

3rd quarter
Interim Report
2006

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Outline and Contact Details

AS Viisnurk is a multibusiness wood processing company, with over half a century of experience in adding value to wood.

The Furniture and Building Materials Divisions are the business units of Viisnurk AS. The Furniture Division focuses on manufacturing and marketing of domestic furniture of unique design. 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.

AS Viisnurk has concentrated on export markets. Apart from the domestic market, the main markets of the company are in the neighboring regions: the Nordic countries, Western and Central Europe and Russia. The long-term customers and co-operation partners of Viisnurk AS are distinguished representatives of their respective fields.

The company has been listed on the Tallinn Stock Exchange.

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Beginning of the financial year:	1.1.2006
End of the financial year:	31.12.2006
Beginning of the Interim Report Period:	1.1.2006
End of the Interim Report Period:	30.9.2006

Management Report

9 months of 2006

The nine-month net sales of Viisnurk AS in 2006 were 160.6 mil. kroons/10.3 mil. euros (165.9 mil. kroons/10.6 mil. euros during the same period in 2005) and the net profit amounted to 8.4 mil. kroons/536 thou. euros (7.2 mil. kroons/460 thou. euros in 2005). The total assets of Viisnurk amounted to 151.3 mil. kroons (9.7 mil euros) at the end of September 2006. The liabilities of the company accounted for 54% thereof, i.e. 81.3 mil. kroons (5.2 mil. euros).

3rd quarter of 2006

The net sales of the 3rd quarter of the accounting year amounted to 51.4 mil. kroons/3.3 mil. euros (47.3 mil. kroons/3.0 mil. euros in 2005) and the net profit amounted to 3.5 mil. kroons/225 thousand euros (0.5 mil. kroons/33 thousand euros in 2005).

The results of the third quarter of the company compared to the third quarter of 2005 have improved both in the Furniture Division and the Building Materials Division.

The profit of the Divisions does not reflect the general administrative costs of the corporation in the amount of 1.3 mil. kroons/84 thou. euros and the financial expenses of 565 thou. kroons/35 thou. euros that have been recorded in the report of business segments as unallocated expenses.

The turnover of the Furniture Division in the third quarter of 2006 amounted to 27.0 mil. kroons/1.7 mil. euros (25.0 mil. kroons/1.6 mil. euros during the same period in 2005) and the profit amounted to 1.8 mil. kroons/113 thou. euros (1.3 mil. kroons/84 thou. euros in 2005).

The turnover of the Building Materials Division in the third quarter of 2006 amounted to 24.4 mil. kroons/1.6 mil. euros (22.4 mil. kroons/1.4 mil. euros during the same period in 2005) and the profit amounted to 3.6 mil. kroons/231 thou. euros (1.4 mil. kroons/92 thou. euros in 2005).

Forecast and development

Based on the demand on the furniture and building materials market as well as the results of the activities planned in divisions, the management of the company foresees the continuation of positive trends and approves the calculated profit to be 12-14 mil. kroons (0.77-0.89 mil. euros).

In 2005, the profit of the company amounted to 9.8 million kroons (625 million euros). At the end of the third quarter the expansion plans of business units were approved by the Supervisory Board and implementing the activities of business plans began.

According to the strategy of developing the retail sale of the Furniture Division an international retail chain of furniture stores in our neighbouring markets operating under the trademark Skano shall be created. Upon creating the retail unit Viisnurk AS entered the business area of the retail of furniture and furnishing materials that is operated by a private limited company Skano, registered on 1 September 2003. Viisnurk AS holds 100% of the shares of Skano OÜ.

The production unit of the Furniture Division has concentrated on producing wooden home furniture. The trademark of the Division's own products is Skano.

The Building Materials Division increased the production capacity of Isotex interior finishing boards as products of higher level of refinement and higher margin by installing a new production line to satisfy the increased demand in existing markets and to enter new markets. Increasing the production capacity of Isotex products helps the company to improve sales margins and give the existing production a higher value.

The Building Materials Division produces two categories of products: softboard-based building boards for insulation and soundproofing, and interior finishing boards for walls and ceilings. The trademarks of the Division's products are Isoplaat (building board) and Isotex (interior finishing boards).

