

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

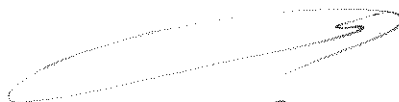
## CONFIRMATION OF RESPONSIBLE PERSONS

2012-11-30

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 nine months ended 30 September 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 nine months ended 30 September 2012.

Director



Ramūnas Marozas

Chief Accountant



Audronė Mineikienė

KLAIPĖDOS BALDAI, AB

INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE  
MONTHS PERIOD ENDED 30 SEPTEMBER 2012 PREPARED ACCORDING TO  
INTERNATIONAL FINANCIAL REPORTING STANDARDS,  
AS ADOPTED BY THE EUROPEAN UNION  
(UNAUDITED)

## Content

	Pages
Statement of comprehensive income.....	3
Statement of financial position.....	4
Statement of changes in equity.....	5
Cash flow statement.....	6
Notes to the financial statements.....	7 - 14

KLAIPEDOS BALDAI, AB  
 Unaudited Interim Financial Statements  
 for the nine months ended 30 September 2012

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

Statement of comprehensive income

	Note	January- September 2012	July- September 2012	January- September 2011	July- September 2011
Revenue	2	144 744	53 823	137 892	53 437
Cost of sales	3	(138 516)	(51 219)	(131 440)	(51 013)
Gross profit		6 228	2 604	6 452	2 424
Selling costs	3	(197)	(81)	(3)	-
Administrative expenses	3	(2 445)	(837)	(2 420)	(820)
Other income	4	1 860	802	1 598	661
Other expenses	5	(646)	(228)	( 776)	(239)
Other gains/(losses) - net	6	224	70	18	-
Operating profit		5 024	2 330	4 869	2 026
Finance costs	7	(416)	(114)	( 488)	(183)
Profit before income tax		4 608	2 216	4 381	1 843
Income tax income/(expense)		(597)	(243)	(543)	(161)
Profit for the period		4 011	1 973	3 838	1 682
Attributable to:					
Shareholders of the Company		4 011	1 973	3 838	1 682
		4 011	1 973	3 838	1 682
Earnings per share attributable to the owners of the Company during the period (expressed in LTL per share)					
- basic and diluted	1	0,52	0,25	0,48	0,22

Director



Ramūnas Marozas

Chief Accountant



Audronė Mineikienė

## Statement of financial position

	Note	2012-09-30	2011-12-31
<b>ASSETS</b>			
Non-current assets			
Property plant and equipment	8	32 579	33 281
Investment property	9	5 562	5 562
Intangible assets	10	4	2
Available-for-sale financial assets	12	288	288
Other receivables	13	3 562	3 562
Other non-current assets	11	23	23
		<u>42 018</u>	<u>42 718</u>
Current assets			
Inventories	14	16 839	13 457
Trade and other receivables	15	46 313	47 150
Prepaid income tax		5	249
Cash and cash equivalents	16	217	102
		<u>63 374</u>	<u>60 958</u>
Total assets		<u>105 392</u>	<u>103 676</u>
<b>EQUITY</b>			
Equity attributable to shareholders of the Company			
Ordinary shares	17	7 749	8 166
Own shares	18	-	(1 506)
Reserves	19	19 847	20 406
Retained earnings		52 549	49 068
Total equity		<u>80 145</u>	<u>76 134</u>
<b>LIABILITIES</b>			
Non-current liabilities			
Deferred income tax liabilities			
Borrowings		2 483	2 483
Defined benefit obligations	20	9 317	13 867
	21	301	301
		<u>12 101</u>	<u>16 651</u>
Current liabilities			
Borrowings	20	5 895	4 592
Trade and other payables	22	7 251	6 299
Current income tax liabilities		-	-
		<u>13 146</u>	<u>10 891</u>
Total liabilities		<u>25 246</u>	<u>27 542</u>
Total equity and liabilities		<u>105 392</u>	<u>103 676</u>

Director



Ramūnas Marozas

Chief Accountant



Audronė Mineikienė

KLAIPEDOS BALDAI, AB  
 Unaudited Interim Financial Statements  
 for the nine months ended 30 September 2012

