

1st quarter
Interim Report
2009

Beginning of the Interim Report Period:	1.1.2009
End of the Interim Report Period:	31.3.2009
Beginning of the financial year:	1.1.2009
End of the financial year:	31.12.2009
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Main activity:	Furniture production
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 Division 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 Viisnurk AS 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. The ultimate controlling party of the Group is TDI Investments KY, registered in the Republic of Finland and belonging to the Scandinavian investors.

Management Report

Income statement

Consolidated net sales of first quarter 2009 was 53.1 mil. kroons/3.4 mil. euros (73.9 mil. kroons/4.7 mil. euros in same period of 2008) representing a 28% decrease on the first quarter compared to Q1 2008. The Group's gross margin in the first quarter of 2009 was 19.5% compared to 23.9% in the first quarter of 2008. Consolidated operating profit amounted to 0.3 mil. kroons/17 thousand euros (5.9 mil. kroons/378 thousand euros in same period 2008). The consolidated operating margin of net sales was 0.5% (8.0% in Q1 2008).

Consolidated net loss amounted to 0.7 mil. kroons/43 thousand euros, compared to 5.1 mil. kroons/328 thousand euros in Q1 2008), and the net margin was -1.3% (1.8% in Q1 2008). In Q1 2009, the Group's return on equity was -1.0% (6.7% in Q1 2008) and return on assets was -0.4% (3.0% in Q1 2008).

The main reason for loss is decrease of net sales.

Balance sheet

As of 31.3.2009 the total assets of Viisnurk amounted to 155.9 mil. kroons/10.0 mil. euros (31.12.2008: 163.8 mil. kroons/10.5 mil. euros). The liabilities of the company accounted for 54.8% (31.12.2008: 56.5%) thereof, i.e. 85.5 mil. kroons/5.5 mil. euros (31.12.2008: 92.6 mil. kroons/5.9 mil. euros).

Receivables and prepayments have increased by 7.3 mil. kroons/0.5 mil. euros i.e. 37% decrease with 3 months. The reason of increase of receivables is very small sales in December 2008, which essentially lowered the amount of receivables at the end of December.

Inventories decreased by 10.2 mil. kroons/0.7 mil. euros to reach 57.9 mil. kroons/3.7 mil. euros on 31.3.2009. (31.12.2008: 68.1 mil. kroons/4.4 mil. euros). The lowering of amount of inventories is one of the main goals to survive in crisis and to keep liquidity. Property, plant and intangibles decreased by 1.9 mil. kroons/0.1 mil. euros mainly as a result of depreciation.

Short-term loans decreased by 2.0 mil. kroons/0.1 mil. euros and amounted to 15.7 mil. kroons/1.0 mil. euros in 31 March 2009 (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 38.7 mil. kroons/2.5 mil. euros (31.12.2008: 43.8 mil. kroons/2.8 mil. euros). Current and non-current liabilities decreased by 7.1 mil. kroons/0.5 mil. euros to 85.5 mil. kroons/5.5 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>	
	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008
Furniture Factory	27,598	36,089	1,764	2,307	52.0%	48.9%
Skano	8,934	9,686	571	619	16.8%	13.1%
Building Materials Division	20,387	33,785	1,303	2,159	38.4%	45.7%
Elimination	(3,833)	(5,693)	(245)	(364)	(7.2)%	(7.7)%
TOTAL	53,086	73,867	3,393	4,721	100.0%	100.0%

Net sales by geographical segments

	<i>th. EEK</i>		<i>th. EUR</i>		<i>% of net sales</i>	
	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008
Finland	21 704	35 435	1 387	2 265	40,9%	48,0%
Russia	12 514	15 961	799	1 020	23,6%	21,6%
Estonia	7 871	12 813	503	819	14,8%	17,3%
Ukraine	2 894	1 031	185	66	5,5%	1,4%
Latvia	2 368	3 112	151	199	4,5%	4,2%
Lithuania	2 218	2 638	142	168	4,2%	3,6%
Portugal	1 245	0	79	0	2,3%	0,0%
Germany	743	1 202	48	77	1,4%	1,6%

