

For the Bank of Lithuania,
Supervisory Authority
Žirmūnų str. 151,
LT-09128 Vilnius
Lithuania

CONFIRMATION OF RESPONSIBLE PERSONS

2012-05-30

In accordance with Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodical and Additional Information adopted by the Securities Commission of the Republic of Lithuania, we, Ramūnas Marozas, Director of Klaipėdos baldai, AB and Audronė Mineikienė, Chief Accountant, hereby confirm that, to the best of our knowledge, the attached unaudited Interim Financial Statements of Klaipėdos baldai, AB for the three months ended 31 March 2012, prepared in accordance with the International Financial Reporting Standards as adopted to be used in the European Union, give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flow of the Company.

Enclosed: Klaipėdos baldai, AB unaudited Interim Financial Statements for the three months ended 31 March 2012.

Director



Ramūnas Marozas

Chief Accountant



Audronė Mineikienė

KLAIPĖDOS BALDAI, AB

**INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE
MONTHS PERIOD ENDED 31 MARCH 2012 PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS,
AS ADOPTED BY THE EUROPEAN UNION
(UNAUDITED)**

KLAIPEDOS BALDAI, AB
Unaudited Interim Financial Statements
for the three months ended 31 March 2012

(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)


Statement of comprehensive income

	Pastabos	January- March 2012	January- March 2011
Revenue	2	46 163	39 143
Cost of sales	3	(44 252)	(37 419)
Gross profit		1 911	1 724
Selling costs	3	-	-
Administrative expenses	3	(814)	(801)
Other income	4	441	420
Other expenses	5	(204)	(255)
Other gains/(losses) - net	6	154	-
Operating profit		1 488	1 088
Finance costs	7	(168)	(147)
Profit before income tax		1 320	941
Income tax income/(expense)		(198)	(141)
Profit for the period		1 122	800
Attributable to:			
Shareholders of the Company		1 122	800
		1 122	800

Earnings per share attributable to the owners of the Company during the period (expressed in LTL per share)

- basic and diluted 0,14 0,10

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Statement of financial position

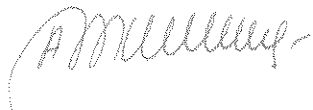
	Pastabos	2012-03-31	2011-12-31
ASSETS			
Non-current assets			
Property plant and equipment	8	33 095	33 281
Investment property	9	5 562	5 562
Intangible assets	10	5	2
Available-for-sale financial assets	12	288	288
Other receivables	13	3 562	3 562
Other non-current assets	11	23	23
		42 535	42 718
Current assets			
Inventories	14	19 511	13 457
Trade and other receivables	15	42 218	47 150
Prepaid income tax		201	249
Cash and cash equivalents	16	72	102
		62 002	60 958
Total assets		104 537	103 676
EQUITY			
Equity attributable to shareholders of the Company			
Ordinary shares	17	8 166	8 166
Own shares	18	(1 506)	(1 506)
Reserves	19	20 053	20 406
Retained earnings		50 543	49 068
Total equity		77 256	76 134
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		2 483	2 483
Borrowings	20	13 164	13 867
Defined benefit obligations	21	301	301
		15 948	16 651
Current liabilities			
Borrowings	20	4 587	4 592
Trade and other payables	22	6 746	6 299
Current income tax liabilities		-	-
		11 333	10 891
Total liabilities		27 281	27 542
Total equity and liabilities		104 537	103 676

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

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
Balance as at 31 December 2010		8 166	-	9 475	817	2 500	7 698	43 422	72 078
Net profit		-	-	-	-	-	-	800	800
Used reserves	19	-	-	(353)	-	-	-	353	-
Balance as at 31 Mars 2011		8 166	-	9 122	817	2 500	7 698	44 575	72 878
Balance as at 31 December 2010		8 166	-	9 475	817	2 500	7 698	43 422	72 078
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)
Balance as at 31 December 2011		8 166	(1 506)	8 391	817	3 500	7 698	49 068	76 134
Net profit for the year		-	-	-	-	-	-	1 122	1 122
Used reserves	19	-	-	(353)	-	-	-	353	-
Balance as at 31 Mars 2012		8 166	(1 506)	8 038	817	3 500	7 698	50 543	77 256