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

Statement of changes in equity

	Attributable to shareholders of the Company								
	Note	Share capital	Own shares	Revaluation reserve	Legal reserve	Reserve for acquisition of own shares	Other reserves	Retained earnings	Total equity
Balance as at 31 December 2010		8 166	-	9 475	817	2 500	7 698	43 422	72 078
Net profit for the 9 months ended 30 September 2011	-	-	-	-	-	-	-	3 838	3 838
Transfer to reserves	-	-	-	-	-	1 000	-	(1 000)	-
Acquisition of own shares	-	-	(1 389)	-	-	-	-	-	(1 389)
Used reserves	19	-	-	(1 059)	-	-	-	1 059	-
Balance as at 30 September 2011		8 166	(1 389)	8 416	817	3 500	7 698	47 319	74 527
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		-	-	(1 275)	-	-	-	1 275	-
Depreciation transfer – tax		-	-	191	-	-	-	(191)	-
Transfer to reserves		-	-	-	-	1 000	-	(1 000)	-
Acquisition of own shares		-	(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 9 months ended 30 September 2012		-	-	-	-	-	-	4 011	4 011
Transfer to reserves	19	-	-	-	-	500	-	(500)	-
Cancellation of own shares	18	(417)	1 506	-	-	-	-	(1 089)	-
Used reserves	19	-	-	(1 059)	-	-	-	1 059	-
Balance as at 30 September 2012		7 749	-	7 332	817	4 000	7 698	52 549	80 145

Director



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Chief Accountant




Audronė Mineikienė

## Cash flow statement

	Notes	January- September 2012	January- September 2011
Net profit		4 011	3 838
<i>Adjustments for:</i>			
Income tax expenses		597	543
Depreciation	8	3 456	3 195
Amortisation	10	3	20
Loss (gain) on disposal of property plant and equipment and write-off	6	(224)	(18)
Interest expenses	7	415	488
Interest income	4	(128)	(177)
Change in working capital:			
– amounts receivable and prepayments		(10)	(6 409)
– inventories		(3 382)	2 350
– amounts payable		335	2 733
Cash generated from operations		<u>5 093</u>	<u>6 563</u>
Interest paid	7	(415)	(488)
Net cash generated from operating activities		<u>4 678</u>	<u>6 075</u>
Cash flows from investing activities			
Purchase of property plant and equipment	8	(2 765)	(5 170)
Purchase of intangible assets	10	(5)	-
Disposal of property plant and equipment		235	18
Repayment of borrowings		1 091	-
Interest received		128	177
Net cash used in investing activities		<u>(1 316)</u>	<u>(4 975)</u>
Cash flows from financing activities			
Proceeds from borrowings		532	3 399
Repayment of borrowings		(3 727)	(2 975)
Acquisition of own shares		-	(1 389)
Finance lease principal payments		(52)	(51)
Net cash used in financing activities		<u>(3 247)</u>	<u>(1 016)</u>
Net increase (decrease) in cash and cash equivalents		115	84
Acquisition of own shares			
Cash and cash equivalents at beginning of year	16	102	77
Cash and cash equivalents at end of year	16	<u>217</u>	<u>161</u>

Director



Ramūnas Marozas

Chief Accountant



Audronė Mineikienė

## 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 30 September 2012 were as follows:

	Number of shares held	Shares of the share capital, %	Shares of votes, %
SBA Furniture Group UAB	6 055 566	78,14	78,14
Swedbank AS (Estonia) clients	348 827	4,50	4,50
Association Industry Marketing and Business Centre	262 374	3,39	3,39
Other shareholders	1 082 482	13,97	13,97
<b>Total</b>	<b>7 749 249</b>	<b>100,00</b>	<b>100,00</b>

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

During the nine months of the year 2012, the Company’s average number of employees was 719 (2011: 562).

### Earnings per share

Earnings per share are calculated as follows:

	January-September 2012	July-September 2012	January-September 2011	July-September 2011
Profit attributable to equity holders of the Company	4 011	1 973	3 838	1 682
Weighted average number of shares in issue (thousands)	7 749	7 749	8 025	7 783
Basic earnings per share (LTL)	0,52	0,25	0,48	0,22

## 2. Information about segments

The Company operates in one business segment, i.e. manufacturing of furniture, as well as one geographical segment – Lithuania, with 99,3 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-September 2012	January-September 2011
Sales of goods	144 731	137 778
Revenue from services	13	114
	<b>144 744</b>	<b>137 892</b>



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

### 3. Expenses by nature

#### Cost of goods sold

	January- September 2012	January- September 2011
Raw materials	109 825	108 015
Remuneration and social security	21 014	16 376
Depreciation	2 775	2 492
Utilities	3 035	2 791
Repairs	1 008	988
Other	859	778
	<u>138 516</u>	<u>131 440</u>

#### Selling costs

	January- September 2012	January- September 2011
Logistics	197	-
Advertising	-	3
	<u>197</u>	<u>3</u>

#### Administrative expenses

	January- September 2012	January- September 2011
Remuneration and social security	399	380
Communication and IT maintenance expenses	332	285
Taxes other than income tax	165	162
Depreciation and amortization	287	290
Consulting, training, accounting services	473	474
Other	789	829
	<u>2 445</u>	<u>2 420</u>
Total cost of sales and administrative expenses	141 158	133 863