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Kazakhstan	629	527	40	34	1,2%	0,7%
Sweden	559	1 017	36	65	1,1%	1,4%
Belarusian	119	0	8	0	0,2%	0,0%
Other countries	222	131	15	8	0,4%	0,2%
TOTAL	53 086	73 867	3 393	4 721	100,00%	100,00%

Regarding the markets, turnover has decreased in all big markets. The main reasons of increased turnover in Ukraine were the stores opened in 2008, which in the first quarter of 2008 were still in the start-up phase or not opened. AS Viisnurk initiated sales into Portugal and Belarusian.

Gross profit by business segments

	<i>th. EEK</i>		<i>th. EUR</i>	
	Q1 2009	Q1 2008	Q1 2009	Q1 2008
Furniture Factory	3,188	4,186	204	268
Skano	4,416	4,670	282	298
Building Materials Division	2,820	8,838	180	565
Elimination	(66)	(11)	(4)	(1)
TOTAL	10,358	17,683	662	1,130

The main reason for decreased gross margin in Building Material Division is changes in product portfolio and growth of cost value due to small production volume and big fixed costs.

Profit by business segments

	<i>th. EEK</i>		<i>th. EUR</i>	
	Q1 2009	Q1 2008	Q1 2009	Q1 2008
Furniture Factory	1,616	1,834	103	117
Skano	(778)	(164)	(50)	(10)
Building Materials Division	(248)	4,262	(16)	272
Elimination	(325)	(11)	(20)	(1)
TOTAL	265	5,921	17	378
Net financial costs	(938)	(788)	(60)	(50)
PROFIT BEFORE TAXES	(673)	5,133	(43)	328
Income tax	0	0	0	0
NET PROFIT	(673)	5,133	(43)	328

Furniture Division

The net sales of AS Viisnurk Furniture Division in the first quarter amounted to 32.7 mil. kroons/2.1 mil. euros (2008: 40.1 mil. kroons/2.6 mil. euros) and the economic result 0.1 mil. kroons/8 thousand euros as a profit (2008: 1.4 mil. kroons/88 thousand euros). As compared to the previous year the turnover of the division has decreased by 7.4 mil. kroons/472 thousand euros (18.4%).

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 10 stores in Tallinn, Pärnu, Riga, Vilnius, Kaunas, Klaipeda, Kiev, Donetsk, Kharkiv and Odessa at the end of the first quarter.

As a result of unexpected economical situation, management decided to stop openings of new stores. Management is in negotiations with leasers to lower premises rents.

Retail sales by countries

	<i>th. EEK</i>		<i>th. EUR</i>		<i>% of net sales</i>		<i>Number of stores</i>	
	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008
Estonia	2,200	4,511	141	288	24.6%	46.6%	2	2
Latvia	1,730	2,319	110	148	19.4%	23.9%	1	1
Lithuania	2,110	2,533	135	162	23.6%	26.2%	3	3

Ukraine	2,894	323	185	21	32.4%	3.3%	4	2
TOTAL	8,934	9,686	571	619	100.0%	100.0%	10	8

The retail sale of the Furniture Division decreased most in Estonia. The sale in Ukraine has increased in stores opened after 31.3.2008. Within the first quarter this year the retail sale has decreased by 7.8% as compared to the same period last year. The stores that were opened before 31.3.2008 (Tallinn, Riga, Pärnu, Vilnius, Kaunas, Klaipeda, Kharkiv, Kiev) have decreased the sales in the first quarter by 33%, compared to the same period in 2008.

