

**VIISNURK AS**

Consolidated Interim Report for the 4<sup>th</sup> Quarter of 2005

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## Outline and Contact Details

AS Viisnurk is a multibusiness wood processing company, that produces home furniture and insulation and interior finishing boards.

The company has been listed on the Tallinn Stock Exchange.

Business name:	Viisnurk AS
Registry code:	10106774
Address:	Suur-Jõe 48, Pärnu 80042, Estonia
Telephone:	+372 44 78 323
Fax	+372 44 78 368
E-mail:	mail@viisnurk.ee
Homepage:	www.viisnurk.ee
Beginning of the financial year:	01.01.2005
End of the financial year:	31.12.2005
Beginning of the Interim Report Period:	01.01.2005
End of the Interim Report Period:	31.12.2005

## Signatures of the members of the Management Board to the Interim Report

The Management Board of AS Viisnurk is prepared consolidated Interim Report for the 4<sup>th</sup> Quarter of 2005 which is presented on pages 4 to 16.

Chairman of the Management Board

Toivo Kuldmäe

Handwritten signature of Toivo Kuldmäe in black ink, featuring a stylized, cursive script.

Member of the Management Board

Andrus Aljas

Handwritten signature of Andrus Aljas in black ink, consisting of several overlapping, sharp strokes.

27th february 2006.

## Explanatory Note to Interim Report

### **VIISNURK AS**

Viisnurk AS managed to reach all its most important goals set for the financial year of 2005. The company underwent a successful restructuring process, achieved stable profitability and improved its financial status considerably. The restructuring plan included the sale of the machinery and equipment of the Sports Goods Division and the closure of the sales process of the Wood Division in the first half of the accounting year. As the restructuring process went more smoothly than expected, the company waived the idea of selling the Building Materials Division. All above-mentioned transactions did not have a considerable influence on the company's economic performance in 2005 as they were in main part already included in the financial report of 2004.

For the remaining units of Viisnurk AS - the Furniture Division and the Building Materials Division - 2005 was mainly the year of strategic and development planning for future periods.

An important event was the change of core owners in the previous accounting year. On 2 June 2005 an agreement on the sale of majority shares of Viisnurk AS was concluded with Trigon Wood OÜ and the company acquired 59.47% of the company's shares accordingly.

The average number of employees in the company in 2005 was 324 (435 in 2004). As of the balance sheet date 31 of December 2005 the number of the employees was 322 (389 as of 31.12.2004).

### **Net turnover and profit**

In 2005, return on sales of Viisnurk AS was 218.7 mil. Estonian kroons (14 mil. euros). The company's turnover cannot be compared to that of 2004 (347.5 mil. kroons/22.2 mil. euros), as the business volume has considerably decreased after closing down two divisions.

In the financial year of 2005, net profit of Viisnurk AS amounted to 9.3 mil. kroons (0.6 mil. euros). As a comparison, in 2004, the company had a loss of 16.8 mil. kroons (1.1 mil. euros). Viisnurk earnings per share in 2005 were 2,06 kroons (0,13 euros). In 2006, company expects earnings per share to reach 3,5-4 kroons (0,22-0,26 euros).

In the 4th quarter of the accounting year, the net sales amounted to 52.8 mil. kroons (3.4 mil. euros) and net profit to 2.5 mil. kroons (0.16 mil. euros). The net sales of the 4th quarter of 2004 were 71.2 mil. kroons (4.6 mil. euros) and net loss, which was affected by the extraordinary restructuring costs, 20.4 mil. kroons (1.3 mil. euros).

### **Balance and cash flow report**

As of 31.12.2005 the total assets of Viisnurk AS accounted for 155.8 mil. kroons (10 mil. euros). The balance sheet total decreased by 52.7 mil. kroons (3.4 mil. euros), once again due to the planned reduction of the company's business volume. As a very important development the debt obligations of Viisnurk AS declined by 49.5 mil. kroons (3.2 mil. euros) within the year, reducing the debt to equity ratio to 57% .

The company's operating cash flow in 2005 was positive with 53.4 mil. kroons (3.4 mil. euros). The operating cash flow increased by 22.2 mil. kroons (1.4 mil. euros) compared to the previous year. 4.3 mil. kroons (0.3 mil. euros) were used for business investments in 2005.

