

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

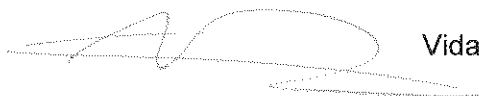
CONFIRMATION OF RESPONSIBLE PERSONS

2014-05-30

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, Vidas Mišeikis, 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 the three months ended 31 March 2014, 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.

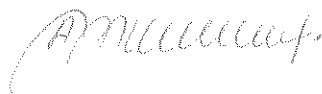
Enclosed: Klaipėdos baldai, AB unaudited Interim Financial Statements for the three months ended 31 March 2014.

Director



Vidas Mišeikis

Chief Accountant



Audronė Mineikienė

KLAIPĖDOS BALDAI, AB

COMPANY'S INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2014
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL
REPORTING STANDARTS, AS ADOPTED BY THE EUROPEAN UNION
(UNAUDITED)

KLAIPĖDOS BALDAI AB
Unaudited Interim Financial Statements
for the three months ended 31 March 2014

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

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KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
for the three months ended 31 March 2014**

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

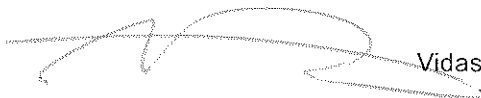
Statement of comprehensive income

	Notes	January-March 2014	January-March 2013
Revenue	2	50 509	48 805
Cost of sales	3	(48 564)	(46 970)
Gross profit		1 945	1 835
Selling costs	3	(3)	(71)
Administrative expenses	3	(864)	(806)
Other income	4	460	483
Other expenses	5	(209)	(212)
Other gains/(losses) - net	6	5	24
Operating profit		1 334	1 253
Finance income	7	30	31
Finance costs	7	(75)	(89)
Profit before income tax		1 289	1 195
Income tax income/(expense)		(52)	(179)
Profit for the year		1 237	1 016
Attributable to:			
Shareholders of the Company		1 237	1 016
		1 237	1 016

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

- basic and diluted	1	0,16	0,13
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Director



Vidas Mišeikis

Chief accountant



Audronė Mineikienė

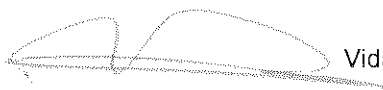
KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
for the three months ended 31 March 2014**

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

Statement of financial position

	Notes	31 March 2014	31 December 2013
ASSETS			
Non-current assets			
Property, plant and equipment	8	33 202	33 509
Investment property	9	5 562	5 562
Intangible assets	10	23	15
Available-for-sale financial assets	12	288	288
Other receivables	13	3 562	3 562
Other non-current assets	11	23	23
		42 660	42 959
Current assets			
Inventories	14	17 579	16 481
Trade and other receivables	15	49 184	47 576
		134	6
Cash and cash equivalents	16	62	66
		66 959	64 129
Total assets		109 619	107 088
EQUITY			
Equity attributable to shareholders of the Company			
Ordinary shares	17	7 749	7 749
Own shares	18	(820)	(820)
Reserves	19	19 519	19 839
Retained earnings		59 701	58 144
Total equity		86 149	84 912
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		2 371	2 371
Borrowings	20	8 175	7 725
Defined benefit obligations	21	414	414
		10 960	10 510
Current liabilities			
Borrowings	20	5 372	5 372
Trade and other payables	22	7 138	6 294
		12 510	11 666
Total liabilities		23 470	22 176
Total equity and liabilities		109 619	107 088

Director



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Chief accountant



Audronė Mineikienė

KLAIPĖDOS BALDAI AB
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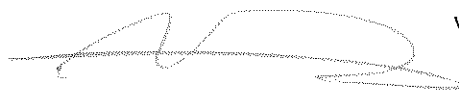
Statement of changes in equity

	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	
Balance as at 31 December 2012		7 749	(418)	7 307	817	4 000	7 698	53 484	80 637
Net profit		-	-	-	-	-	-	1 016	1 016
Depreciation transfer gross	19	-	-	(331)	-	-	-	331	-
Balance as at 31 March 2013		7 749	(418)	6 976	817	4 000	7 698	54 831	81 653

Changes during April – December 2013:

