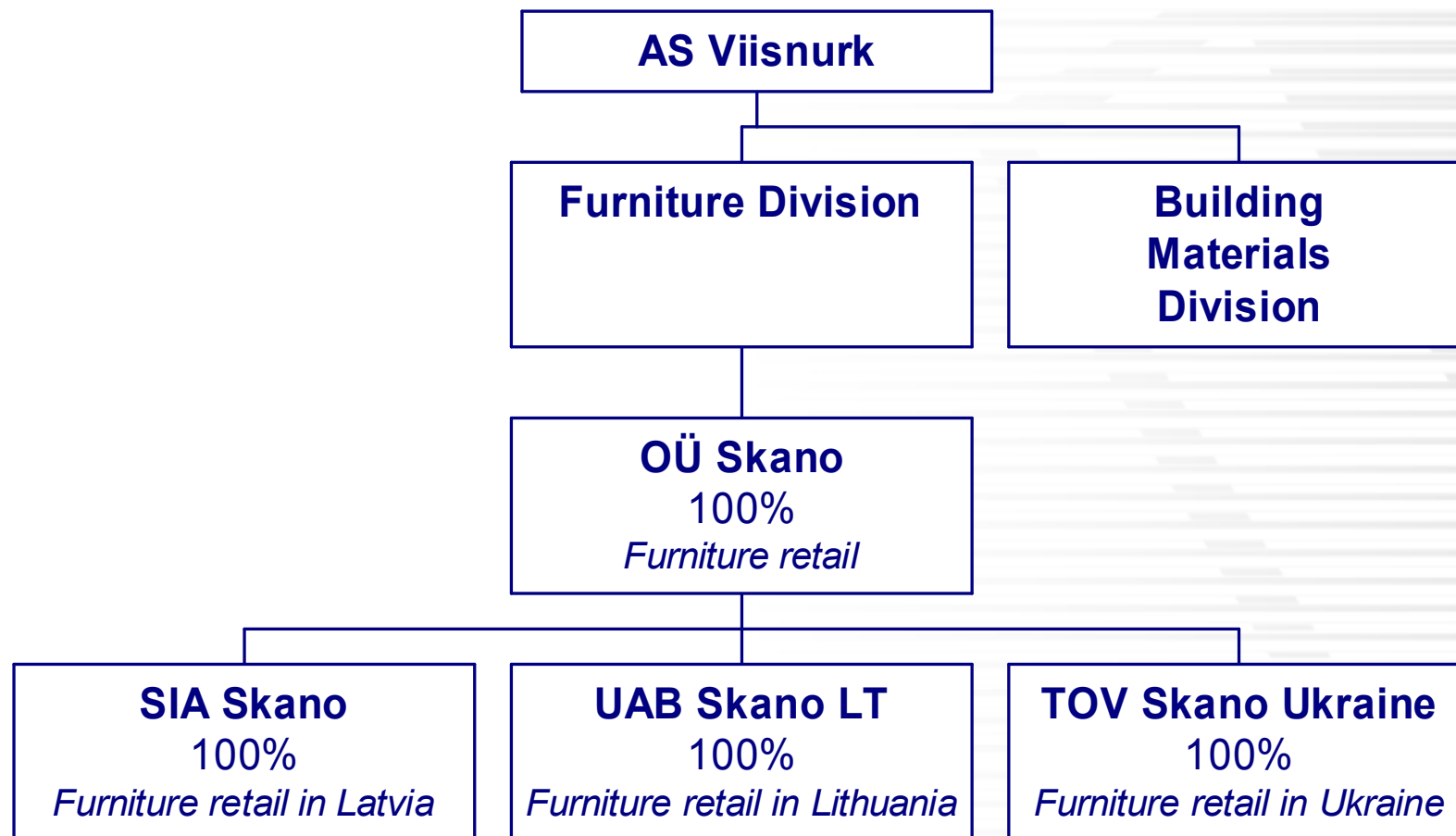




**Development vision and
business strategy
2008-2010**

AS Viisnurk



AS Viisnurk

AS Viisnurk operates in two separate business directions:

- Building Materials Division – produces general building boards of the brand name Isoplaat and interior finishing boards of the brand name Isotex.
- Furniture Division – is divided into furniture production (furniture factory) and retail (Skano) branch.

Index

- Progress of Furniture Division
- Progress of Building Materials Division
- Real Estate Development
- Results of the 3rd quarter 2007

Furniture Division

Turn in 3 years into retail orientated division with own operated store network.

- Retail turnover of more than 60% from total turnover of Furniture Division.
- More than 20 stores in the Baltics, Ukraine, Central-Europe
- Furniture factory produces only a narrow assortment.