Divisional review:

(Th EEK)	Net sales		Profit	
	2006 9m	2005 9m	2006 9m	2005 9m
Furniture Division	92,249	89,574	6,282	4,475
Building Materials Division	68,387	76,132	8,579	11,097
Terminated business activities	0	162	0	(1,230)
TOTAL	160,636	165,868	14,861	14,342
Unallocated expenses			(4,332)	(4,586)
OPERATING PROFIT			10,529	9,756
Net financial costs			(1,705)	(2,563)
PROFIT BEFORE TAXES			8,824	7,193
Prepaid income tax			(438)	0
NET PROFIT			8,386	7,193

(Th EUR)	Net sales		Profit	
	2006 9m	2005 9m	2006 9m	2005 9m
Furniture Division	5,896	5,725	401	286
Building Materials Division	4,371	4,866	548	709
Terminated business activities	0	10	0	(78)
TOTAL	10,267	10,601	949	917
Unallocated expenses			(277)	(293)
OPERATING PROFIT			672	624
Net financial costs			(109)	(164)
PROFIT BEFORE TAXES			564	460
Prepaid income tax			(28)	0
NET PROFIT			536	460

Furniture Division

The nine-month net sales of Viisnurk AS Furniture Division were 92.2 mil. kroons (5.9 mil. euros) and the economic result 6.3 mil. kroons (401 thousand euros) as a profit. As compared to the previous year the turnover of the division has increased by 2.7 mil. kroons (171 thou. euros) and the profit by 1.8 mil. kroons (115 thou. euros).

The Furniture Division's nine-month sales in the company's basic target markets in Finland and Russia have proceeded according to the plans and as compared to 2005 the sales have increased considerably. The Division has increased the sales of higher margin furniture that is based on the birch timber up to 89% (72% in 2005) in the accounting period. Thus, the share of pine furniture was 11% and the market demand in the respective sector is decreasing. The company intends to further increase the share of birch furniture.

The share of furniture marketed under the Division's own trademark Skano has also increased during the reporting period forming 22% of the division's net sales (20% in 2005). It allows for better margins and increases sustainability in long-term perspective.

The range of products of furniture lines with higher profitability was expanded within the product portfolio of the Furniture Division in the third quarter. At the same time, developing new product lines continued both among the division's own brands and for new subcontractors. The new furniture lines shall be introduced in various markets starting from the fourth quarter in 2006 and in the beginning of 2007. Additional opportunities for increasing sales in the existing markets are created through the above activities as well as the preconditions for entering new markets. Among potential markets the division sees an opportunity to increase sales in Great Britain and Eastern and Central Europe.

The retail sale of the Furniture Division shows a rising tendency. Within nine months this year the retail sale has increased by 51% as compared to the same period last year; the increase in the third quarter was 39% as compared to the respective period in 2005.

Building Materials Division

The nine-month net sales of the Building Materials Division amounted to 68.4 mil. kroons (4.4 mil. euros) and profit to 8.6 mil. kroons (548 thou. euros). In the same period of the last year, the turnover of the division totalled 76.2 mil. kroons (4.9 mil. euros) and the net profit 11.1 mil. kroons (709 thou. euros). The results of the nine months were influenced by extreme weather conditions in the beginning of the year and the fire in May. These negative facts had a one-time affect on the results of the division.

Since the beginning of the third quarter production volumes, sales and profitability of the division have improved rapidly and the factory is working on full capacity in order to satisfy the increased demand. In addition, active selling has been initiated in the eastern market - Russia and the Ukraine as well as Latvia and Lithuania.

Building Boards

Among Isoplaat building boards the demand of wind protection board in the internal market has leaped ahead. The commencement of direct marketing in Finland (as one of the principal markets), which was planned for the first quarter of this year, achieved success in the third quarter by selling under our trademark in all of the most significant retail chains. The sales of flooring boards have also increased in the third quarter, especially in our neighbouring markets. Wind protection boards were the product group with the largest share in the sales of building boards.