#### Other income

	January- September 2012	January- September 2011
Sales of thermoelectricity	1 034	731
Rental income	360	447
Interest income	128	177
Income from holiday houses	254	165
Other	84	88
	<u>1 860</u>	<u>1 598</u>

### 4. Other expenses

	January- September 2012	January- September 2011
Expenses of holiday houses	(592)	(654)
Other rental expenses	(2)	(57)
Direct operating expenses arising from investment property	(52)	(54)
Other	-	(11)
	<u>(646)</u>	<u>(776)</u>

### 6. Other gains (losses) net

	January- September 2012	January- September 2011
Gain on disposal of property plant and equipment	224	18
	<u>224</u>	<u>18</u>

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

## 7. Finance costs

	January- September 2012	January- September 2011 (488)
Interest expenses	(415)	-
Other	(1)	(488)
	<u>(416)</u>	<u>(488)</u>

## 8. Property plant and equipment

	Buildings	Plant and machine- ry	Vehicles	equipme nt of compu- ters and organiz.	Construc- tion in progress	Other tangib- le 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	120	743	36	15	1 837	14	2 765
.assigned and unused asset(-)	-	(2 434)	(344)	-	-	(14)	(2792)
.transcriptions from construction in progress	-	674	-	-	( 674)	-	-
.transcriptions from one article to another +/-(-)	-	-	-	-	-	-	-
Acquisition value at 30 September 2012	20 950	47 016	704	704	2 200	694	72 268
b) Reappraisal at the end of previous financial years							
Changes of current year:							
.of increase of value	18 606	-	-	-	-	-	18 606
.of assigned asset to the third parties (-)	-	-	-	-	-	-	-
.of write-offs (-)	-	-	-	-	-	-	-
.transcriptions from one article to another +/-(-)	-	-	-	-	-	-	-
Revaluation at 30 September 2012	18 606	-	-	-	-	-	18 606
c) Written-off sums and depreciation at the end of previous financial years	20 374	34 649	831	614	-	550	57 018
Changes of current year:							
. increases	1 695	1 668	45	26	-	34	3 468
.restored records	-	-	-	-	-	-	-
.of assigned asset to the third parties	-	(2 423)	(344)	-	-	(14)	(2 781)
. transcriptions from one article to another	-	-	-	-	-	-	-
Accumulated depreciation at 30 September 2012	22 069	33 894	532	640	-	570	57 705
d) Accumulated impairment at the end of previous financial years	602	-	-	-	-	-	602
Changes of current year:							
. increases	(12)	-	-	-	-	-	(12)
.restored records	-	-	-	-	-	-	-
.of assigned asset to the third parties	-	-	-	-	-	-	-
. transcriptions from one article to another	-	-	-	-	-	-	-
Accumulated impairment at 30 September 2012	590	-	-	-	-	-	590
e) Net book at 30 September 2012							
(a)+(b)-(c)-(d)	16 897	13 122	172	64	2 200	124	32 579*
Among them purchased from the lease (leasing):	-	-	139	-	-	-	139

\* As at 30 September 2012 property plant and equipment balance include LTL 275 thousand prepayments for plant and machinery (at 31 December 2011 - LTL 122 thousand).

## 9. Investment property

	2012-09-30	2011-12-31
Investment property at fair value as at 1 January	5 562	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 30 September 2012	1 338
b) Depreciation at the end of previous financial years	1 331
Changes of current year:	
. Increases	3
. Restored records	
. of assigned asset to the third parties	
. transcriptions from one article to another	
Accumulated depreciation at 30 September 2012	1 334
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 30 September 2012	-
d) Net book at 30 September 2012 (a)-(b)-(c)	4

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

11. Investments in associated and affiliate companies

	2012-09-30	2011-12-31
Investments in associated and affiliate companies	23	23
	<u>23</u>	<u>23</u>

12. Available-for-sale financial assets

	2012-09-30	2011-12-31
Available for sale financial assets	288	288
	<u>288</u>	<u>288</u>

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 9 months of the year 2012.

13. Long-term receivable accounts

	2012-09-30	2011-12-31
Long term loans granted to related parties (Note 23)	3 562	3 562
	<u>3 562</u>	<u>3 562</u>

14. Stock

	2012-09-30	2011-12-31
Raw materials	4 354	4 852
Work in process	1 841	1 694
Finished products and goods for resale	10 715	6 982
Write-down to net realisable value	(71)	(71)
	<u>16 839</u>	<u>13 457</u>

15. Trade and other receivables

	2012-09-30	2011-12-31
Receivables from related parties including current portion of long-term debts (Note 23)	45 506	46 674
Trade receivables	163	100
Other amounts receivable and prepayments	644	376
	<u>46 313</u>	<u>47 150</u>

16. Cash and cash equivalents

	2012-09-30	2011-12-31
Cash at bank	208	99
Cash in hand	9	3
	<u>217</u>	<u>102</u>

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

## 17. Share capital

Following the decision made during the annual general meeting of shareholders, share capital was reduced by 417,063 thousand through cancellation 417,063 units of own shares.

