)
Accumulated depreciation at the end of current year	20 374	34 649	831	614	-	550	57 018
d) Accumulated impairment at the end of previous financial years	618	-	-	-	-	-	634
Changes of current year:							
. Increases	( 16)	-	-	-	-	-	( 16)
. Restored records	-	-	-	-	-	-	-
. of assigned asset to the third parties	-	-	-	-	-	-	-
. transcriptions from one article to another	-	-	-	-	-	-	-
Accumulated impairment at the end of current year	602	-	-	-	-	-	602
e) Net book at the end of current year (a)+(b)-(c)-(d)	18 460	13 384	181	75	915	144	33 159*
Among them purchased from the lease (leasing):	-	-	180	-	-	-	180

\* As at 31 December 2011 property plant and equipment balance include LTL 122 thousand prepayments for plant and machinery.

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**9. Investment property**

	<b>2011</b>	<b>2010</b>
Investment property at fair value as at 1 January	4 490	5 096
Additions		
Transfer to owner occupied premises		
Gain on fair value change	-	-
Losses from fair value change	1 072	(606)
Investment property at fair value as at 31 December	5 562	4 490

**10. Long-term intangible assets**

Rodiklai	Patent license, etc.	Computer software	Other intangible assets	Total
Cost or revalued amount at the end of previous financial years	2	23	0	25
a) Acquisition value at the end of previous financial years	316	1 021	24	1 361
Changes of current year:				
. Acquisitions of asset				
. Assigned and unused asset(-)				
. Transcriptions from one article to another +/-(-)				
<b>Acquisition value at the end of current year</b>	<b>316</b>	<b>1 021</b>	<b>24</b>	<b>1 361</b>
b) Depreciation at the end of previous financial years	314	998	24	1 336
Changes of current year:				
. Increases	1	22	-	23
. Restored records				
. of assigned asset to the third parties				
. transcriptions from one article to another				
<b>Accumulated depreciation at at the end of current year</b>	<b>315</b>	<b>1 020</b>	<b>24</b>	<b>1 359</b>
c) Accumulated impairment at the end of previous financial years	-	-	-	-
Changes of current year:				
. Increases	-	-	-	-
. Restored records	-	-	-	-
. of assigned asset to the third parties	-	-	-	-
. transcriptions from one article to another	-	-	-	-
<b>Accumulated impairment at at the end of current year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>d) Net book at at the end of current year (a)+(b)-(c)-(d)</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>2</b>

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**11. Investments in associated and affiliate companies**

	2011-12-31	2010-12-31
In the beginning of the year	23	23
Contributions of shareholders to cover losses		
Sale of affiliate company – cost		
Minus decrease of value	-	-
Sale of affiliate company – contribution of shareholders to cover losses	-	-
	<b>23</b>	<b>23</b>

**12. To sell owned investments**

	2011-12-31	2010-12-31
In the beginning of the year	288	288
Acquisitions	-	-
Restoration of decrease of value	-	-
Transfers	-	-
	<b>288</b>	<b>288</b>

**13. Long-term receivable accounts**

	2011-12-31	2010-12-31
Non-current part of loans granted to related parties	3 562	733
Other receivables and prepayments		4
	<b>3 562</b>	<b>737</b>

**14. Stock**

	2011-12-31	2010-12-31
Raw materials	4 852	4 757
Construction in process	1 694	610
Produced products and goods meant for resale	6 982	10 802
Reduction in price to the net value of possible realization	(71)	( 71)
	<b>13 457</b>	<b>16 098</b>

**15. Trade and other receivables**

	2011-12-31	2010-12-31
Receivables from related parties including current portion of long-term debts	46 674	42 901
Trade receivables	100	86
Other amounts receivable and prepayments	376	310
	<b>47 150</b>	<b>43 297</b>

**16. Cash and cash equivalents**

	2011-12-31	2010-12-31
Cash at bank	99	74
Cash in hand	3	3
	<b>102</b>	<b>77</b>

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## **17. Share capital**

As at 31 December 2011, the share capital comprised 8 166 312 ordinary registered shares with par value of LTL 1 each. All the shares are fully paid. There were no changes in share capital during the year.

## **18. Own shares**

During 2011 the Company acquired 417,063 of its own shares and paid for them LTL 1 506 thousand. Own shares are accounted for by the amount paid as a reduction in shareholders' equity.

## **19. Reserves**

	<b>2011-12-31</b>	<b>2010-12-31</b>
<i>Reserves:</i>		
- reevaluation reserve	8 391	9 475
- reserve presupposed by law	817	817
- reserve for acquisition of own shares	3 500	2 500
- other reserves	7 698	7 698
	<u>20 406</u>	<u>20 490</u>

### *Revaluation reserve*

As at 31 December 2011 the revaluation reserve amounted to LTL 8 391 thousand (2010: LTL 9 475 thousand). This reserve was recognised following the revaluation of buildings.

In 2011, as a result of depreciation of revalued assets, revaluation reserve was decreased by the amount of LTL 1 275 thousand (2010: LTL 1 277 thousand), whereas the retained result for the year then ended was increased by the same amount accordingly. The revaluation reserve was increased by the amount of LTL 191 thousand of deferred income tax in relation to depreciation of revalued assets (2010: LTL 192 thousand).