Store Concept

Rather a salon than a store – service orientated

- Size 200-300 m²
- Offering solutions based on library and home office
- High quality and unconventionally designed upholstery
 - + Lamps
 - + Pictures
 - + Other accessories

Store Concept



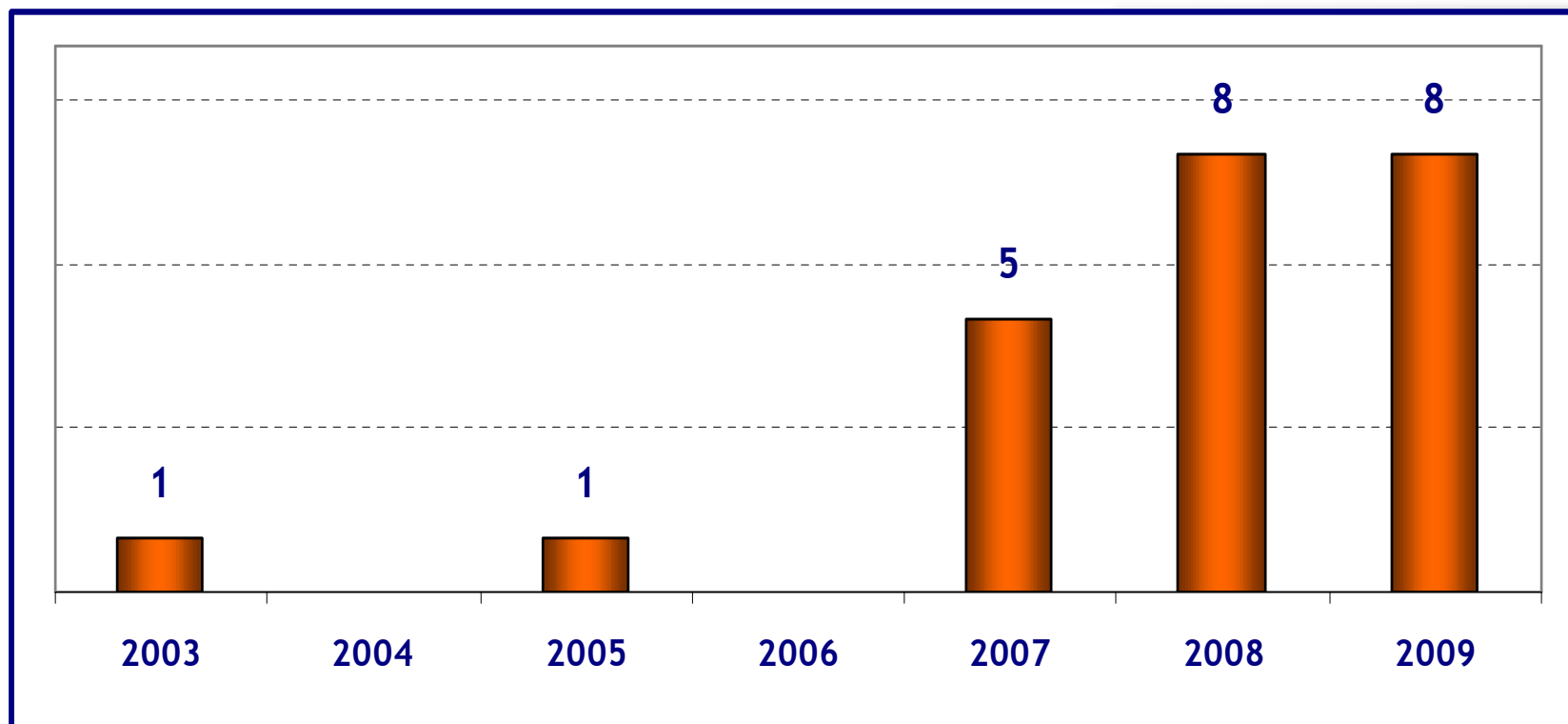
Store Concept



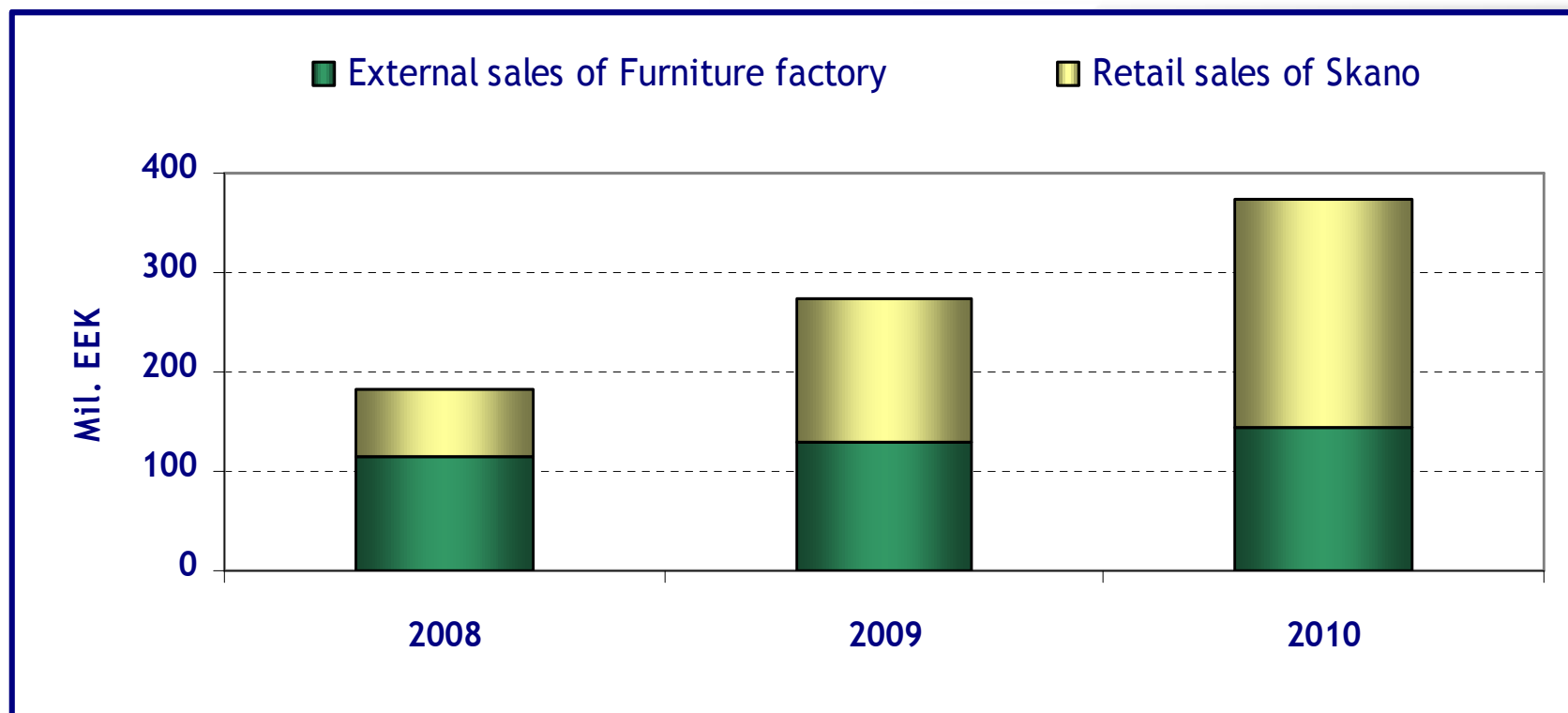
Store Concept



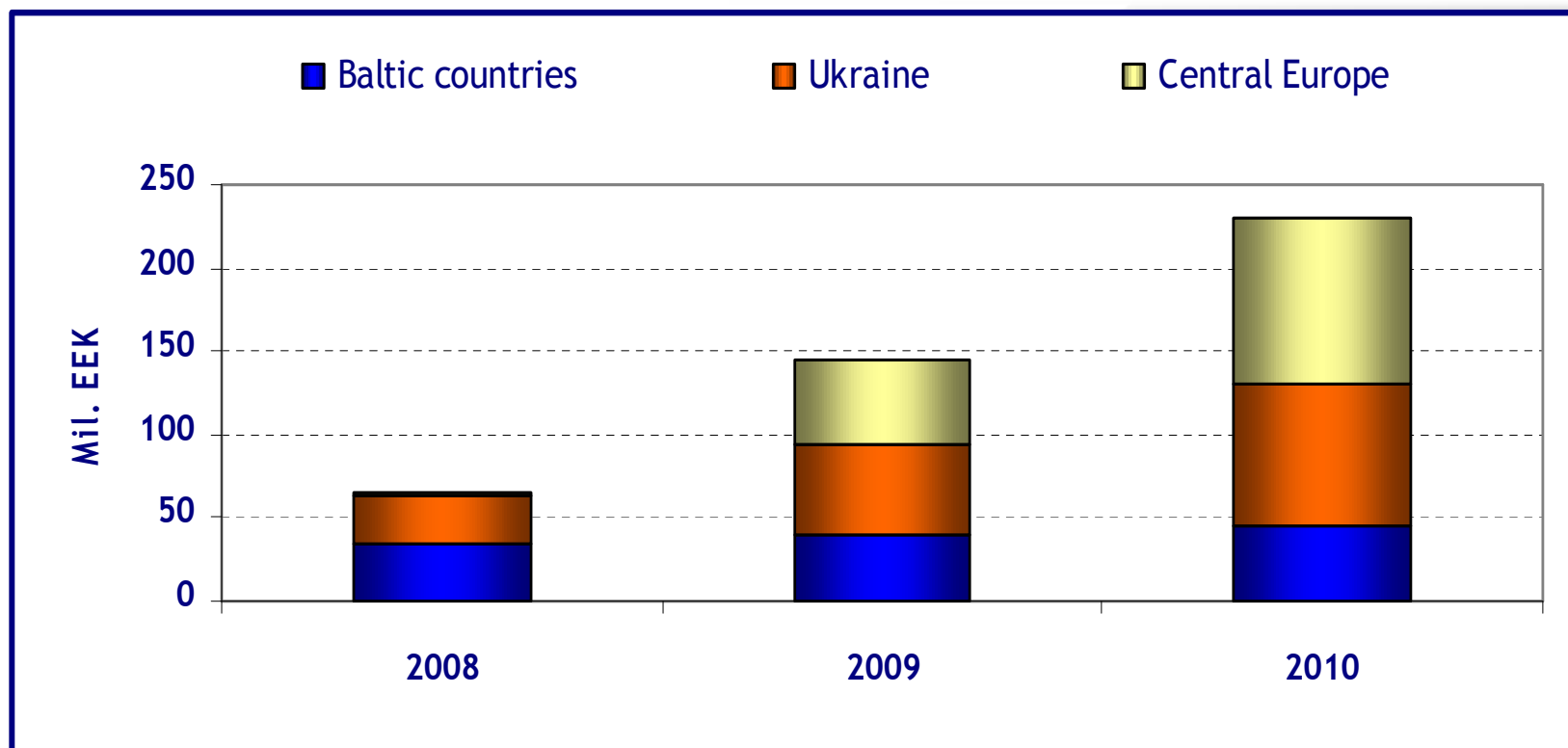
Store Openings



