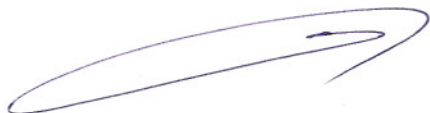


For the Stocks committee of the Republic of Lithuania,
Konstitucijos pr. 23,
LT-08105 Vilnius

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 June 2008 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, review of business development and practice, stated in the interim six months statement is correct.

Director



Ramūnas Marozas

**JSC “KLAIPEDOS BALDAI”
INTERMEDIATE FINANCIAL REPORTING
JUNE 30, 2008**

JSC "KLAIPEDOS BALDAI"
Company code: 140656052, Joniskes St., 21, Klaipeda

PROFIT (LOSS) REPORT
June 30, 2008

Prepared in accordance with TFAS

(in thousands litas)

#	Accounts		January-June 2008	January-June 2007
I.	SALE INCOME		90 271	74 075
II.	SALE PRIME COSTS		(87 249)	(70 663)
III.	TOTAL PROFIT (LOSS)		3 022	3 412
IV.	ACTIVITY EXPENSES		(1 881)	(1 837)
IV.1.	Sale		(1)	(7)
IV.2.	General and administrative		(1 880)	(1 830)
V.	PROFIT (LOSS) OF TYPICAL ACTIVITY		1 141	1 575
VI.	OTHER ACTIVITY		411	244
VI.1.	Income		905	699
VI.2.	Expenditures		(494)	(455)
VII.	FINANCIAL AND INVESTMENT ACTIVITY		(585)	(567)
VII.1.	Income		213	203
VII.2.	Expenditures		(798)	(770)
VIII.	INCOME OF (LOSS) ORDINARY ACTIVITY		968	1 252
IX.	WINDFALL PROFITS			-
X.	LOSSES			-
XIII.	PROFIT (LOSS) BEFORE TAXES		968	1 252
XIV.	PROFIT TAX		(146)	(226)
XV.	NET PROFIT (LOSS)		822	1 026

Director



Ramūnas Marozas

JSC “KLAIPEDOS BALDAI”

Company code: 140656052, Joniskes St., 21, Klaipeda

BALANCE

June 30, 2008

(Thousands litas)

#	Accounts		2008-06-30	2007-12-31
A.	LONG-TERM ASSETS		51 383	51 840
I.	INTANGIBLE ASSETS		46	161
I.1.	Patents, licenses		-	26
I.2.	Programming equipment		46	135
I.3.	Other intangible assets		-	-
II.	TANGIBLE ASSETS		48 949	49 248
II.1.	Land		-	-
II.2.	Buildings and constructions		23 423	24 493
II.3.	Machinery and equipment		16 708	16 290
II.4.	Transportation means		440	235
II.5.	Other equipment, devices, instruments and units		45	44
II.6.	Construction in progress		112	-
II.7.	Other tangible assets		94	59
II.8.	Investment property		8 127	8 127
II.8.1.	Buildings		8 127	8 127
	FINANCIAL ASSETS		2 388	2 431
III.1.	Investments in affiliate and associated companies		22	22
III.2.	Credits to associated and affiliate companies		-	-
III.3.	Accounts receivable in one year		2 078	2 121
III.4.	Other financial assets		288	288
B.	SHORT-TERM ASSETS		47 170	42 753
I.	STOCK, ADVANCE PAYMENTS AND CONTRACTS IN PROGRESS		13 478	13 472
I.1.	Stock		13 131	13 195
I.1.1.	Raw materials and component parts		6 242	6 360
I.1.2.	Production in process		2 572	2 693
I.1.3.	Produced products		4 317	4 142
I.2.	Advance payments		347	277
I.3.	Contracts in process		-	-
II.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR		33 662	29 232
II.1.	Buyers' debts		29 298	24 945
II.2.	Debts of affiliate and associated companies		-	-
II.3.	Other accounts receivable		4 364	4 287
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		30	49
	TOTAL ASSETS:		98 553	94 593

