



SAGA FURS OYJ

FINANCIAL STATEMENTS BULLETIN FOR THE FINANCIAL YEAR 1 SEPTEMBER 2010 –31 AUGUST 2011

Vantaa, 25 November 2011 at 14.20

Higher price level powered Saga Furs Oyj to record performance

- Increased pelt prices enabled Saga Furs Oyj (Finnish Fur Sales until 29 September 2011) to post record intermediary sales for the financial year 1 September 2010–31 August 2011. The value of intermediary sales increased by 35%, totalling EUR 595 million (MEUR 442 in the previous financial year).
- The Company sold a total of 9.1 million pelts in the period (9.6 million in the previous financial year).
- Because of high demand, the general price level of both mink and fox pelts rose clearly: the dollar price of mink pelts by 35 per cent and the euro price by 25 per cent, and the dollar price for fox pelts by 66 per cent and the euro price by 57 per cent.
- Consolidated net turnover rose by 20 per cent, amounting to EUR 54.1 million (MEUR 45.0).
- Consolidated operating profit doubled and amounted to EUR 15.1 million, representing 27.9 per cent of net turnover (MEUR 7.3, representing 16.2 per cent of net turnover).
- Earnings per share were EUR 3.84 (EUR 2.17).
- The Board of Directors will propose to the Annual General Meeting, convening in Vaasa on 19 January 2012, that a dividend of EUR 1.45 per share (totalling EUR 5,220,000) be paid to shareholders from the distributable funds for 1 September 2010–31 August 2011 and that EUR 1,380,000 be transferred to the counter-cyclical budgetary fund.

Consolidated key figures	6/11- 8/11	9/10- 8/11	6/10-8/10	9/09-8/10
	3 months	12 months	3 months	12 months
Total sales, MEUR	157.6	594.7	163.5	441.8
Number of skins sold, 1,000 pcs	2 636	9 097	3 196	9 648
Net turnover, MEUR	14.0	54.1	15.6	45.0
Operating profit/loss, MEUR	4.8	15.1	6.5	7.3
Profit before taxes, MEUR	5.9	18.7	7.3	10.6
Earnings per share, EUR	1.22	3.84	1.51	2.17
Return on equity, (ROE) %	6.7%	22.2%	9.9%	14.4%
Return on investment, (ROI) %	6.4%	20.6%	8.5%	12.6%
Dividend proposed by the Board	-	1.45	-	0.90 ¹⁾

1) Based on a minimum dividend requirement according to Section 13, Paragraph 7 of the Companies Act, the AGM decided to pay a dividend of EUR 1.06 per share.



Accounting principles

The information in this Financial Statements Bulletin is based on the audited financial statements (published in Finnish on the company website www.sagafurs.com on 29 November 2011 by 4:00 p.m.) and the Report of the Board of Directors. The financial statements bulletin was prepared in accordance with the IAS 34 Interim Financial Reporting Standard.

From 1 September 2010, the Group has been applying the following new and amended standards that have had no practical effect on the financial statements:

- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- Annual amendments to IFRS standards (April 2010)
- Amendment IAS 32 Financial Instruments: presentation – Classification of Rights Issues

Business overview

Several records were broken during the financial year 1 September 2010 – 31 August 2011. The auction organised in March 2011 was the largest in company history both in terms of intermediary sales value and number of buyers. Intermediary sales value amounted to almost EUR 252 million, and more than 700 international buyers participated in the auction. Also the price level of pelts rose to an all-time record in March. The price of blue fox furs, for example, rose by 30 per cent from the previous auction. As a result of the excellent results of the March auction, the company gave a positive profit warning on 24 March 2011. Because of the increased price level, the total value of intermediary sales in the financial period increased by 35 per cent and amounted to EUR 595 million (MEUR 442) and the profit of the financial period by 77 per cent to EUR 13.8 million (MEUR 7.8). Thanks to the good market situation, the sold furs were delivered at record speeds during the entire financial year.