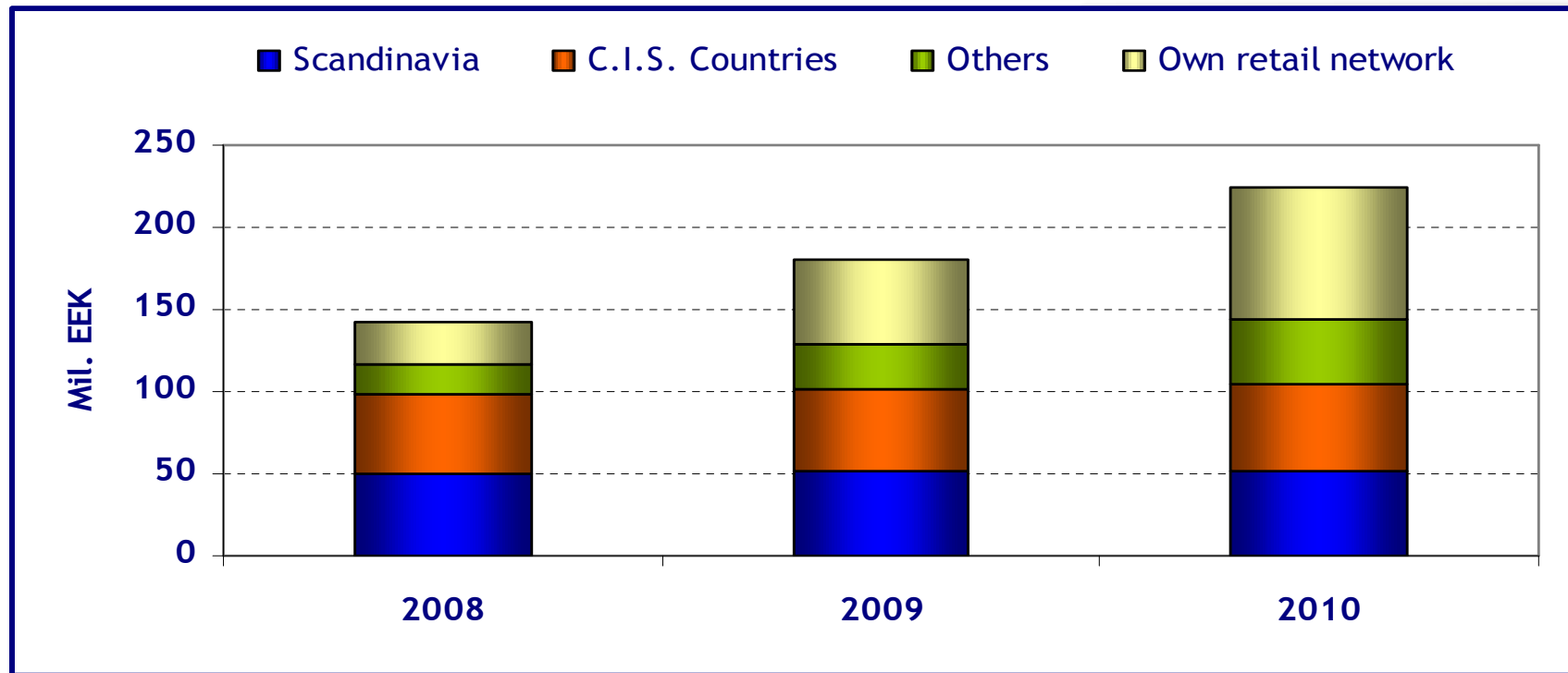
Net sales of division



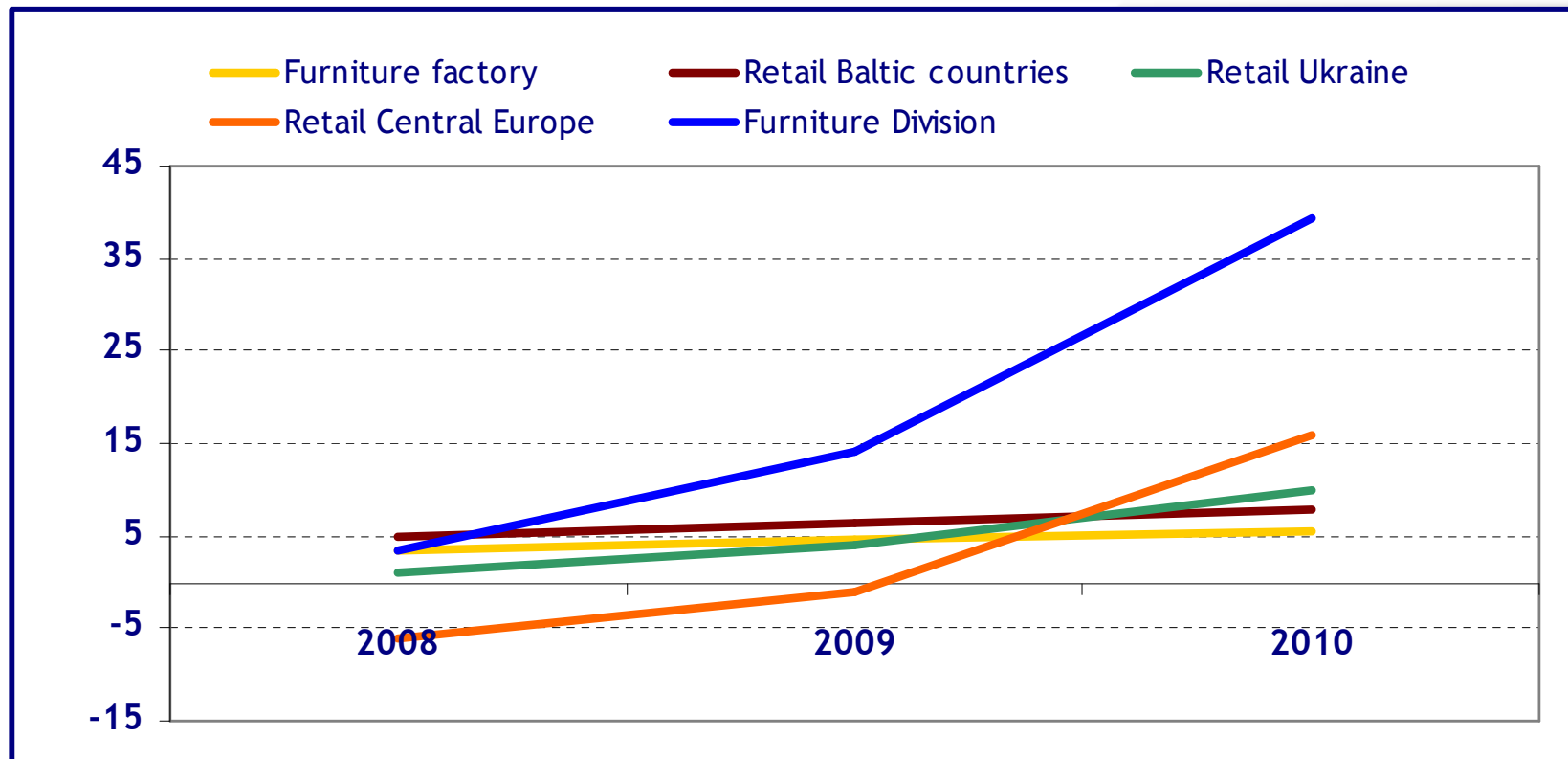
Retail – Sales by Markets



Production – Sales by Markets



EBIT



Target for 2010 – sales margin over 10%

