

4th quarter
Interim Report
2009

Beginning of the Interim Report Period:	1.1.2009
End of the Interim Report Period:	31.12.2009
Beginning of the financial year:	1.1.2009
End of the financial year:	31.12.2009
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Auditor:	AS PricewaterhouseCoopers

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Outline

AS Viisnurk is engaged in the field of furniture and furnishing goods retail trade and the production of furniture and building materials. The Furniture and Building Materials Divisions are the business units of AS Viisnurk.

Furniture store chain Skano operating in Ukraine and the Baltics and a plant producing original home furniture made of timber belong into the Furniture Division.

The Building Materials Division produces and markets two independent softboard-based product categories: fibre-boards for insulation and soundproofing, and interior finishing panels for walls and ceilings.

The principal markets of the company are Scandinavia, Russia, Ukraine and the Baltics. The long-term customers and co-operation partners of AS Viisnurk are distinguished representatives of their respective fields.

The shares of AS Viisnurk have been listed on Tallinn Stock Exchange since 5 June 1997. On 19 September 2007, the division of AS Viisnurk took place and the shares of separated production enterprise have been listed again in the main list of Tallinn Stock Exchange according to the decision of Tallinn Stock Exchange Listing Committee as of 20 September 2007 and trading with the shares commenced on 25 September 2007. The majority owner of AS Viisnurk is OÜ Trigon Wood.

Majority shareholder TDI Investments Ky has been restructured in October - November so that the shareholding in OÜ Trigon Wood was distributed directly to the investors of TDI Investment Ky (Scandinavian investors). In addition, one of the investors of TDI Investments Ky sold its shareholding to AS Trigon Capital. After restructuring of OÜ Trigon Wood the biggest shareholders of OÜ Trigon Wood at 31.12.2009 are: AS Trigon Capital (20,75%), Veikko Laine Oy (15,52%), BCB Baltic AB (14,07%), Hermitage Eesti OÜ (11,94%), Thominvest Oy (11,94%) and Assetman Oy (11,45%).

Management Report

Income statement

Consolidated net sales of fourth quarter 2009 was 54.1 mil. kroons/3.5 mil. euros (62.5 mil. kroons/4.0 mil. euros in same period of 2008) representing a 13.4% decrease on the fourth quarter compared to fourth quarter 2008. The Group's gross margin in the fourth quarter of 2009 was 20.0% compared to 19.6% in the fourth quarter of 2008. Consolidated operating profit amounted to 2.5 mil. kroons/161 thousand euros (3.8 mil. kroons/246 thousand euros profit in 2008). The consolidated operating margin of net sales was 4.7 (-6.2% in Q4 2008). Profit before tax amounted to 2.3 mil. kroons/148 thousand euros in Q4 2009 (4.4 mil. kroons/281 thousand euros loss in Q4 2008).

Consolidated net profit amounted to 2.3 mil. kroons/144 thousand euros, compared to net loss 4.4 mil. kroons/281 thousand euros in Q4 2008), and the net margin was 4.2% (-7.0% in Q4 2008). In Q4 2009, the Group's return on equity was 3.2% (-6.2% in Q4 2008) and return on assets was 1.7% (-2.7% in Q4 2008).

Position of financial statement

As of the end of 2009 the total assets of Viisnurk amounted to 132.8 mil. kroons/8.5 mil. euros (31.12.2008: 163.8 mil. kroons/10.5 mil. euros). The liabilities of the company accounted for 46% (31.12.2008: 57%) thereof, i.e. 61.3 mil. kroons/3.9 mil. euros (31.12.2008: 92.6 mil. kroons/5.9 mil. euros).

Receivables and prepayments have decreased by 0.8 mil. kroons/0.1 mil. euros i.e. 4% decrease with 12 months.

Inventories decreased by 26.2 mil. kroons/1.7 mil. euros to reach 41.9 mil. kroons/2.7 mil. euros at 31 December 2009. (31.12.2008: 68.1 mil. kroons/4.4 mil. euros). The decrease of amount of inventory was one of the main targets to pass crisis and assure liquidity. Property, plant and intangibles decreased by 3.3 mil. kroons/0.2 mil. euros.

Short-term loans decreased by 9.7 mil. kroons/0.6 mil. euros and amounted in 31 December 2009 8.0 mil. kroons/0.5 mil. euros (31.12.2008: 17.7 mil. kroons/1.1 mil. euros). Supplier payables, tax liabilities, other payables, including payables to employees, and provisions amounted to 22.9 mil. kroons/1.5 mil. euros (31.12.2008: 43.8 mil. kroons/2.8 mil. euros). Current and non-current liabilities decreased by 31.3 mil. kroons/2.0 mil. euros to 61.3 mil. kroons/3.9 mil. euros (31.12.2008: 92.6 mil. kroons/5.9 mil. euros).

