

SAGA FURS OYJ

FINANCIAL STATEMENTS BULLETIN FOR THE FINANCIAL YEAR 1 SEPTEMBER 2011 – 31 AUGUST 2012

Vantaa, 28 November 2012 at 14:30

Higher price level powered Saga Furs Oyj to record performance

- Increased mink fur prices and the strengthening of the US dollar enabled Saga Furs Oyj (Finnish Fur Sales until 29 September 2011) to post record sales for the financial year 1 September 2011–31 August 2012 for the third year in a row. The value of trading sales increased by 17%, totalling EUR 695 million (MEUR 595 in the previous financial year).
- The Company auctioned a total of 9.3 million pelts in the period (9.1 million in the previous financial year).
- Due to high demand, the US dollar price level of mink pelts rose by 14 per cent. As a result of the strengthening of the US dollar, the EUR price level of mink pelts rose by 24 per cent and that of fox pelts by 8 per cent.
- Consolidated net turnover rose by 11 per cent, amounting to EUR 60.1 million (MEUR 54.1).
- The consolidated operating profit was better than was expected at the beginning of the financial year, amounting to EUR 17.2 million (MEUR 15.1).
- Earnings per share were EUR 4.69 (EUR 3.84).
- The Board of Directors will propose to the Annual General Meeting, convening in Vantaa on 24 January 2013, that a dividend of EUR 2.10 per share (totalling EUR 7,560,000) be paid to shareholders from the distributable funds for 1 September 2011–31 August 2011 and that EUR 1,670,000 be transferred to the counter-cyclical budgetary fund.

Consolidated key figures	6/12-8/12	9/11-8/12	6/11-8/11	9/10-8/11
	3 months	12 months	3 months	12 months
Total sales, MEUR	191.6	695.2	157.6	594.7
Total amount of skins sold, 1,000 pcs	2,722	9,259	2,636	9,097
Net turnover, MEUR	15.8	60.1	14.0	54.1
Operating profit/loss, MEUR	7.3	17.2	4.8	15.1
Profit before taxes, MEUR	8.5	22.5	5.9	18.7
Earnings per share, EUR	1.89	4.69	1.22	3.84
Return on equity (ROE), %	9.0%	23.1%	6.7%	22.2%
Return on investment (ROI), %	7.5%	21.7%	6.4%	20.6%

Accounting principles

The information contained 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 2012 at 1:40 p.m.) and the Report of the Board of the Directors. The financial statements bulletin was prepared in accordance with IAS 34 Interim Financial Reporting.

As of 1 September 2011, the Group has applied the following new and amended standards and interpretations:

- *Amended IAS 24 Related Party Disclosures in the financial statements.* The amended standard clarifies and simplifies the definition of related parties. For government-related entities, the requirement to give details of all transactions carried out with government-related entities has been removed. The amended standard did not affect the consolidated financial statements.
- *Improvements in the IFRS standards (May 2010).* The effects of changes vary by standard, but these changes are not significant for the consolidated financial statements.

Business overview

The financial year 1 September 2011–31 August 2012 was the third successive record year. The auction organised in March 2012 was the largest in company history both in terms of sales value and number of buyers. The total value of trading sales increased to EUR 305 million because of the strongly increased price level of mink pelts. More than 800 international buyers participated in the auction. The positive tone of the international pelt market continued in the June auction, resulting in the company issuing a positive profit warning on 13 June 2012. Because of the increased price level of mink pelts and the strengthening of the US dollar, the total value of sales in the financial period increased by 17 per cent and amounted to EUR 695 million (MEUR 595). Thanks to the good market situation, the sold furs were delivered at record speeds during the entire financial year.

Excellent product quality is a central part of the company strategy. For several years already, the group company Furfix Oy has been providing breeding animals to Finnish producers to keep the animal base healthy and varied and to improve the quality of mink pelts traded by the company. During the financial year, Furfix Oy started its own fur farm for fur animals imported to Finland that have to be kept under quarantine. During the financial year, Saga Furs Oyj has been developing WebSampo, a new software solution for selecting breeding animals. A highlight of the March auction was the launch of Saga Lumi Royal, a new top-of-the-line quality level ranking above the previous quality levels.