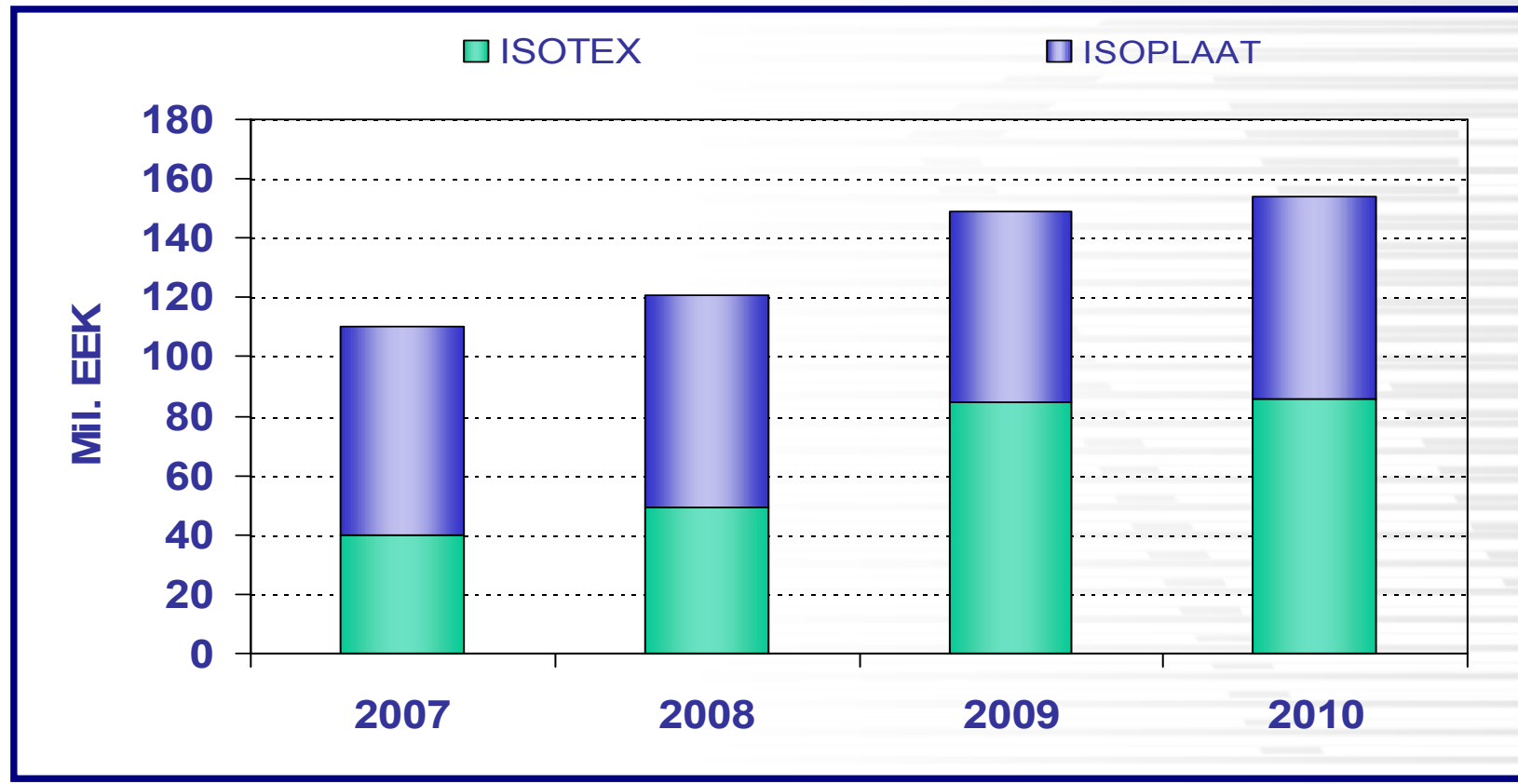
Building Materials division

- Concentrate more on sales and production growth of interior boards
- Increase production volume of the main line (Isoplaat) 8%
- Keep net profit margin over 10%