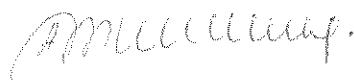
Net profit		-	-	-	-	-	-	3 595	3 595
Change in defined benefit obligations, net of tax		-	-	-	-	-	-	66	66
Depreciation transfer gross		-	-	(826)	-	-	-	826	-
Depreciation transfer – tax		-	-	174	-	-	-	(174)	-
Transfer to reserves		-	-	-	-	1 000	-	(1 000)	-
Acquisition of own shares		-	(402)	-	-	-	-	-	(402)
Balance as at 31 December 2013		7 749	(820)	6 324	817	5 000	7 698	58 144	84 912
Net profit		-	-	-	-	-	-	1 237	1 237
Depreciation transfer gross	19	-	-	(320)	-	-	-	320	-
Balance as at 31 March 2014		7 749	(820)	6 004	817	5 000	7 698	59 701	86 149

Director



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Chief accountant



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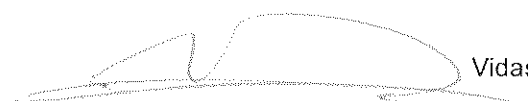
KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
for the three months ended 31 March 2014**

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

Cash flow statement

	Notes	31 March 2014	31 March 2013
Cash flows from operating activities			
Net profit		1 237	1 016
<i>Adjustments for:</i>			
Income tax expenses		52	179
Depreciation	8	1 264	1 188
Amortisation	10	2	1
Loss (gain) on disposal of property, plant and equipment and write-off	6	(5)	(24)
Interest expenses	7	75	89
Interest received	7	(30)	(31)
Change in working capital:			
– amounts receivable and prepayments		(1 637)	(2 025)
– inventories		(970)	255
– amounts payable		1 284	1 099
Cash generated from operations		1 272	1 747
Interest paid	7	(75)	(89)
Interest received		(182)	(145)
Net cash generated from operating activities		1 015	1 513
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(1 491)	(457)
Purchase of intangible assets	10	(10)	-
Disposal of property, plant and equipment	6	2	46
Interest received	7	30	31
Net cash used in investing activities		(1 469)	(380)
Cash flows from financing activities			
Proceeds from borrowings		1 793	313
Repayment of borrowings		(1 343)	(1 464)
Finance lease principal payments		-	(13)
Net cash used in financing activities		450	(1 164)
Net increase (decrease) in cash and cash equivalents			
		(4)	(31)
Cash and cash equivalents at beginning of year	16	66	63
Cash and cash equivalents at end of year	16	62	32

Director



Vidas Mišeikis

Chief accountant



Audronė Mineikienė

KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
for the three months ended 31 March 2014**

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

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 March 2014 were as follows:

	Number of shares held	Shares of the share capital, %	Shares of votes, %
SBA Furniture Group UAB	6 661 570	85,96	87,98
Other shareholders	910 255	11,75	12,02
Own shares	177 424	2,29	-
Total	7 749 249	100,00	100,00

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

During the 3 months of the year 2014, the Company's average number of employees was 713 (2013: 706).

Earnings per share

Earnings per share are calculated as follows:

	January-March 2014	January-March 2013
Profit attributable to equity holders of the Company	1 237	1 016
Weighted average number of shares in issue (thousands)	7 572	7 749
Basic earnings per share (LTL)	0,16	0,13

2. Segment reporting

The Company operates in one business segment, i.e. manufacturing of furniture, as well as one geographical segment – Lithuania, with 96,5 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 2014	January-March 2013
Sales of goods	50 493	48 799
Revenue from services	16	6
	50 509	48 805

KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
for the three months ended 31 March 2014**

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

3. Expenses by nature**Sale cost**

	January-March 2014	January-March 2013
Raw materials	(38 348)	(37 130)
Remuneration and social security	(7 475)	(7 096)
Depreciation and amortization	(1 039)	(959)
Utilities	(1 037)	(1 101)
Repairs	(155)	(155)
Other property operating costs	(256)	(219)
Other	(254)	(310)
	<u>(48 564)</u>	<u>(46 970)</u>

Selling costs

	January-March 2014	January-March 2013
Logistics	(1)	(71)
Advertising	(3)	-
	<u>(4)</u>	<u>(71)</u>

Administrative expenses

	January-March 2014	January-March 2013
Remuneration and social security	(142)	(150)
Communication and IT maintenance expenses	(120)	(112)
Depreciation and amortization	(96)	(98)
Consulting, training, accounting services	(69)	(66)
Taxes other than income tax	(59)	(55)
Other	(377)	(325)
	<u>(863)</u>	<u>(806)</u>
Total cost of sales, selling costs and administrative expenses	(49 431)	(47 847)

4. Other income

	January-March 2014	January-March 2013
Sales of heat	326	324
Rent income	70	117
Income from holiday houses	17	14
Other	47	28
	<u>460</u>	<u>483</u>