The prominent position of furs in top fashion collections as well as the continued strong demand in China were reflected in the results of auctions during the entire financial year. Also the importance of quality was emphasised. For mink pelts, price differences between different quality grades remained high, and significant extra prices were paid for short-nap pelts of good quality. The demand for mutation mink pelts exceeded supply during the entire financial year. Results of long-term product development carried out in cooperation with the Saga cooperative were obvious in the demand for fox pelts. The popularity of various types of fox pelts in light jackets and accessories has increased as a result of new technologies. Although the demand from Hong Kong/China determined the general framework of prices, other market areas were also active thanks to successful fashion fairs of the spring.

The implementation of the new strategy of the company picked up speed during the financial year. The company defined its desire to be a pioneer in the fur business and the best partner to its customers. Our corporate values – reliability, profitability and responsibility – tell about our ways of operation and living. Reliability stands for transparency and being able to trust the operations of the company. Profitability means the continuous development of operations as well as high quality. Responsibility represents the appreciation of people, animals and the environment.

In tough international competition, the company's strategy is to aim for excellent quality both in terms of products and of the production process. The company works in cooperation with its producer customers to improve the quality of fur production. In order to ensure the well-being of animals and the environment, the company is participating in



the development of a production certification system unique in the fur industry. Two thirds of Finnish furs are already sourced from certified farms.

A high quality of sorting and trust from customers form the basis of operation for the company. The sorting system of the company following the Saga sorting criteria is commonly considered the best in the world. The sorting development strategy is based on keeping jobs in Finland. In order to ensure the competitiveness, several projects aiming at the enhancement of sorting and production automation were initiated during the financial year.

In June 2011, the group purchased the Saga brands and the Design Centre property from the Saga cooperative. Stock exchange press releases concerning the steps of the process were issued on 16 and 27 May and on 10 June. Following this, the Board of Directors called an extraordinary general meeting to decide that the company's trade name would be changed to Saga Furs Oyj. The general meeting was held on 13 September 2011. The name change clarifies the image of the company and improves marketing as the Saga brand used for the intermediary marketing of furs for decades is now also the name of the company.

Sales during the financial year 1 September 2010 – 31 August 2011

Review period 1 June – 31 August 2011

In the last auction of the financial period held on 8 to 13 June 2011, a total of 2.1 million mink pelts, 460,000 fox pelts and 45,000 Finnraccoon pelts as well as 12,000 Karakul lamb pelts were sold. The auction was mostly executed in a way that reflected the favourable conditions currently prevailing in the industry. The sales of blue fox pelts, however, were influenced by the cautiousness of customers caused by the steep price increase in the March auction, resulting in a 15–20 per cent decrease in prices from the record level of the March auction. The value of sales at the six-day auction totalled EUR 157.7 million (MEUR 163.3).

Financial period 1 September 2010 – 31 August 2011

Saga Furs Oyj held a total of four auctions during the financial year, selling 6.2 million mink pelts (6.9 million in the previous financial year). Of these, 95 per cent were in the Saga collections, with furs originating from the EU countries and Norway. The company sold 290,000 Eastern European mink pelts as separate collections. A total of 2.3 million fox pelts (2.2 million), 400,000 Karakul lamb pelts from Afghanistan (450,000) and 170,000 Finnraccoon pelts (140,000) were sold.

The average exchange rate of the US dollar, weighted with auction sales, decreased by seven per cent year-on-year. Because of good demand, the price level of both mink and fox pelts rose clearly: the dollar price of mink pelts by 35 per cent and the euro price by 25 per cent, and the dollar price for fox pelts by 66 per cent and the euro price by 57 per cent. Because of the increased price level, the total value of intermediary sales in the financial period increased by 35 per cent and amounted to EUR 595 million (MEUR 442).

Auction	Intermediary sales	Value	Intermediary sales	Value	Intermediary sales	Value
	1,000 pelts 2010/2011	EUR 1,000 2010/2011	1,000 pelts 2009/2010	EUR 1,000 2009/2010	1,000 pelts 2008/2009	EUR 1,000 2008/2009
September	1 605	102 943	1 560	42 633	1 512	52 512
December	1 416	79 843	1 070	42 025	397	12 765
January/February	0	0	92	5 996	39	2 488
March	3 395	251 787	3 695	186 675	3 367	89 475
June	2 639	157 704	3 193	163 301	3 327	89 887
Private Treaty	41	2 400	38	1 182	47	1 291
Total	9 097	594 677	9 648	441 813	8 689	248 418

Net turnover

Review period 1 June - 31 August 2011

The number of pelts traded by the group in the last quarter of the financial year was 17 per cent lower than in the corresponding quarter of the previous year. As a result, the net turnover of the last quarter of the financial year decreased by 10 per cent from the corresponding quarter of the previous year despite the increased price level. The consolidated net turnover was EUR 14.0 million (EUR 15.6 million).