## DIVISIONAL REVIEW

(Thousand kroons)	Net sales		Profit	
	2005	2004	2005	2004
Furniture Division	122 105	156 537	4 702	2 823
Building Materials Division	96 443	96 076	13 815	18 461
Terminated business activities	162	94 107	63	(29 798)
Other activities	0	824	0	5 200
TOTAL	218 710	347 544	18 580	(3 314)
Unallocated expenses			(6 232)	(8 729)
OPERATING PROFIT			12 348	(12 043)
Net financial expenses			(3 064)	(4 806)
NET PROFIT			9 284	(16 849)

(Thousand euros)	Net sales		Profit	
	2005	2004	2005	2004
Furniture Division	7 804	10 005	301	180
Building Materials Division	6 164	6 140	883	1 180
Terminated business activities	10	6 015	4	(1 904)
Other activities	0	52	0	332
TOTAL	13 978	22 212	1 188	(212)
Unallocated expenses			(398)	(558)
OPERATING PROFIT			790	(770)
Net financial expenses			(196)	(307)
NET PROFIT			594	(1 077)

### Furniture Division

The Furniture Division of Viisnurk AS manufactures and markets unique wooden furniture for home interiors.

In 2005, the division's sales turnover was 122.1 mil. kroons (7.8 mil. euros) and profit 4.7 mil. kroons (0.3 mil. euros). The respective figures for 2004 were 156.5 mil. kroons (10 mil. euros) and 2.8 mil. kroons (0.2 mil. euros).

In 2005, the Furniture Division withdrew from cooperation as a subcontractor for major clients (IKEA) and focused on profit-making product portfolio, improvement of production efficiency and optimisation of cost levels. Those are the key activities in maintaining the sustainable profitability of furniture production in the situation of ever-growing competition and operating costs. Finland, Russia and Germany continued to be the leading sale markets with 78% of its total production volume marketed there.

Last year, considerably more attention was paid to the development of the retail sale of furniture. Since its launch in 2003, the retail concept of the Furniture Division has proved vital, and in 2005 the retail sale of furniture expanded to the Republic of Latvia where in Riga a new furniture salon was opened in November. The turnover of Skano, the subsidiary of the Furniture Division focusing on retail sale, increased appr. 70% in the accounting year. Active development of the retail sale of furniture in neighbouring markets will be main strategic direction of Viisnurk AS in the coming periods.

### Building Materials Division

The Building Materials Division of Viisnurk AS manufactures two softboard based product categories: standard building boards for thermal and sound insulation and interior finishing boards for walls and ceilings.

The division's success continued also in 2005, as the plans for the economic year were met. The turnover was in the same range as in 2004 - 96.4 mil. kroons (6.2 mil. euros) - and the profit amounted to 13.8 mil. kroons/0.9 mil. euros (cf. 18.5 mil. kroons/1.2 mil. euros in 2004).

Competition in the markets of one of the division's main products - standard building boards - grew considerably in 2005. While European competitors have remarkably increased their production volumes in recent years, market growth has failed to catch up with the offer. This situation has temporarily increased the stock reserves of all other manufacturers and lowered the market's general price levels. The division's decline in profit is also due to this development.

The production and sales volumes of the other main product - Isotex interior finishing board - are still growing. The sales of the Isotex product range account for 35% of the total turnover. The division has improved its position in Finland, which is the main market, and also in the domestic market.

As to the main strategic direction for the future, the division will continue to increase Isotex product volumes, especially in the Eastern market where the development of the building sector is showing signs of acceleration, which will provide a solid basis for a long-term growth in the division's economic performance.