5. Other expenses

	January-March 2014	January-March 2013
Expenses of holiday houses	(193)	(199)
Other rental expenses	-	(1)
Direct operating expenses arising from investment property	(15)	(12)
Other	(1)	-
	<u>(209)</u>	<u>(212)</u>

6. Other gains/ (losses) net

	January-March 2014	January-March 2013
Gain on disposal of property, plant and equipment	5	24
	<u>5</u>	<u>24</u>

KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
for the three months ended 31 March 2014**

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

7. Financial activities**Income**

	January-March 2014	January-March 2013
Interest received	30	31
	<u>30</u>	<u>31</u>

Expenses

	January-March 2014	January-March 2013
Interest expenses	(75)	(89)
	<u>(75)</u>	<u>(89)</u>

8. Property plant and equipment

	Buildings	Plant and machinery	Vehicles	Total
At 1 January 2013				
Cost or revalued amount	40 778	50 089	704	91 571
Accumulated depreciation and impairment	(23 033)	(35 513)	(547)	(59 093)
Net book amount	<u>17 745</u>	<u>14 576</u>	<u>157</u>	<u>32 478</u>
Year ended 31 December 2013				
Opening net book amount	17 745	14 576	157	32 478
Additions	931	4 708	13	5 652
Sold / written off assets acquisition value	-	(608)	(80)	(688)
Sold / written off assets accumulated depreciation	-	586	80	666
Depreciation	(1 969)	(2 568)	(62)	(4 599)
Closing net book amount	<u>16 707</u>	<u>16 694</u>	<u>108</u>	<u>33 509</u>
At 31 December 2013				
Cost or revalued amount	41 709	54 189	637	96 535
Accumulated depreciation and impairment	(25 002)	(37 495)	(529)	(63 026)
Net book amount	<u>16 707</u>	<u>16 694</u>	<u>108</u>	<u>33 509</u>
At 31 March 2014				
Opening net book amount	16 707	16 694	108	33 509
Additions	139	912	-	1 051
Sold / written off assets acquisition value	-	(102)	(3)	(105)
Sold / written off assets accumulated depreciation	-	8	3	11
Depreciation	(569)	(679)	(16)	(1 264)
Closing net book amount	<u>16 277</u>	<u>16 833</u>	<u>92</u>	<u>33 202</u>
At 31 March 2014				
Cost or revalued amount	41 848	54 999	634	97 481
Accumulated depreciation and impairment	(25 571)	(38 166)	(542)	(64 279)
Net book amount	<u>16 277</u>	<u>16 833</u>	<u>92</u>	<u>33 202</u>

KLAIPĒDOS BALDAI AB**Unaudited Interim Financial Statements
for the three months ended 31 March 2014**

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

9. Investment property

	Total investment property
At 31 March 2014	
Investment property at fair value as at 1 January	5 562
Change during the period	-
Investment property at fair value as at 31 March	<u>5 562</u>

10. Intangible assets

	Computer software and other intangible assets
At 1 January 2013	
Cost	1 340
Accumulated amortisation	<u>(1 334)</u>
Net book amount	<u>6</u>
At 31 December 2013	
Opening net book amount	6
Additions	15
Amortisation	<u>(6)</u>
Closing net book amount	<u>15</u>
At 31 December 2013	
Cost	1 355
Accumulated amortisation	<u>(1 334)</u>
Net book amount	<u>15</u>
At 31 March 2014	
Opening net book amount	15
Additions	10
Amortisation	<u>(2)</u>
Closing net book amount	<u>23</u>
At 31 March 2014	
Cost	1 365
Accumulated amortisation	<u>(1 342)</u>
Net book amount	<u>23</u>

11. Other non-current assets

	31 March 2014	31 December 2013
Investments in associated and affiliate companies	<u>23</u>	<u>23</u>
	23	23

12. Available-for-sale financial assets

	31 March 2014	31 December 2013
Available for sale financial assets	<u>288</u>	<u>288</u>
	288	288

13. Long-term receivable accounts

	31 March 2014	31 December 2013
Non-current part of loans granted to related parties (23 note)	<u>3 562</u>	<u>3 562</u>
	3 562	3 562

KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
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14. Stock

	31 March 2014	31 December 2013
Raw materials	5 411	5 559
Construction in process	1 944	1 879
Produced products and goods meant for resale	10 266	9 085
Reduction in price to the net value of possible realization	(42)	(42)
	<u>17 579</u>	<u>16 481</u>

15. Trade and other receivables

	31 March 2014	31 December 2013
Receivables from related parties including current portion of long-term debts	48 820	46 683
Trade receivables	180	143
Other amounts receivable and prepayments	184	750
	<u>49 184</u>	<u>47 576</u>

16. Cash and cash equivalents

	31 March 2014	31 December 2013
Cash at bank	59	57
Cash in hand	3	9
	<u>62</u>	<u>66</u>

17. Share capital

As at 31 March 2014 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 31 March 2013 the Company had 177 424 of its own shares and paid for them LTL 819 628. Own shares are accounted for by the amount paid as a reduction in shareholders' equity.