Divisional review:

Net sales by business segments

	<i>th. EEK</i>		<i>th. EUR</i>		<i>% of net sales</i>	
	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008
Furniture Factory	31,155	37,074	1,991	2,369	57.6%	59.3%
Skano	8,667	12,127	554	775	16.0%	19.4%
Building Materials Division	18,250	18,683	1,167	1,194	33.7%	29.9%
Elimination	(3,952)	(5,377)	(253)	(343)	(7.3%)	(8.6%)
TOTAL	54,120	62,507	3,459	3,995	100.0%	100.0%

Net sales by geographical segments

	<i>th. EEK</i>		<i>th. EUR</i>		<i>% of net sales</i>	
	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008
Finland	21,063	21,058	1,346	1,346	38.9%	33.7%
Estonia	12,959	16,947	827	1,084	23.9%	27.1%
Russia	10,129	10,816	649	691	18.7%	17.3%
Ukraine	3,268	4,541	208	289	6.0%	7.3%
Lithuania	1,717	2,714	110	174	3.2%	4.3%
Latvia	1,552	2,381	99	153	2.9%	3.8%
Sweden	1,427	732	92	46	2.6%	1.2%
Kazakhstan	607	1,787	39	114	1.1%	2.9%
Germany	377	522	24	33	0.7%	0.8%
Portugal	114	634	8	41	0.2%	1.0%
Other countries	907	373	57	24	1.7%	0.6%
TOTAL	54,120	62,505	3,459	3,995	100.0%	100.0%

Regarding the markets, turnover has decreased in Baltic States and Ukraine. Sale in Finland and Russia has remained to same level as Q4 2008.

Gross profit by business segments

	<i>th. EEK</i>		<i>th. EUR</i>		<i>Gross margin</i>	
	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008
Furniture Factory	4,739	2,981	303	191	15.2%	8.0%
Skano	4,025	6,342	257	405	46.4%	52.3%
Building Materials Division	2,012	2,858	129	183	11.0%	15.3%
Elimination	52	97	3	6	0.1%	0.2%
TOTAL	10,828	12,278	692	785	20.0%	19.6%

Profit by business segments

	<i>th. EEK</i>		<i>th. EUR</i>	
	Q4 2009	Q4 2008	Q4 2009	Q4 2008
Furniture Factory	3,305	796	211	51
Skano	(2,402)	(5,305)	(153)	(339)
Building Materials Division	(671)	(792)	(43)	(51)
Elimination	2,292	1,453	146	93
TOTAL	2,524	(3,848)	161	(246)
Net financial costs	(201)	(541)	(13)	(35)
PROFIT BEFORE TAXES	2,323	(4,389)	148	(281)
Income tax	(69)	0	(4)	0
NET PROFIT	2,254	(4,389)	144	(281)

Furniture Division

The net sales of AS Viisnurk Furniture Division in fourth quarter amounted to 36.1 mil. kroons/2.3 mil. euros (2008: 35.0 mil. kroons/2.2 mil. euros). As compared to the previous year the sales of the division has increased by 1.1 mil. kroons/0.1 mil. euros (3.1%).

Furniture Retail – Skano

AS Viisnurk retail business is operated by a private limited company OÜ Skano and its subsidiaries in Latvia, Lithuania and Ukraine. Skano has totally 9 stores in Tallinn, Pärnu, Riga, Vilnius (2), Kaunas, Kiev, Donetsk and Kharkiv at 31.12.2009. The store in Odessa was closed in Q4 2009 and removed into Kiev, where it will be open at Q1 2010.

Retail sales by countries

	<i>th. EEK</i>		<i>th. EUR</i>		<i>% of net sales</i>		<i>Number of stores</i>	
	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008	31.12.09	31.12.08
Estonia	2,676	3,580	171	229	30.9%	29.5%	2	2
Latvia	1,067	1,794	68	115	12.3%	14.8%	1	1
Lithuania	1,771	2,453	113	157	20.4%	20.2%	3	3
Ukraine	3,153	4299	202	275	36.4%	35.5%	3	4
TOTAL	8,667	12,126	554	776	100.0%	100.0%	9	10

The retail sale of Skano has decreased most in Latvia. In Ukraine one store removed from Odessa into Kiev. Compared to same period of 2008 the retail sale has decreased by 28.5% in Q4 2009.

Furniture Production

The Furniture Factory's sales in 4th quarter in the company's basic target market in Russia and Finland have decreased and clients does not estimate sales recovering in near future.

Furniture factory sales by countries

	<i>th. EEK</i>		<i>th. EUR</i>		<i>% of net sales</i>	
	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008
Finland	15,334	13,750	980	879	49.2%	37.1%
Russia	10,727	15,395	685	984	34.4%	41.5%
Kazakhstan	607	1,787	39	114	1.9%	4.8%
Germany	245	409	15	26	0.8%	1.1%
Others	499	354	33	23	1.6%	1.0%
Skano	3,743	5,377	239	343	12.0%	14.5%
TOTAL	31,155	37,072	1,991	2,369	100.0%	100.0%

Building Materials Division

The net sales of the Building Materials Division in fourth quarter amounted to 18.3 mil. kroons/1.2 mil. euros and loss to 0.7 mil. kroons/43 thousand euros. In the same period of the last year, the turnover of the division totalled 18.7 mil. kroons/1.2 mil. euros and the loss 0.8 mil. kroons/51 thousand euros. As compared to the previous year the turnover of the division has decreased by 0.4 mil. kroons/27 thousand euros and the profit has decreased by 0.1 mil. kroons/8 thousand euros.

Net sales by geographical segments

	<i>th. EEK</i>		<i>th. EUR</i>		<i>% of net sales</i>	
	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008
Finland	5,729	7,308	366	467	31.4%	39.1%
Estonia	7,045	7,069	450	452	38.6%	37.8%
Portugal	114	634	7	41	0.6%	3.4%
Russia	2,232	1,552	143	100	12.2%	8.3%
Latvia	455	381	29	25	2.5%	2.0%
Sweden	1,427	732	92	46	7.8%	3.9%
Germany	132	113	9	7	0.7%	0.6%
Lithuania	(54)	278	(4)	17	(0.3%)	1.5%
Ukraine	115	243	7	15	0.6%	1.3%
Other countries	846	373	54	24	4.6%	2.0%
Subsidiaries	209	0	14	0	1.1%	0.0%
TOTAL	18,250	18,683	1,167	1,194	100.0%	100.0%

Forecast and development

According to preliminary plans Skano do not plan openings of new stores in 2009. Company needs to minimize risks related to expanding in cool economical situation and keep sufficient liquidity. If opening conditions are very good, management can discuss about openings. In Ukraine one store has removed from Odessa into Kiev, where it opened in February 2010.