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 clarifies the image of the company and improves marketing as the Saga brand used for the marketing of furs for decades is now also the name of the company.

Key personnel of the Saga cooperative became employees of the Group on 1 September 2011. Combining auction operations and the product development and fashion expertise of the Saga Furs Design Centre under the Saga Furs brand supports the company's main area of operations, sales of Saga mink, fox and Finnraccoon pelts. Also the fully revised website and extranet were launched in March 2012 after the operations had been combined.

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 for two years for the seasons 2013/2014 and 2014/2015.

In Poland, the fastest growing pelt production area in Europe, the company has been represented by Skinpolex Sp. z o.o. In March, the company started its own subsidiary, Saga Furs Polska Sp. z o.o., to ensure the delivery of pelts and to improve its service.

Sales during the financial year 1 September 2011 – 31 August 2012

Review period 1 June – 31 August 2012

In the last auction of the financial year held on 8-13 June 2012, a total of 2.1 million mink pelts, 510,000 fox pelts, 28,000 Karakul lamb pelts and 31,000 Finn raccoon pelts were sold. The price levels remained steady and almost 100 per cent of the pelts on offer were sold. The value of sales at the six-day auction was EUR 191 million (158 MEUR), with over 600 buyers participating from all market areas.

Financial year 1.9.2011 – 31.8.2012

Saga Furs Oyj held a total of four auctions during the financial year, selling 6.4 million mink pelts (6.2 million in the previous financial year). Of these, 94 per cent were in the Saga collections. The company sold 400,000 Eastern European mink pelts as separate collections. A total of 2.3 million fox pelts (2.3 million), 400,000 Karakul lamb pelts from Afghanistan (400,000) and 160,000 Finn raccoon pelts (170,000) were sold.

The strong growth of the Chinese market was reflected in the financial year of the Saga Furs group. Chinese demand based on the production of clothes for exports was already strong, but now Chinese domestic demand is also growing steeply. This is supported by the increased use of fur materials in Chinese textile and fashion industries. The price level of mink pelts increased by 14 per cent in US dollars and by 24 per cent in euros. The price level of fox pelts remained strong and increased by two per cent in dollars and eight per cent in euros. The average exchange rate of the US dollar, weighed with auction sales, increased by seven per cent year-on-year. The number of pelts traded, 9.3 million, was two per cent higher than the previous financial year (9.1 million pelts). As a result of the increased price level, the value of sales increased 17 per cent year-on-year and amounted to EUR 695 million (595 MEUR).

Auction	Sales 1,000 pelts 2011/2012	Value EUR 1,000 2011/2012	Sales 1,000 pelts 2010/2011	Value EUR 1,000 2010/2011	Sales 1,000 pelts 2009/2010	Value EUR 1,000 2009/2010
September	1,537	98,680	1,605	102,943	1,560	42,633
December	1,489	98,240	1,416	79,843	1,070	42,025
January/February	0	0	0	0	92	5,996
March	3,469	305,236	3,395	251,787	3,695	186,675
June	2,720	191,388	2,639	157,704	3,193	163,301
Warehouse sales	44	1,647	41	2,400	38	1,182
Total	9,259	695,191	9,096	594,677	9,648	441,812

Net turnover

Review period 1 June–31 August 2012

The value of group sales increased by 22 per cent during the last quarter compared to the same quarter last year. The increase was mainly due to the improved price level. As a result, the net turnover of the last quarter of the financial year decreased by 12 per cent from the corresponding quarter of the previous year. The consolidated net turnover was EUR 15.8 million (EUR 14.0 million).