Financial period 1 September 2010 - 31 August 2011

Thanks to the increased price level, the net turnover for the entire financial year increased by 20 per cent year-on-year, amounting to MEUR 54.1 (MEUR 45.0). The bulk of net turnover, 93 per cent (92%), consisted of commission fees collected from fur breeders and buyers. The commission fees from producers accounted for 24 per cent (29%) and the commission fees from buyers for 68 per cent (63%) of the Group's net turnover. The remainder was generated from sales of pelting services and breeding animals to producers, restaurant and congress services offered and sales proceeds from the company's own pelts. The share of commission fees collected from Finnish customers, both producers and buyers, was 13 per cent (15%) and the share of commission fees collected from international customers was 79 per cent (78%). Of the net turnover, 19.2 per cent (12.9%) were generated in the first quarter of the financial year, 16.5 per cent (14.1%) in the second quarter, 38.4 per cent (38.4%) in the third quarter and 25.9 per cent (34.6%) in the final quarter of the financial year.

Financial performance

Review period 1 June–31 August 2011

In the final quarter of the financial year, other operating income amounted to EUR 120,000 (loss EUR 13,000). In the final quarter of the financial year, operating expenses amounted to EUR 9.3 million (MEUR 9.1). Net financial income for the final quarter increased by 27 per cent year-on-year, amounting to EUR 1,100,000 (EUR 840,000). Consolidated profit before taxes for the final quarter stood at EUR 5.9 million (MEUR 7.3).



Financial period 1 September 2010 – 31 August 2011

Other operating income almost doubled from the previous year, amounting to EUR 1.1 million (EUR 550,000), mainly due to the redemption of debts of customers recorded as credit losses in the financial year 2008/2009. The majority of credit losses from customers recorded for the financial year 2008/2009 were redeemed by the end of the financial period.

Operating costs for the financial year were up five per cent year-on-year, totalling EUR 40.1 million (MEUR 38.3). Of the costs, 20.3 per cent (18.9%) were generated in the first quarter of the financial year, 27.4 per cent (29.6%) in the second quarter, 29.1 per cent (27.8%) in the third quarter and 23.2 per cent (23.7%) in the final quarter of the financial year. Personnel expenses rose by three per cent to EUR 16.0 million (MEUR 15.5) and other operating expenses by six per cent to EUR 18.9 million (MEUR 17.8). Marketing and sales promotion costs rose by seven per cent to EUR 6.3 million (MEUR 5.9) as a result of the growth in the volume of pelts traded and higher prices and the resulting marketing fees and representation fees paid to IFTF rising by a total of 31 per cent year-on-year, amounting to EUR 2.1 million (MEUR 1.6 million). Because of improvement in the price level of fur pelts, the consolidated operating profit was better than was expected at the beginning of the year. Consolidated operating profit for the entire financial year doubled and showed a profit of EUR 15.1 million (MEUR 7.3).

Net financial income for the financial year increased nine per cent year-on-year, totalling EUR 3.6 million (MEUR 3.3). Net interest income was EUR 3.4 million (MEUR 3.8) and exchange rate profits were EUR 170,000 (exchange rate loss EUR 340,000). Consolidated profit before tax for the entire financial year stood at EUR 18.7 million (MEUR 10.6) and profit for the period was EUR 13.8 million (MEUR 7.8).

Return on equity for the financial year was 22.2 per cent (14.4%), and earnings per share equity-to-assets ratio was 59.1 per cent (53.2 per cent).

Capital expenditure and development

Consolidated gross capital expenditure totalled EUR 8.9 million (MEUR 1.5 in the previous financial year), representing 16.4 per cent (3.4%) of net turnover. Of the capital expenditure, EUR 3.8 million were spent on the Design Centre property and EUR 1.5 million on the acquisition of Saga brands from the Saga cooperative, EUR 1.8 million on the renovation of the Fur Center property and EUR 1.8 million on other investments of the Group.