## Consolidated Balance Sheet

		Thou. kroons <b>31.12.2005</b>	Thou. kroons <b>31.12.2004</b>	Thou. euros <b>31.12.2005</b>	Thou. euros <b>31.12.2004</b>
Cash and bank		5,552	3,870	355	247
Short-term financial investments		6,768	0	433	0
Customer receivables	(Note 1)	21,938	27,645	1,402	1,767
Other receivables		522	85	33	5
Prepayments		3,290	2,576	210	165
Inventories		42,160	40,419	2,695	2,583
Tangible fixed assets for sell		0	50,943	0	3,256
<b>Total current assets</b>		<b>80,247</b>	<b>125,538</b>	<b>5,129</b>	<b>8,023</b>
Long-term financial investments	(Note 2)	1	1	0	0
Investment property	(Note 3)	15,521	15,636	992	999
Tangible fixed assets	(Note 4)	58,235	64,466	3,722	4,120
Intangible fixed assets	(Note 4)	1,818	2,884	116	185
<b>Total fixed assets</b>		<b>75,575</b>	<b>82,987</b>	<b>4,830</b>	<b>5,304</b>
<b><u>TOTAL ASSETS</u></b>		<b><u>155,822</u></b>	<b><u>208,525</u></b>	<b><u>9,959</u></b>	<b><u>13,327</u></b>
Debt obligations	(Note 5)	8,909	76,061	569	4,861
Customer prepayments		492	11,186	32	715
Supplier payables		23,649	20,998	1,511	1,342
Taxes payable		2,980	3,443	191	220
Accrued expenses		5,232	8,756	334	560
Short-term provisions	(Note 6)	0	445	0	28
<b>Total current liabilities</b>		<b>41,262</b>	<b>120,889</b>	<b>2,637</b>	<b>7,726</b>
Non-current debt obligations	(Note 5)	47,920	30,279	3,063	1,935
<b>Total non-current liabilities</b>		<b>47,920</b>	<b>30,279</b>	<b>3,063</b>	<b>1,935</b>
<b>Total liabilities</b>		<b>89,182</b>	<b>151,168</b>	<b>5,700</b>	<b>9,661</b>
Share capital (nominal value)	(Note 7)	44,991	44,991	2,875	2,875
Issue premium		11,332	11,332	724	724
Mandatory capital reserve		4,499	4,499	288	288
Retained profits		(3,466)	13,384	(221)	856
Net profit for the year		9,284	(16,849)	593	(1,077)
<b>Total equity</b>		<b>66,640</b>	<b>57,357</b>	<b>4,259</b>	<b>3,666</b>
<b><u>TOTAL LIABILITIES AND EQUITY</u></b>		<b><u>155,822</u></b>	<b><u>208,525</u></b>	<b><u>9,959</u></b>	<b><u>13,327</u></b>



**Consolidated Income Statement**

		Thou. kroons 4th quarter 2005	Thou. kroons 4th quarter 2004	Thou. kroons 12 months 2005	Thou. kroons 12 months 2004	Thou. euros 4th quarter 2005	Thou. euros 4th quarter 2004	Thou. euros 12 months 2005	Thou. euros 12 months 2004
<b>RETURN ON SALES</b>	(Note 9)	52,842	71,212	218,710	347,544	3,377	4,551	13,978	22,212
<b>Cost of production sold</b>		(43,412)	(78,139)	(181,332)	(327,820)	(2,774)	(4,994)	(11,589)	(20,951)
<b>Gross profit</b>		9,430	6,927	37,378	19,724	603	443	2,389	1,261
Marketing expenses		(5,689)	(6,253)	(20,473)	(22,778)	(364)	(399)	(1,309)	(1,456)
General administrative expenses		(1,646)	(2,000)	(6,232)	(8,728)	(105)	(128)	(398)	(558)
Other income		456	61	2,880	4,851	29	4	184	310
Other expenses		409	(3,879)	(1,204)	(5,113)	26	(248)	(77)	(327)
<b>Operating profit</b>	(Note 9)	2,960	(18,998)	12,349	(12,044)	189	(1,214)	789	(770)
Financial income and financial expenses		(502)	1,385	(3,065)	(4,805)	(32)	(89)	(196)	(307)
<b>NET PROFIT FOR THE PERIOD</b>		2,458	(20,383)	9,284	(16,849)	157	(1,303)	593	(1,077)
<b>Basic earnings per share</b>	(Note 8)	0.55	(4.53)	2.06	(3.75)	0.03	(0.29)	0.13	(0.24)
<b>Diluted earnings per share</b>	(Note 8)	0.55	(4.53)	2.06	(3.75)	0.03	(0.29)	0.13	(0.24)