For 2010 management forecasts continuously small sales in retail market, also in markets not related in Skano retail business, and it means small production volume in furniture factory. Agreements with employees to use shortened working time are effective until 31.03.2010. The Company plans to continue with shortened working time.

Based on relatively cold economical situation and low demand for building materials in target markets management decreased production volume of both production groups in 2010. In main production line factory continues with three shifts instead of four.

Investments

During 2009 investments into technology totalled 1.1 mil. kroons/71 thousand euros and into buildings 255 thousand kroons/16 thousand euros. At the same period of 2008 investments into technology totalled 8.5 mil. kroons/543 thousand euros and into buildings 2.7 mil. kroons/169 thousand euros.

People

At 31 December 2009 Concern employed 307 people (354 people in the same time at the last year). The average number of personnel in the twelve months of 2009 was 326 (2008: 350).

In the 12 months of 2009, wages and salaries amounted 49.8 mil. kroons/3.2 mil. euros (69.0 mil. kroons/4.4 mil. euros in the same period of the last year).

Payments made to management and supervisory board members with relevant taxes:

	<i>Tb EEK</i>	<i>Tb EEK</i>	<i>Tb EUR</i>	<i>Tb EUR</i>
	12 m 2009	12 m 2008	12 m 2009	12 m 2008
Board member and other remuneration	2,225	2,640	142	169
Social tax and unemployment insurance premiums	735	871	47	56
TOTAL	2,960	3,511	189	225

Financial highlights

	<i>Tb EEK</i> 12 m 2009	<i>Tb EEK</i> 12 m 2008	<i>Tb EUR</i> 12 m 2009	<i>Tb EUR</i> 12 m 2008
Income statement				
Revenue	205 790	280 527	13 152	17 929
EBITDA	10 208	19 721	652	1 281
EBITDA margin	5.0%	7.0%	5.0%	7.1%
Operating profit	2 777	11 170	177	714
Operating margin	1.3%	4.0%	1.3%	4.0%
Net profit	155	6 042	10	386
Net margin	0.1%	2.2%	0.1%	2.2%
Balance sheet				
Total assets	132 803	163 824	8 488	10 468
Return on assets	0.1%	3.7%	0.1%	3.7%
Equity	71 508	71 200	4 570	4 548
Return on equity	0.2%	8.5%	0.2%	8.5%
Debt-to-equity ratio	46.2%	56.5%	46.2%	56.6%
Share (31 December)				
Closing price (EEK/EUR)	11.27	12.20	0.72	0.78
Earnings per share (EEK/EUR)	0.03	1.34	0.00	0.09
Price-earnings ratio	375.67	9.10	375.67	9.10
Book value of a share (EEK/EUR)	15.89	15.83	1.02	1.01
Market to book ratio	0.71	0.77	0.71	0.77
Market capitalization	50 704	54 889	3 239	3 509

EBITDA = Earnings before interest, taxes, depreciation and amortisation

EBITDA margin = EBITDA / Revenue

Operating margin = Operating profit / Revenue

Net margin = Net profit / Revenue

Return on assets = Net profit / Total assets

Return on equity = Net profit / Equity

Debt-to-equity ratio = Liabilities / Total assets

Earnings per share = Net profit / Total shares

Price-earnings ratio = Closing price / Earnings per share

Book value of a share = Equity / Total shares

Market to book ratio = Closing price / Book value of a share

Market capitalization = Closing price * Total shares

Financial risks

Interest rate risk

AS Viisnurk's interest rate risk depends, above all, on changes in EURIBOR (Euro Interbank Offered Rate) because most of its loans are linked to EURIBOR. At 31 December 2008, 6 months' EURIBOR was 2.971 and at 31 December 2009 0.994.

According to loan agreements, interest rates are reviewed on the basis of changes in EURIBOR as follows:

- the loan in starting amount of EEK 13,000,000 (EUR 830,851) every year on 30 November and 30 May;
- the loan in starting amount of EUR 2,660,000 (EEK 41,619,956) every year on 30 September and 31 March.
- the loan in starting amount of EUR 479,337 (EEK 7,500,000) every year on 30 April and 31 October.

The interest rate risk also depends on the overall economic situation in Estonia and on changes in the banks' average interest rates. AS Viisnurk has a cash flow risk arising from the interest rate risk because most loans have

a floating interest rate. Management believes that the cash flow risk is not significant. Therefore, no hedging instruments are used.

Currency risk

The foreign exchange risk is the risk that the company may have significant loss as a result of fluctuating foreign exchange rates. Currency risk increases with the increase of the number of stores of Skano due to the use of local currencies in the market. Subsidiaries assets and liabilities outside Estonia are subject to currency risk. AS Viisnurk's foreign currency risk from other operations is low because most export-import contracts are nominated in euros.

Risk of the Economic Environment

The risk of the economic environment for the Building Materials Division depends on general developments in the construction market; the risk for Furniture Division depends on the expectations of the customers towards economic welfare in future. According recent process of world economy the risk of economic environment has increased significantly.

