

FINNISH FUR SALES

FINANCIAL REPORT FOR THE PERIOD 1.9.2005-30.11.2005

Development of the Group

The first quartal of Finnish Fur Sales' financial period is expense oriented preparing for the sales period that begins in December. During the period 1st September 2005 to 30th November 2005, Finnish Fur Sales organised one auction in September 2005. At this auction as well as in the private treaty sales during the fall company sold, in previous season sorted, 314,000 mink skins (respectively 224,000 skins during the previous corresponding period), 582,000 fox skins (443,000) and 23,000 raccoon skins (27,000). In addition, 53,000 karakul lamb skins, received mainly in the summer, were sold during the period (10,000). The value of sales rose by 20 percent compared to the previous period to EUR 42.6 million (EUR 35.6 million during the previous corresponding period), due to the increased amount of skins offered.

Auction	Sales 1,000 pcs 2005/2006	Sales 1,000 pcs 2004/2005	Value EUR 1,000 2005/2006	Value EUR 1,000 2004/2005
September	968	702	42,398	35,430
Private treaty	10	9	217	193
Total	978	711	42,616	35,624

The turnover of the group increased by 16 percent to EUR 4.6 million (EUR 4.0 million during the previous corresponding period). The operating expenses increased by 28 percent from the previous corresponding period and were EUR 7.0 million (EUR 5.5 million). The increase in the operating expenses was mainly caused by the increased marketing costs as SAGA began operations with the modified business idea. In the previous corresponding period, SAGA laid the main stress in the reshaping of operations model and its marketing actions were exceptionally low. During the present financial period, the SAGA marketing payments are expected to be divided more equally and be somewhat higher than on the previous financial period. The operating loss during the period under review was EUR 2.3 million (EUR 1.4 million).

The net financial income of the group decreased by 19 percent from the previous corresponding period and was EUR 610,000 (EUR 750,000 during the previous corresponding period). The net interest income increased from the previous corresponding period but the exchange rate profits did not incur. Loss before appropriations and taxes was EUR 1.7 million (EUR 670,000). Earnings per share were EUR 0.35 at a loss (EUR -0.14).

The assets equity ratio of the group was 58.5 percent at the end of this period, whereas it was 57.1 percent at the end of November 2004 and 52.1 percent in 31st August 2005. The total amount of group balance sheet was EUR 99.9 million (EUR 103.4 million in 30th November 2004 and EUR 116.9 million in 31st August 2005).

Investments and Development

Gross investments of the group during the period under review were EUR 650,000 (EUR 1.2 million during the previous corresponding period) or 14 percent (29 percent) of the turnover. EUR 535,000 of the investments was directed to parent company's tangible and intangible assets and EUR 115,000 to daughter company's tangible and intangible assets.

Items in Foreign Currencies

The receivables and liabilities in foreign currencies indicated in the parent company's balance sheet have been converted into euro at the rate quoted by the European Central Bank except the sales receivables that have been secured with forward foreign exchange transactions. These have been quoted by the exchange rate agreed in the above mentioned transactions. The exchange rate differences are entered in the profit and loss account.

Personnel

The number of permanent staff of the group during the period under review was on average 115 (116 during the previous period) and seasonal staff 74 (72).

Adoption of IFRS-Standards (IAS)

Finnish Fur Sales group will start to apply international IFRS-standards in its financial reporting starting from the financial statement of the financial year 2005/2006. The group will publish the first interim report in which the IFRS-standards have been applied in January 2007. This interim report will cover the quartal from September to November 2006. Further information on the impact of the change-over to the IFRS-standards to the economic figures will be given latest in November 2006.

Seasonal Variations

Finnish Fur Sales organises 4 to 6 auctions during the 12-month-lasting sales season. The auction schedules as well as supply vary every year. During the financial period, there may be quartals when no auctions are arranged. Due to

the seasonal variation and also variations between financial periods, differences in number of auctions organised / not organised, in the comparison period, may vary. Due to this, the changes in sales value, net turnover and costs in comparison with previous periods do not necessarily give a correct picture of the development of the whole accounting period.

Review of the Remainder of the Financial Period

After the end of the review period, Finnish Fur Sales has organized one auction from 20th to 22nd of December 2005. At the auction, company sold 780,000 mink skins (710,000 at the corresponding auction of the previous year), 340,000 fox skins (120,000), 250,000 karakul lamb skins (170,000) and 18,000 Finn raccoon skins (14,000). The total sales value of the auction was EUR 66.0 million (EUR 30.2 million).

During the current financial period, Finnish Fur Sales organises auctions from 24th to 28th March and 14th to 19th June. The demand as well as the price level of skins is expected to continue well provided that the fashion fairs in the spring are successful. The company expects the amount of offered skins and the sales value to be higher during the current financial period than on the previous financial period. The result of the current financial period is expected to be higher than last year.