### *Legal reserve*

Legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfer of 5 per cent of net profit of the reporting period is compulsory until the reserve reaches 10 per cent of the share capital. The legal reserve cannot be distributed as dividends and is formed to cover future losses. A part of legal reserve in excess of 10 per cent of the authorized share capital may be redistributed when appropriation of profit for the following financial year is performed.

### *Reserve for acquisition of own shares*

This reserve is established following the decision made during the annual general meeting of shareholders in relation to distribution of profit available for appropriation. This reserve may be used only for the acquisition of the Company's shares. During the 2011 this reserve was increased by 1 000 thousand.

### *Other reserves*

Other reserves are established following the decision made during the annual general meeting of shareholders in relation to distribution of profit available for appropriation. These reserves may be used only for the purposes approved by annual general meeting of the shareholders.

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**20. Borrowings**

	2011-12-31	2010-12-31
<i>Short-term credits</i>		
Short-term loans received from banks	-	-
Current portion of long-term loans received from banks	4 523	2 854
Finance lease liabilities	69	68
	<u>4 592</u>	<u>2 922</u>
<i>Long-term borrowings</i>		
Long-term loans received from banks	13 850	15 702
Finance lease liabilities	17	86
	<u>13 867</u>	<u>15 788</u>
<b>Total borrowings</b>	<u>18 459</u>	<u>18 710</u>

**21. Defined benefit obligations**

As at 31 December 2011 the Company accounted for defined benefit obligations for employees leaving the Company at the age of retirement and other benefits foreseen in the collective agreement. Related expenses are included into operating expenses in the Company's statement of comprehensive income, actuarial gain or loss is included into other comprehensive income and the outstanding amount of the liability is presented under the defined benefit obligations caption and other in the statement of financial position.

	2011	2010
As of 31 December of the previous year	520	447
Change during the year	(66)	73
As of 31 December of the financial year	<u>454</u>	<u>520</u>
Non-current liabilities	301	348
Current liabilities	153	172
As of 31 December of the financial year	<u>454</u>	<u>520</u>

**22. Trade and other payable sums**

	2011-12-31	2010-12-31
Trade payable sums	1 467	859
Sums payable to affiliated parties (23 note)	621	635
Payables for equipment purchased	366	-
Taxes	213	154
Salary and social insurance payable	1 823	1 142
Vacation reserve and bonuses	1 568	918
Current portion of non-current employee benefits	152	172
Other payable sums and accumulated expenditures	89	120
	<u>6 299</u>	<u>4 000</u>

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

**23. Related-party transactions**

<i>Sales of goods and services</i>	<b>January- December 2011</b>	<b>January- December 2010</b>
- <i>Ultimate parent company:</i>		
Koncernas SBA UAB	-	-
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	186 967	146 330
Visagino linija UAB	11	73
Šilutės baldai UAB	1 615	1 643
Germanika UAB	396	1 000
Kauno baldai AB	3	58
Baldstata UAB	18	2
	<b>189 010</b>	<b>149 106</b>
<i>Interest received</i>		
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	163	146
Klaipėdos baldų prekyba UAB	75	53
	<b>238</b>	<b>199</b>
<i>Purchases of goods and services</i>		
- <i>Ultimate parent company:</i>		
Koncernas SBA UAB	251	189
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	140 490	113 368
Visagino linija UAB	85	50
Baldstata UAB	457	371
Association Industry Marketing and Business Centre	19	12
Šilutės baldai AB	74	123
Šatrija AB	76	14
Klaipėdos baldų prekyba UAB	30	1
Kauno baldai AB	32	25
Germanika, UAB	2 644	134
Pastatų įdėjų įgyvendinimas UAB	6	2
	<b>144 164</b>	<b>114 289</b>

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>	<b>2011-12-31</b>	<b>2010-12-31</b>
<i>- Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	45 489	39 210
Klaipėdos baldų prekyba UAB	1 148	708
Šilutės baldai AB	37	1 576
Kauno baldai AB		3
Germanika UAB		1 404
	<b>46 674</b>	<b>42 901</b>

*Amounts receivable after one year*

*- Subsidiaries of ultimate parent company:*

SBA baldų kompanija UAB	-	-
Klaipėdos Baldų Prekyba UAB	3 562	733
	<b>3 562</b>	<b>733</b>

*Amounts payable within one year*

*- Ultimate parent company:*

Koncernas SBA UAB	179	90
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*- Subsidiaries of ultimate parent company:*

Association Industry Marketing and Business Centre	88	251
Baldstata UAB	108	57
Kauno baldai AB	31	
Visagino linija UAB	16	237
Germanika UAB	135	
Pastatų Idėjų įgyvendinimas UAB	8	
Šatrija AB	56	
	<b>621</b>	<b>635</b>

**24. Correction**

Company in 2011 retrospectively, as required by IFRS, corrected the error described below:

Defined benefit obligations: According to the requirements of the Lithuanian Labor Code, each employee leaving the Company at the age of retirement is entitled to a one-off payment in the amount of 2 months' salary. Furthermore, according to the collective bargaining agreements effective in the Group employees have a right to receive payments related to jubilees and long work experience. These defined benefit obligations were not estimated and accounted for in the prior years financial statements. The Company estimated and accounted the defined benefit obligations, which amounted to LTL 454 thousand as at 31 December 2011 (LTL 520 thousand as at 31 December 2010). The Company also estimated and accounted for deferred tax related to the adjustment detailed above.