Furniture Factory

The Furniture Factory's sales in the first 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>	
	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008
Russia	11,691	14,637	747	935	42.4%	40.6%
Finland	10,328	13,653	660	873	37.4%	37.7%
Kazakhstan	629	527	40	34	2.3%	1.5%
Germany	620	966	40	62	2.2%	2.7%
Others	497	613	32	39	1.8%	1.7%
Subsidiaries	3,833	5,693	244	364	13.9%	15.8%
TOTAL	27,598	36,089	1,763	2,307	100.0%	100.0%

Building Materials Division

The net sales of the Building Materials Division in the first quarter amounted to 20.4 mil. kroons/1.3 mil. euros and loss to 0.8 mil. kroons/51 thousand euros. In the same period last year, the turnover of the division totalled to 33.8 mil. kroons/2.2 mil. euros and the profit 3.8 mil. kroons/240 thousand euros. As compared to the previous year the turnover of the division has decreased by 13.4 mil. kroons/856 thousand euros and the profit has decreased by 4.5 mil. kroons/291 thousand euros.

Net sales by geographical segments

	<i>th. EEK</i>		<i>th. EUR</i>		<i>% of net sales</i>	
	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008
Finland	11 376	21 782	727	1392	55,8%	64,5%
Estonia	5 365	7 820	343	500	26,3%	23,1%
Portugal	1 245	0	80	0	6,1%	0,0%
Russia	823	1 324	53	85	4,0%	3,9%
Latvia	638	793	41	51	3,1%	2,3%
Sweden	559	1 017	36	65	2,7%	3,0%
Germany	123	236	8	15	0,6%	0,7%
Lithuania	108	105	7	7	0,5%	0,3%
Ukraine	0	708	0	45	0,0%	2,1%
Other countries	150	0	10	0	0,7%	0,0%
TOTAL	20 387	33 785	1 305	2 160	100,0%	100,0%

Building Boards

The product group that makes up the biggest proportion in general building boards are wind protection boards. Compared to last year, decrease of sales is the biggest in this segment. This is caused by decrease of the building sector in Estonia and Finland, two main markets for the product. Sale of products to companies operating outside the building sector is same as previous year.

Interior Finishing Boards

The biggest market of Isotex interior finishing boards in the first quarter was Finland. Sale in the domestic market of Estonia has decreased marginally and was almost on the level of last year. Sales volumes have been achieved in Lithuania and Russia. In connection with the increase of production capacity potential, activities have been continued in order to find new markets.

Forecast and development

AS Viisnurk needs to minimize risks related to expanding in cool economical situation, keep sufficient liquidity, and will not plan new openings in 2009. In Lithuania one store will be moved into new attractive place.

For 2009 management forecasts decreasing of sales in retail market, also in markets not related in Skano retail business, and it will decrease the production volume in furniture factory. Since 12.01.2008 most of employees are engaged in part-time working time.

Based on relatively cold economical situation and low demand for building materials in target markets management plans to decrease production volume of both production groups in first half year of 2009. In main production line factory continues with three shifts instead of four. Part time working time is engaged two periods. The production volume of Isotex has increased in first quarter and has achieved in second quarter the volume of last year. The proportion of ceiling and wall panels has been stable (75% of ceiling panels and 25% wall panels) in fist quarter 2009 and 2008.

Investments

Concerning the retail trade of the furniture division, the company stopped its activities in the fourth quarter of 2008 in order to expand the retail trade to the neighbouring markets. The expansion of retail business includes opening new stores offering home furniture and furnishing goods in various Eastern European markets.

During 3 months 2009 investments into technology totalled 70 thousand kroons/4 thousand euros . At the same period of 2008 investments into technology totalled 484 thousand kroons/31 thousand euros and into buildings 642 thousand kroons/41 thousand euros.

People

At 31 March 2009 Concern employed 342 people (339 people in the same time at the last year). The average number of personnel in the first quarter of 2009 was 345 (2008: 336).

In the 3 months of 2008, wages and salaries amounted 12.5 mil. kroons/0.8 mil. euros (17.4 mil. kroons/1.1 mil. euros in the same period of the last year).

