

RESPONSIBLE PERSONS CONFIRMATION

21.12.2016

Following the Article 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we hereby confirm that, Vilniaus Baldai AB Interim Condensed Consolidated Financial Statement for the three months of FY2017 ended November 30, 2016, prepared in accordance with International Financial Reporting Standards (IFRS). We consider that the accounting policies used are appropriate and Financial Statement thus gives a true and fair view in equity, cash flow, assets, liabilities and income statement.

APPENDIX:

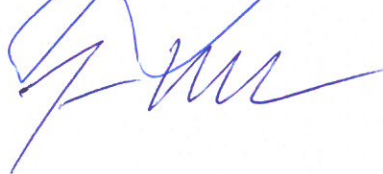
1. Interim Condensed Consolidated Financial Statement for the three months of FY2017 ended November 30, 2016.

General Manager



Rimantas Vaitkus

Head of Finance



Jonas Krutinis



**VILNIAUS
BALDAI**

ANNO 1883

*... Better
Faster
Stronger ...*

Vilniaus Baldai AB

INTERIM CONDENSED
CONSOLIDATED
FINANCIAL STATEMENT
FOR THE THREE MONTHS
OF FY2017 ENDED
NOVEMBER 30, 2016

(all amounts are in EUR thousand unless otherwise stated)

CONTENTS

GROUP INFORMATION	4
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
FINANCIAL RESULTS OF ACTIVITIES	10

(all amounts are in EUR thousand unless otherwise stated)

COMPANY INFORMATION

1. Reporting period covered by this Financial Statement

Financial Statements for the three months of the financial year (FY) 2017 ended November 30, 2016.

2. Main data about the issuer

Name of the issuer	Joint stock company (AB) Vilniaus Baldai
Code	121922783
Authorized capital	4 508 069.72 EUR
Office address	Savanoriu Ave. 178B, LT - 03154 Vilnius
Telephone	(+370~5) 252 57 00
Fax	(+370~5) 231 11 30
E-mail	info@vilniausbaldai.lt
Website	www.vilniausbaldai.lt
Legal form	Joint stock company
Registration date and place	9 February 1993, Vilnius City Board
Register, where all the information about the Company is collected and stored	Register of legal entities
Type of activity	Design, production and sales of the furniture

Information about the subsidiary company of the issuer one

Name of the issuer	Limited liability company (UAB) Ari - Lux
Code	120989619
Authorized capital	2 896 EUR
Share of (AB) Vilniaus Baldai in the company	100 %
Office address	Savanoriu Ave. 178B, LT - 03154 Vilnius
Telephone	(+370~5) 252 57 44
Fax	(+370~5) 252 57 44
E-mail	aleksas.rimkus@ari-lux.lt
Website	-
Legal form	Limited liability company
Registration date and place	28 October 1991, Vilnius City Board
Register, where all the information about the Company is collected and stored	Register of legal entities
Type of activity	Packaging

3. Information about where to access the Financial Statement and the underlying documents, name of the designated mass media for announcements

The Financial Statement and underlying supporting documents can be accessed at the Company's headquarters at Savanoriu Ave. 178B, Vilnius.

Designated mass media for Vilniaus Baldai AB announcements: NASDAQ OMX Vilnius AB, Central Storage Facility – information database.

(all amounts are in EUR thousand unless otherwise stated)

4. Board

Chairman of the Board: Vytautas Bucas,
Members of the Board: Dalius Kaziunas,
Vaidas Savukynas.

5. Persons responsible for the accuracy of the information in the Financial Statement

Members of the managing bodies, employees and the Head of the Administration of the issuer are responsible for the accuracy of the information:

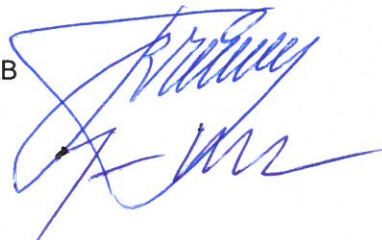
Rimantas Vaitkus, General Manager, tel. (+370~5) 252 57 00, fax. (+370~5) 231 11 30,
Jonas Krutinis, Head of Finance, tel. (+370~5) 252 57 00.

6. Declaration by the members of the issuer's managing bodies, employees, the Head of the Administration and the issuer's consultants that the information contained in the Financial Statement is in accordance with the facts and that the Financial Statement makes no omission likely to have an effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities

Vilniaus Baldai AB, represented by Rimantas Vaitkus, General Manager, and Jonas Krutinis, Head of Finance, hereby confirm that the information contained in the Financial Statement is in accordance with the facts and that the Financial Statement makes no omission likely to have an effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities.

Rimantas Vaitkus, General Meneger of Vilniaus Baldai AB

Jonas Krutinis, Head of Finance of Vilniaus Baldai AB



Date of signing the Report – 21 December 2016.

(all amounts are in EUR thousand unless otherwise stated)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE THREE MONTHS OF
FY2017 ENDED NOVEMBER 30, 2016**

Financial Statements of FY2016, ended 31.08.2016 are audited, while the Financial Statements for the three months of FY2017, ended 30.11.2016 and FY2016, ended 30.11.2015 are unaudited.