BALANCE (continued)
June 30, 2008

#	Accounts		2008-06-30	2007-12-31
C.	EQUITY CAPITAL		60 402	59 580
I.	CAPITAL		8 166	8 166
I.1.	Statutory (subscribed)		8 166	8 166
II.	REEVALUATION RESERVE (RESULTS)		11 184	11 789
III.	RESERVES		8 515	8 515
III.1.	Obligatory		817	817
III.3.	Other reserves		7 698	7 698
IV.	UNDISTRIBUTED PROFITS (LOSS)		32 537	31 110
IV.1.	Profit (loss) of the reporting year		822	3 016
IV.2.	Profit (loss) of the previous year		31 715	28 094
D.	DOTATIONS, SUBSIDIES		-	-
E.	ACCOUNTS PAYABLE AND LIABILITIES		38 151	35 013
I.	ACCOUNTS PAYABLE IN ONE YEAR AND LONG-TERM LIABILITIES		9 640	9 633
I.1.	Financial debts		6 862	6 855
I.1.1.	Leasing (financial rent) and similar liabilities		3 862	2 715
I.1.2.	To credit institutions		3 000	4 140
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		2 778	2 778
I.6.	Other accounts payable and long-term liabilities		-	-
II.	ACCOUNTS PAYABLE WITHIN ONE YEAR AND SHORT-TERM LIABILITIES		28 511	25 380
II.1.	The current year part of long-term debts		3 820	3 564
II.2.	Financial debts		16 854	16 654
II.2.1.	To credit institutions		16 854	16 654
II.2.2.	Other debts		-	-
II.3.	Debts to providers		2 777	1 611
II.4.	Received advanced payments		5	-
II.5.	Profit tax liabilities		-	-
II.6.	Liabilities connected with labor relations		1 455	1 445
II.7.	Provisions			
II.8.	Other accounts payable and short-term liabilities		3 600	2 106
	TOTAL EQUITY CAPITAL AND LIABILITIES		98 553	94 593

Director



Ramūnas Marozas

JSC "KLAIPEDOS BALDAI"
FINANCIAL REPORTING
June 30, 2008

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

Report on changes of equity capital

June 30, 2008

	(Thousands litas)					
	Share capital	Reevaluation reserve	Reserves set forth by law	Other reserves	Undistributed profit	Total
Balance as of January 1, 2007	8 166	12 688	817	7 698	27 014	56 363
Used reserves	-	(606)	-	-	606	-
Net profit	-	-	-	-	1 026	1 026
Balance as of June 30, 2007	8 166	12 062	817	-	28 646	57 389
The year finished on December 31, 2007						
Balance as of January 1, 2007	8 166	12 688	817	-	27 014	56 363
Used reserves	-	(1 080)	-	-	1 080	-
Depreciation transfer-tax	-	201	-	-	-	201
Recognition of deferred profit tax liabilities)
Net profit					3 016	3 016
Balance as of December 31, 2007	8 166	11 789	817	7 698	31 110	59 580
Used reserves	-	(605)	-	-	605	-
Net profit (loss)	-	-	-	-	822	822
Balance as of June 30, 2008	8 166	11 184	817	-	32 537	60 402

Director



Ramūnas Marozas

JSC "KLAIPEDOS BALDAI"
FINANCIAL REPORTING
June 30, 2008

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

Cash flows report

Cash flows in thousands LTL	June 30, 2008	June 30, 2007
Cash flows from ordinary activity		
Net result	822	1 026
Corrections adjusting net profit with cash flows from ordinary activity	-	-
Corrections	-	-
Wear and amortization	3 449	3 639
Value decrease	(31)	5
Written-off sums	-	-
Elimination of profit (loss) from sale of long-term assets	(8)	(2)
Elimination of results of connected companies and minority part	-	-
	4 232	4 668
Changes of short-term assets and short-term liabilities	-	-
Decrease (increase) of buyers' debts	(4 354)	(7 083)
Decrease (increase) of other accounts receivable within one year	(90)	(27)
Decrease (increase) of stock	95	2 042
Decrease (increase) of advance payments	(71)	(264)
Decrease (increase) of accumulated income and expenditures of future periods	1	136
Increase (decrease) of short-term debts to providers	1 166	313
Increase (decrease) of provisions and deferred taxes	-	-
Increase (decrease) of accumulated expenditures and income of future periods	250	388
Sums received in advance under signed contracts	4	(14)
Taxes, salaries and social insurance	1 247	-
Increase (decrease) of other payable sums and short-term liabilities	7	(6)
Net cash flows from ordinary activity	2 488	153
	-	-
Acquisition of long-term assets by net value	(2 991)	(1 288)
Changes of share capital	-	-
Acquisition (sale) of long-term financial assets	-	-
Net cash flows (used) for investment activity	(2 991)	(1 288)
	-	-
Changes of long-term financial debts	20	(10 866)
Changes of other accounts payable and long-term liabilities	264	(246)
Changes of accounts receivable in one year	-	-
Changes of short-term financial debts	200	11 871
Changes of investments and time deposits	-	-
Net cash flows (used) for financial activity	484	759
	-	-
Increase (decrease) of money and its equivalents	(19)	(376)
		-
Money and its equivalents in the beginning of the period	49	442
		-
Money and its equivalents in the end of the period	30	66