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

	<i>th EEK</i> Q1 2009	<i>th EEK</i> Q1 2008	<i>th EUR</i> Q1 2009	<i>th EUR</i> Q1 2008
Board member and other remuneration	570	485	36	31
Social tax and unemployment insurance premiums	188	160	12	10
TOTAL	758	645	48	41

Financial highlights

	<i>th EEK</i> Q1 2009	<i>th EEK</i> Q1 2008	<i>th EUR</i> Q1 2009	<i>th EUR</i> Q1 2008
Income statement				
Revenue	53,086	73,867	3,393	4,721
EBITDA	2,226	8,184	142	523
EBITDA margin	4.2%	11.1%	4.2%	11.1%
Operating profit	266	5,920	17	378
Operating margin	0.5%	8.0%	0.5%	8.0%
Net profit	(673)	5,133	(43)	328
Net margin	(1.3%)	6.9%	(1.3%)	6.9%
Balance sheet				
Total assets	155,905	172,678	9,965	10,468
Return on assets	(0.4%)	3.0%	(0.4%)	3.1%
Equity	70,404	76,464	4,499	4,548
Return on equity	(1.0%)	6.7%	(1.0%)	7.2%
Debt-to-equity ratio	54.8%	55.7%	54.9%	56.6%
Share (31 December)				
Closing price (EEK/EUR)	10.48	28.95	0.67	1.85
Earnings per share (EEK/EUR)	(0.15)	1.14	(0.01)	0.07
Price-earnings ratio	-	25.37	-	25.38
Book value of a share (EEK/EUR)	15.65	17.00	1.00	1.01
Market to book ratio	0.67	1.70	0.67	1.83
Market capitalization	47,150	130,248	3,014	8,323

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 March 2009 1.670.

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

	OÜ Skano	OÜ Visu	OÜ Isotex	SIA Skano	UAB Skano LT	TOV Skano
Country of location	Estonia	Estonia	Estonia	Latvia	Lithuania	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 31.3.2009	1	1	1	1	100	1
Ownership at 31.3.2009 (%)	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 Klaipeda, Kaunas and Vilnius. TOV Skano Ukraine purpose was to start retail of furniture in bigger cities of the Ukraine. At the end of 2008 it has stores 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 2007.

Declaration of the Management Board

The Management Board of AS Viisnurk is prepared consolidated unaudited Interim Report for the 1st quarter of 2009, which is presented on pages 4 to 21 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



Member of Management board

Erik Püile

22 May 2009

Consolidated balance sheet

	<i>Tb EEK</i> 31.3.2009	<i>Tb EEK</i> 31.12.2008	<i>Tb EUR</i> 31.3.2009	<i>Tb EUR</i> 31.12.2008
Cash and bank	3,831	6,913	245	442
Receivables and prepayments (Note 2)	26,835	19,568	1,715	1,250
Inventories (Note 3)	57,896	68,096	3,701	4,351
Total current assets	88,562	94,577	5,661	6,043
Investment property (Note 4)	2,893	2,893	185	185
Tangible fixed assets (Note 5)	64,431	66,333	4,118	4,239
Intangible fixed assets (Note 6)	19	21	1	1
Total fixed assets	67,343	69,247	4,304	4,425
<u>TOTAL ASSETS</u>	<u>155,905</u>	<u>163,824</u>	<u>9,965</u>	<u>10,468</u>
Debt obligations (Note 7)	15,654	17,722	1,001	1,132
Payables and prepayments (Note 8)	38,620	43,646	2,468	2,790
Short-term provisions (Note 9)	86	115	6	7
Total current liabilities	54,360	61,483	3,475	3,929
Non-current debt obligations (Note 7)	27,720	27,720	1,772	1,772
Non-current provisions (Note 9)	3,421	3,421	219	219
Total non-current liabilities	31,141	31,141	1,991	1,991
Total liabilities	85,501	92,624	5,466	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	130	253	8	14
Retained profits	15,759	9,717	1,007	621
Net profit for the year (Note 11; 12)	(673)	6,042	(43)	386
Total equity	70,404	71,200	4,499	4,548
<u>TOTAL LIABILITIES AND EQUITY</u>	<u>155,905</u>	<u>163,824</u>	<u>9,965</u>	<u>10,468</u>