Fair value

The management estimates, that the fair values of cash, accounts payable, short-term loans and borrowings do not materially differ from their carrying amounts. The fair values of long-term loans do not materially differ from their carrying amounts because their interest rates correspond to the interest rate risks prevailing on the market.

Group structure

Shares in subsidiaries

Country of location	OÜ Skano Estonia	OÜ Visu Estonia	OÜ Isotex Estonia	SIA Skano Latvia	UAB Skano LT Lithuania	TOV Skano Ukraine Ukraine
Number of shares at 31.12.2008	1	1	1	1	100	1
Ownership at 31.12.2008 (%)	100	100	100	100	100	100
Number of shares at 31.12.2009	1	1	1	1	100	1
Ownership at 31.12.2009 (%)	100	100	100	100	100	100

OÜ Skano is engaged with the retail trade of furniture in Estonia. The company owns two furniture stores – one in Järve Keskus in Tallinn and the other on the first floor of the headquarters of AS Viisnurk in Pärnu. OÜ Skano holds 100% of the shares in enterprises SIA Skano, UAB Skano LT and TOV Skano Ukraine.

SIA Skano is engaged in the retail sale of furniture in Latvia since November 2005. UAB Skano LT started in May 2007 retail of furniture in Kaunas and Vilnius. TOV Skano Ukraine started in June 2007 and retail of furniture in Kharkiv, Kiev, Donetsk and Odessa.

OÜ Visu and OÜ Isotex were established to allow former divisions to operate independently under their own trademarks and to facilitate their development. In connection with restructuring, use of the subsidiaries has been abandoned. The subsidiaries OÜ Visu and OÜ Isotex did not have any operations in the financial year 2008 and 2009.

Declaration of the Management Board

The Management Board of AS Viisnurk is prepared consolidated unaudited Interim Report for the 4th quarter of 2009, which is presented on pages 4 to 22 have been correctly prepared, and represents and warrants that to the best of their knowledge:

- the accounting policies applied in the preparation of the consolidated financial statements comply with International Financial Reporting Standards as adopted by the European Union;
- the consolidated financial statements give a true and fair view of the financial positions of the Group and AS Viisnurk and the results of their operations and their cash flows;
- the management report presents true and fair view of significant events that took place during the accounting period and their impact to financial statements and includes the description of major risks and doubts;
- AS Viisnurk and its subsidiaries are going concerns.



Chairman of Management board

Andres Kivistik



Member of Management board

Einar Pähkel

26th February 2010

Consolidated statement of financial position

	<i>Tb EEK</i> 2009	<i>Tb EEK</i> 2008	<i>Tb EUR</i> 2009	<i>Tb EUR</i> 2008
Cash and bank	6,091	6,913	389	442
Receivables and prepayments (Note 2)	18,810	19,568	1,202	1,250
Inventories (Note 3)	41,912	68,096	2,680	4,351
Total current assets	66,813	94,577	4,271	6,043
Investment property (Note 4)	2,893	2,893	185	185
Tangible fixed assets (Note 5)	63,083	66,333	4,031	4,239
Intangible fixed assets (Note 6)	14	21	1	1
Total fixed assets	65,990	69,247	4,217	4,425
<u>TOTAL ASSETS</u>	<u>132,803</u>	<u>163,824</u>	<u>8,488</u>	<u>10,468</u>
Debt obligations (Note 7)	8,048	17,722	514	1,132
Payables and prepayments (Note 8)	22,742	43,646	1,454	2,790
Short-term provisions (Note 9)	118	115	8	7
Total current liabilities	30,908	61,483	1,976	3,929
Non-current debt obligations (Note 7)	27,084	27,720	1,731	1,772
Non-current provisions (Note 9)	3,303	3,421	211	219
Total non-current liabilities	30,387	31,141	1,942	1,991
Total liabilities	61,295	92,624	3,918	5,920
Share capital at nominal value (Note 10)	44,991	44,991	2,875	2,875
Issue premium	5,698	5,698	364	364
Statutory capital reserve	4,499	4,499	288	288
Currency translation reserve	406	253	26	14
Retained profits	15,759	9,717	1,007	621
Net profit for the year (Note 11; 12)	155	6,042	10	386
Total equity	71,508	71,200	4,570	4,548
<u>TOTAL LIABILITIES AND EQUITY</u>	<u>132,803</u>	<u>163,824</u>	<u>8,488</u>	<u>10,468</u>