Director



Ramūnas Marozas

JSC "KLAIPEDOS BALDAI"
FINANCIAL REPORTING
June 30, 2008

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

**Long-term tangible
assets**

	Buildings	Vehicles	Machinery and equipment, equipment of computers and organiz.	Finance lease	Other tangible assets	Constructi on in progress and prepaymen ts	Total
a) Acquisition value at the end of previous finacial years	28 051	1 004	31 164	11 891	520		72 630
a) Changes of current year			273	2 506	56	112	2 947
.Acquisitions of asset			309	2 583	57	112	3 061
.Assigned and unused asset(-)			(36)	(77)	(1)	0	(114)
.Transcriptions from one article to another +/-(-)							
a) Acquisition value at the end of current year	28 051	1 004	31 437	14 397	576	112	75 577
b) Reappraisal at the end of previous finacial years	17 016						17 016
b) Changes of current year							
.of increase of value							
.of assigned asset to the third parties (-)							
.of write-offs (-)							
.Transcriptions from one article to another +/-(-)							
b) Reappraisal at the end of current year	17 016						17 016
c) Written-off sums and depreciation (-)	(12 447)	(845)	(22 408)	(4 231)	(467)	0	(40 398)
c) Written-off sums and depreciation (-) (Deprec.)	(12 420)	(845)	(22 408)	(4 231)	(467)	0	(40371)
c) Written-off sums and depreciation (-) (Reduction of value)	(27)						(27)
c) Changes of current year	(1 070)	(21)	(1 179)	(961)	(15)	0	(3 246)
.Increases	(1 070)	(21)	(1 215)	(998)	(17)	0	(3 321)
.Restored records (-)							
.of assigned asset to the third parties (-)			23	37	2		62
.of write-offs (-)			13				13
.Transcriptions from one article to another +/-(-)							
.Moratoriums for asset, which is used little+/-(-)							
c) Written-off sums and depreciation (-)	(13 517)	(866)	(23 587)	(5 192)	(482)	0	(43 644)
d) Net book amount	31 550	138	7 850	9 205	94	112	48 949
<i>Among them:</i>							
<i>Transport equipment</i>				302			
<i>Investment property</i>	8 127			8 903			

JSC “KLAIPEDOS BALDAI”
FINANCIAL REPORTING
June 30, 2008

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

Long-term intangible assets

	Computer software and other intangible assets
a) ACQUISITION VALUE In the end of the previous year	1 349
a) Changes of current year	13
Acquisition of assets	13
Transferred and unused assets (-)	
Rewritings from one account into another +/-(-)	
a) ACQUISITION VALUE In the end of the current year	1 362
b) WRITTEN OFF SUMS AND WEAR (-)	1 189
b) WRITTEN OFF SUMS AND WEAR (-) (OrdDep)	
b) WRITTEN OFF SUMS AND WEAR (-) (Imp)	
b) Changes of the current year	127
Increases	127
Restoring entries (-)	
Assets transferred to the third persons	
Written off assets (-)	
Rewritings from one account to another +/-(-)	
Provisions for little used assets +/-(-)	
b) WRITTEN OFF SUMS AND WEAR (-) in the end of the current year	1 316
Net book amount	46

**JSC “KLAIPEDOS BALDAI”
FINANCIAL REPORTING
June 30, 2008**

(All the sums in the tables 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 # AB 93-59. The Company’s office address is:

Joniskės St., 21, LT-91267 Klaipėda
Lithuania

On June 30, 2008, the Company’s shareholders were:

	Number of shares, pcs.	Share of the share capital, %
JSC “SBA furniture group”	5 273 658	64,58
Hansabank Clients	439 614	5,38
Association Industry and Marketing Business center	262 374	3,21
Virgilijus Rancys	200 000	2,45
“Skandinaviska Enskilda Banken”	295 327	3,62
“Finasta”, AB FMI	222 783	2,73
“JSC “Finasta Rizikos valdymas”	222 300	2,72
Other shareholders	1 250 256	15,31
Total	8 166 312	100

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

During the 6 months of the year 2008 average number of the Company’s employees was 629 (in 2007 – 659).