Consolidated income statement

	<i>Tb EEK</i> 1 st quarter 2009	<i>Tb EEK</i> 1 st quarter 2008 (adjusted)	<i>Tb EUR</i> 1 st quarter 2009	<i>Tb EUR</i> 1 st quarter 2008 (adjusted)
RETURN ON SALES (Note 12)	53,086	73,867	3,393	4,721
Cost of production sold	(42,728)	(56,184)	(2,731)	(3,591)
Gross profit	10,358	17,683	662	1,130
Marketing expenses	(8,878)	(9,922)	(567)	(634)
General administrative expenses (Note 12)	(1,516)	(1,585)	(97)	(101)
Other income	1,058	179	67	11
Other expenses	(756)	(435)	(48)	(28)
Operating profit (Note 12)	266	5,920	17	378
Financial income and financial expenses (Note 12)	(939)	(787)	(60)	(50)
Profit before taxes (Note 12)	(673)	5,133	(43)	328
Prepaid income tax (Note 10; 12)	0	0	0	0
NET PROFIT FOR THE PERIOD (Note 11; 12)	(673)	5,133	(43)	328
Basic earnings per share (Note 11)	(0.15)	1.14	(0.01)	0.07
Diluted earnings per share (Note 11)	(0.15)	1.14	(0.01)	0.07

Consolidated cash flow statement

	<i>Tb</i> EEK 1 st quarter 2009	<i>Tb</i> EEK 1 st quarter 2008	<i>Tb</i> EUR 1 st quarter 2009	<i>Tb</i> EUR 1 st quarter 2008
Cash flow from operations				
Net profit before taxes (Note 11; 12)	(673)	5,133	(43)	328
<i>Adjustments for:</i>				
Depreciation of fixed assets (Note 5; 6)	1,960	2,264	125	145
Loss on disposals of fixed assets (Note 5)	13	0	0	0
Interest expense (Note 12)	832	763	53	49
Operating profit before changes in operating capital	2,132	8,160	135	522
Change in operations-related receivables and prepayments	(7,267)	(11,194)	(464)	(716)
Change in inventories (Note 3)	10,200	(7,371)	652	(471)
Change in operations-related liabilities and prepayments	(5,055)	12,277	(323)	785
Cash generated from operations	10	1,872	0	120
Interest paid	(832)	(763)	(53)	(49)
Total cash flow from operations	(822)	1,109	(53)	71
Cash flow from investments				
Acquisition of fixed assets (Note 5; 6)	(70)	(1,126)	(4)	(72)
Total cash flow from investments	(70)	(1,126)	(4)	(72)
Cash flow from financing activities				
Raise a loan (Note 7)	159	0	10	0
Repayment of loans (Note 7)	(2,147)	(2,147)	(137)	(137)
Settlement of finance lease liabilities (Note 7)	(79)	(117)	(5)	(8)
Total cash flow from financing activities	(2,067)	(2,264)	(132)	(145)
TOTAL CASH FLOW	(2,959)	(2,281)	(189)	(146)
Currency translation differences	(123)	48	(8)	3
CASH AT BEGINNING OF PERIOD	6,913	6,006	442	384
CASH AT END OF PERIOD	3,831	3,773	245	241