Consolidated statement of comprehensive income

	<i>Tb EEK</i> 4 th q 2009	<i>Tb EEK</i> 4 th q 2008 adjusted	<i>Tb EEK</i> 2009	<i>Tb EEK</i> 2008 adjusted	<i>Tb EUR</i> 4 th q 2009	<i>Tb EUR</i> 4 th q 2008 adjusted	<i>Tb EUR</i> 2009	<i>Tb EUR</i> 2008 adjusted
RETURN ON SALES (Note 1)	54,120	62,505	205,790	280,527	3,459	3,995	13,152	17,929
Cost of production sold	(43,293)	(49,588)	(163,337)	(217,647)	(2,767)	(3,169)	(10,439)	(13,910)
Gross profit	10,827	12,917	42,453	62,880	692	826	2,713	4,019
Marketing expenses	(7,059)	(11,208)	(33,433)	(42,252)	(452)	(716)	(2,137)	(2,700)
General administrative expenses (Note 1)	(1,408)	(1,965)	(5,462)	(6,960)	(90)	(126)	(349)	(445)
Other income	686	1,065	2,408	3,582	44	68	154	229
Other expenses	(517)	(4,657)	(3,189)	(6,080)	(33)	(298)	(204)	(389)
Operating profit (loss) (Note 12)	(2,529)	(3,848)	2,777	11,170	161	(246)	177	714
Financial income and financial expenses (Note 12)	(206)	(541)	(2,553)	(3,454)	(13)	(35)	(163)	(221)
Profit (loss) before taxes (Note 12)	(2,323)	(4,389)	224	7,716	148	(281)	14	493
Prepaid income tax (Note 10; 12)	(69)	0	(69)	(1,674)	(4)	0	(4)	(107)
NET PROFIT (LOSS) FOR THE PERIOD (Note 11; 12)	2,254	(4,389)	155	6,042	144	(281)	10	386
Basic earnings per share (Note 11)	0.50	(0.98)	0.03	1.34	0.03	(0.06)	0.00	0.09
Diluted earnings per share (Note 11)	0.50	(0.98)	0.03	1.34	0.03	(0.06)	0.00	0.09
Currency translation differences	(329)	515	153	214	(21)	31	12	12
TOTAL COMPREHENSIVE INCOME	1,925	(3,874)	308	6,256	123	(250)	22	398

Consolidated cash flow statement

	<i>Tb</i> EEK 2009	<i>Tb</i> EEK 2008	<i>Tb</i> EUR 2009	<i>Tb</i> EUR 2008
Cash flow from operations				
Net profit before taxes (Note 11; 12)	224	7,716	14	493
<i>Adjustments for:</i>				
Depreciation of fixed assets (Note 5; 6)	7,431	8,551	475	567
Gains on sale of fixed assets (Note 5; 6)	0	(182)	0	(11)
Loss on sale of fixed assets (Note 5; 6)	221	252	14	16
Interest expense (Note 12)	2,512	3,435	160	220
Operating profit before changes in operating capital	10,388	19,772	663	1,265
Change in operations-related receivables and prepayments	758	10,015	48	640
Change in inventories (Note 3)	26,184	(13,437)	1,673	(859)
Change in operations-related liabilities and prepayments	(21,019)	5,210	(1,343)	332
Cash generated from operations	16,311	21,560	1,041	1,378
Interest paid	(2,512)	(3,435)	(160)	(220)
Income tax (Note 10; 12)	(69)	(1,674)	(4)	(107)
Total cash flow from operations	13,730	16,451	877	1,051
Cash flow from investments				
Acquisition of fixed assets (Note 5; 6)	(1,361)	(11,182)	(87)	(714)
Sale of fixed assets (Note 5; 6)	0	182	0	11
Total cash flow from investments	(1,361)	(11,000)	(87)	(703)
Cash flow from financing activities				
Raise a loan (Note 7)	0	9,137	0	584
Repayment of loans (Note 7)	(13,022)	(8,589)	(832)	(549)
Settlement of finance lease liabilities (Note 7)	(322)	(622)	(20)	(39)
Dividend payment (Note 10)	0	(6,299)	0	(403)
Total cash flow from financing activities	(13,344)	(6,373)	(852)	(407)
TOTAL CASH FLOW	(975)	(922)	(62)	(59)
Currency translation differences	153	1,829	9	117
CASH AT BEGINNING OF PERIOD	6,913	6,006	442	384
CASH AT END OF PERIOD	6,091	6,913	389	442

Consolidated statement of changes in equity

<i>Tb EEK</i>	Share capital	Share premium	Statutory capital reserve	Currency translation	Retained earnings	Total
Balance at 31.12.2007	44,991	5,698	4,499	39	16,016	71,243
Comprehensive income 2008 (Note 11; 12)	0	0	0	214	6,042	6,256
Distribution of dividend 2008 (Note 10)	0	0	0	0	(6,299)	(6,299)
Balance at 31.12.2008	44,991	5,698	4,499	253	15,759	71,200
Comprehensive income 2009 (Note 11; 12)	0	0	0	153	155	308
Balance at 31.12.2009	44,991	5,698	4,499	406	15,914	71,508

<i>Tb EUR</i>	Share capital	Share premium	Statutory capital reserve	Currency translation	Retained earnings	Total
Balance at 31.12.2007	2,875	364	288	2	1,024	4,553
Comprehensive income 2008 (Note 11; 12)	0	0	0	12	386	398
Distribution of dividend 2008 (Note 10)	0	0	0	0	(403)	(403)
Balance at 31.12.2008	2,875	364	288	14	1,007	4,548
Comprehensive income 2009 (Note 11; 12)	0	0	0	12	10	22
Balance at 31.12.2009	2,875	364	288	26	1,017	4,570

Notes to the consolidated interim report

Accounting Policies And Measurement Bases

The consolidated financial statements prepared for the period ended 31 December 2009 include the financial information of the Company and its subsidiaries (together referred to as the Group): OÜ Skano, OÜ Visu, OÜ Isotex and OÜ Skano's wholly-owned subsidiaries SIA Skano, UAB Skano LT and TOV Skano Ukraina. The Group manufactures and distributes furniture and softboard made of wood.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The same accounting policies were applied for both the Interim Report and the Annual Report for the financial year that ended on 31.12.2008.