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 six-months of the year 2008 98,44 per cent of all the Company’s sales were done to its affiliated party JSC “SBA baldų kompanija”.

Sale cost

	January-June 2008	January-June 2007
Raw materials	70 409	55 326
Salary and social insurance	11 444	10 369
Wear and tear	2 883	2 971
Utilities	1 635	1 361
Repairs	394	410
Other	484	226
	87 249	70 663

JSC “KLAIPEDOS BALDAI”
FINANCIAL REPORTING
June 30, 2008

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

Sale and distribution expenditures

	January-June 2008	January-June 2007
Advertising	1	7
Salary and social insurance of sales personnel	-	-
Other expenditures	-	-
	<u>1</u>	<u>7</u>

General and administrative expenses

	January-June 2008	January-June 2007
Salary and social insurance	358	363
Communication and informational technologies expenses	189	174
Taxes, except for profit tax	104	114
Wear and amortization	281	345
Consulting, audit, training, accounting services	210	224
Association fees and decrease of value	191	156
Security expenses	117	89
Writing off of stock and decrease of value		
Materials and operation expenses	77	153
Business travel expenses	6	20
Written off long-term tangible assets		
Other	347	192
	<u>1 880</u>	<u>1 830</u>

Income of another activity

	January-June 2008	January-June 2007
Rent income	348	286
Income from holiday houses	60	64
Profit from sale of long-term tangible assets	8	2
Other	489	347
	<u>905</u>	<u>699</u>

Expenditures of another activity

	January-June 2008	January-June 2007
Expenditures of holiday houses	(291)	(235)
Rent expenditures	(203)	(220)
Other		
	<u>(494)</u>	<u>(455)</u>

JSC “KLAIPEDOS BALDAI”
FINANCIAL REPORTING
June 30, 2008

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

Income of financial activity

	January-June 2008	January-June 2007
Income from interest	185	171
Income from dividends	28	32
Other	-	-
	<u>213</u>	<u>203</u>

Expenditures of financial activity

	January-June 2008	January-June 2007
Interest expenditures	(775)	(767)
Other	(23)	(3)
	<u>(798)</u>	<u>(770)</u>

Investments in associated and affiliate companies

	2008-06-30	2007-12-31
In the beginning of the year	22	22
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	-	-
	<u>22</u>	<u>22</u>

To sell owned investments

	2008-06-30	2007-12-31
In the beginning of the year	288	288
Acquisitions	-	-
Restoration of decrease of value	-	-
Transfers	-	-
	<u>288</u>	<u>288</u>
Balance in the end of the period	<u>288</u>	<u>288</u>
Long-term	288	288
Short-term	-	-
	<u>288</u>	<u>288</u>

JSC “KLAIPEDOS BALDAI”
FINANCIAL REPORTING
June 30, 2008

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

Long-term receivable accounts

	2008-06-30	2007-12-31
Non-courent part of loans granted to related parties	1 839	1 839
Loans granted to employees	5	12
Prepayments for property, plant and equipment	234	270
	<u>2 078</u>	<u>2 121</u>

Stock

	2008-06-30	2007-12-31
Raw materials	6 378	6 496
Construction in process	2 572	2 693
Produced products and goods meant for resale	4 317	4 142
Reduction in price to the net value of possible realization	(136)	(136)
	<u>13 131</u>	<u>13 195</u>

As of June 30, 2008, the Company has mortgaged stock 12 000 thousand LTL of value in order to guarantee payment of credit.

Accounts receivable, advanced payments and expenditures of future period

	2008-06-30	2007-12-31
Receivables from related parties, including current	33 458	28 972
Trade receivables	168	228
Receivable VAT		
Prepaid income tax	-	24
Current portion of loans granted to employees	23	36
Prepayments and deferred charges	347	230
Other receivable accounts	13	19
	<u>34 009</u>	<u>29 509</u>

Cash and cash equivalents

	2008-06-30	2007-12-31
Cash at bank	12	38
Cash in hand	18	11
	<u>30</u>	<u>49</u>

JSC "KLAIPEDOS BALDAI"
FINANCIAL REPORTING
June 30, 2008

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

Share capital

As of June 2008 the share capital consisted of **8 166 312** ordinary registered shares, each of nominal value **1 LTL**. All the shares are fully paid. During the six-month of 2008 there were no changes of share capital.