Within the nine months of 2006 the division has increased the share of products sold under its own trademark Isoplaat up to 90% (64% in 2005) of the total sales of building boards; in addition, it has increased the share of direct marketing as compared to sales through intermediaries. It allows for better margins and increases sustainability in the long-term perspective.

This year the division took its building boards to new eastern markets with large potential - Russia and the Ukraine.

Interior Finishing Boards

Sales volumes and results of Isotex interior finishing boards were on planned levels both on the internal and external markets. At the end of the third quarter an updated and larger choice of wall panels was introduced to the market helping further strengthen its leading position in the markets and creating better opportunities for entering new markets. At the same time development activities for introducing new ceiling panels to the market in the fourth quarter of 2006 continued. Ceiling panels comprised 73% and wall panels 27% of the sales of interior finishing boards.

Within nine months this year the division has increased the share of Isotex interior finishing boards as products of higher level of refinement and higher margin up to 39% of the sales of the division (35% in 2005). Interior finishing boards are being produced since 1996 and they are sold 100% under the company's own trademark Isotex.

Together with building boards interior finishing boards have also been taken to eastern markets where both product groups have a good perspective. Offering larger volume more actively is limited by the present production capacity.

Investments

In the retail business of the division activities were initiated in the third quarter to expand the retail business to our neighbouring markets according to the strategy. The expansion of retail business includes opening new stores offering home furniture and furnishing materials in various Eastern European markets.

In order to satisfy the increased demand in the existing markets and to enter the markets of Russia and the Ukraine, the Supervisory Board of Viisnurk AS has approved the decision to increase the production capacity of interior finishing boards via opening the second production line. The estimated total cost of the investment shall be 10 mil. Kroons (639 thou. euros) and the planned deadline for implementing the line is the beginning of the

third quarter in 2007. The new production line enables to increase the volume of products from 39% to 55% of the net sales of the Building Materials Division. Increasing the production capacity of Isotex products helps the company to improve sales margins and give the existing production a higher value.

During 9 months 2006 investments into technology totalled 1.7 mil. kroons (111 thou. euros) and into buildings 2.1 mil. kroons (137 thou. euros). At the same period of 2005 investments into technology totalled 1.0 mil. kroons (126 thou. euros). In 2005 there were no investments into buildings.

People

At 30 September 2006 Viisnurk AS employed 340 people (327 people in the same period of the last year). The average number of personnel in the nine months of 2006 was 344 (334 in 2005).

In the 9 months of 2006, wages and salaries amounted 36.1 mil. kroons/2.3 mil. euros (32.5 mil. kroons/2.1 mil. euros in the same period of the last year).

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

	Th EEK 2006 9m	Th EEK 2005 9m	Th EUR 2006 9m	Th EUR 2005 9m
Board member and other remuneration	785	1,101	50	70
Social tax and unemployment insurance premiums	280	371	18	24
TOTAL	1,065	1,472	68	94

Financial highlights

	Th EEK 2006 9m	Th EEK 2005 9m	Th EUR 2006 9m	Th EUR 2005 9m
Income statement				
Revenue	160,636	165,868	10,267	10,601
Operating profit	10,529	9,756	673	624
Operating margin	6.6%	5.9%	6.6%	5.9%
Net profit	8,386	7,193	536	460

Balance sheet

	Th EEK 2006 9m	Th EEK 2005 9m	Th EUR 2006 9m	Th EUR 2005 9m
Total assets	151,252	153,503	9,667	9,811
Return on assets	5.5%	4.7%	5.5%	4.7%
Equity	69,975	63,198	4,472	4,039
Return on equity	12.0%	11.4%	12.0%	11.4%
Debt-to-equity ratio	54%	59%	54%	59%

Share (30 September)

	Th EEK 2006 9m	Th EEK 2005 9m	Th EUR 2006 9m	Th EUR 2005 9m
Closing price (EEK/EUR)	30.98	36.14	1.98	2.31
Earnings per share (EEK/EUR)	1.86	1.60	0.12	0.10
Price-earnings ratio	16.7	22.6	16.7	22.6
Book value of a share (EEK/EUR)	15.55	14.05	0.99	0.90
Market to book ratio	2.0	2.6	2.0	2.6
Market capitalisation	139,379	162,594	8,908	10,393

Operating margin = Operating 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 1 January 2006, 6 months' EURIBOR was 2.637 and at 30 September 2006 3.657.