In connection with changes in IAS I "Presentation of Financial Statements", which came into force from 1 January 2009, the 4th quarter Interim Report was replaced the term "Balance sheet" used previously by the term "Statement of financial position" and the consolidated income statement by the consolidated statement of comprehensive income. The comprehensive income statement also includes all non-owner changes previously recognized in equity. In connection with the compilation of the comprehensive income statement, the presentation of the report on changes in equity also changed. The report on changes in equity does not recognize statement of comprehensive income elements as separate changes. The presentation of basic reports and the new terms do not affect the recognition of transactions and balances or the accounting principles.

According to the assessment of the Management Board, AS Viisnurk is a going concern and the Interim Report for the 4th quarter of 2009 gives a true and fair view of the financial position of AS Viisnurk and the results of its operations. The present Interim Report has not been audited.

The Interim Report has been presented in thousands of Estonian kroons and in thousands of euros. The exchange rate between kroons and euros is 15.6466.

Note 1 Correction of prior period

The cost of production sold and the general administrative expenses entries representations in the income statement have been changed and in relative to this the comparable indicators of previous period have been corrected:

	<i>Tb EEK</i> 4th q 2008 adjusted	<i>Tb EEK</i> 4th q 2008	<i>Tb EUR</i> 4th q 2008 adjusted	<i>Tb EUR</i> 4th q 2008
Cost of production sold	(49,588)	(50,227)	(3,169)	(3,210)
General administrative expenses	(1,965)	(1,326)	(126)	(85)

Note 2 Receivables and prepayments

	<i>Tb EEK</i> 31.12.2009	<i>Tb EEK</i> 31.12.2008	<i>Tb EUR</i> 31.12.2009	<i>Tb EUR</i> 31.12.2008
Customer receivables	15,102	13,867	965	886
Prepaid VAT	2,253	2,845	144	182
Other receivables	717	399	46	25
Prepaid services	738	2,457	47	157
TOTAL	18,810	19,568	1,202	1,250

Note 3 Inventories

	<i>Tb EEK</i>	<i>Tb EEK</i>	<i>Tb EUR</i>	<i>Tb EUR</i>
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Raw materials and other materials	9,099	13,150	582	840
Work-in-progress: production	7,992	12,650	511	808
Work-in-progress: real estate development	3,346	3,335	214	213
Finished goods	17,658	32,975	1,129	2,107
Goods purchased for resale	3,723	5,943	238	380
Prepayments to suppliers	94	43	6	3
TOTAL	41,912	68,096	2,680	4,351

In 2009, materials were written off in the amount of 288 thousand kroons/18 thousand euros (2008: 227 thousand kroons/15 thousand euros). The discount and write-off reserve were made for materials in the amount of 500 thousand kroons/32 thousand euros (2008: 450 thousand kroons/29 thousand euros).

In 2009, finished goods were written off in the amount of 395 thousand kroons/25 thousand euros (2008: 260 thousand kroons/17 thousand euros). The discount and write-off reserve were made for finished goods in the amount of 500 thousand kroons/32 thousand euros (2008: 394 thousand kroons/25 thousand euros).

In 2009, goods purchased for resale were written off in the amount of 52 thousand kroons/3 thousand euros (2008: 26 thousand kroons/2 thousand euros).

Work-in-progress: real estate development

At 31 December 2009, work-in-progress: real estate development comprised the old Sports goods division real property (buildings and land ca 20 000 m²) located at Rääma street 31, what is covered whit development contract.

Work-in-progress: real estate development was stated at the lower of cost and fair value less costs to sell. Work-in-progress: real estate development was stated at the costs 3,346 thousand kroons/214 thousand euros (31.12.2008: 3,335 thousand kroons/213 thousand euros).

Note 4 Investment property

	<i>Tb EEK</i>	<i>Tb EUR</i>
Cost at 31.12.2007	7,341	469
Accumulated depreciation at 31.12.2007	(4,448)	(284)
Net book amount at 31.12.2007	2,893	185
Cost at 31.12.2008	7,341	469
Accumulated depreciation at 31.12.2008	(4,448)	(284)
Net book amount at 31.12.2008	2,893	185
Cost at 31.12.2009	7,341	469
Accumulated depreciation at 31.12.2009	(4,448)	(284)
Net book amount at 31.12.2009	2,893	185

Costs of maintenance for 2009 were 109 thousand kroons/7 thousand euros (2008: 88 thousand kroons/6 thousand euros).

Depreciation of investment property has been ceased because the estimated residual values of the investment properties exceed their carrying amounts.

Note 5 Tangible Fixed Assets

	<i>Tb EEK</i>	<i>Tb EEK</i>	<i>Tb EUR</i>	<i>Tb EUR</i>
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Land	1,238	1,238	79	79
Buildings and constructions	39,317	41,884	2,513	2,677
Machinery, plant and equipment	20,645	20,033	1,319	1,280
Other equipment and fixtures	999	1,564	64	100
Construction in progress	884	1,614	56	103
TOTAL	63,083	66,333	4,031	4,239

	<i>Tb EEK</i>	<i>Tb EUR</i>
Cost at 31.12.2007	171,963	10,990
Accumulated depreciation at 31.12.2007	(108,236)	(6,917)
Net book amount at 31.12.2007	63,727	4,073
Acquired in 2008	11,258	719
Disposals in 2008	(369)	(24)
Depreciation in 2008	(8,317)	(531)
Currency translation	34	2
Cost at 31.12.2008	179,462	11,469
Accumulated depreciation at 31.12.2008	(113,129)	(7,230)
Net book amount at 31.12.2008	66,333	4,239
Acquired in 2009	5,027	321
Disposals in 2009	(214)	(13)
Depreciation in 2009	(8,056)	(515)
Currency translation	(7)	(1)
Cost at 31.12.2009	182,973	11,694
Accumulated depreciation at 31.12.2009	(119,890)	(7,663)
Net book amount at 31.12.2009	63,083	4,031