Human resources

During the financial year, the company employed an average of 309 persons. The majority of the staff are fixed-term employees, engaging in various jobs relating to the handling of fur pelts.



The number of staff employed by the Group was as follows:

	2010/2011	2009/2010	2008/2009
Average number of staff	309	307	309
- permanent staff	130	135	134
- fixed-term staff	179	172	175
Number of staff at the end of financial year on 31 August	197	207	176

Share performance

The company's Series C share is listed on NASDAQ OMX Helsinki Ltd on the Small Cap list under the Industries and Services sector. The value of shares traded during the financial year totalled EUR 22.1 million and the volume came to 1,600,000 shares, representing 58 per cent of the company's Series C shares. The period high was EUR 16.20, its low EUR 9.30 and its average EUR 14.16. The Series C share closed at EUR 14.18, while a year before, it closed at EUR 9.45. The market capitalisation totalled EUR 51.0 million (MEUR 34.0) on 31 August 2011.

Decisions by the Annual General Meeting

Finnish Fur Sales' Annual General Meeting (AGM), held on 21 January 2011, approved the financial statements for the financial year ending on 31 August 2010. The AGM decided to pay a dividend of EUR 1.06 per share or a total of EUR 3,816,000 to the shareholders based on a minimum dividend request based on Chapter 13, Section 7 of the Companies Act. The dividend was paid out on 2 February 2011. In addition, the AGM decided in line with the Board's proposal that EUR 850,000 of the profit be transferred to the counter-cyclical budgetary fund and that the remainder be kept in the profit account.

Business risks and uncertainties

The risks associated with the business of Saga Furs Oyj include business risks, property and damage risks, financial risks and operational risks. The company aims to manage and limit the possible effects of risks. If, however, these risks were realised, they could considerably impair the business, financial position and financial performance of Saga Furs Oyj.

Market changes and changes in exchange rates

Pelt prices can fluctuate strongly according to the financial cycle. Because fur farming follows an annual cycle, Saga Furs Oyj needs at least six months to adapt to the price changes. These elements involve considerable risks with respect to the company's financial performance. The bulk of pelts offered during a financial year are sold at the auctions held in March and June, when the demand is highest. At this point, most of the costs have already been incurred.

Weakening of the US dollar and other currencies tied to it poses a risk on the company's business. Most of the pelts sold by Saga Furs Oyj are exported outside the euro zone, and the world market price for pelts is determined in USD even when the company's currency of sale is the euro. On the other hand, strengthening of the US dollar considerably improves the company's business outlook. Management of currency risks is described in detail in the Notes to the consolidated financial statements.



Possible decrease in the use of furs as a result of changing fashion trends is clearly a risk for the company. The sharp increase in pelt price levels increases the risk that the fashion industry will start looking for less expensive alternatives to Saga furs. The company is engaged in active marketing and product development of Saga furs in order to influence the choices of the international world of fashion. The goal is to modernise fur as material and find new uses for fur in order to establish a stable position in the world of fashion.

Image risks and political risks

The image risks and political risks associated with furs are important for the company, because it would be impossible to stay in business if the breeding of fur animals and trading in pelts were not allowed.

Risks associated with fur farming

The political risks associated with the justification of fur farming remain considerable. The political climate is favourable for fur farming in countries with the highest production volumes, such as Finland and Poland and, as regards mink farming, Denmark. The government programme approved in Finland in June 2011 includes a section supporting fur farming. Small-scale fox farming in Denmark will be banned after a transition period. In the Netherlands, fox farming is illegal, and the Second Chamber of the parliament has decided on banning mink farming. However, the First Chamber has not approved the law.

The image of fur farming has essential importance for the company. The activities of animal rights organisations aim to create a negative image of fur farming, and social media outside the reach of source criticism provides even better possibilities for this. On the level of impression, the often one-sided image conveyed through social media, for example, affects European decision-makers who are not familiar with the industry. Providing sufficient and truthful information and thereby reducing the risk of legislation being introduced that would make fur farming unprofitable, virtually impossible or illegal, is a continuous challenge.