Financial year 1 September 2011 – 31 August 2012

As a result of the increased price level, consolidated net turnover rose by 11 per cent from the previous financial year, amounting to EUR 60.1 million (MEUR 54.1). The bulk of net turnover, 93 per cent (93 %), consisted of commission fees collected from fur breeders and buyers. The commission fees from producers accounted for 23 per cent (24 %) and the commission fees from buyers for 70 per cent (68 %) of the Group's net turnover. The remainder was generated from sales of pelting services and breeding animals to producers as well as restaurant and congress services. The share of commission fees collected from Finnish customers, both producers and buyers, was 12 per cent (13%) and the share of commission fees collected from international customers was 80 per cent (79%). Of the net turnover, 16.4 per cent (19.2%) were generated in the first quarter of the financial year, 16.4 per cent (16.5%) in the second quarter, 40.9 per cent (38.4%) in the third quarter and 26.2 per cent (25.9%) in the final quarter of the financial year.

Financial performance

Review period 1 June – 31 August 2012

In the final quarter of the financial year, other operating profits amounted to EUR 61,000 (EUR 120,000). Operating expenses decreased in the fourth quarter by 8 per cent to EUR 8.5 million (9.3 MEUR). As a result of the increased turnover and reduced operating expenses, the consolidated operating profit increased by 51 per cent during the last quarter to EUR 7.3 million (4.8 MEUR). Net financial income for the final quarter increased by 12 per cent year-on-year, amounting to EUR 1,200,000 (MEUR 1,1). Consolidated profit before taxes for the final quarter stood at EUR 8.5 million (MEUR 5.9).

Financial year 1 September 2011 – 31 August 2012

Costs for the financial year were up eight per cent year-on-year, totalling EUR 43.2 million (MEUR 40.1). Of the costs, 19.2 per cent (20.3%) were generated in the first quarter of the financial year, 31.5 per cent (27.4%) in the second quarter, 29.5 per cent (29.1%) in the third quarter and 19.8 per cent (23.2%) in the final quarter of the financial year. Personnel expenses decreased by two per cent and amounted to EUR 15.7 million (MEUR 16.0) as the group received a 310,000-euro reimbursement of the previously paid pension insurances from the Turkistarhaajien Eläkekassa pension fund that terminated its operations and was placed in liquidation. Other operating expenses increased by 12 per cent to EUR 21.3 million (MEUR 18.9). The group spent EUR 3.0 million (MEUR 2.1) in lobbying work through the International Fur Trade Federation (IFTF) with the goal of securing political operational preconditions and defending free trade, the incorporation of the Saga Furs Design Centre's operations into the business activities of the Company increased expenses during the transition phase, due to the sizeable renewal of the website, among other things, and renovations of a broader scale than before were carried out in the properties owned by the Group. As a result of the improvement in the price level of fur pelts, the consolidated operating profit was better than was expected at the beginning of the financial year, amounting to EUR 17.2 million (MEUR 15.1).

Net financial income increased by 48 per cent to EUR 5.3 million (3.6 MEUR), as the Group was able to redeem credit losses to breeders recorded for the 2008–2009 financial year after legal proceedings that lasted nearly three years. The Group is no longer expected to redeem any such aforementioned credit losses to breeders. Net interest income was EUR 4.1 million (MEUR 3.4) and exchange rate profits were EUR 430,000 (EUR 170,000). Consolidated profit before tax for the entire financial year stood at EUR 22.5 million (MEUR 18.7) and profit for the period was EUR 16.9 million (MEUR 13.8).

Return on equity for the financial year was 23.1 per cent (22.2%), and earnings per share were EUR 4.69 (EUR 3.84). Equity per share was EUR 22.00 (EUR 18.72). The Group's equity ratio was 58.1 per cent (59.1 per cent).

Investments

Group gross capital expenditure was EUR 5.0 (8.9), accounting for 8 per cent (16 per cent) of net turnover. Of the capital expenditure, 77 per cent was spent on tangible and intangible assets of the parent company and 23 per cent on those of subsidiaries. The largest investments were targeted at the renewal of the extranet for breeders and buyers in connection with the website renewal, the WebSampo breeding software, the renovation of the Fur Center property, the quarantine farm related to trade of breeding animals and a new reception line for mink pelts.