1. STATEMENT OF FINANCIAL POSITION

	30.11.2016	31.08.2016	30.11.2015
Assets			
Non - current assets			
Non - current tangible assets	12 331	11 761	12 053
Intangible assets	41	43	31
Deferred income tax asset	89	81	87
Total non - current assets	12 461	11 885	12 171
Current assets			
Inventories	7 433	6 632	7 449
Trade debtors	5 219	4 868	4 874
Current income tax prepayment	-	-	-
Other accounts receivable	970	924	1 145
Cash and cash equivalents	98	755	873
Total current assets	13 720	13 179	14 341
Total assets	26 181	25 064	26 511
Shareholders' equity and liabilities			
Capital and reserves			
Share capital	4 508	4 508	4 508
Legal reserve	451	451	450
Retained earnings	7 174	6 307	7 649
Total capital and reserves	12 133	11 266	12 607
Non - current liabilities			
Grants and subsidies	57	58	35
Total grants and subsidies	57	58	35
Provision for employee benefits	643	643	685
Loans and other interest bearing payables	823	823	26
Total non - current liabilities	1 466	1 466	711
Current liabilities			
Loans and other interest bearing payables	4 044	4 973	5 421
Debts to suppliers	5 639	4 740	5 314
Current income tax payable	244	187	20
Other liabilities	2 598	2 374	2 403
Total current liabilities	12 525	12 274	13 158
Total liabilities	13 991	13 740	13 869
Total equity and liabilities	26 181	25 064	26 511

(all amounts are in EUR thousand unless otherwise stated)

2. STATEMENT OF COMPREHENSIVE INCOME

	FY2017 I quarter, ended November 30	FY2016 I quarter, ended November 30
Revenue	16 043	16 331
Cost of sales	(14 082)	(14 394)
Gross profit	1 961	1 937
Distribution costs	(318)	(470)
Administrative costs	(630)	(624)
Other operating income, net	22	33
Profit from operating activities	1 035	877
Financial income	2	1
Financial costs	(17)	(22)
Financial income, net	(15)	(21)
Profit before taxes	1 020	856
Income tax	(153)	(137)
Profit for the period	867	719
Other comprehensive income	-	-
Total comprehensive income for the period	867	719
Attributable to Owners of the Company:		
Profit	867	719
Other comprehensive income	-	-
Total comprehensive income	867	719
Earnings per share (in EUR)	0.22	0.18

(all amounts are in EUR thousand unless otherwise stated)

3. STATEMENT OF CHANGES IN EQUITY

	Share capital	Legal reserve	Obligatory reserve	Accrued earnings	Total
Balance as of 31 August 2015	4 502	450	-	6 930	11 888
Net profit	-	-	-	719	719
Balance as of 30 November 2015	4 508	450	-	7 649	12 607
Net profit	-	-	-	2 524	2 524
Other comprehensive income	-	-	-	21	21
Legal reserve accrual	-	1	-	(1)	-
Dividends	-	-	-	(3 886)	(3 886)
Balance as of 31 August 2016	4 508	451	-	6 307	11 266
Net profit	-	-	-	867	867
Balance as of 30 November 2016	4 508	451	-	7 174	12 133

(all amounts are in EUR thousand unless otherwise stated)

4. STATEMENT OF CASH FLOWS

	30.11.2016	30.11.2015
Net profit (loss)	867	719
Adjustments:		
Depreciation and amortization	316	298
Result on disposal, writing off, etc. of non-current	1	(1)
Changes in provisions	-	-
Change in write down to net realizable value	-	-
Interest (income) expenses	14	19
Deferred income tax (income) expenses	(8)	4
Income tax expenses	161	133
Other expenses (income)	1	13
Cash flows from ordinary activities before changes	1 352	1 186
Changes in trade receivables and other amounts	(398)	(1 537)
Changes in inventories	(801)	(639)
Changes in debts to suppliers and other liabilities	1 036	915
Income tax paid	-	-
Cash flows from operating activities	1 189	(2 999)
(Acquisition) of tangible non-current assets	(891)	(272)
Sale / writing of non-current tangible assets	-	1
Transfer (to) from time deposits	-	-
Grants received	-	-
Cash flows from investing activities	(891)	(271)
Loans (granted) / repaid	-	-
Loans received / (repaid)	(928)	(2 240)
Interest (paid) / received	(14)	(14)
Dividends (paid)	(13)	(13)
Cash flows from financing activities, net	(955)	(2 268)
Cash flows from operating, investing and financing	(657)	460
Cash and cash equivalents as of 1 September 2015	755	413
Cash and cash equivalents as of 1 September 2016	98	873

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU). The financial statements have been prepared based on acquisition cost principle.

(all amounts are in EUR thousand unless otherwise stated)

5. FINANCIAL RESULTS OF ACTIVITIES

The Group revenue during the first quarter of FY2017 stood at 16 043 thousand EUR, while during the same period of FY2016 revenue was 16 331 thousand EUR.

Net profit of the Group during the first three months was 867 thousand EUR, up from 719 thousand EUR at the same period last year.

EBITDA constituted 1 350 thousand EUR, while year ago it stood at 1 173 thousand EUR.

Since the end of the reporting fiscal year till the interim condensed consolidated financial statement confirmation there were no important events at the Company.

AB „Vilniaus baldai“

Savanoriu ave. 178B
LT-03154 Vilnius, LITHUANIA
Tel. (+370 5) 25 25 700
Fax (+370 5) 23 11 130
E-mail info@vilniausbaldai.lt

Rimantas Vaitkus

General Manager
Tel. (+370 5) 25 25 700
Fax (+370 5) 23 11 130
E-mail info@vilniausbaldai.lt

Jonas Krutinis

Head of Finance
Tel. (+370 5) 25 25 700
Fax (+370 5) 23 11 130
E-mail jonas.krutinis@vilniausbaldai.lt

www.vilniausbaldai.lt