## Consolidated Cash Flow Statement

	Thou. kroons 12 months 2005	Thou. kroons 12 months 2004	Thou. euros 12 months 2005	Thou. euros 12 months 2004
<b>Cash flow from operations</b>				
<b>Net profit</b>	<b>9,284</b>	<b>(16,849)</b>	<b>593</b>	<b>(1,077)</b>
<i>Adjustments for:</i>				
Loss from write-down of receivables	152	2,100	10	134
Depreciation of fixed assets	11,562	17,746	739	1,134
Impairment of non-current assets		12,936		827
Gains on sale of fixed assets	(545)	(1,293)	(35)	(83)
Gains on sale of investment property	(1,236)	(3,232)	(79)	(206)
Gains on sale of financial investments		(1,665)		(106)
Use of provisions		(2,379)		(152)
Interest expense	3,123	6,432	200	411
<b>Operating profit before changes in operating capital</b>	<b>22,340</b>	<b>13,796</b>	<b>1,418</b>	<b>882</b>
Change in operations-related receivables and prepayments	4,389	20,057	280	1,282
Change in inventories	42,258	23,502	2,701	1,502
Change in operations-related liabilities and prepayments	(12,459)	(19,537)	(796)	(1,249)
<b>Cash generated from operations</b>	<b>56,528</b>	<b>37,818</b>	<b>3,613</b>	<b>2,417</b>
Interest paid	(3,123)	(6,610)	(200)	(422)
<b>Total cash flow from operations</b>	<b>53,405</b>	<b>31,208</b>	<b>3,413</b>	<b>1,995</b>
<b>Cash flow from investments</b>				
Acquisition of fixed assets	(4,340)	(3,425)	(277)	(219)
Acquisition of intangible fixed assets		(232)		(15)
Acquisition of real estate investments	(150)		(10)	
Acquisition of short-term financial investments	(6,785)		(434)	
Sale of fixed assets	7,564	1,958	484	125
Sale of financial investments		3,100		198
Sale of real estate investments	1,500	3,950	96	252
<b>Total cash flow from investments</b>	<b>(2,211)</b>	<b>5,351</b>	<b>(141)</b>	<b>341</b>
<b>Cash flow from financing activities</b>				
Repayment of loans	(43,118)	(20,900)	(2,756)	(1,336)
Settlement of finance lease liabilities	(587)	(1,574)	(37)	(100)
Change in the overdraft balance	(5,807)	(11,356)	(371)	(726)
<b>Total cash flow from financing activities</b>	<b>(49,512)</b>	<b>(33,830)</b>	<b>(3,164)</b>	<b>(2,162)</b>
<b>TOTAL CASH FLOW</b>	<b>1,682</b>	<b>2,729</b>	<b>108</b>	<b>174</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>3,870</b>	<b>1,141</b>	<b>247</b>	<b>73</b>
<b>CASH AT END OF PERIOD</b>	<b>5,552</b>	<b>3,870</b>	<b>355</b>	<b>247</b>

## Statement of Movements in Equity

<i>Thou. kroons</i>						
	Share capital	Share premium	Mandatory capital reserve	Retained earnings	Profit/loss for the year	Total
31.12.2002	44,991	11,332	4,499	101,855	(19,632)	143,045
Allocation of the loss for 2002	0	0	0	(19,632)	19,632	0
Loss for 2003	0	0	0	0	(68,840)	(68,840)
31.12.2003	44,991	11,332	4,499	82,223	(68,840)	74,205
Allocation of the loss for 2003	0	0	0	(68,840)	68,840	0
Loss for 2004	0	0	0	0	(16,849)	(16,849)
31.12.2004	44,991	11,332	4,499	13,383	(16,849)	57,356
Allocation of the loss for 2004	0	0	0	(16,849)	16,849	0
Profit for 2005	0	0	0	0	9,284	9,284
31.12.2005	44,991	11,332	4,499	(3,466)	9,284	66,640

  

<i>Thou. euros</i>						
	Share capital	Share premium	Mandatory capital reserve	Retained earnings	Profit/loss for the year	Total
31.12.2002	2,875	724	288	6,510	(1,255)	9 142
Allocation of the loss for 2002	0	0	0	(1,255)	1,255	0
Loss for 2003	0	0	0	0	(4,399)	(4,399)
31.12.2003	2,875	724	288	5,255	(4,399)	4,743
Allocation of the loss for 2003	0	0	0	(4,399)	4,399	0
Loss for 2004	0	0	0	0	(1,077)	(1,077)
31.12.2004	2,875	724	288	856	(1,077)	3,666
Allocation of the loss for 2004	0	0	0	(1,077)	1,077	0
Profit for 2005	0	0	0	0	593	593
31.12.2005	2,875	724	288	(221)	593	4,259

## Notes to Interim Report

### Accounting Policies And Measurement Bases

The accounting policies applied at the preparation of the Interim Report of Viisnurk AS for the 4<sup>th</sup> quarter of 2005 comply with the International Accounting Standards. The same accounting policies were applied for both the Interim Report and the Annual Report for the financial year that ended on 31.12.2004.