Director



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Statement of changes in equity

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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)
Balance as at 31 December 2011		8 166	(1 506)	8 391	817	3 500	7 698	49 068	76 134
Net profit for the year								1 122	1 122
Used reserves	19			(353)				353	
Balance as at 31 Mars 2012		8 166	(1 506)	8 038	817	3 500	7 698	50 543	77 256

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Cash flow statement

	Notes	January- March 2012	January- March 2011
Net profit		1 122	800
<i>Adjustments for:</i>			
Income tax expenses		198	141
Depreciation	8	1 140	1 045
Amortisation	10	2	6
Loss (gain) on disposal of property plant and equipment and write-off	6	(154)	0
Interest expenses	7	168	147
Interest income	4	(52)	(49)
Change in working capital:			
– amounts receivable and prepayments		4 980	(3 021)
– inventories		(6 054)	(1 094)
– amounts payable		249	(728)
Cash generated from operations		1 599	891
Interest paid	7	(168)	(147)
Net cash generated from operating activities		1 431	744
Cash flows from investing activities			
Purchase of property plant and equipment	8	(959)	(92)
Purchase of intangible assets	10	(5)	0
Disposal of property plant and equipment		159	0
Interest received		52	49
Net cash used in investing activities		(753)	(43)
Cash flows from financing activities			
Proceeds from borrowings		440	713
Repayment of borrowings		(1 130)	(1 425)
Finance lease principal payments		(18)	(18)
Net cash used in financing activities		(708)	(730)
Net increase (decrease) in cash and cash equivalents		(30)	(29)
Cash and cash equivalents at beginning of year	16	102	77
Cash and cash equivalents at end of year		72	48

Director



Ramūnas Marozas

Chief Accountant



Audronė Mincikienė

KLAIPEDOS BALDAI, AB
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for the three months ended 31 March 2012

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1. General information

Klaipėdos baldai, AB (hereinafter – “the Company”) was registered as a public company on March 3, 1993. The Company’s registration No. AB 93-59. The Company’s registered address is as follows:
 Joniskės St., 21, LT-91267 Klaipėda
 Republic of Lithuania

Shareholders of the Company as at 31 March 2012 were as follows:

	Number of shares held	Shares of the share capital, %	Shares of votes, %
SBA Furniture Group UAB	6 055 566	74,15	78,14
Swedbank AS (Estonia) clients	348 827	4,27	4,50
Association Industry Marketing and Business Centre	262 374	3,21	3,39
Other shareholders	1 082 482	13,26	13,97
Own shares	417 063	5,11	-
Total	8 166 312	100,00	100,00

The Company’s ordinary registered shares are quoted on the secondary list of Vilnius Stock Exchange.

During the 3 months of the year 2012, the Company’s average number of employees was 731 (2011: 488).

2. Information about segments

The Company operates in one business segment, i.e. manufacturing of furniture, as well as one geographical segment – Lithuania, with 99,8 per cent of the Company’s total sales made to the SBA Baldų Kompanija UAB and all assets of Company are located in Lithuania.

Analysis of sales revenue by category	January-March 2012	January-March 2011
Sales of goods	46 161	39 131
Revenue from services	2	12
	46 163	39 143

3. Expenses by nature

Cost of goods sold	January-March 2012	January-March 2011
Raw materials	34 300	30 815
Remuneration and social security	7 452	4 530
Depreciation	911	780
Utilities	1 059	867
Repairs	299	277
Other	231	150
	44 252	37 419

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Administrative expenses	January-March 2012	January-March 2011
Remuneration and social security	149	130
Communication and IT maintenance expenses	102	75
Taxes other than income tax	52	58
Depreciation and amortization	97	97
Consulting, training, accounting services	107	103
Other	307	338
	<u>814</u>	<u>801</u>
Total cost of sales and administrative expenses	<u>45 066</u>	<u>38 220</u>
4. Other income	January-March 2012	January-March 2011
Sales of thermoelectricity	236	129
Rental income	121	206
Interest income	52	49
Income from holiday houses	8	3
Dividend income	-	-
Other	24	32
	<u>441</u>	<u>420</u>
5. Other expenses	January-March 2012	January-March 2011
Expenses of holiday houses	(188)	(185)
Other rental expenses	(2)	(51)
Direct operating expenses arising from investment property	(13)	(17)
Other	(1)	(2)
	<u>(204)</u>	<u>(255)</u>
6. Other gains (losses) net	January-March 2012	January-March 2011
Loss on investment property revaluation	-	-
Gain on disposal of property plant and equipment	154	-
	<u>154</u>	<u>-</u>
7. Finance costs	January-March 2012	January-March 2011
Interest expenses	(168)	(147)
	<u>(168)</u>	<u>(147)</u>