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 EEK 10,000,000 (EUR 639,115) every year on 31 January and 31 July;
- the loan in starting amount of EUR 2,660,000 (EEK 41,619,956) every year on 30 September and 31 March.

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 currency risk of AS Viisnurk is low because most export-import agreements are concluded in euro.

Group structure

AS Viisnurk is a company domiciled in Estonia. At 30 September 2006, AS Viisnurk had the following wholly-owned subsidiaries: OÜ Skano, OÜ Visu, OÜ VN Niidu Kinnisvara and OÜ Isotex (domiciled in Estonia). At 30 September 2006, OÜ Skano had wholly-owned subsidiary SIA Skano (domiciled in Latvia).

OÜ Visu, OÜ Isotex and OÜ VN Niidu Kinnisvara did not perform any business operations.

Declaration of the Management Board

The Management Board of AS Viisnurk is prepared consolidated Interim Report for the 3rd quarter of 2006, which is presented on pages 9 to 18.

- 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;
- AS Viisnurk and its subsidiaries are going concerns.

Manager

/signature/

Toivo Kuldmäe

03nd January 2007

Consolidated Balance Sheet

		Th EEK 30.9.2006	Th EEK 31.12.2005	Th EUR 30.9.2006	Th EUR 31.12.2005
Cash and bank		5,755	5,552	368	355
Short-term financial investments	(Note 1)	0	6,785	0	434
Receivables and prepayments	(Note 2)	27,572	25,749	1,762	1,645
Inventories		48,033	42,161	3,070	2,695
Total current assets		81,360	80,247	5,200	5,129
Long-term financial investments	(Note 1)	1	1	0	0
Investment property	(Note 3)	15,521	15,521	992	992
Tangible fixed assets	(Note 4)	53,272	58,235	3,405	3,722
Intangible fixed assets	(Note 5)	1,098	1,818	70	116
Total fixed assets		69,892	75,575	4,467	4,830
<u>TOTAL ASSETS</u>		<u>151,252</u>	<u>155,822</u>	<u>9,667</u>	<u>9,959</u>
Debt obligations	(Note 6)	2,325	8,909	149	569
Payables and prepayments	(Note 7)	30,478	32,353	1,948	2,069
Short-term provisions	(Note 8)	124	430	8	27
Total current liabilities		32,927	41,692	2,105	2,665
Non-current debt obligations	(Note 6)	47,920	47,920	3,063	3,063
Non-current provisions	(Note 8)	430	430	27	27
Total non-current liabilities		48,350	48,350	3,090	3,090
Total liabilities		81,277	90,042	5,195	5,755
Share capital (nominal value)	(Note 9)	44,991	44,991	2,875	2,875
Issue premium		11,332	11,332	724	724
Statutory capital reserve		4,499	4,499	288	288
Retained profits		767	(4,817)	49	(308)
Net profit for the year		8,386	9,775	536	625
Total equity		69,975	65,780	4,472	4,204
<u>TOTAL LIABILITIES AND EQUITY</u>		<u>151,252</u>	<u>155,822</u>	<u>9,667</u>	<u>9,959</u>