According to the assessment of the Management Board, Viisnurk AS is a going concern and the Interim Report for the 4<sup>th</sup> quarter of 2005 gives a true and fair view of the financial position of Viisnurk AS 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.

### 1. Customer receivables

	Thou. kroons	Thou. kroons	Thou euros	Thou euros
	<b>31.12.2005</b>	<b>31.12.2004</b>	<b>31.12.2005</b>	<b>31.12.2004</b>
Accounts receivable	22,222	29,605	1,420	1,892
Allowance for doubtful receivables	(284)	(1,960)	(18)	(125)
<b>TOTAL</b>	<b>21,938</b>	<b>27,645</b>	<b>1,402</b>	<b>1,767</b>

### 2. Long-term financial investments

	Thou. kroons	Thou. kroons	Thou euros	Thou euros
	<b>31.12.2005</b>	<b>31.12.2004</b>	<b>31.12.2005</b>	<b>31.12.2004</b>
Other shares and issues	1	1	0	0
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

### Investments in Subsidiaries

	Skano OÜ (Estonia)	SIA Skano (Latvia)	Visu OÜ (Estonia)	Isotex OÜ (Estonia)
Number of shares 01.01.2005	1	0	1	1
Number of shares 31.12.2005	1	1	1	1
Participation % 31.12.2005	100	100	100	100

### Owner's equity of subsidiaries 31.12.2005

	Skano OÜ (Estonia)	SIA Skano (Latvia)	Visu OÜ (Estonia)	Isotex OÜ (Estonia)	Total
Share capital	40	45	40	40	165
Net profit for the last year	690	0	0	0	690
Net profit (loss) for the year	1,364	(281)	0	0	1,083
<b>Total equity</b>	<b>2,094</b>	<b>(236)</b>	<b>40</b>	<b>40</b>	<b>1,938</b>

Thou euros

	Skano OÜ (Estonia)	SIA Skano (Latvia)	Visu OÜ (Estonia)	Isotex OÜ (Estonia)	Total
Share capital	2	3	3	3	11
Net profit for the last year	44	0	0	0	44
Net profit (loss) for the year	87	(18)	0	0	69
<b>Total equity</b>	<b>133</b>	<b>(15)</b>	<b>3</b>	<b>3</b>	<b>124</b>

### 3. Investment property

	Thou. kroons	Thou euros
Acquisition cost at 01.01.2005	19,216	1,228
Acquisition cost in 12 months of 2005	150	10
Disposals in 12 months of 2005	(416)	(27)
Acquisition cost at 01.12.2005	18,950	1,211
Accumulated depreciation at 01.01.2005	(3,579)	(229)
Depreciation in 12 months of 2005	(1)	(0)
Depreciation disposed of in 12 months of 2005	152	10
Accumulated depreciation at 31.12.2005	(3,428)	(219)
Net book value at 01.01.2005	15,636	999
Net book value at 31.12.2005	15,521	992

	Thou. kroons	Thou euros
Acquisition cost at 01.01.2004	3,362	215
Acquisition cost in 12 months of 2004	18	1
Reclassification	17,231	1,101
Disposals in 12 months of 2004	(1,395)	(89)
Acquisition cost at 01.12.2004	19,216	1,228
Accumulated depreciation at 01.01.2004	(827)	(53)
Depreciation in 12 months of 2004	(35)	(2)
Reclassification	(3,377)	(216)
Depreciation disposed of in 12 months of 2004	660	42
Accumulated depreciation at 31.12.2004	(3,579)	(229)
Net book value at 01.01.2004	2,535	162
Net book value at 31.12.2004	15,636	999

In the 12 months Viisnurk earned 1,500 thousand kroons (96 thousand euros) of profit (other income) from the sales of real estate investments.