Human resources

During the financial year, the company employed an average of 315 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 parent company and the Group was as follows:

	Parent company			Group		
	2011/2012	2010/2011	2009/2010	2011/2012	2010/2011	2009/2010
Average number of personnel	249	258	257	315	309	307
- permanent staff	107	109	114	141	130	135
- fixed-term staff	142	149	144	174	179	172
Number of staff at the end of financial year on 31 August	113	174	183	154	197	207

Shares traded and share performance

The company's Series C share is listed. The company 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 13.7 million and the volume came to 850,000 shares, representing 32 per cent of the company's Series C shares. The period high was EUR 17.89, its low EUR 13.25 and its average EUR 16.06. The Series C share closed at EUR 16.95, whereas the year before, it closed at EUR 14.18. The market capitalisation totalled EUR 61.0 million (MEUR 51.0) on 31 August 2012.

General Meetings

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 Annual General Meeting of Saga Furs Oyj held on 19 January 2012 approved the financial statements for the financial year ending on 31 August 2011 and decided to distribute a dividend of EUR 1.45/share, totalling EUR 5,220,000, and to transfer EUR 1,380,000 to the counter-cyclical budgetary fund. The dividend was paid out on 31 January 2012.

In the annual general meeting held on 19 January 2012, it was decided that the Board of Directors of the company comprises six members. Fur breeders **Jorma Kauppila**, **Markku Koski**, **Pentti Lipsanen**, **Rainer Sjöholm** and **Hannu Sillanpää** as well as **Mirja-Leena (Mirkku) Kullberg**, Managing Director of Artek Oy Ab, were appointed to the Board of Directors. In the constituent

Board meeting following the Annual General Meeting, Jorma Kauppila was elected Chair and Markku Koski Deputy Chair of the Board of Directors. The Annual General Meeting decided that **Ernst & Young Oy, Certified Public Accountants**, continues as the company's accountants with **Jan Rönnerberg, Certified Public Accountant** as the primary accountant.

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. Business or financial risks are considered as the most significant risks and uncertainties. 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.

The most important business risks are described below, and financial risks are discussed in section 24 of the notes to the consolidated financial statements.

Risks related to demand and supply

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.

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.

As a result of the increase of prices, vigorous growth of mink 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. The Chinese government is supporting domestic production among other things by imposing high import duties. Purchases by China and Hong Kong based customers currently dominate the international fur trade. Should the demand from these markets reduce significantly and rapidly, other markets would not be able to make up for the lost demand, resulting in a substantial oversupply of pelts.

The focal shift of international fur trade to China and Hong Kong has also led to the centralisation of fur dressing capacity to the same region. Dressing of furs is therefore becoming an important bottleneck of fur trade, and the termination of operations in just one significant dressing shop would cause major disturbance in the international fur trade.

The production costs of fur pelts have increased substantially over the last year because of increased prices of raw materials for feed. This also decreases the fur production's ability to adapt to the financial cycle. If the relative competitiveness of European fur production continues to reduce 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 survive in the event that risks are realised.

Exchange rate fluctuations

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.

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

Risks related to the justification of fur farming have increased. The majority of political decision-makers are still in favour of fur farming in countries with the highest production volumes, such as Finland and Poland and, as regards mink farming, Denmark, but the atmosphere is becoming less certain than before. The government programme approved in Finland in June 2011 includes a section supporting fur farming.

The image of fur farming is of 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 greater opportunities 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.

In Finland, citizens' opportunities for direct action were increased in 2012 by introducing new legislation on the so-called citizens' initiative. If a minimum of 50,000 correct and validated statements of support are collected from Finnish adults during a six-month period, the initiative must be taken up for consideration by Parliament. This increases the unpredictability of decision-making in matters that are highly emotive and subject to strong opinions, such as fur farming. The first citizens' initiative to be discussed in the Parliament is the ban on fur farming promoted by animal rights organizations.

Among the large producer countries, a ban on mink farming was approved by the Parliament in the Netherlands, but the Senate, the final body to introduce legislation, has not yet approved the ban.

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. In the 2012/2013 season, the company only accepts Finnracon pelts from certified farms. The certification requirement should be extended to fox pelts in the season 2013/2014.