Consolidated Income Statement

		Th EEK 3 rd quarter 2006	Th EEK 3 rd quarter 2005	Th EEK 9 months 2006	Th EEK 9 months 2005	Th EUR 3 rd quarter 2006	Th EUR 3 rd quarter 2005	Th EUR 9 months 2006	Th EUR 9 months 2005
RETURN ON SALES	(Note 11)	51,428	47,333	160,636	165,868	3,287	3,025	10,267	10,601
Cost of production sold		(41,570)	(40,342)	(131,403)	(137,553)	(2,657)	(2,578)	(8,398)	(8,791)
Gross profit		9,858	6,991	29,233	28,315	630	447	1,869	1,810
Marketing expenses		(4,487)	(4,589)	(14,404)	(14,784)	(287)	(293)	(921)	(945)
General administrative expenses		(1,310)	(1,463)	(4,332)	(4,586)	(84)	(93)	(277)	(293)
Other income		152	146	451	2,424	10	9	29	155
Other expenses		(120)	(39)	(419)	(1,613)	(8)	(2)	(27)	(103)
Operating profit	(Note 11)	4,093	1,046	10,529	9,756	261	68	673	624
Financial income and financial expenses		(565)	(544)	(1,705)	(2,563)	(36)	(35)	(109)	(164)
Profit before taxes		3,528	502	8,824	7,193	225	33	564	460
Prepaid income tax		0	0	(438)	0	0	0	(28)	0
NET PROFIT FOR THE PERIOD		3,528	502	8,386	7,193	225	33	536	460
Basic earnings per share	(Note 10)	0,78	0,11	1,86	1,60	0,05	0,01	0,12	0,10
Diluted earnings per share	(Note 10)	0,78	0,11	1,86	1,60	0,05	0,01	0,12	0,10

Consolidated Cash Flow Statement

		Th EEK 9 months 2006	Th EEK 9 months 2005	Th EUR 9 months 2006	Th EUR 9 months 2005
Cash flow from operations					
Profit before taxes	(Note 11)	8,820	7,193	564	460
<i>Adjustments for:</i>					
Depreciation of fixed assets	(Note 4;5)	8,054	8,797	515	562
Gains on sale of fixed assets		(92)	(580)	(6)	(37)
Gains on sale of investment property		0	(1,236)	0	(79)
Gains on sale of financial investments	(Note 1)	(35)	0	(2)	0
Use of provisions	(Note 8)	(306)	(367)	(20)	(24)
Interest expense		1,488	2,567	95	164
Operating profit before changes in operating capital		17,929	16,374	1,146	1,046
Change in operations-related receivables and prepayments		(2,072)	4,103	(133)	262
Change in inventories		(5,872)	46,222	(375)	2,954
Change in operations-related liabilities and prepayments		(2,067)	(14,670)	(132)	(937)
Cash generated from operations		7,918	52,029	506	3,325
Interest paid		(1,488)	(2,567)	(95)	(164)
Total cash flow from operations		6,430	49,462	411	3,161
Cash flow from investments					
Sale of financial investments	(Note 1)	6,820	0	436	0
Acquisition of fixed assets	(Note 4;5)	(2,393)	(1,551)	(153)	(99)
Sale of fixed assets	(Note 4;5)	114	7,539	7	482
Sale of real estate investments	(Note 3)	0	1,500	0	96
Total cash flow from investments		4,541	7,488	290	479
Cash flow from financing activities					
Repayment of loans	(Note 6)	(6,584)	(40,792)	(421)	(2,607)
Settlement of finance lease liabilities		0	(564)	0	(36)
Change in the overdraft balance		0	(5,806)	0	(371)
Dividend payment		(4,184)	0	(267)	0
Total cash flow from financing activities		(10,768)	(47,162)	(688)	(3,014)
TOTAL CASH FLOW		203	9,788	13	626
CASH AT BEGINNING OF PERIOD		5,552	3,870	355	247
CASH AT END OF PERIOD		5,755	13,658	368	873

Statement of Movements in Equity

Th EEK	Share capital	Share premium	Statutory capital reserve	Retained earnings	Total
Balance at 31.12.2004	44,991	11,332	4,499	(4,817)	56,005
Profit for 9 months of 2005	0	0	0	7,193	7,193
Balance at 30.9.2005	44,991	11,332	4,499	2,376	63,198
Balance at 31.12.2005	44,991	11,332	4,499	4,958	65,780
Profit for 9 months of 2006	0	0	0	8,386	8,386
Distribution of dividend	0	0	0	(4,191)	(4,191)
Balance at 30.9.2006	44,991	11,332	4,499	9,153	69,975

Th EUR	Share capital	Share premium	Statutory capital reserve	Retained earnings	Total
Balance at 31.12.2004	2,875	724	288	(308)	3,579
Profit for nine months of 2005	0	0	0	460	460
Balance at 30.9.2005	2,875	724	288	98	4,039
Balance at 31.12.2005	2,875	724	288	317	4,204
Profit for nine months of 2006	0	0	0	536	536
Distribution of dividend	0	0	0	(268)	(268)
Balance at 30.9.2006	2,875	724	288	585	4,472

Notes to Interim Report

Accounting Policies And Measurement Bases

The consolidated financial statements of AS Viisnurk for the period ended 30 September 2006 comprise AS Viisnurk (the "Company") and its subsidiaries (together referred to as the "Group").