Consolidated statement of changes in equity

<i>Tb EEK</i>	Share capital	Share premium	Statutory capital reserve	Currency translation reserve	Retained earnings	Total
Balance at 31.12.2007	44,991	5,698	4,499	39	16,016	71,243
Currency translation differences	0	0	0	88	0	88
Adjusted profit for 3 months 2008	0	0	0	0	5,133	5,133
Balance at 31.03.2008	44,991	5,698	4,499	127	21,149	76,464
Balance at 31.12.2008	44,991	5,698	4,499	253	15,759	71,200
Currency translation differences	0	0	0	(123)	0	(123)
Profit for 3 months 2009	0	0	0	0	(673)	(673)
Balance at 31.03.2009	44,991	5,698	4,499	130	15,086	70,404
<i>Tb EUR</i>	Share capital	Share premium	Statutory capital reserve	Currency translation reserve	Retained earnings	Total
Balance at 31.12.2007	2,875	364	288	3	1,024	4,554
Currency translation differences	0	0	0	5	0	5
Adjusted profit for 3 months 2008	0	0	0	0	328	328
Balance at 31.03.2008	2,875	364	288	8	1,352	4,887
Balance at 31.12.2008	2,875	364	288	14	1,007	4,548
Currency translation differences	0	0	0	(6)	0	(6)
Profit for 3 months 2009	0	0	0	0	(43)	(43)
Balance at 31.03.2009	2,875	364	288	8	964	4,499

Notes to the consolidated interim report

Accounting Policies And Measurement Bases

The consolidated financial statements prepared for the period ended 31 March 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.

According to the assessment of the Management Board, AS Viisnurk is a going concern and the Interim Report for the 1st 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> 31.03.2008 adjusted	<i>Tb EEK</i> 31.03.2008	<i>Tb EUR</i> 31.03.2008 adjusted	<i>Tb EUR</i> 31.03.2008
Cost of production sold	(56,184)	(56,590)	(3,591)	(3,617)
General administrative expenses	(1,585)	(1,179)	(101)	(75)

Note 2 Receivables and prepayments

	<i>Tb EEK</i> 31.03.2009	<i>Tb EEK</i> 31.12.2008	<i>Tb EUR</i> 31.03.2009	<i>Tb EUR</i> 31.12.2008
Customer receivables	22,197	13,867	1,419	886
Prepaid VAT	1,935	2,845	124	182
Other receivables	339	399	21	25
Prepaid services	2,364	2,457	151	157
TOTAL	26,835	19,568	1,715	1,250

Note 3 Inventories

	<i>Tb EEK</i> 31.03.2009	<i>Tb EEK</i> 31.12.2008	<i>Tb EUR</i> 31.03.2009	<i>Tb EUR</i> 31.12.2008
Raw materials and other materials	10,645	13,150	680	840
Work-in-progress: production	9,881	12,650	632	808
Work-in-progress: real estate development	3,335	3,335	213	213
Finished goods	28,379	32,975	1,814	2,107
Goods purchased for resale	5,568	5,943	356	380
Prepayments to suppliers	88	43	6	3
TOTAL	57,896	68,096	3,701	4,351

Work-in-progress: real estate development

At 31 March 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 3,335 thousand kroons/213 thousand euros (31.03.2008: 3,289 thousand kroons/210 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 31.03.2008	7,341	469
Accumulated depreciation at 31.03.2008	(4,448)	(284)
Net book amount at 31.03.2008	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 31.03.2009	7,341	469
Accumulated depreciation at 31.03.2009	(4,448)	(284)
Net book amount at 31.03.2009	2,893	185

Costs of maintenance for three months of 2009 were 46 thousand kroons/3 thousand euros and 40 thousand kroons/3 thousand euros in the same period of 2008.

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>
	31.03.2009	31.12.2008	31.03.2009	31.12.2008
Land	1,238	1,238	79	79
Buildings and constructions	41,223	41,884	2,635	2,677
Machinery, plant and equipment	18,884	20,033	1,207	1,280
Other equipment and fixtures	1,403	1,564	90	100
Construction in progress	1,683	1,614	107	103
TOTAL	64,431	66,333	4,118	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 3 months of 2008	1,142	73
Depreciation in 3 months of 2008	(2,189)	(140)
Cost at 31.03.2008	173,105	11,063
Accumulated depreciation at 31.03.2008	(110,425)	(7,057)
Net book amount at 31.03.2008	62,680	4,006
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 3 months of 2009	64	4
Disposals in 3 months of 2009	(35)	(2)
Depreciation in 3 months of 2009	(1,935)	(123)
Currency translation	4	0
Cost at 31.03.2009	179,495	11,471
Accumulated depreciation at 31.03.2009	(115,064)	(7,353)
Net book amount at 31.03.2009	64,431	4,118