It is essential with regard to protecting Saga Furs Oyj and the entire industry from image and political risks that the production process of fur pelts is continuously improved and any mistakes and neglect found in fur farms are quickly intervened with. Operations must be transparent from the setting of goals and measurement of progress until the reporting of results and dialogue with different groups of stakeholders.

Certification of fur farms is an even more integral part of the Saga Furs brand. The company promotes the implementation of certification systems in producer countries relevant to the company. The company has set as a goal that in the season 2012/2013, the company only accepts Finnraccoon pelts from certified farms. The certification requirement should be extended to fox pelts in the season 2013/2014.

In October 2011, approximately two thirds of Finnish fur production was covered by certification. In Norway, the local producers' association requires certification from its members by 31 December 2011. Fur farm certification is a quality assurance and environmental system that emphasises responsibility, traceability and transparency and covers all parts of the fur farming process. The certification system in Finland is based on audits performed by an external, neutral auditor, Inspecta Sertifiointi Oy.



Risks associated with pelt trade

The markets for pelts are largely located in areas where trading habits, administration and regulations are very different from what we are used to in the EU and the United States. In particular, this applies to China and Russia, where changes are also difficult to predict. Saga Furs Oyj will continue its efforts to get the Chinese government to gradually remove import duties it was allowed to retain when it became a member of the WTO.

In the Netherlands there is an ongoing process aiming to ban fox pelt trade and fox fur products. The company is following this process closely. In the USA, the process concerning the official trade item name of finnraccoon pelts is ongoing in the Federal Trade Commission (FTC), and the company is trying to influence the decision so that the trade item name ensures the conditions for trade.

Saga Furs Oyj aims to reduce trade-related risks in co-operation with IFTF and EFBA, amongst others.

Changes in pelt production

As a result of the increase of prices, vigorous growth of pelt production in different parts of the world may eventually lead to overproduction. Finland has again become the leading fox pelt producer in the world. However, production in China may increase, in particular if good breeding animals are sold to China. Currently the Chinese are focusing on mink pelt production, which has started to grow again. The Chinese government is supporting domestic production among other things by imposing high import duties.

If the relative competitiveness of European fur production is reduced as a result of increased costs and changes of legislation, this may have a considerable impact on the extent of fur production in Western Europe. This would affect the number of pelts collected by the company.

Concentration of pelt production to larger units means higher financial risks for Saga Furs Oyj. On the other hand, the change in the customer base will improve the company's opportunities to increase the number of pelts sold. This will enhance the company's financial position and, consequently, the company's possibilities to cope in the event that risks are realised.

Financial risks

The business of Saga Furs Oyj involves various financial risks, such as currency risk, risk relating to short-term financing and cash management, interest rate risk, credit risk and other counterparty risk, and commodity risk. A more detailed description of the different financial risks and hedging against them can be found in the Notes to the consolidated financial statements, item 26.

Main events following the end of the financial year

In the last auction held under the name Finnish Fur Sales on 22 to 26 September 2011, slightly over 820,000 Saga mink pelts, almost 730,000 fox pelts and 46,000 Finnraccoon pelts were offered for auction. The demand for fur pelts remained at a high level and the price level stayed high despite the uncertainty in global economy. The decline of blue fox prices since the March auction continued, however, with a decrease of some 10 per cent in price and 95 per cent of the collection was sold. The value of sales in the five-day auction was EUR 98.7 million (MEUR 103 in the September 2010 auction).



The extraordinary general meeting of Finnish Fur sales held on 13 September 2011 decided to change the company name to Saga Furs Oyj. The change was registered on 30 September 2011. The name change was the next step in a process that started with the purchase of the Design Centre property and the Saga brands from the Saga cooperative. The name change is prompted by a need to clarify the company's identity and strengthen the Saga brand.

Key personnel of the Saga cooperative became employees of the Group, and Jan Erik Carlson, Managing Director of the cooperative, also started as Marketing Director and Member of the Management Group on 1 September 2011. Carlson's tasks will include trade services – business operations, marketing and product development. Bringing auction operations and the product development and fashion expertise of the Saga Furs Design Centre together under the Saga Furs brand supports the main operation of the company, the sales of Saga mink, fox and Finnraccoon pelts.