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 31.12.2005.

According to the assessment of the Management Board, Viisnurk AS is a going concern and the Interim Report for the 3rd quarter of 2006 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. Financial investments

	Th EEK	Th EEK	Th EUR	Th EUR
	30.9.2006	31.12.2005	30.9.2006	31.12.2005
Kesko CP 13.03.2006	0	6,785	0	434
Other shares and issues	1	1	0	0
TOTAL	1	6,786	0	434

In the nine months of 2006 Viisnurk earned 35 thousand kroons (2 thousand euros) profit (financial income) from sales of Kesko CP 13.03.2006.

2. Receivables and prepayments

	Th EEK	Th EEK	Th EUR	Th EUR
	30.9.2006	31.12.2005	30.9.2006	31.12.2005
Customer receivables	26,163	21,937	1,672	1,402
Prepaid VAT	720	3,088	46	197
Other receivables	347	522	22	33
Prepaid services	342	202	22	13
TOTAL	27,572	25,749	1,762	1,645

3. Investment property

2006 9 months	Th EEK	Th EUR
Acquisition cost at 1.1.2006	18,949	1,211
Acquisition cost at 30.9.2006	18,949	1,211
Accumulated depreciation at 1.1.2006	(3,428)	(219)
Accumulated depreciation at 30.9.2006	(3,428)	(219)
Net book value at 1.1.2006	15,521	992
Net book value at 30.9.2006	15,521	992

2005 9 months	Th EEK	Th EUR
Acquisition cost at 1.1.2005	19,215	1,228
Disposals in 9 months of 2005	(416)	(27)
Acquisition cost at 30.9.2005	18,799	1,201
Accumulated depreciation at 1.1.2005	(3,579)	(229)
Depreciation in 9 months of 2005	(1)	(0)
Depreciation disposed of in 9 months of 2005	152	10
Accumulated depreciation at 30.9.2005	(3,428)	(219)
Net book value at 1.1.2005	15,636	999
Net book value at 30.9.2005	15,371	982

Costs of maintenance for nine months of 2006 were 147 thousand kroons (9 thousand euros) and 132 thousand kroons (8 thousand euros) in the same period of 2005.

4. Tangible Fixed Assets

	Th EEK	Th EEK	Th EUR	Th EUR
	30.9.2006	31.12.2005	30.9.2006	31.12.2005
Land	1,087	1,087	69	69
Buildings and constructions	32,765	32,120	2,094	2,053
Machinery, plant and equipment	17,368	21,258	1,110	1,359
Other equipment and fixtures	476	501	31	32
Construction in progress	1,576	3,269	101	209
TOTAL	53,272	58,235	3,405	3,722

2006 9 months	Th EEK	Th EUR
Acquisition cost at 1.1.2006	150,299	9,606
Acquired in 9 months of 2006	4,074	261
Fixed assets disposed of in 9 months of 2006	(39)	(3)
Acquisition cost at 30.9.2006	154,334	9,864
Depreciation at 1.1.2006	(95,333)	(6,093)
Depreciation in 9 months of 2006	(7,321)	(468)
Depreciation on fixed assets disposed of in 9 months of 2006	16	1
Depreciation at 30.9.2006	(102,638)	(6,560)
Net book value at 1.1.2006	54,966	3,513
Net book value at 30.9.2006	51,696	3,304