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8. Property plant and equipment

	Buildings	Plant and machinery	Vehicles	equipment of computers and organiz.	Construction in progress	Other tangible asset	Total
Cost or revalued amount at 31 December 2011	18 460	13 384	181	75	1 037	144	33 281*
a) Acquisition value at the end of previous financial years	20 830	48 033	1 012	689	1 037	694	72 295
Changes of current year:							
.acquisitions of asset		259	36		659	5	959
.assigned and unused asset(-)		(2 143)	(55)	-	-	(14)	(2 212)
.transcriptions from construction in progress		310	-	-	(310)	-	-
.transcriptions from one article to another +/-(-)							
Acquisition value at 31 March 2012	20 830	46 459	993	689	1 386	685	71 042
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 31 March 2012	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	557	453	23	6	-	9	1 048
.restored records	-	-	-	-	-	-	-
.of assigned asset to the third parties	-	-	(42)	-	-	-	(42)
. transcriptions from one article to another	(153)	-	-	-	-	-	(153)
Accumulated depreciation at 31 March 2012	18 882	33 740	996	606	-	536	54 760
d) Accumulated impairment at the end of previous financial years	602	-	-	-	-	-	602
Changes of current year:							
. increases	(4)	-	-	-	-	-	(4)
.restored records	-	-	-	-	-	-	-
.of assigned asset to the third parties	-	-	-	-	-	-	-
. transcriptions from one article to another	-	-	-	-	-	-	-
Accumulated impairment at 31 March 2012	598	-	-	-	-	-	598
e) Net book at at the end of current year (a)+(b)-(c)-(d)	17 900	13 404	202	67	1 386	136	33 095*
<i>Among them purchased from the lease (leasing):</i>	<i>-</i>	<i>-</i>	<i>166</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>166</i>

* As at 31 March 2012 property plant and equipment balance include LTL 64 thousand prepayments for plant and machinery (at 31 December 2011 - LTL 122 thousand).

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9. Investment property

	2012-03-31	2011-12-31
Investment property at fair value as at 1 January	4 490	4 490
Transfer to owner occupied premises	-	1 072
Gain on fair value change	-	-
Losses from fair value change	-	-
Investment property at fair value at the end of period	5 562	5 562

10. Long-term intangible assets

	Computer software and other intangible assets
Cost or revalued amount at the end of previous financial years	2
a) Acquisition value at the end of previous financial years	1 333
Changes of current year:	
. Acquisitions of asset	5
. Assigned and unused asset(-)	
. Transcriptions from one article to another +/-(-)	
Acquisition value at the end of current year	1 338
b) Depreciation at the end of previous financial years	1 331
Changes of current year:	
. Increases	2
. Restored records	
. of assigned asset to the third parties	
. transcriptions from one article to another	
Accumulated depreciation at at the end of current year	1 333
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	-
Accumulated impairment at at the end of current year	-
d) Net book at at the end of current year (a)+(b)-(c)-(d)	5

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11. Investments in associated and affiliate companies

	2012-03-31	2011-12-31
Investments in associated and affiliate companies	23	23
	23	23

12. Available-for-sale financial assets

	2012-03-31	2011-12-31
Available for sale financial assets	288	288
	288	288

Available for sale financial assets comprise investments in unquoted equity instruments and are carried at cost less impairment charges. There were no acquisitions nor disposals of available for sale financial assets during the 1-st quarter of the year 2012.