As at 30 September 2012, the share capital comprised 7 749 249 ordinary registered shares with par value of LTL 1 each. All the shares are fully paid

## 18. Own shares

As at 30 September 2012 the Company did not purchase its own shares.

## 19. Reserves

	2012-09-30	2011-12-31
<i>Reserves:</i>		
- reevaluation reserve	7 685	8 391
- legal reserve	817	817
- reserve for acquisition of own shares	4 000	3 500
- other reserves	7 698	7 698
	<u>20 200</u>	<u>20 406</u>

### *Revaluation reserve*

During the 9 months of the year 2012 as a result of depreciation of revalued assets, revaluation reserve was decreased by the amount of LTL 1 059 thousand ( 2011: LTL 1 059 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. During the 9 months of the year 2012 this reserve was increased by LTL 500 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. There were no changes in this reserve during the 9 months of the year 2012.

## 20. Borrowings

	2012-09-30	2011-12-31
<i>Short-term borrowings</i>		
Short-term loans received from banks	-	-
Current portion of long-term loans received from banks	5 861	4 523
Finance lease liabilities	34	69
	<u>5 895</u>	<u>4 592</u>
<i>Long-term borrowings</i>		
Long-term loans received from banks	9 317	13 850
Finance lease liabilities	-	17
	<u>9 317</u>	<u>13 867</u>
Total borrowings	<u>15 212</u>	<u>18 459</u>

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

## 21. Defined benefit obligations

	2012-09-30	2011-12-31
Non-current liabilities	301	301
Current liabilities	153	153
	<u>454</u>	<u>454</u>

## 22. Trade and other payable sums

	2012-09-30	2011-12-31
Trade payables	1 339	1 467
Payables to related parties (23 note)	416	621
Payables for equipment purchased	-	366
Taxes	932	213
Remuneration and social insurance payable	1 877	1 823
Vacation pay and bonuses accrual	1 724	1 568
Current portion of non-current employee benefits (Note 21)	153	153
Other amounts payable and accrued charges	810	88
	<u>7 251</u>	<u>6 299</u>

## 23. Related-party transactions

### *Sales of goods and services*

	January- September 2012	January- September 2011
- <i>Ultimate parent company:</i>		
Koncernas SBA UAB	-	-
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	143 665	135 891
Visagino linija UAB	2	3
Šilutės baldai UAB	1 150	1 579
Germanika UAB	2	285
Kauno baldai AB	2	3
Baldstata UAB	13	15
Klaipėdos baldų prekyba UAB	1	-
Mebelain UAB	252	-
	<u>145 088</u>	<u>137 776</u>

### *Interest received*

	January- September 2012	January- September 2011
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	117	119
Klaipėdos baldų prekyba UAB	10	57
	<u>127</u>	<u>176</u>

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

23. Related-party transactions  
 (continued)

<i>Purchases of goods and services</i>	January- September 2012	January- September 2011
- <i>Ultimate parent company:</i>		
Koncernas SBA UAB	210	149
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	110 995	103 224
Visagino linija UAB	107	50
Baldstata UAB	314	369
Association Industry Marketing and Business Centre	15	14
Šilutės baldai AB	104	56
Klaipėdos baldų prekyba UAB	-	15
Kauno baldai AB	-	28
Germanika, UAB	13	589
Šatrija AB	19	22
Pastatų įdėjų įgyvendinimas, UAB	-	6
	<u>111 777</u>	<u>104 522</u>

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

<i>Amounts receivable within one year</i>	2012-09-30	2011-12-31
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	44 204	45 489
Klaipėdos baldų prekyba UAB	-	1 148
Šilutės baldai AB	1 302	37
	<u>45 506</u>	<u>46 674</u>

<i>Amounts receivable after one year</i>	2012-09-30	2011-12-31
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	3 562	3 562
	<u>3 562</u>	<u>3 562</u>

<i>Amounts payable within one year</i>	2012-09-30	2011-12-31
- <i>Ultimate parent company:</i>		
Koncernas SBA UAB	31	179
- <i>Subsidiaries of ultimate parent company:</i>		
Association Industry Marketing and Business Centre	53	88
Baldstata UAB	113	108
Kauno baldai AB	28	31
Visagino linija UAB	43	16
Germanika UAB	148	135
Pastatų Įdėjų įgyvendinimas UAB	-	8
Šatrija AB	-	56
	<u>416</u>	<u>621</u>