2005 9 months	Th EEK	Th EUR
Acquisition cost at 1.1.2005	146,119	9,339
Acquired in 9 months of 2005	2,081	133
Fixed assets disposed of in 9 months of 2005	(959)	(61)
Acquisition cost at 30.9.2005	147,241	9,411
Depreciation at 1.1.2005	(83,300)	(5,324)
Depreciation in 9 months of 2005	(7,987)	(510)
Depreciation on fixed assets disposed of in 9 months of 2005	943	60
Depreciation at 30.09.2005	(90,344)	(5,774)
Net book value at 1.1.2005	62,819	4,015
Net book value at 30.09.2005	56,897	3,637

5. Intangible Fixed Assets

2006 9 months	Th EEK	Th EUR
Acquisition cost at 1.1.2006	5,771	369
Acquired in 9 months of 2006	13	1
Acquisition cost at 30.9.2006	5,784	370
Depreciation at 1.1.2006	(3,953)	(253)
Depreciation in 9 months of 2006	(733)	(47)
Depreciation at 30.9.2006	(4,686)	(300)
Net book value at 1.1.2006	1,818	116
Net book value at 30.9.2006	1,098	70

2005 9 months	Th EEK	Th EUR
Acquisition cost at 1.1.2005	5,769	369
Acquisition cost at 30.9.2005	5,769	369
Depreciation at 1.1.2005	(2,885)	(184)
Depreciation in 9 months of 2005	(809)	(52)
Depreciation at 30.09.2005	(3,694)	(236)
Net book value at 1.1.2005	2,884	185
Net book value at 30.09.2005	2,075	133

6. Debt Obligations

	Th EEK	Th EEK	Th EUR	Th EUR
	30.9.2006	31.12.2005	30.9.2006	31.12.2005
Current liabilities	2,325	8,909	149	569
Non-current debt obligations	47,920	47,920	3,063	3,063
Incl. long-term loans	44,591	44,591	2,850	2,850
Non-convertible debt	3,329	3,329	213	213
TOTAL	50,245	56,829	3,212	3,632

7. Payables and prepayments

	Th EEK	Th EEK	Th EUR	Th EUR
	30.9.2006	31.12.2005	30.9.2006	31.12.2005
Supplier payables	19,554	23,649	1,250	1,511
Payables to employees	4,681	4,466	299	286
Taxes payables	2,292	2,980	146	191
Other payables	3,691	766	236	49
Customer prepayments	260	492	17	32
TOTAL	30,478	32,353	1,948	2,069

8. Provisions

	Th EEK	Th EEK	Th EUR	Th EUR
	30.9.2006	31.12.2005	30.9.2006	31.12.2005
Short-term provision	124	430	8	27
Long-term provision	430	430	27	27
TOTAL	554	860	35	54

AS Viisnurk is required by the law to compensate former employees for damages incurred in connection with accidents at work. The Group has established for such damages a provision, which has been calculated on the basis of the estimated number of people entitled to such compensation and the period in which the compensation should be paid. The amount of

compensations for nine months of 2006 was 306 thousand kroons (20 thousand euros), 367 thousand kroons (23 thousand euros) in the same period of 2005.

9. Share Capital

	Number of shares	Share capital	
		Th EEK	Th EUR
Balance 31.12.2005	4,499,061	44,991	2,875
Balance 30.9.2006	4,499,061	44,991	2,875

At 30.9.2006, 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 9 months of the year 2006.

10. Earnings per share

Basic earnings per share have been calculated by dividing the net profit for the period 8,385,606 kroons (535,938 euros) by the number of shares 4,499,061.

- Basic earnings per share for 9 months of 2006 = $8,385,606 / 4,499,061 = 1.86$ kroons (0.12 euros)
- Basic earnings per share for 9 months of 2005 = $7,192,728 / 4,499,061 = 1.60$ kroons (0.10 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.

11. Segments (consolidated)

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. Reporting by business segments is presented on page 15.

The geographical segments report is based on the geographical location of division's clients (on page 16).

Management has identified the following business segments:

The Furniture Division (FD) is engaged in the production and retail sale of household furniture. The Furniture Division includes the furniture factory of AS Viisnurk and Skano OÜ (including SIA Skano).

The Building Materials Division (BMD) produced softboard and interior finishing boards.