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**24. Correction (continued)**

2010 m. sausio 1 d.

	Financial statement before correction	Correction	Financial statement after correction
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	35 688		35 688
Investment property	5 096		5 096
Intangible assets	53		53
Available-for-sale financial assets	288		288
Other receivables	5 003		5 003
Other non-current assets	23		23
	<b>46 151</b>		<b>46 151</b>
<b>Current assets</b>			
Inventories	14 180		14 180
Trade and other receivables	36 565		36 565
Cash and cash equivalents	83		83
	<b>50 828</b>		<b>50 828</b>
<b>Total assets</b>	<b>96 979</b>		<b>96 979</b>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Ordinary shares	8 166		8 166
Reserves	21 575		21 575
Retained earnings	38 705	(380)	38 325
<b>Total equity</b>	<b>68 446</b>	<b>(380)</b>	<b>68 066</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities	2 523	(67)	2 456
Borrowings	4 643		4 643
Defined benefit obligations		280	280
	<b>7 166</b>	<b>213</b>	<b>7 379</b>
<b>Current liabilities</b>			
Borrowings	15 676		15 676
Trade and other payables	4 710	167	4 877
Current income tax liabilities	981		981
	<b>21 367</b>	<b>167</b>	<b>21 534</b>
<b>Total liabilities</b>	<b>28 533</b>	<b>380</b>	<b>28 913</b>
	<b>96 979</b>		<b>96 979</b>
<b>Total equity and liabilities</b>			

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**24. Correction (continued)**

At 31 December 2010

	<b>Financial statement before correction</b>	<b>Correction</b>	<b>Financial statement after correction</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	32 507		32 507
Investment property	4 490		4 490
Intangible assets	25		25
Available-for-sale financial assets	288		288
Other receivables	737		737
Other non-current assets	23		23
	<b>38 070</b>		<b>38 070</b>
<b>Current assets</b>			
Inventories	16 098		16 098
Trade and other receivables	43 297		43 297
Cash and cash equivalents	77		77
	<b>59 472</b>		<b>59 472</b>
<b>Total assets</b>	<b>97 542</b>		<b>97 542</b>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Ordinary shares	8 166		8 166
Reserves	20 490		20 490
Retained earnings	43 864	(442)	43 422
<b>Total equity</b>	<b>72 520</b>	<b>(442)</b>	<b>72 078</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities	2 411	(78)	2 333
Borrowings	15 788		15 788
Defined benefit obligations	-	348	348
	<b>18 199</b>	<b>270</b>	<b>18 469</b>
<b>Current liabilities</b>			
Borrowings	2 922		2 922
Trade and other payables	3 828	172	4 000
Current income tax liabilities	73		73
	<b>6 823</b>	<b>172</b>	<b>6 995</b>
<b>Total liabilities</b>	<b>25 022</b>	<b>442</b>	<b>25 464</b>
<b>Total equity and liabilities</b>	<b>97 542</b>		<b>97 542</b>

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**24. Correction (continued)**

**2010 year ended 31 December**

	<b>Financial statement before correction</b>	<b>Correction</b>	<b>Financial statement after correction</b>
	<b>2010</b>		<b>2010</b>
Revenue	149 479		149 479
Cost of sales	(141 707)		(141 707)
<b>Gross profit</b>	<b>7 772</b>		<b>7 772</b>
Distribution costs	(3)		(3)
Administrative expenses	(2 967)	2	(2 965)
Other income	1 971		1 971
Other expenses	(1 137)		(1 137)
Other gains/(losses) - net	(469)		(469)
<b>Operating profit</b>	<b>5 167</b>	<b>2</b>	<b>5 169</b>
Finance costs	(667)		(667)
<b>Profit before income tax</b>	<b>4 500</b>	<b>2</b>	<b>4 502</b>
Income tax income/(expense)	(426)	11	(415)
<b>Profit for the year</b>	<b>4 074</b>	<b>13</b>	<b>4 087</b>
<b>Attributable to:</b>			
Shareholders of the Company	4 074	13	4 087
	<b>4 074</b>	<b>13</b>	<b>4 087</b>
<b>Other comprehensive income</b>			
Change in deferred benefit obligations, net of tax	-	(75)	(75)
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>(75)</b>	<b>(75)</b>
<b>Total comprehensive income for the year</b>	<b>4 074</b>	<b>(62)</b>	<b>4 012</b>
<b>Attributable to:</b>			
Shareholders of the Company	4 074	(62)	4 012
	<b>4 074</b>	<b>(62)</b>	<b>4 012</b>
<b>Earnings per share attributable to the owners of the Company during the year (expressed in LTL per share)</b>			
- basic and diluted	0.50	0.01	0.49