Costs of maintenance for 12 months of 2005 were 305 thousand kroons (19 thousand euros).

### 4. Tangible and Intangible Fixed Assets

Thou kroons

	Tangible fixed assets	Intangible fixed assets	TOTAL
Acquisition cost at 01.01.2005	146,119	5,769	151,888
Acquired in 12 months of 2005	5,613		5,613
Fixed assets disposed of in 12 months of 2005	(1,433)		(1,433)
Acquisition cost at 31.12.2005	150,299	5,769	156,068
Depreciation at 01.01.2005	(83,300)	(2,885)	(86,185)
Depreciation in 12 months of 2005	(13,389)	(1,068)	(14,457)
Depreciation on fixed assets disposed of in 12 months of 2005	1,356		1,356
Depreciation at 31.12.2005	(95,333)	(3,953)	(99,286)

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Net book value at 01.01.2005	62,819	2,884	<b>65,703</b>
Net book value at 31.12.2005	54,966	1,816	<b>56,782</b>

Thou euros

	Tangible fixed assets	Intangible fixed assets	TOTAL
Acquisition cost at 01.01.2005	9,339	369	<b>9,708</b>
Acquired in 12 months of 2005	359		<b>359</b>
Fixed assets disposed of in 12 months of 2005	(92)		<b>(92)</b>
Acquisition cost at 31.12.2005	9,606	369	<b>9,975</b>
Depreciation at 01.01.2005	(5,324)	(184)	<b>(5,508)</b>
Depreciation in 12 months of 2005	(856)	(69)	<b>(925)</b>
Depreciation on fixed assets disposed of in 12 months of 2005	87		<b>87</b>
Depreciation at 31.12.2005	(6,093)	(253)	<b>(6,346)</b>
Net book value at 01.01.2005	4,015	185	<b>4,200</b>
Net book value at 31.12.2005	3,513	116	<b>3,629</b>

Thou kroons

	Tangible fixed assets	Intangible fixed assets	TOTAL
Acquisition cost at 01.01.2004	317,487	5,536	<b>323,023</b>
Acquired in 12 months of 2004	2,157	232	<b>2,389</b>
Reclassification	(171,970)		<b>(171,970)</b>
Fixed assets disposed of in 12 months of 2004	(1,555)		<b>(1,555)</b>
Acquisition cost at 31.12.2004	146,119	5,768	<b>151,887</b>
Depreciation at 01.01.2004	(162,181)	(1,821)	<b>(164,002)</b>
Depreciation in 12 months of 2004	(16,648)	(1,063)	<b>(17,711)</b>
Reclassification	107,173		<b>107,173</b>
Impairment of non-current assets	(12,936)		<b>(12,936)</b>
Depreciation on fixed assets disposed of in 12 months of 2004	1,292		<b>1,292</b>
Depreciation at 31.12.2004	(83,300)	(2,884)	<b>(86,184)</b>
Net book value at 01.01.2004	155,306	3,716	<b>159,022</b>
Net book value at 31.12.2004	62,819	2,884	<b>65,703</b>

Thou euros

	Tangible fixed assets	Intangible fixed assets	TOTAL
Acquisition cost at 01.01.2004	20,291	354	<b>20,645</b>
Acquired in 12 months of 2004	138	15	<b>153</b>
Reclassification	(10,991)		<b>(10,991)</b>
Fixed assets disposed of in 12 months of 2004	(99)		<b>(99)</b>
Acquisition cost at 31.12.2004	9,339	369	<b>9,708</b>
Depreciation at 01.01.2004	(10,365)	(116)	<b>(10,481)</b>
Depreciation in 12 months of 2004	(1,064)	(68)	<b>(1,132)</b>
Reclassification	6,849		<b>6,849</b>
Impairment of non-current assets	(827)		<b>(827)</b>
Depreciation on fixed assets disposed of in 12 months of 2004	83		<b>83</b>
Depreciation at 31.12.2004	(5,324)	(184)	<b>(5,508)</b>
Net book value at 01.01.2004	9,926	238	<b>10,164</b>
Net book value at 31.12.2004	4,015	185	<b>4,200</b>

The balance of construction in progress amounted to 3,269 thousand kroons (209 thousand euros) as of 31.12.2005 and 1,448 thousand kroons (93 thousand euros) as of 01.01.2005.