Discontinued operations comprise the Sports Goods Division and Wood Division, which were closed in 2004.

Business Segments (consolidated):

Th EEK	Furniture Division		Building Material Division		Discontinued operations		Eliminations		TOTAL OF VIISNURK	
	Half year 2006	Half year 2005	Half year 2006	Half year 2005	Half year 2006	Half year 2005	Half year 2006	Half year 2005	Half year 2006	Half year 2005
External sales	92,249	89,574	68,387	76,132	0	162	0	0	160,636	165,868
Inter-segmental sales	0	0	0	86	0	0	0	(86)	0	0
Total sales revenue	92,249	89,574	68,387	76,218	0	162	0	(86)	160,636	165,868
Segment's result	6,282	4,475	8,579	11,097	0	(1,230)	0	0	14,861	14,342
Unallocated expenses									(4,332)	(4,586)
Operating profit									10,529	9,756
Net financial expenses									(1,705)	(2,563)
Profit before taxes									8,824	7,193
Prepaid income tax									(438)	0
Net profit for accounting period									8,386	7,193

Th EUR	Furniture Division		Building Material Division		Discontinued operations		Eliminations		TOTAL OF VIISNURK	
	Half year 2006	Half year 2005	Half year 2006	Half year 2005	Half year 2006	Half year 2005	Half year 2006	Half year 2005	Half year 2006	Half year 2005
External sales	5,896	5,725	4,371	4,866	0	10	0	0	10,267	10,601
Inter-segmental sales	0	0	0	5	0	0	0	(5)	0	0
Total sales revenue	5,896	5,725	4,371	4,871	0	10	0	(5)	10,267	10,601
Segment's result	401	286	548	709	0	(78)	0	0	949	917
Unallocated expenses									(277)	(293)
Operating profit									672	624
Net financial expenses									(109)	(164)
Profit before taxes									564	460
Prepaid income tax									(28)	0
Net profit for accounting period									536	460

Net sales by divisions and clients location:

Th EEK	9 months 2006			9 months 2005		
	FD	BMD	TOTAL	FD	BMD	TOTAL
EXPORT						
<i>European countries</i>						
Finland	44,081	24,356	68,437	40,080	26,733	66,813
Russia, Ukraine, Belarusian	26,247	1,122	27,369	20,297	686	20,983
Germany	7,014	2,436	9,450	6,985	529	7,514
Latvia, Lithuania	4,249	2,279	6,528	1,336	913	2,249
Netherlands	22	2,008	2,030	90	3,563	3,653
Sweden	37	1,371	1,408	8,022	1,290	9,312
Portugal	0	774	774	0	7,215	7,215
Switzerland	275	0	275	3,846	0	3,846
Other European countries	672	69	741	943	0	943
TOTAL	82,597	34,415	117,012	81,599	40,929	122,528
Other countries	1,155	0	1,155	1,140	0	1,140
TOTAL EXPORT	83,752	34,415	118,167	82,739	40,929	123,668
Domestic Market	8,497	33,972	42,469	6,997	35,203	42,200
TOTAL	92,249	68,387	160,636	89,736	76,132	165,868

Th EUR	9 months 2006			9 months 2005		
	FD	BMD	TOTAL	MD	BMD	TOTAL
EXPORT						
<i>European countries</i>						
Finland	2,817	1,557	4,374	2,562	1,709	4,271
Russia, Ukraine, Belarusian	1,677	72	1,749	1,297	44	1,341
Germany	448	156	604	446	34	480
Latvia, Lithuania	272	146	418	85	58	143
Netherlands	1	128	129	6	228	234
Sweden	2	88	90	513	82	595
Portugal	0	49	49	0	461	461
Switzerland	18	0	18	246	0	246
Other European countries	43	4	47	60	0	60
TOTAL	5,278	2,200	7,478	5,215	2,616	7,831
Other countries	74	0	74	73	0	73
TOTAL EXPORT	5,352	2,200	7,552	5,288	2,616	7,904
Domestic Market	544	2,171	2,715	447	2,250	2,697
TOTAL	5,896	4,371	10,267	5,735	4,866	10,601