19. Reserves

	31 March 2014	31 December 2013
- reevaluation reserve	6 004	6 324
- reserve presupposed by law	817	817
- reserve for acquisition of own shares	5 000	5 000
- other reserves	7 698	7 698
	<u>19 519</u>	<u>19 839</u>

Revaluation reserve

During the 1-st quarter of the year 2014 as a result of depreciation of revalued assets, revaluation reserve was decreased by the amount of LTL 330 thousand (2013: LTL 331 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 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. There were no changes in this reserve during the 1-st quarter of the year 2014.

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.

KLAIPĖDOS BALDAI AB**Unaudited Interim Financial Statements
for the three months ended 31 March 2014**

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

20. Borrowings

	31 March 2014	31 December 2013
<i>Short-term credits</i>		
Current portion of long-term loans received from banks	5 372	5 372
	<u>5 372</u>	<u>5 372</u>
<i>Long-term borrowings</i>		
Long-term loans received from banks	8 175	7 725
	<u>8 175</u>	<u>7 725</u>
Total borrowings	<u>13 547</u>	<u>13 097</u>

21. Defined benefit obligations

As at 31 March 2014 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. During the 1-st quarter of the year 2014 additional accruals have not been performed. Outstanding amount of the liability is presented under the defined benefit obligations caption and other in the statement of financial position.

	31 March 2014	31 December 2013
Non-current liabilities	414	414
Current liabilities	92	92
	<u>506</u>	<u>506</u>

22. Trade and other payable sums

	31 March 2014	31 December 2013
Trade payable sums	1 346	1 136
Amounts payable for acquisition property, plant and equipment	578	1073
Sums payable to affiliated parties (23 note)	469	359
Taxes	611	232
Salary and social insurance payable	1 896	1 698
Vacation reserve and bonuses	2 105	1 651
Current portion of non-current employee benefits (21 note)	92	92
Other payable sums and accumulated expenditures	41	53
	<u>7 138</u>	<u>6 294</u>

23. Related-party transactions

<i>Sales of goods and services</i>	January-March 2014	January-March 2013
<i>- Ultimate parent company:</i>		
Koncernas SBA UAB	-	-
<i>- Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	48 831	48 706
Šilutės baldai UAB	191	31
Kauno baldai AB	26	10
Baldstata UAB	5	5
Germanika UAB	1 262	-
Mebelain OOO	315	51
Novomebel UAB	3	-
	<u>50 633</u>	<u>48 803</u>

KLAIPĖDOS BALDAI AB
Unaudited Interim Financial Statements
for the three months ended 31 March 2014

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

Related-party transactions (continued)

<i>Interest received</i>	January-March 2014	January-March 2013
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	30	31
	<u>30</u>	<u>31</u>

<i>Purchases of goods and services</i>	January-March 2014	January-March 2013
- <i>Ultimate parent company:</i>		
Koncernas SBA UAB	92	81
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	38 471	35 967
Visagino linija UAB	-	34
Baldstata UAB	118	95
Association Industry Marketing and Business Centre	10	5
Šilutės baldai AB	2	-
Šatrija AB	-	26
	<u>38 694</u>	<u>36 208</u>

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

<i>Amounts receivable within one year</i>	31 March 2014	31 December 2013
- <i>Subsidiaries of ultimate parent company:</i>		
SBA baldų kompanija UAB	46 838	45 186
Šilutės baldai AB	491	262
Kauno baldai AB	31	
Germanika UAB	362	455
Mebelain RAUB	1 095	780
Novomebel UAB	3	
	<u>48 820</u>	<u>46 683</u>

<i>Amounts receivable within one year</i>	31 March 2014	31 December 2013
SBA baldų kompanija UAB	3 562	3 562
	<u>3 562</u>	<u>3 562</u>

<i>Amounts payable within one year</i>	31 March 2014	31 December 2013
- <i>Ultimate parent company:</i>		
Koncernas SBA UAB	171	61
- <i>Subsidiaries of ultimate parent company:</i>		
Baldstata UAB	137	142
Visagino linija UAB	151	151
Association Industry Marketing and Business Centre	10	5
	<u>469</u>	<u>359</u>