#### 5. Debt Obligations

	Thou. kroons	Thou. kroons	Thou euros	Thou euros
	<b>31.12.2005</b>	<b>31.12.2004</b>	<b>31.12.2005</b>	<b>31.12.2004</b>
Current liabilities	8,909	76,061	569	4,861
Non-current debt obligations	47,920	30,279	3,063	1,935
Incl. long-term loans	44,591	26,558	2,850	1,697
Non-convertible debt	3,329	3,721	213	238
<b>TOTAL</b>	<b>56,829</b>	<b>106,340</b>	<b>3,632</b>	<b>6,796</b>

#### 6. Short-term provisions

	Thou. kroons	Thou. kroons	Thou euros	Thou euros
	<b>31.12.2005</b>	<b>31.12.2004</b>	<b>31.12.2005</b>	<b>31.12.2004</b>
Guaranty provision	0	445	0	28
<b>TOTAL</b>	<b>0</b>	<b>445</b>	<b>0</b>	<b>28</b>

#### 7. Owners Equity

	Number of shares	Share capital	Share capital
		Thou. kroons	Thou euros
Balance 31.12.2005	4,499,061	44,991	2,875

At 31.12.2005, the share capital of Viisnurk AS totaled 44,990,610 kroons (2,875,424 euros) that was 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).

The share capital did not change in the 12 months of the year 2005.

#### 8. Earnings per share

Basic earnings per share have been calculated by dividing the net profit for the period 9,283,833 kroons (593,345 euros) by the number of shares 4,499,061.

Basic earnings per share for 9 months of 2005 =  $9,283,833 / 4,499,061 = 2.06$  kroons / 0.13 euros

Basic earnings per share are equal with diluted earnings per share because the company does not have any potential ordinary shares, which might reduce earnings per share.

**9. Business Segments (consolidated)**

Thou kroons

	Furniture Division*		Building Materials Division		Finished activities**		Supporting units		Eliminations		TOTAL OF VIISNURK	
	12 months 2005	12 months 2004	12 months 2005	12 months 2004	12 months 2005	12 months 2004	12 months 2005	12 months 2004	12 months 2005	12 months 2004	12 months 2005	12 months 2004
External sales	122,105	156,537	96,443	96,076	162	94,107	0	824	0	0	218,710	347,544
Inter-segmental sales	0	178	86	146	0	13,002		7	(86)	(13,333)	0	0
Total sales revenue	122,105	156,715	96,529	96,222	162	107,109	0	831	(86)	(13,333)	218,710	347,544
Segment's result	4,702	2,823	13,815	18,461	63	(29,798)	0	5,200	0	0	18,580	(3,314)
Unallocated expenses											(6,232)	(8,729)
Operating profit											12,348	(12,043)
Net financial expenses											(3,064)	(4,806)
Net profit for accounting period											9,284	(16,849)

\* - The Furniture Division segment consist of AS Viisnurk furniture factory and subsidiary company Skano OÜ.

\*\* - Finished activities segment consist of two closed divisions - Sporting Goods Division and Wood Division.



Thou euros

	Furniture Division*		Building Materials Division		Finished activities**		Supporting units		Eliminations		TOTAL OF VIISNURK	
	12 months 2005	12 months 2004	12 months 2005	12 months 2004	12 months 2005	12 months 2004	12 months 2005	12 months 2004	12 months 2005	12 months 2004	12 months 2005	12 months 2004
External sales	7,804	10,005	6,164	6,140	10	6,015	0	52	0	0	13,978	22,212
Inter-segmental sales	0	11	5	9	0	831	0	0	(5)	(851)	0	0
Total sales revenue	7,804	10,016	6,169	6,149	10	6,846	0	52	(5)	(851)	13,978	22,212
Segment's result	300	180	883	1,180	4	(1,904)	0	332	0	0	1,187	(212)
Unallocated expenses											(398)	(558)
Operating profit											789	(770)
Net financial expenses											(196)	(307)
Net profit for accounting period											593	(1,077)

\* - The Furniture Division segment consist of AS Viisnurk furniture factory and subsidiary company Skano OÜ.

\*\* - Finished activities segment consist of two closed divisions - Sporting Goods Division and Wood Division.