FINNISH FUR SALES FINANCIAL REPORT FOR THE PERIOD 1.9.-30.11.2005

Profit and Loss Account of the Group 1.9.2005-30.11.2005

(EUR 1,000)	1.9.2005- 30.11.2005	1.9.2004- 30.11.2004	1.9.2004- 31.8.2005
Net Turnover	4,635	3,999	32,969
Other Operating Income	60	54	259
Operating Expenses			
Materials and Services	-381	-260	-1,241
Personnel Expenses	-1,833	-1,803	-12,324
Depreciation According to Plan	-695	-758	-3,044
Other Operating Expenses	-4,082	-2,652	-14,489
OPERATING LOSS	-2,296	-1,420	2,131
Financial Income and Expenses	610	750	2,145
PROFIT / LOSS BEFORE APPROPRIATIONS AND TAXES	-1,686	-670	4,277
Income Taxes 1)	437	164	-1,155
PROFIT / LOSS FOR THE FINANCIAL PERIOD	<u>-1,249</u>	<u>-506</u>	<u>3,122</u>

1) Income taxes in the interim report include a change in deferred tax receivables connected to the loss in the interim report. Income taxes in the annual report include a change in deferred tax liability connected to depreciation difference.

BALANCE SHEET 30.11.2005

ASSETS (EUR 1,000)	30.11.2005	30.11.2004	31.8.2005
Fixed Assets			
Intangible Assets	1,701	2,522	1,925
Tangible Assets 2)	27,694	28,247	27,534
Investments	284	284	284

Current Assets			
Current Stocks	284	383	458
Deferred Tax Receivables	441	171	0
Receivables	65,470	69,517	82,693
Bank and Cash	3,977	2,258	4,041
TOTAL ASSETS	99,851	103,382	116,935

2) A revaluation of 8 million euro of the real estate in Varisto is included in the tangible assets.

	30.11.2005	30.11.2004	31.8.2005
LIABILITIES			
Shareholders' Equity	55,384	55,347	56,632
Liabilities			
Deferred Tax Liability	1,917	1,894	1,917
Short-Term Liabilities	42,550	46,140	58,386
TOTAL LIABILITIES	99,851	103,381	116,935

FINANCIAL STATEMENTS

EUR 1,000	1.9.2005- 30.11.2005	1.9.2004- 30.11.2004	1.9.2004- 31.8.2005
<i>Cash Flow from Operating Activities</i>			
Income from Sales	33,938	26,219	31,717
Payments from Other Operating Income	59	54	242
Payments from Operating Expenses	-24,578	-27,557	-34,753
Cash Flow from Operating Activities before Financing Items and Taxes	9,419	-1,284	-2,794
Interest and Payments Disbursed of Financing Costs of Operation	-438	-256	-1,623
Accrued Interests and Other Financing Income from Operation	1,818	1,733	3,680
Dividends Received	0	0	7
Disbursed Direct Taxes	-537	-338	-1,947
Cash Flow from Operating Activities (A)	10,262	-145	-2,677
<i>Cash Flow from Investing Activities:</i>			
Gross Investments	-650	-1,168	-2,212
Transfer Income from Fixed Assets	19	18	104
Cash Flow from Investing Activities (B)	-631	-1,150	-2,108

Cash Flow from Investing Activities:

Taking out of Short-Term Loans	0	81	7,662
Repayment of Short-Term Loans	-9,695	0	0
Change in Conversion Difference	0	1	-2
Disbursed Dividends	0	-1	-2,304
Cash Flow from Investing Activities (C)	<u>-9,695</u>	<u>81</u>	<u>5,356</u>

Change in Cash Flows (A+B+C)
increase (+) / deduct (-)

-64 -1,213 571

Financial Resources 30.11.

3,977 2,256 4,041

Financial Resources 1.9.

-4,041 -3,470 -3,470

Change in Financial Resources

-64 -1,213 571

Average Number of Personnel

1.9.2005- 1.9.2004- 1.9.2004-
30.11.2005 30.11.2004 31.8.2005

Permanent Employees

115 116 117

Seasonal Employees

74 72 194

189 188 311

Gross Investments in Fixed Assets

650 1,168 2,212

Assurances, Guarantee Engagements and Other Liabilities (EUR 1,000)

30.11.2005 30.11.2004 31.8.2005

**Debts with Mortgages and Impawned
Receivables as Collateral Security**

Loans from Credit Institutions

16,245 18,979 25,381

Mortgaged Buildings

54,072 54,072 54,072

Mortgaged Businesses

2,691 2,691 2,691

Impawned Receivables

21,086 21,992 13,781

Total Mortgages Used as Collaterals

56,763 56,763 56,763

Total Impawned Receivables

21,086 21,992 13,781

**Assurances Given on behalf of the Companies
of the Same Group**

Guarantee Liabilities

537 538 536

**Amount to be paid on the Leasing
Agreements**

During the Next Financial Period	108,068	97	108,068
During Consequent Financial Periods	0	108,068	0

Option Contracts

Forwards Contracts	15,975	7,779	43,524
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2005/2006	2004/2005	2004/2005
3 kk	3 kk	12 kk

Earnings per Share	-0.35	-0.14	0.87
Shareholders' Equity per Share	15.38	15.37	15.73

The numbers of the interim review have not been audited.

In Vantaa, 30th January 2006
The Board of Directors