In October 2012, approximately 80 per cent of Finnish fur production was covered by certification. In Norway, the local producers' association has required certification from its members since 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. The Russian WTO membership is likely to improve the situation in the long run. Saga Furs Oyj will continue its efforts to get the Chinese government to gradually lift import duties it was allowed to retain when it became a member of the WTO.

In the Netherlands, the ban on the trading and importing of fox and chinchilla fur and fur-related products included in already approved legislation was removed from the law in September 2012 as a result of strong reactions of ten EU countries and the European commission. In Finland, the active position of the Finnish Government and Saga Furs Oyj played an essential role in the rejection of the implementation decree. This decision proves that defending and safeguarding the principles of free trade are central to the EU.

In the United States, a defensive victory was achieved when the Federal Trade Commission (FTC) responsible for deciding on the official trade names rejected the use of "Raccoon Dog" in products made from Finnracon pelts and approved "Asiatic Raccoon" as the official trade name. This decision guarantees possibilities for trade in Finnracon pelts and products based on them.

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

Main events following the end of the financial year

The supply of the first auction of the financial year held on 20–24 September was smaller than in the previous year. This combined with the continued strong demand in all product groups was reflected as a high price level in the auction. Even with the already high global market price level, the price level of both fox and Finnracon pelts was clearly higher than previously. A little over 630,000 mink pelts, almost 430,000 fox pelts and a little under 35,000 Finnracon pelts were offered in the auction. The value of sales in the five-day auction was EUR 91.4 million (MEUR 98.7 in the September 2011 auction). Almost 500 buyers participated in the auction.

Estimate on business development in the new financial year

In addition to the auction held in September 2012, this financial year Saga Furs Oyj will hold an auction on 18 to 20 December 2012, 13 to 18 March 2013 and 7 to 12 June 2013. In these auctions, the company aims to offer 6.0 million mink pelts, 1.6 million fox pelts, 94,000 Finnraccoon pelts and 350,000 Karakul lamb pelts.

World production of mink pelts is estimated to have increased by more some ten per cent year-on-year, now amounting to more than 60 million pelts. China has become the world's largest mink pelt producer, responsible for a third of the global mink fur production. 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 a little over four million pelts. Approximately half of the world production of fox pelts originates in Finland where the production will increase by a little over ten per cent compared to the previous breeding period.

Finnish fur production is a pioneer of responsible production. The Finnish farm certification system is a unique quality system aiming at guaranteeing impeccable conditions and care for the animals. Almost 80 per cent of Finnish furs are already sourced from certified farms. In the sales season 2012/2013, all farmed Finnraccoon pelts sold by the company come from certified farms. The company's aim is that in the sales season 2013/2014, all farmed fox pelts sold by the company will also come from certified farms.

Despite the decreased economic growth in China, the demand for fur continues to be strong in the Chinese domestic market, and new distribution outlets are opened all around the country. Retail trade of fur has started better than expected in China, but as the volume of mink garments offered is high, a cold winter is needed for a successful sales season.

The outlook in the Russian fur market is also quite positive, and the stocks are small due to the cautious auction purchases last year. Also the fur-favouring Western European fashion industry benefits from the Russian demand.

The new Saga technologies have enabled a completely new way of producing fox garments. The products are sold globally in fashion stores, which has become a completely new distribution channel for fur materials and also expanded the user base. Global fox production has increased slower than the demand, and prices are expected to stay high. In the end, the success of Chinese retail trade is what determines the price level of blue fox, a large-volume product.

The amount of mink and fox pelts sold during the financial year is expected to grow slightly. The price level of both mink and fox pelts was exceptionally high in the financial period 2011/2012, and keeping this price level requires a successful retail sales period. The Group's operating expenses are expected to increase from the financial year 2011/2012. In the financial year just ended, expenses were reduced by extraordinary income due to the redemption of debts previously recorded as credit losses and pension insurance payments. The result of the financial year 2012/2013 is expected to remain in good level but lower than the record result of the previous year.