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 3 months of 2008	(92)	(6)
Cost at 31.03.2008	5,193	332
Accumulated depreciation at 31.03.2008	(4,973)	(318)
Net book amount at 31.03.2008	128	8
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 3 months of 2009	(2)	(0)
Cost at 31.03.2009	5,193	332
Accumulated depreciation at 31.03.2009	(5,174)	(331)
Net book amount at 31.03.2009	19	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>
	31.03.2009	31.12.2008	31.03.2009	31.12.2008
Current liabilities	15,654	17,722	1,001	1,132
incl non-convertible debt	243	321	16	21
Non-current debt obligations	27,720	27,720	1,772	1,772
incl non-convertible debt	945	945	60	60
TOTAL	43,274	45,442	2,773	2,904

Note 8 Payables and prepayments

	<i>Tb EEK</i>	<i>Tb EEK</i>	<i>Tb EUR</i>	<i>Tb EUR</i>
	31.03.2009	31.12.2008	31.03.2009	31.12.2008
Supplier payables (Note 13)	22,005	26,488	1,406	1,693
Payables to employees	6,166	5,644	394	361
Taxes payables	3,164	4,174	202	267
Other payables	5,551	2,817	355	180
Customer prepayments	1,734	4,523	111	289

TOTAL	38,620	43,646	2,468	2,790
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Note 9 Provisions

	<i>th EEK</i>	<i>th EUR</i>
Balance at 31.12.2007	3,200	204
Incl current portion	264	17
non-current portion	2,936	187
Used during the 3 months 2008	(72)	(5)
Interest cost 3 months 2008	(51)	(3)
Balance at 31.03.2008	3,128	199
Incl current portion	192	12
non-current portion	2,936	187
Balance at 31.12.2008	3,536	226
Incl current portion	115	7
non-current portion	3,421	219
Used during the 3 months 2009	(29)	(1)
Interest cost 3 months 2009	(69)	(4)
Balance at 31.03.2009	3,507	225
Incl current portion	86	6
non-current portion	3,421	219

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.

Note 10 Share Capital

	Number of shares	Share capital	Share capital
	<i>pcs</i>	<i>th EEK</i>	<i>th EUR</i>
Balance 31.03.2009	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.

Note 11 Earnings per share

	<i>EEK</i>	<i>EEK</i>	<i>EUR</i>	<i>EUR</i>
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Basic earnings per share	(0.15)	1.14	(0.01)	0.07
Diluted earnings per share	(0.15)	1.14	(0.01)	0.07
Book value of share	15.65	17.00	1.00	1.09
Price/earnings ratio (P/E)	-	25.39	-	25.39
Closing price of the share of AS Viisnurk on Tallinn Stock Exchange at 31.03	10.48	28.95	0.67	1.85

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

Basic earnings per share for 3 months of 2009 = (672,676) / 4,499,061 = (0.15) kroons/(0.01) euros

Basic earnings per share for 3 months of 2008 = 5,133,258 / 4,499,061 = 1.14 kroons/0.07 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 3 months of 2009 -

Price/earnings ratio (P/E) for 3 months of 2008 = 28.95 / 1.14 = 25.39

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 20,21).

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 21,22).