Reserves

	2008-06-30	2007-12-31
<i>Reserves:</i>		
- reevaluation reserve	11 184	11 789
- reserve presupposed by law	817	817
- other reserves	7 698	7 698
	<u>19 699</u>	<u>20 304</u>

Borrowings

	2008-06-30	2007-12-31
<i>Short-term credits</i>		
Short-term loans received from banks	16 854	16 654
Current portion of long-term loans received from banks	2 279	2 279
Finance lease liabilities	1 541	1 285
	<u>20 674</u>	<u>20 218</u>
<i>Long-term borrowings</i>		
Long-term loans received from banks	3 000	4 140
Finance lease liabilities	3 862	2 715
	<u>6 862</u>	<u>6 855</u>
	<u>27 536</u>	<u>27 073</u>
Total borrowings		

Trade and other payable sums

	2008-06-30	2007-12-31
Trade payable sums	1 543	1 036
Sums payable to affiliated parties	1 233	575
Taxes	1 538	302
Salary and social insurance payable	1 455	1 445
Sums received in advance	5	-
Vacation reserve	1 741	1 673
Other payable sums and accumulated expenditures	322	131
	<u>7 837</u>	<u>5 162</u>

JSC “KLAIPEDOS BALDAI”
FINANCIAL REPORTING
June 30, 2008

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

Related-party transactions

<i>Sales of goods and services</i>	January-June 2008	January-June 2007
Koncernas SBA UAB	-	1
SBA baldų kompanija UAB	88 928	73 234
Visagino linija UAB	303	239
Klaipėdos baldų prekyba UAB	145	274
Šilutės baldai UAB	369	147
Euromodus UAB	2	-
Akmena UAB	2	69
Germanika UAB	252	69
Kauno baldai AB	5	5
Baldstata UAB		8
Karigė AB		194
	90 006	74 240

Interest received

SBA baldų kompanija UAB	107	104
Klaipėdos baldų prekyba UAB	78	67
	185	171

Purchases of goods and services

Koncernas SBA UAB	104	167
SBA baldų kompanija UAB	68 098	51 723
Visagino linija UAB	159	290
Baldstata UAB	257	236
Šilutės baldai AB	75	28
Germanika, UAB	7	-
Karigė AB	223	18
Klaipėdos baldų prekyba UAB	7	3
Kauno baldai AB	4	
Utenos trikotažas UAB	-	9
Association Industry Marketing and Business Centre	181	146
Akmena AB	2	9
Šatrija AB	20	-
	69 137	52 629

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

JSC “KLAIPEDOS BALDAI”
FINANCIAL REPORTING
June 30, 2008

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

Related-party transactions (continued)

<i>Amounts receivable within one year</i>	2008-06-30	2007-12-31
SBA baldų kompanija UAB	31 338	27 416
Klaipėdos baldų prekyba UAB	1 035	794
Akmena AB	514	515
Šilutės baldai AB	508	169
Kauno baldai AB	43	42
Baldutūra UAB	31	30
Germanika UAB	(159)	6
Visagino linija UAB	170	-
Effigy UAB	1	-
	<u>33 458</u>	<u>28 972</u>
 <i>Amounts receivable after one year</i>		
Klaipėdos baldų prekyba UAB	1 839	1 839
	<u>1 839</u>	<u>1 839</u>
 <i>Amounts payable within one year</i>		
Koncernas SBA UAB	341	219
Association Industry Marketing and Business Centre	489	308
Baldstata UAB	117	48
Šilutės baldai AB	-	-
Karigė AB	262	-
Šatrija AB	24	-
	<u>1 233</u>	<u>575</u>

Contingent liabilities and commitments

The Company has a commitment against SEB Lizingas UAB to repurchase equipment leased by Akmena AB from SEB Lizingas UAB for the amount of EUR 59thousand in case the lease agreement between SEB Lizingas UAB and Akmena AB is terminated prior to its expiry term.