Board of directors' proposal for the distribution of profit

On 31 August 2012, the parent company's distributable assets were as follows:

- retained earnings	35,114,356.50
- profit for the financial year	16,613,874.83
- to be transferred to the counter-cyclical budgetary fund in accordance with the Articles of Association	<u>-1,661,387.48</u>
	50,066,843.85

The Board of Directors proposes to the Annual General Meeting that

- a dividend of EUR 2.10 per share (totalling EUR 7,560,000) be paid to shareholders from the distributable funds for 1 September 2011–31 August 2012 and that EUR 1,670,000 be transferred to the counter-cyclical budgetary fund.

The proposed date for dividend payment is 5 February 2013.

Consolidated statement of financial position, IFRS

EUR 1.000

ASSETS	31 Aug 2012	31 Aug 2011
Non-current assets		
Property, plant and equipment	28 356	27 632
Intangible assets	3 301	2 415
Available-for-sale investments	512	468
Long-term receivables from fur breeders	2 682	1 804
Non-current assets, total	<u>34 850</u>	32 320
Current assets		
Inventories	1 493	851
Interest-bearing receivables from buyers	45 540	40 291
Interest-bearing receivables fur breeders	26 539	27 823
Non-interest-bearing receivables	12 886	7 476
Cash and cash equivalents	24 124	10 637
Current assets, total	<u>110 582</u>	87 077
Total assets	<u><u>145 432</u></u>	<u><u>119 396</u></u>
 SHAREHOLDERS' EQUITY AND LIABILITIES		
	31 Aug 2012	31 Aug 2011
Equity attributable to parent company's shareholders		
Share capital	7 200	7 200
Share premium account	254	254
Other funds	15 700	14 320
Translation difference	59	58
Fair value reserve	183	154
Retained earnings	55 805	45 390
Shareholders' equity, total	<u>79 201</u>	67 376
Non-current liabilities		
Deferred tax liabilities	2 652	2 832
Current liabilities		
Interest-bearing liabilities	41 355	29 457
Trade and other payables	21 186	17 589
Deferred taxes based on the taxable income for the financial year	1 038	2 142
Current liabilities, total	<u>63 579</u>	49 188
Total liabilities	<u>66 231</u>	52 020
Total shareholders' equity and liabilities	<u><u>145 432</u></u>	<u><u>119 396</u></u>

Consolidated statement of comprehensive income

EUR 1.000	1 Jun 2012- 31 Aug 2012 3 months	1 Sep 2011- 31 Aug 2012 12 months	1 Jun 2011- 31 Aug 2011 3 months	1 Sep 2010- 31 Aug 2011 12 months
Continuous operations				
Net turnover	15 763	60 076	14 024	54 094
Other operating income	61	311	123	1 146
Materials and supplies	-1 265	-3 012	-834	-2 437
Employee benefits	-2 285	-15 668	-3 479	-15 964
Depreciation and impairment loss	-856	-3 299	-794	-2 811
Other operating expenses	-4 140	-21 253	-4 218	-18 912
Operating profit/loss	7 278	17 155	4 823	15 117
Financial income	1 602	6 395	1 282	4 386
Financial expenses	-402	-1 092	-213	-796
Profit/loss before tax	8 479	22 458	5 891	18 707
Income tax	-1 691	-5 564	-1 502	-4 885
Net profit/loss for the reporting period	6 788	16 894	4 389	13 823
Other comprehensive income				
Available-for-sale investments	15	34	-10	-15
Translation differences	-3	1	1	-1
Taxes included in other items in comprehensive profit/loss	0	-5	3	4
Other comprehensive income/expense, net of tax	12	30	-6	-12
Total comprehensive income/expense	6 800	16 924	4 383	13 810
Earnings per share, EUR, basic (EUR) *)	1,89	4,69	1,22	3,84