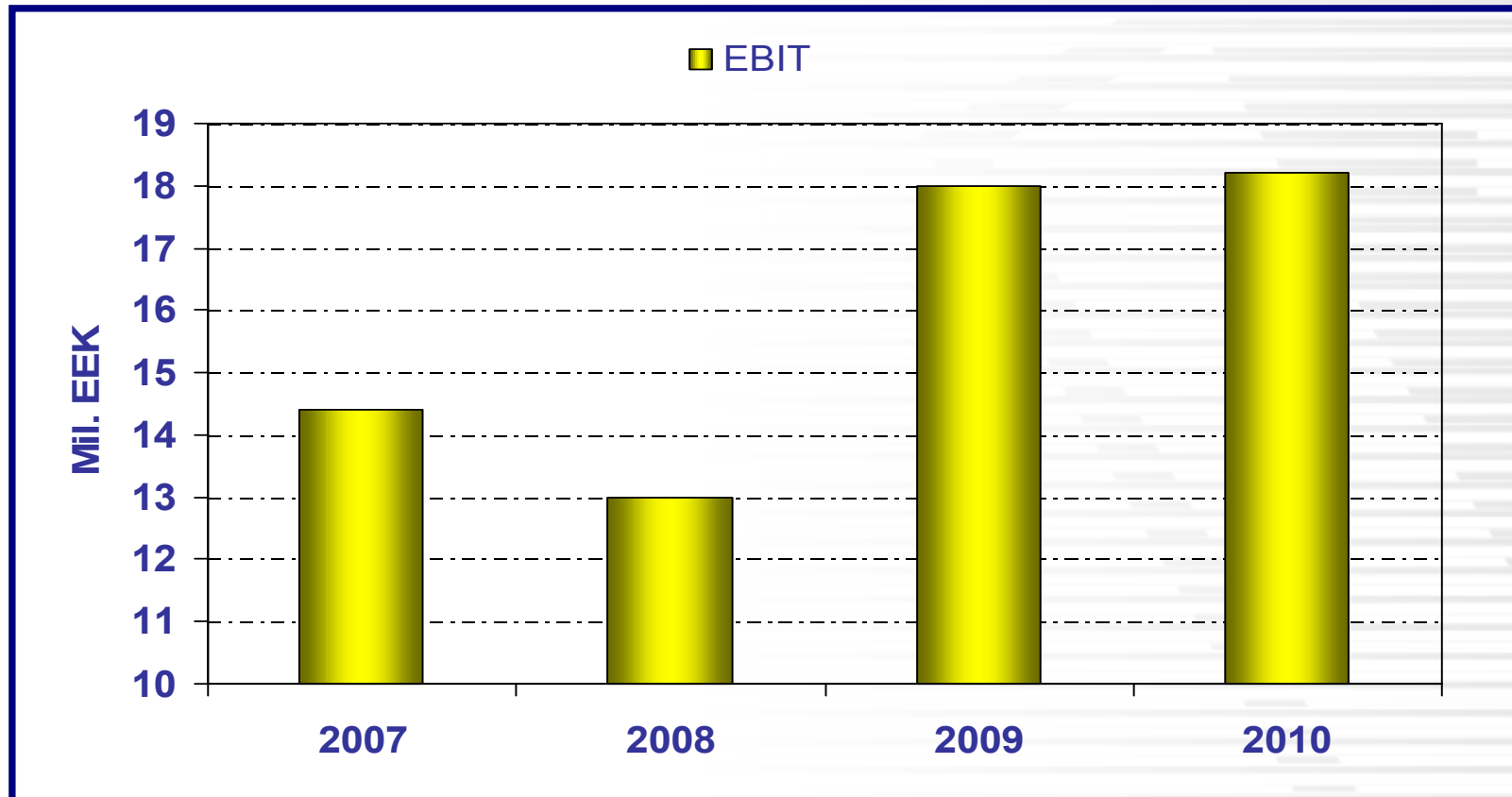
Interior boards Isotex

- New Isotex line is working. Production output 50% of maximum.
- Growth on neighbouring markets – Russia, Ukraine and Latvia. Focusing on finding new partners in Russia and Ukraine
- More shops in existing markets

Net sales of division



EBIT



Lower net profit in 2008 comes from more aggressive marketing budget, to sell all production capacity of Isotex in 2009.

Real Estate Development Rääma 31

First stage of architectural competition:

- Three competitors:
 - AB Kavakava OÜ
 - AB Kolm Pluss Üks OÜ
 - AB Luhse & Tuhhal

- No winner in the first stage, AB Kavakava and AB Luhse & Tuhhal will continue in stage two.

Real Estate Development Rääma 31

Future plans

- Winner will be selected in stage two
- According to the winning plan continue drafting the detailed plan. Estimated time-line for detailed plan 1 year.

Real Estate Development Rääma 31

Designer AB Kavakava

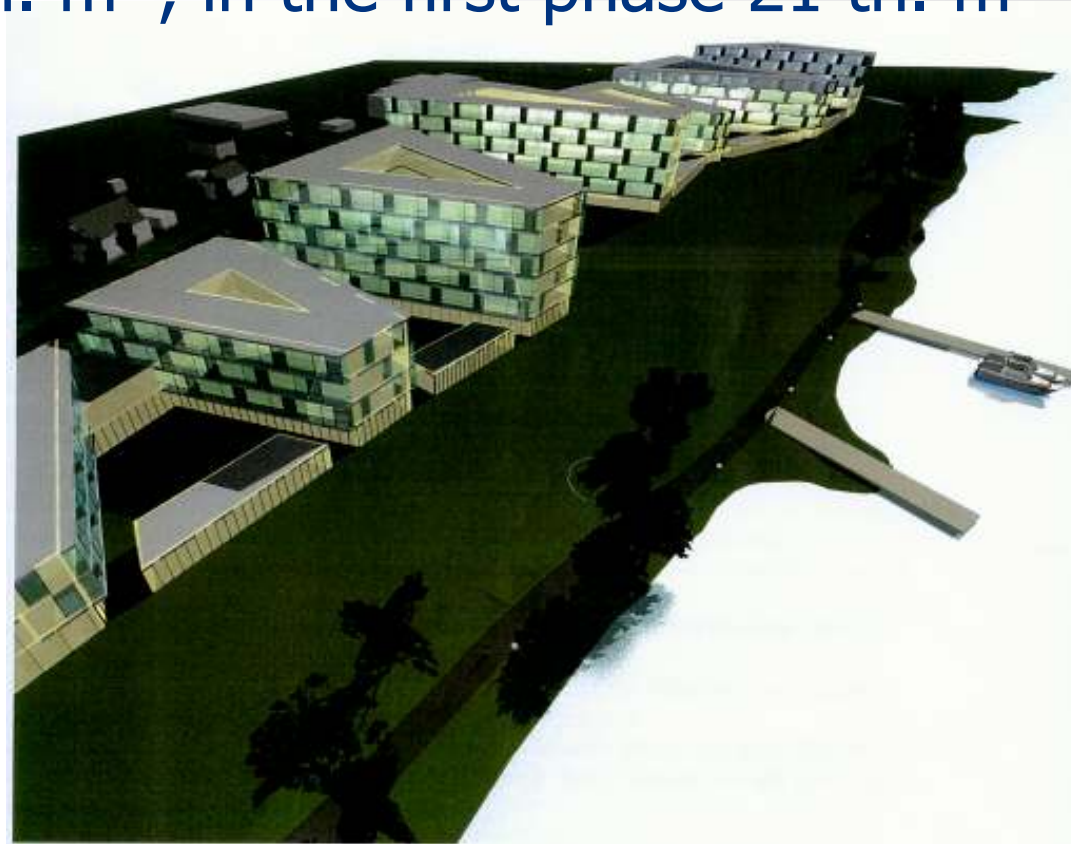
Construction volume 40 th. m², in the first phase 14 th. m²