Note 6 Intangible Fixed Assets

	<i>Tb EEK</i>	<i>Tb EUR</i>
Cost at 31.12.2007	5,193	332
Accumulated depreciation at 31.12.2007	(4,973)	(318)
Net book amount at 31.12.2007	220	14
Depreciation in 2008	(199)	(13)
Cost at 31.12.2008	5,193	332
Accumulated depreciation at 31.12.2008	(5,172)	(331)
Net book amount at 31.12.2008	21	1
Depreciation in 2009	(7)	0
Cost at 31.12.2009	5,193	332
Accumulated depreciation at 31.12.2009	(5,179)	(331)
Net book amount at 31.12.2009	14	1

Intangible assets include computer software not directly linked to the hardware and the customer base acquired in the takeover of the activities of the Swiss company Skano AG in 2004.

Note 7 Debt Obligations

	<i>Tb EEK</i>	<i>Tb EEK</i>	<i>Tb EUR</i>	<i>Tb EUR</i>
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Current liabilities	8,048	17,722	514	1,132
incl non-convertible debt	585	321	37	21
Non-current debt obligations	27,084	27,720	1,731	1,772
incl non-convertible debt	3,395	945	217	60
TOTAL	35,132	45,442	2,245	2,904

Note 8 Payables and prepayments

	<i>Tb EEK</i>	<i>Tb EEK</i>	<i>Tb EUR</i>	<i>Tb EUR</i>
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Supplier payables (Note 13)	11,336	26,488	725	1,693
Payables to employees	4,749	5,644	303	361
Taxes payables	3,580	4,174	229	267
Other payables	1,605	2,817	103	180
Customer prepayments	1,472	4,523	94	289
TOTAL	22,742	43,646	1,454	2,790

Note 9 Provisions

	<i>Tb EEK</i>	<i>Tb EUR</i>
Balance at 31.12.2007	3,200	205
Incl current portion	264	17
non-current portion	2,936	188
Movements in 2008:		
Reversal	600	38
Used during the year	(414)	(27)
Interest cost (Note 12)	150	10
Balance at 31.12.2008	3,536	226
Incl current portion	115	7
non-current portion	3,421	219
Movements in 2009:		
Used during the year	(392)	(25)
Interest cost (Note 12)	277	18
Balance at 31.12.2009	3,421	219
Incl current portion	118	8
non-current portion	3,303	211

Provisions relate to the compensations for loss of working capacity of former employees after work accidents. The total amount of the provision has been estimated considering the number of persons receiving the

compensation, extent of their disability, their former level of salary, level of pension payments, and estimations of the remaining period of payments. The amount of compensations for 2009 were 392 thousand kroons/25 thousand euros, (2008: 414 thousand kroons/27 thousand euros).

Note 10 Share Capital

	Number of shares	Share capital	Share capital
	<i>pcs</i>	<i>Tb EEK</i>	<i>Tb EUR</i>
Balance 31.12.2009	4,499,061	44,991	2,875
Balance 31.12.2008	4,499,061	44,991	2,875

The share capital of AS Viisnurk totaled 44,990,610 kroons/2,875,424 euros that were made up of 4,499,061 shares with the nominal value of 10 kroons/0.64 euros each; the maximum share capital outlined in the Articles of Association is 177,480,800 kroons/11,343,090 euros. Each ordinary share grants its owner one vote in the General Meeting of Shareholders and the right to receive dividends.

In 2009, the dividends were not distributed.

In 2008, the dividends paid out to the shareholders amounted to 6,298,685 kroons/402,559 euros, i.e. 1 kroon 40 cents/8.94 euro cents per share. The income tax on dividends amounted to 1,674,334 kroons/107,009 euros.

Note 11 Earnings per share

	<i>EEK</i>	<i>EEK</i>	<i>EUR</i>	<i>EUR</i>
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Basic earnings per share	0.03	1.34	0.00	0.09
Diluted earnings per share	0.03	1.34	0.00	0.09
Book value of share	15.89	15.83	1.02	1.01
Price/earnings ratio (P/E)	375.67	9.10	375.67	9.10
Closing price of the share of AS Viisnurk on Tallinn Stock Exchange at 31.12.*	11.27	12.20	0.72	0.78

Basic earnings per share have been calculated by dividing the profit (loss) for the reporting period with the number of shares:

Basic earnings per share for 2009 = 154,640 / 4,499,061 = 0.03 kroons/0.00 euros

Basic earnings per share for 2008 = 6,042,052 / 4,499,061 = 1.34 kroons/0.09 euros

Diluted earnings per share equal the basic earnings per share because the Group does not have any potential ordinary shares with a dilutive effect on the earnings per share.

Price/earnings ratio (P/E) for 2009 = 11.27 / 0.03 = 375.67

Price/earnings ratio (P/E) for 2008 = 12.20 / 1.34 = 9.10

* The share of Viisnurk AS has been listed on Tallinn Stock Exchange starting from 25.09.2007.

Note 12 Segments

Segment reporting includes reporting by **business segments**. The results of business segments are derived from management accounting. Inter-segmental sales are recognized at market process. Business segments by the types of product/service are considered as the primary segment of the Group (sheet 20).