The Norwegian auction house Oslo Skinnauksjoner SL and its owner, the central association of Norwegian fur farmers Norges Pelsdyrslag, agreed with Saga Furs Oyj on the extension of the four-year sales agreement that started on 1 March 2009 with two years for the seasons 2013/2014 and 2014/2015.

Estimate on business development in the new financial year

In addition to the auction held in September 2011, this financial year Saga Furs Oyj will hold an auction on 19 to 22 December 2011, 15 to 19 March 2012 and 8 to 13 June 2012. In these auctions, the company aims to offer 5.8 million mink pelts, 1.5 million fox pelts, 85,000 million Finnraccoon pelts and 300,000 Karakul lamb pelts.

World production of mink pelts is estimated to have increased by more than five per cent year-on-year, now amounting to more than 53 million pelts. Of the global production, 60 per cent is produced in Northern and Western Europe and a quarter in China. The production of mink pelts is expected to increase clearly more quickly in China than in other countries. The quality of Chinese mink pelts is, however, not competitive in comparison to mink pelts produced in Europe.

World production of fox pelts is estimated at four million pelts. Approximately half of the world production originates from Finland and a bit more than a third from China. Finnish fox pelt producers have had to make significant investments because of the transition period of new cage regulations ending at the end of 2010. As a result, Finnish fox pelt production has not increased despite the high price level. In China, lack of high quality breeding animals, amongst other things, has slowed down the growth of production.

Despite economic threats, the prospects for the fur industry's upcoming sales period are relatively positive. Fur products have become a profitable part of the business of fashion houses, which supports a continued use of the material. Responsibility is important for the fashion industry, and animal welfare is currently an integral part of the concept of quality. The company aims to stop accepting Finnraccoon pelts from uncertified farms after the current sales season and do the same with regard to fox pelts after one year.

China has the world's most rapidly growing luxury product market, which also reflects positively in fur trade. However, the retail sales season for fur clothing is shorter than usual this year as the Chinese New Year that ends the retail season is already at the end of January. An early, cold winter is therefore essential for the sales of clothes manufactured from the expensive mink pelts.



The amount of mink pelts sold during the financial year is expected to grow slightly. The number of fox pelts for sales is expected to decrease as pelts produced in previous periods are no longer available for sales in addition to normal production. The price level of both mink and fox pelts was exceptionally high in the financial period 2010/2011. The uncertainty in the global economy is likely to be reflected in fur trade as well to some extent. The result of the financial year 2011/2012 is expected to be lower than in the previous year.

Board of directors' proposal for the distribution of profit

On 31 August 2011, the parent company's distributable assets were as follows:

- retained earnings	28 010 616.60
- profit for the financial year	13 703 739.90
- - to be transferred to the counter-cyclical budgetary fund in accordance with the Articles of Association	-1 370 373.99
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	40 343 982.51

The Board of Directors proposes to the Annual General Meeting convening in Vaasa on 19 January 2012 that

- a dividend of EUR 1.45 per share (totalling EUR 5,220,000) be paid to shareholders from the distributable funds for 1 September 2010–31 August 2011
- and that EUR 1,380,000 be transferred to the counter-cyclical budgetary fund.

The proposed date for dividend payment is 31 January 2012.



Consolidated statement of financial position, IFRS

EUR 1,000

ASSETS

31 August 2011 31 August 2010

Non-current assets

Property, plant and equipment	27 632	23 212
Intangible assets	2 415	833
Available-for-sale investments	468	482
Long-term receivables from fur breeders	1 804	788
Non-current assets, total	32 320	25 316

Current assets

Inventories	851	697
Interest-bearing receivables from buyers	40 291	46 029
Interest-bearing receivables from fur breeders	27 823	25 072
Non-interest-bearing receivables	7 476	8 070
Cash and cash equivalents	10 637	6 167
Current assets, total	87 076	86 034

Total assets

119 396 111 350

SHAREHOLDERS' EQUITY AND LIABILITIES

31 August 2011 31 August 2010

Equity attributable to parent company's shareholders

Share capital	7 200	7 200
Share premium account	254	254
Other funds	14 320	13 470
Translation difference	58	59
Fair value reserve	154	165
Retained earnings	45 390	36 234
Shareholders' equity, total	67 376	57 382