13. Long-term receivable accounts

	2012-03-31	2011-12-31
Long term loans granted to related parties (Note 23)	3 562	3 562
Other receivables and prepayments	-	-
	3 562	3 562

14. Stock

	2012-03-31	2011-12-31
Raw materials	4 526	4 852
Work in process	2 234	1 694
Finished products and goods for resale	12 822	6 982
Write-down to net realisable value	(71)	(71)
	19 511	13 457

15. Trade and other receivables

	2012-03-31	2011-12-31
Receivables from related parties including current portion of long-term debts (Note 23)	41 814	46 674
Trade receivables	155	100
Other amounts receivable and prepayments	249	376
	42 218	47 150

16. Cash and cash equivalents

	2012-03-31	2011-12-31
Cash at bank	69	99
Cash in hand	3	3
	72	102

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17. Share capital

As at 31 March 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 1-st quarter of the year 2012.

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

	2012-03-31	2011-12-31
<i>Reserves:</i>		
- revaluation reserve	8 038	8 391
- legal reserve	817	817
- reserve for acquisition of own shares	3 500	3 500
- other reserves	7 698	7 698
	20 053	20 406

Revaluation reserve

During the 1-st quarter as a result of depreciation of revalued assets, revaluation reserve was decreased by the amount of LTL 353 thousand (2011: LTL 353 thousand), where as the retained result was increased by the same amount accordingly.

Legal reserve

Legal reserve is a compulsory reserve under the Lithuanian legislation, the reserve consists of 10 per cent of the share capital.

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. There were no changes in this reserve during the 1-st quarter of the year 2012.

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. There were no changes in this reserve during the 1-st quarter of the year 2012.

20. Borrowings

	2012-03-31	2011-12-31
<i>Short-term borrowings</i>		
Short-term loans received from banks	-	-
Current portion of long-term loans received from banks	4 523	4 523
Finance lease liabilities	64	69
	4 587	4 592
<i>Long-term borrowings</i>		
Long-term loans received from banks	13160	13 850
Finance lease liabilities	4	17
	13 164	13 867
Total borrowings	17 751	18 459

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21. Defined benefit obligations

	2012-03-31	2011-12-31
Non-current liabilities	301	348
Current liabilities	153	172
	454	520

22. Trade and other payable sums

	2012-03-31	2011-12-31
Trade payables	1 279	1 467
Payables to related parties (23 note)	682	621
Payables for equipment purchased	244	366
Taxes	295	213
Remuneration and social insurance payable	1 838	1 823
Vacation pay and bonuses accrual	1 937	1 568
Current portion of non-current employee benefits (Note 21)	153	153
Other amounts payable and accrued charges	318	88
	6 746	6 299

23. Related-party transactions

<i>Sales of goods and services</i>	January-March 2012	January-March 2011
- <i>Ultimate parent company:</i>		
Koncernas SBA UAB	-	-
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	46 339	37 838
Visagino linija UAB	-	2
Šilutės baldai UAB	9	1 087
Germanika UAB	-	161
Kauno baldai AB	-	1
Baldstata UAB	5	-
	46 353	39 089

Interest received

	January-March 2012	January-March 2011
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	41	38
Klaipėdos baldų prekyba UAB	10	11
	51	49

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23. Related-party transactions (continued)

<i>Purchases of goods and services</i>	January-March 2012	January-March 2011
<i>- Ultimate parent company:</i>		
Koncernas SBA UAB	66	38
<i>- Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	39 541	29 031
Visagino linija UAB	34	4
Baldstata UAB	96	105
Association Industry Marketing and Business Centre	5	4
Šilutės baldai AB	1	41
Šatrija AB	10	-
Germanika, UAB	-	152
	39 753	29 375

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

<i>Amounts receivable within one year</i>	2012-03-31	2011-12-31
<i>- Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	41 757	45 489
Klaipėdos baldų prekyba UAB	10	1 148
Šilutės baldai AB	47	37
	46 674	42 901

<i>Amounts receivable after one year</i>	2012-03-31	2011-12-31
<i>- Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	3 562	3 562
	3 562	3 562

<i>Amounts payable within one year</i>	2012-03-31	2011-12-31
<i>- Ultimate parent company:</i>		
Koncernas SBA UAB	259	179
<i>- Subsidiaries of ultimate parent company:</i>		
Association Industry Marketing and Business Centre	72	88
Baldstata UAB	116	108
Kauno baldai AB	31	31
Visagino linija UAB	58	16
Germanika UAB	135	135
Pastatų Idėjų įgyvendinimas UAB	-	8
Šatrija AB	11	56
	682	621