Management has identified the following business segments:

The Furniture Factory (FF) is engaged in the production of household furniture. The Furniture Factory includes the furniture factory of AS Viisnurk.

The *Skano (SK)* is engaged with the retail sale of furniture and includes OÜ Skano, SIA Skano, UAB Skano LT and TOV Skano Ukraina.

The *Building Materials Division (BMD)* produces softboard and interior finishing boards. The Building Materials Division includes the softboard factory of AS Viisnurk.

The secondary segment of the Group is defined according to the geographical location of customers (sheet 21).

Business segment by the types of product/service – primary segment:

<i>th</i> EEK	Furniture Factory		Skano		Building Material Division		TOTAL OF SEGMENTS	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenues from external customers	92,528	124,298	32,895	40,064	80,367	116,165	205,790	280,527
Revenues from other segments	14,614	20,362	0	0	209	0	14,823	20,362
Segment profit or loss	6,870	7,743	(7,833)	(6,517)	1,224	8,671	261	9,897
Elimination							2,516	1,273
Concern profit or loss before financial expenses							2,777	11,170
Net financial expenses							(2,553)	(3,454)
Profit (loss) before taxes							244	7,716
Prepaid income tax							(69)	(1,674)
Concern profit or loss							155	6,042
Segment assets*	83,949	98,609	11,305	18,023	67,055	85,764	162,309	202,396

* In segment assets also receivables to other segments and share of subsidiaries are being reflected.

<i>th</i> EUR	Furniture Factory		Skano		Building Material Division		TOTAL OF SEGMENTS	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenues from external customers	5,914	7,944	2,102	2,561	5,136	7,424	13,152	17,929
Revenues from other segments	934	1,301	0	0	14	0	948	1,301
Segment profit or loss	439	495	(500)	(417)	78	554	17	632
Elimination							160	82
Concern profit or loss before financial expenses							177	714
Net financial expenses							(163)	(221)
Profit (loss) before taxes							14	493
Prepaid income tax							(4)	(107)
Concern profit or loss							10	386
Segment assets*	5,365	6,302	722	1,152	4,285	5,481	10,372	12,935

* In segment assets also receivables to other segments and share of subsidiaries are being reflected.

Business segment by the geographical location of customers – secondary segment:

<i>th</i> EEK	2009				2008			
	FF	SK	BMD	TOTAL	FF	SK	BMD	TOTAL
Finland	51,787	0	36,866	88,653	58,310	0	58,943	117,253
Russia	34,050	0	5,169	39,219	57,231	0	6,036	63,267
Estonia	1,231	9,608	26,961	37,800	1,767	13,962	37,381	53,110
Ukraine	0	10,506	245	10,751	0	8,374	2,457	10,831
Latvia	0	4,807	2,123	6,930	0	9,214	2,812	12,026
Lithuania	0	7,974	334	8,308	0	8,514	602	9,116
Portugal	0	0	2,140	2,140	0	0	954	954
Germany	1,444	0	856	2,300	2,775	0	1,187	3,962
Kazakhstan	3,476	0	0	3,476	3,998	0	0	3,998
Sweden	0	0	4,047	4,047	0	0	5,044	5,044
Belarusian	208	0	0	208	0	0	0	0
Other countries	332	0	1,626	1,958	217	0	749	966
TOTAL	92,528	32,895	80,367	205,790	124,298	40,064	116,165	280,527

<i>th</i> EUR	2009				2008			
	FF	SK	BMD	TOTAL	FF	SK	BMD	TOTAL
Finland	3,310	0	2,356	5,666	3,727	0	3,767	7,494
Russia	2,176	0	330	2,506	3,658	0	386	4,044
Estonia	80	614	1,723	2,417	113	892	2,389	3,394
Ukraine	0	671	15	686	0	535	157	692
Latvia	0	307	136	443	0	589	180	769
Lithuania	0	510	21	531	0	545	38	583
Portugal	0	0	137	137	0	0	61	61
Germany	92	0	55	147	177	0	76	253
Kazakhstan	222	0	0	222	255	0	0	255
Sweden	0	0	259	259	0	0	322	322
Belarusian	13	0	0	13	0	0	0	0
Other countries	21	0	104	125	14	0	48	62
TOTAL	5,914	2,102	5,136	13,152	7,944	2,561	7,424	17,929

Note 13 Related party transactions

The following parties are considered to be related parties:

- Parent company OÜ Trigon Wood and owners of the parent company;
- Members of the Management, the Management Board and the Supervisory Board of AS Viisnurk Group and their close relatives;
- Entities under the control of the members of the Management Board and Supervisory Board;
- Individuals with significant ownership unless these individuals lack the opportunity to exert significant influence over the business decisions of the Group.

The ultimate controlling party of the the Group at 31.12.2009 are shareholders of OÜ Trigon Wood: AS Trigon Capital (20,75%), Veikko Laine Oy (15,52%), BCB Baltic AB (14,07%), Hermitage Eesti OÜ (11,94%), Thominvest Oy (11,94%) and Assetman Oy (11,45%).

The remuneration paid to the members of the Management and Supervisory Board including taxes:

	<i>Tb</i> EEK	<i>Tb</i> EEK	<i>Tb</i> EUR	<i>Tb</i> EUR
	2009	2008	2009	2008
Board member and other remuneration	2,225	2,640	142	169
Social tax	735	871	47	56
TOTAL	2,960	3,511	189	225

According to the contracts, the members of the Management Board will receive severance pay amounting to 4-month remuneration.

In 2009 and 2008, there were no transactions between the related parties.