Non-current liabilities

Deferred tax liabilities	2 832	2 893
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Current liabilities

Interest-bearing liabilities	29 457	35 543
Trade and other payables	17 589	14 079
Deferred taxes based on the taxable income for the financial year	2 142	1 452
Current liabilities, total	49 188	51 074

Total liabilities

52 020 53 967

Total shareholders' equity and liabilities

119 396 111 350

Consolidated statement of comprehensive income

EUR 1,000	1 Jun 2011- 31 Aug 2011 3 months	1 Sep 2010- 31 Aug 2011 12 months	1 Jun 2010- 31 Aug 2010 3 months	1 Sep 2009- 31 Aug 2010 12 months
Continuous operations				
Net turnover	14 024	54 094	15 575	45 038
Other operating income	123	1 147	-13	551
Materials and supplies	-834	-2 437	-1 123	-2 121
Employee benefits	-3 479	-15 964	-2 952	-15 511
Depreciation and impairment losses	-794	-2 811	-716	-2 821
Other operating expenses	-4 218	-18 912	-4 300	-17 833
Operating profit/loss	4 823	15 117	6 472	7 303
Financial income and expenses	1 068	3 590	839	3 303
Profit/loss before tax	5 891	18 707	7 311	10 605
Income tax	-1 502	-4 885	-1 868	-2 785
Net profit/loss for the reporting period	4 389	13 823	5 443	7 820
Other comprehensive income				
Actuarial loss related to pension liabilities	0	0	0	-481
Off-balance sheet receivables under IAS 19.58	0	0	0	597
Available-for-sale investments	-10	-15	33	53
Translation differences	1	-1	-1	0
Taxes included in other items in comprehensive profit/loss	3	4	-8	-44
Other comprehensive income/expense, net of tax	-6	-12	23	125
Total comprehensive income/expense	4 383	13 810	5 466	7 945
Earnings per share, EUR, basic (EUR) *)	1.22	3.84	1.51	2.17

*) There are no factors diluting the key performance indicator

Consolidated statement of cash flow

EUR 1,000

	1 Sep 2010- 31 Aug 2011 12 months	1 Sep 2009- 31 Aug 2010 12 months
<i>Cash flow from operating activities</i>		
Payments received for selling on commission	606 120	433 197
Cash received from other operating income	293	234
Cash paid for other operating expenses	-577 921	-411 038
Cash flow from operating activities before financial items and taxes	28 492	22 392
Interests, paid	-666	-1 122
Other financial expenses	-106	-502
Interest, received	3 982	4 685
Other financial income	227	2
Dividend income	23	0
Direct taxes paid	-4 257	-1 086
Net cash flow from operating activities (A)	27 695	24 370
<i>Cash flow from investment activities</i>		
Investments in tangible and intangible assets	-8 865	-1 548
Proceeds from sale of tangible and intangible assets	99	62
Proceeds from investments in other assets	0	22
Net cash flow from investments activities (B)	-8 766	-1 464
<i>Cash flow from financing activities</i>		
Re-payments of short-term borrowings	-10 671	-18 183
Re-payments of long-term borrowings	0	-15
Dividends paid	-3 789	-2 121
Net cash flow from financing activities (C)	-14 460	-20 319
Change in cash flows (A+B+C) increase (+) / decrease (-)	4 470	2 587
Cash and cash equivalents, 31 Aug	10 637	6 167
./. Cash and cash equivalents, 1 Sep	6 167	3 579
Net change in cash and cash equivalents	4 470	2 587

Consolidated statement of changes in shareholders' equity 1 September 2009 – 31 August 2010

	Share capital	Share premium account	Other funds	Translation difference	Fair value reserve	Retained earnings	Before minority interests	Minority interests	Shareholders' equity, total
Shareholders' equity, 1 Sep 2009	7 200	254	13 470	59	125	30 488	51 597	0	51 597
Net profit/loss for the reporting period						7 820	7 820		7 820
Other comprehensive income				0	39	86	125		125
Dividend						-2 160	-2 160		-2 160
Shareholders' equity, 31 Aug 2010	7 200	254	13 470	59	164	36 234	57 382	0	57 382