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

th EEK	Furniture Factory		Skano		Building Material Division		TOTAL OF SEGMENTS	
	1 st quarter 2009	1 st quarter 2008	1 st quarter 2009	1 st quarter 2008	1 st quarter 2009	1 st quarter 2008	1 st quarter 2009	1 st quarter 2008
Revenues from external customers	23,765	30,396	8,934	9,686	20,387	33,785	53,086	73,867
Revenues from other segments	3,833	5,693	0	0	0	0	3,833	5,693
Segment profit or loss	1,616	1,834	(778)	(164)	(248)	4,262	590	5,932
Elimination							(325)	(11)
Concern profit or loss before financial expenses							265	5,921
Net financial expenses							(938)	(788)
Concern profit or loss							(673)	5,133
Segment assets*	93,240	94,152	16,246	14,505	75,287	91,381	184,773	200,038

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

th EUR	Furniture Factory		Skano		Building Material Division		TOTAL OF SEGMENTS	
	1 st quarter	1 st quarter	1 st quarter	1 st quarter	1 st quarter	1 st quarter	1 st quarter	1 st quarter

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	quarter 2009	quarter 2008	quarter 2009	quarter 2008	quarter 2009	quarter 2008	2009	2008
Revenues from external customers	1,519	1,943	571	619	1,303	2,159	3,393	4,721
Revenues from other segments	245	364	0	0	0	0	245	364
Segment profit or loss	103	117	(50)	(10)	(16)	272	37	379
Elimination							(20)	(1)
Concern profit or loss before financial expenses							17	378
Net financial expenses							(60)	(50)
Concern profit or loss							(43)	328
Segment assets*	5,959	6,017	1,038	927	4,812	5,840	11,809	12,784

* 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:

th EEK	1 st quarter 2009				1 st quarter 2008			
	FF	SK	BMD	TOTAL	FF	SK	BMD	TOTAL
Finland	10,328	0	11,376	21,704	13,653	0	21,782	35,435
Russia	11,691	0	823	12,514	14,637	0	1,324	15,961
Estonia	306	2,200	5,365	7,871	482	4,511	7,820	12,813
Ukraine	0	2,894	0	2,894	0	323	708	1,031
Latvia	0	1,730	638	2,368	0	2,319	793	3,112
Lithuania	0	2,110	108	2,218	0	2,533	105	2,638
Portugal	0	0	1,245	1,245	0	0	0	0
Germany	620	0	123	743	966	0	236	1,202
Kazakhstan	629	0	0	629	527	0	0	527
Sweden	0	0	559	559	0	0	1,017	1,017
Belarusian	119	0	0	119	0	0	0	0
Other countries	72	0	150	222	131	0	0	131
TOTAL	23,765	8,934	20,387	53,086	30,396	9,686	33,785	73,867

th EUR	1 st quarter 2009				1 st quarter 2008			
	FF	SK	BMD	TOTAL	FF	SK	BMD	TOTAL
Finland	660	0	727	1,387	873	0	1,392	2,265
Russia	747	0	52	799	935	0	85	1,020
Estonia	19	141	343	503	31	288	500	819
Ukraine	0	185	0	185	0	21	45	66
Latvia	0	110	41	151	0	148	51	199
Lithuania	0	135	7	142	0	162	6	168
Portugal	0	0	79	79	0	0	0	0
Germany	40	0	8	48	62	0	15	77
Kazakhstan	40	0	0	40	34	0	0	34
Sweden	0	0	36	36	0	0	65	65
Belarusian	8	0	0	8	0	0	0	0
Other countries	5	0	10	15	8	0	0	8
TOTAL	2,519	571	1,303	3,393	1,943	619	2,159	4,721

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 Group is TDI Investments KY, registered in the Republic of Finland and belonging to Scandinavian investors.

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

	<i>Tb EEK</i>	<i>Tb EEK</i>	<i>Tb EUR</i>	<i>Tb EUR</i>
	1st quarter 2009	1st quarter 2008	1st quarter 2009	1st quarter 2008
Board member and other remuneration	570	485	36	31
Social tax and unemployment insurance premiums	188	160	12	10
TOTAL	758	645	48	41

As at 31.03.2009, pursuant to the contracts entered into, the members of the Management Board will receive severance pay amounting to 2-month remuneration.

In the 1st quarter of 2009, there were no transactions between the related parties.