*) There are no factors diluting the key performance indicator

Consolidated statement of cash flow

EUR 1.000	1 Sep 2011 31 Aug 2012 12 months	1 Sep 2010 31 Aug 2011 12 months
<i>Cash flow from operating activities</i>		
Payments received for selling on commission	689 050	606 120
Cash received from other operating income	259	293
Cash paid for other operating expenses	-667 966	-577 921
Cash flow from operating activities before financial items and taxes	21 343	28 492
Interests, paid	-850	-666
Other financial expenses	-230	-106
Interest, received	4 571	3 982
Other financial income	1 364	227
Dividend income	28	23
Direct taxes paid	-6 800	-4 257
Net cash flow from operating activities (A)	19 426	27 695
<i>Cash flow from investment activities</i>		
Investments in tangible and intangible assets	-5 001	-8 865
Proceeds from sale of tangible and intangible assets	119	99
Investments in other assets	-10	0
Net cash flow from investments activities (B)	-4 892	-8 766
<i>Cash flow from financing activities</i>		
Proceeds from short-term borrowings	4 080	0
Re-payments of short-term borrowings	0	-10 671
Dividends paid	-5 128	-3 789
Net cash flow from financing activities (C)	-1 047	-14 460
Change in cash flows (A+B+C) increase (+) / decrease (-)	13 487	4 470
Cash and cash equivalents, 31 Aug	24 124	10 637
./. Cash and cash equivalents, 1 Sep	-10 637	6 167
Net change in cash and cash equivalents	13 487	4 470

Consolidated statement of changes in shareholders' equity 1 September 2010 - 31 August 2011

	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 2010	7 200	254	13 470	59	164	36 234	57 382		57 382
Result for the reporting period						13 823	13 823		13 823
Other comprehensive income/expense				-1	-11	0	-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	154	45 390	67 376	0	67 376

Consolidated statement of changes in shareholders' equity 1 September 2011 - 31 August 2012

Shareholders' equity, 1 Sep 2011	7 200	254	14 320	58	154	45 390	67 376		67 376
Result for the reporting period						16 894	16 894		16 894
Other comprehensive income/expense				1	29	0	30		30
Other change *)						121	121		121
Dividend						-5 220	-5 220		-5 220
Transfer to counter-cyclical budgetary fund			1 380			-1 380	0		0
Shareholders' equity, 31 Aug 2012	7 200	254	15 700	59	183	55 805	79 201	0	79 201

*) Resulting from the change in tax base related to items that were recorded directly as profits during the IFRS transition

Key performance indicators

	2011/2012	2010/2011
	12 months	12 months
Total sales, EUR 1,000	695 191	594 677
Net turnover, EUR 1,000	60 076	54 094
Operating profit/loss, EUR 1,000	17 155	15 117
% of net turnover	28,6%	27,9 %
Profit before taxes, EUR 1,000	22 458	18 707
% of net turnover	37,4 %	34,6 %
Earnings per share, EUR	4,69	3,84
Equity per share, EUR	22,00	18,72
Return on equity (ROE)-%	23,1 %	22,2 %
Return on investment (ROI)-%	21,7 %	20,6 %
Equity-to-assets ratio, %	58,1 %	59,1 %
Gearing	0,22	0,28
Gross capital expenditure, EUR 1,000	5 011	8 865
% of net turnover	8,3 %	16,4 %
Average number of personnel	315	309

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 2012 31 Aug 2011

Mortgages given and receivables pledged in security for dept

Loans from financial institutions	6 877	3 455
Mortgages on property	54 071	54 071
Mortgages on company assets	2 691	2 691

Derivative contracts

Forward exchange agreements	28 150	14 533
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Property investments

The group is obliged to check 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 28 000 and the last year of inspection is 2019.

Related Party Transactions

EUR 1.000 2011/2012 2010/2011
12 months 12 months

Transactions with related parties:

Net turnover

- associates	0	8
- other related party	265	308

Other operating income

- parent company	48	43
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Materials and supplies

- associates	0	-271
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Other operating expenses

- parent company	-28	-28
- associates	-752	-3 331

Financial income

- other related party	15	16
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Financial expenses

- parent company	-23	-19
- other related party	-18	-10

Investments in tangible assets

- associates	0	-3 746
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Investments in intangible assets

- associates	0	-1 500
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	2011/2012	2010/2011
	12 months	12 months
<i>Related party receivables</i>		
- other related party	9	275
<i>Related party liabilities</i>		
- parent company	-1 828	-1 001
- associates		0
- other related party	-1 623	-1 165
Management compensation		
Remuneration and other short-term employee benefits	1 096	1 130

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.