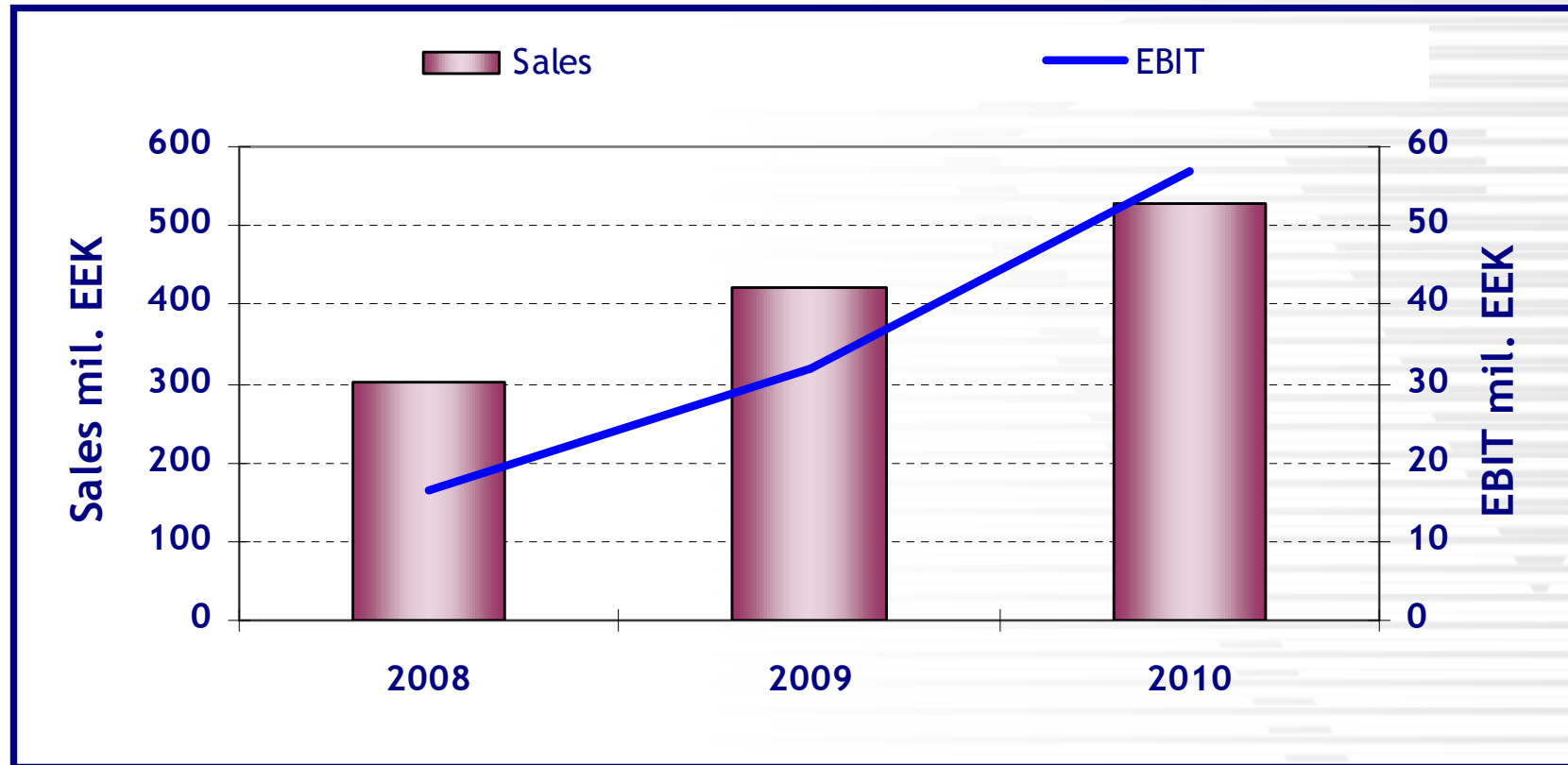
Real Estate Development Rääma 31

Designer AB Luhse ja Tuhal

Construction volume 60 th. m² , in the first phase 21 th. m²



Consolidated net sales and EBIT



Results of the 3rd quarter and 9 months

th. EEK	2 007	2 006	2 007	2 006
	9 months	9 months	3rd quarter	3rd quarter
Net sales	180 505	160 636	51 004	51 428
EBITDA	20 785	18 522	3 641	6 725
EBIT	14 115	10 521	1 671	4 094
<i>EBIT margin</i>	<i>7,8%</i>	<i>6,5%</i>	<i>3,3%</i>	<i>8,0%</i>
Net profit	11 676	8 378	944	3 529
<i>Net margin</i>	<i>6,5%</i>	<i>5,2%</i>	<i>1,9%</i>	<i>6,9%</i>

Comments on 3rd Q 2007 comparing 3rd Q 2006:

- In Furniture factory sales were smaller than estimated in summer and difference in the period of vacations (*ca* 0.5 mil. EEK).
- Results of Skano -0.4 mil. EEK in 2007 (+ 0.3 mil. EEK in 2006) – difference *ca* 0.7 mil. EEK due to expansion costs.
- Marketing costs of Building Materials Division *ca* + 0.8 mil. EEK resulting mostly from change of sales structure.

Forecast for 2007

- **Forecast of results in 2007 – net result *ca* 15 mil. EEK (without expansion costs of retail the results of 2007 would be 19 mil. EEK)**
- **Expansion costs of retail (bigger administrative costs and losses of opened stores in Lithuania and Ukraine) in 9 months of 2007 *ca* 4 mil. EEK**

Thank You!