Consolidated statement of changes in shareholders' equity 1.9.2010 – 31 August 2011

Shareholders' equity, 1 Sep 2010	7 200	254	13 470	59	164	36 234	57 382	0	57 382
Net profit/loss for the reporting period						13 823	13 823		13 823
Other comprehensive income				-1	-11		-12		-12
Dividend						-3 816	-3 816		-3 816
Transfer to counter-cyclical budgetary fund			850			-850	0		0
Shareholders' equity, 31 Aug 2011	7 200	254	14 320	58	153	45 391	67 376	0	67 376

Key performance indicators

	2010/2011	2009/2010
	12 months	12 months
Total sales, EUR 1,000	594 677	441 813
Net turnover, EUR 1,000	54 094	45 038
Operating profit/loss, EUR 1,000	15 117	7 303
% of net turnover	27.9%	16.2%
Profit before taxes, EUR 1,000	18 707	10 605
% of net turnover	34.6%	23.5%
Earnings per share, EUR	3.84	2.17
Equity per share, EUR	18.72	15.94
Dividend per share		
A series	1.45	1.06
C series	1.45	1.06
Return on equity (ROE), %	22.2%	14.4%
Return on investment (ROI), %	20.6%	12.6%
Equity-to-assets ratio, %	59.1%	53.2%
Gearing	0.28	0.51
Gross capital expenditure, EUR 1,000	8 865	1 548
% of net turnover	16.4%	3.4%
Average number of personnel	309	307

Principles for calculating key performance indicators:

Return on equity (ROE), %	= Profit/Loss for the financial period x 100 / shareholders' equity *)
Return on investment (ROI), %	= (Profit/Loss before taxes + interests and other financial costs - credit losses) x 100 / (balance sheet total - non-interest-bearing short-term liabilities) *)
Equity-to-assets ratio, %	= Shareholders' equity x 100 / (balance sheet total - advances received)
Gearing	= (Interest-bearing borrowed capital - cash and securities and financial securities) / shareholders' equity
Earnings per share, EUR	= Profit/Loss for the financial period / adjusted average number of shares
Equity per share, EUR	= Shareholders' equity / adjusted number of shares on the balance sheet date

*) The divisor applied to the key performance indicators is calculated as the average of the numbers in the balance sheet of the financial period and of the previous financial period.

Commitments and contingencies

EUR 1,000 31 Aug 2011 31 Aug 2010

Mortgages given and receivables pledged in security for debt

Loans from financial institutions	3 456	14 370
Mortgages on property	24 071	54 071
Mortgages on company assets	2 691	2 691
Pledged receivables	0	1 700

Derivative contracts

Forward exchange agreements	14 533	29 495
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Property investments

The Group is obliged to revise the VAT deductions made on real estate investments completed in 2007 and 2008 if taxable use of the real estate decreases during the inspection period. The maximum amount of liability is EUR 49,000 and the last year of inspection is 2019.

Related Party Transactions

EUR 1,000 2010/2011 2009/2010
12 months 12 months

Transactions with related parties:

Net turnover

- associates	8	3
- other related parties	308	317

Other operating income

- parent company	43	43
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Materials and supplies

- associates	-271	0
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Other operating expenses

- parent company	-28	-25
- associates	-3 331	-3 520

Financial income

- other immediate circle	15	21
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Financial expenses

- parent company	-18	-17
- other related parties	-10	-27



	2010/2011	2009/2010
	12 months	12 months
<i>Investments in tangible assets</i>		
- associates	-3 746	0
<i>Investments in intangible assets</i>		
- associates	-1 500	0
<i>Related party receivables</i>		
- other related parties	275	252
<i>Related party liabilities</i>		
- parent company	-1 001	-1 004
- other immediate circle	-1 165	-1 779
Management compensation		
Remuneration and other short-term employee benefits	1 130	857

Management consists of the Board of Directors, the Managing Director, the Managing Director's Deputy and the rest of the parent company's Management Group.

Vantaa, 25 November 2011

SAGA FURS OYJ
Board of Directors