

Finnish Fur Sales group's turnover was at the end of the financial period (1.9.2001 - 31.8.2002) EUR **27, 9 million**, which is 10 percent more than the previous financial period (EUR 25,5 million). The value of total sales rose by five percent to EUR **346 million** (EUR 329 million) due to a nine percent increase in sold skins, even if the average skin price level was three percent lower than during the previous season. Other operating income amounted to EUR **1, 0 million**.

During the financial period Finnish Fur Sales sold almost **6, 8 million** fur skins (6, 3 during the previous period). Of that amount **3, 4 million** skins originated from Finland (3, 5 million the previous period), and their sales value amounted to EUR **244 million** (previous period EUR 245 million). The company strengthened its market share in most of the European production countries. A total of **2, 7 million** (2, 0 million) skins originating from other Western countries, mainly from Central Europe, were sold and their value amounted to EUR **84 million** (EUR 63 million).

An increase in received number of skins, it-investments, an increase in the company's payment obligations to SAGA Furs of Scandinavia and the costs for starting up the pelting centre in Kaustinen, increased the operating expenses, less depreciation and value adjustments, with **24 percent to EUR 26.3 million** (EUR 18, 5 million during the previous period). The operating profit was EUR **2.6 million** (EUR 5.2 million).

The net financial income of the group was EUR **3.2 million**, i.e. 11 percent of the net turnover (EUR 3.9 million). The net exchange rate profits were EUR 830.000 less than the previous financial period. The group's profit before appropriations and taxes was EUR **5.8 million** (EUR 9.1 million).

A rise in buyers' and breeders' accounts receivables, which increased the need for liabilities, lead to that the group's equity ratio weakened to **53 percent** (57 percent). The liquidity of the group remained good throughout the financial period.

The group's total investments were EUR **5.4 million** (EUR 3.1 million during the previous period). Of the above figure the intangible assets' part was EUR **2.8 million**, and the main costs came from renewing the company's web pages and realization of breeders' and buyers' extranet services. The main investments in tangible assets were equipment to Kaustinen pelting centre, the company's warehousing system and updating of some parts of the computer network, altogether EUR **2.6 million**.

During the financial period, the number of employees at Finnish Fur Sales group was 298 persons, which is 12 percent more than the previous financial period (267). The increase in the number of employees is due to the start up of the pelting centre Furfix Oy. Despite of an increase in number of skins handled by the company, the parent company's number

of employees remained almost the same as during previous financial period. At the end of the financial period the number of permanent staff in the group was 115 persons (116).

Even if the company will receive more mink skins this period than during the previous one, the company believes that the turnover will be lower than the during the previous period because of the unsure blue fox market and as a direct result of that, a lower price level than the previous period. The weaker dollar rate affects the prices in Euro. As a result of the disaster in New York over a year ago, the company's insurance costs have increased noticeably. The pelting center Furfix Oy is straining the group's results also this financial period. Because of the lower interest rate level and blue fox price level during the closed financial period the net financial income will decrease. The company estimated the results from the current financial period to be noticeable weaker than during the previous period, and possible at a loss.

Earnings per share were during the financial period EUR 1.13 (EUR 1.79 during previous period) and shareholders' equity per share EUR 15.31 (EUR 14.98 during previous period).

**CONSOLIDATED PROFIT AND LOSS ACCOUNT SEPTEMBER 1, 2001
-AUGUST 31, 2002**

EUR 1.000	1.9.2001- 31.8.2002 12 months	1.9.2000- 31.8.2001 12 months
NET TURNOVER	27.884	25.461
Other operating income	1.034	1.055
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	-1.500	-1.013
Variations in stocks	77	52
External services	-81	0
Personnel expenses		
Wages and salaries	-8.593	-7.647
Social security expenses		
Pension expenses	-1.299	-1.257
Other social security expenses	-837	-717
Depreciation and reduction in value		
Depreciations according to plan	-3.729	-3.014
Exceptional value write-backs on current assets	43	264
Other operating expenses	-10.394	-7.964
OPERATING PROFIT	2.605	5.219
Financial income and expenses		
Other interest and financial income	4.704	5.422
Other interest and financial expenses	-1.507	-1.543
PROFIT BEFORE APPROPRIATIONS AND TAXES	5.802	9.099
Change in deferred tax liability	-9	-16
Income taxes	-1.714	-2.651
PROFIT FOR THE FINANCIAL YEAR	<u>4.079</u>	<u>6.432</u>

Balance sheet 31.8.2002

ASSETS	31.8.2002 EUR 1.000	31.8.2001 EUR 1.000
Fixed assets		
Intangible assets		
Other long-term expenses	5.356	4.369
Advance payments	57	664
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	5.413	5.033
Tangible assets		
Land and water areas	1.596	1.596
Buildings and constructions	23.071	23.457
Machinery and equipment	3.549	2.724
Advance payments and fixed assets under construction	936	351
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	29.151	28.128
Investments		
Investments and shares	284	292
Current assets		
Current stocks		
Raw materials and consumables	397	334
Fur skins	115	100
Advance payments	0	15
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	512	450
Receivables		
Trade debtors	56.948	50.381
Consignor receivables	18.310	12.070
Loan receivables	50	61
Other receivables	316	811
Prepayments and accrued income	1.558	1.909
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	77.182	65.233
Cash and bank	5.007	5.225
TOTAL ASSETS	<u>117.549</u>	<u>104.361</u>

LIABILITIES	31.8.2002 EUR 1.000	31.8.2001 EUR 1.000
Shareholders' equity		
Share capital	7.200	7.200
Share premium account	254	254
Revaluation reserve	3.128	3.128
Legal reserve	10.940	10.300
Conversion difference	60	59
Retained earnings	29.450	26.538
Net profit for the year	4.079	6.432
	55.111	53.911
Liabilities		
Deferred tax liability	2.120	2.112
Short-term liabilities		
Loans from credit institutions	10.325	4.233
Advance payments	13.379	10.171
Trade creditors	548	1.063
Consignor creditors	26.347	24.469
Reduction of long-term liabilities	0	336
Other short-term liabilities	6.866	5.325
Accrued expenses and prepaid income	2.851	2.741
	60.317	48.338
TOTAL LIABILITIES	<u>117.549</u>	<u>104.361</u>