

FINNISH FUR SALES

INTERIM REVIEW FOR 1 SEPTEMBER–30 NOVEMBER 2007

This Interim Report's financial statements are based on IFRS-compliant recognition and measurement principles, applying the same accounting policies as in the financial statements for 1 September 2006–31 August 2007. Data in this Interim Report are based on unaudited figures.

Group Performance

The first quarter of the Finnish Fur Sales Group's financial year is characterised by heavier costs resulting from arrangements for the auction period starting in December. During the reporting period 1 September–30 November 2007, Finnish Fur Sales held one auction, in September 2007. The sales volume at this auction and through the period's private treaty sales totalled 760,000 mink pelts (380,000 in the same period a year earlier), 780,000 fox pelts (671,000), 23,000 Karakul lamb pelts (12,000) and 22,000 raccoon pelts (12,000), graded mainly in the previous financial period. Pelt prices were, on average, 37 per cent lower than for the same financial period a year ago. Regardless of the marked increase in pelt volumes, the total value of sales, at EUR 52.3 million, was eight per cent lower year-on-year (EUR 56.7 million).

Auction	Sales 1,000 items 2007/2008	Sales 1,000 items 2006/2007	Value EUR 1,000 2007/2008	Value EUR 1,000 2006/2007
September	1,584	1,072	52,140	56,493
Private treaty	3	4	162	226
Total	1,587	1,076	52,302	56,719

Thanks to an increase in the volume of pelts traded, the Group's net turnover increased by 14 per cent, totalling EUR 6.3 million (EUR 5.5 million). Operating expenses remained at the previous corresponding review period's level of EUR 7.5 million. Operating loss for the period amounted to EUR 1.1 million, representing 18 per cent of net turnover (EUR -1.9 and -35 per cent).

Net financial income declined by 34 per cent year-on-year, to EUR 410,000 (EUR 620,000). Loss before appropriations and taxes came to EUR 730,000 (EUR -1.3 million). Earnings per share showed a loss of EUR 0.15 (EUR -0.27).

On 30 November 2007, the equity-to-assets ratio stood at 48.7 per cent (56.8 per cent on 30 November 2006 and 45.4 per cent on the balance sheet date, 31 August 2007). The consolidated balance sheet total amounted to EUR 121.7 million (EUR 106.0 million on 30 November 2006 and EUR 131.7 million on 31 August 2007).

Capital Expenditure and Development

Group gross capital expenditure totalled EUR 2.1 million (EUR 900,000), accounting for 34 per cent (16 per cent) of net turnover, with 38 per cent of capital expenditure targeted at the expansion of the Group's mink grading centre, and 32 per cent at other pelt processing

operations and storage. An expansion of the mink grading centre was inaugurated at the end of the review period.

Shares and Share Performance

Finnish Fur Sales' share capital totalled EUR 7,200,000 at the end of the period, and the number of shares 3,600,000, of which 700,000 were Series A shares and 2,900,000 Series C shares.

The value of shares traded in the review period totalled EUR 550,000 million and the volume came to 52,000, accounting for two per cent of the company's Series C shares. The period's highest share value was EUR 11.00, its lowest EUR 10.33 and the average EUR 10.54. The share closed at EUR 10.64. Market capitalisation totalled EUR 38.3 million on 30 November 2007.

Human Resources

The number of permanent Group staff averaged 134 (116 a year ago) and fixed-term employees numbered 80 (85). At the end of the period, the Group employed 493 staff (485).

Seasonal Variations

Finnish Fur Sales organises 4 to 6 auctions during the 12-month sales season. Auction schedules and supply vary each financial year, and there may be quarters with no auctions. Seasonal variations may also cause differences between financial periods in such a way that during the comparison period an equal number of auctions have or have not been organised. As a result, changes in sales value, net turnover and costs in comparison with previous periods do not necessarily give a true picture of the entire accounting period's performance.

Prospects for the Rest of the Financial Year

After the reporting period, Finnish Fur Sales has held two auctions, the first between 18 and 21 December 2007, and the second on 21 January 2008, auctioning a total of 830,000 mink pelts (930,000 at the December 2006 auction), 260,000 fox pelts (310,000), 230,000 Karakul lamb pelts (230,000) and 41,000 Finnraccoon pelts (23,000). The auctions generated total sales of EUR 46.4 million, which was 34 per cent lower than total sales at the December 2006 auction (EUR 70.2 million). Net turnover generated at the auctions remained 28 per cent lower than the net turnover of the December 2006 auction.

The fur retail season got off to a slow start in November-December, but sales picked up in January due to cold weather and economic growth in the company's primary market areas, China and Russia. The final results of the financial period depend on the results of the March-April (30 March-4 April) auction and the June (4-9 June) auction, because the majority of pelts sold during the financial period are offered at these auctions.

Consolidated Balance Sheet (IFRS)

EUR 1,000

	30 Nov 2007	30 Nov. 2006	31 Aug. 2007
ASSETS			
Non-current assets			
Property, plant and equipment	25,533	24,207	24,227
Intangible assets	692	678	491
Available-for-sale investments	579	551	564
Non-current receivables	450	872	450
Deferred tax assets	17	25	19
Pension receivables	4,132	3,670	4,035
Total non-current assets	31,404	30,004	29,786
Current assets			
Inventories	901	345	1,231
Deferred tax assets	200	374	0
Customer receivables and other receivables	85,953	71,363	96,447
Cash and cash equivalents	3,288	3,923	4,266
Total current assets	90,342	76,005	101,944
Total assets	121,746	106,010	131,729
	30 Nov. 2007	30 Nov. 2006	31 Aug. 2007
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to parent company shareholders			
Share capital	7,200	7,200	7,200
Share premium account	254	254	254
Other funds	12,960	12,230	12,960
Translation difference	57	57	58
Fair value reserve	219	198	207
Retained earnings	37,626	38,662	38,174
Total shareholders' equity	58,315	58,602	58,854
Long-term liabilities			
Deferred tax liabilities	4,211	4,121	4,193
Interest-bearing liabilities	132	0	0
Total long-term liabilities	4,343	4,121	4,193
Short-term liabilities			
Interest-bearing liabilities	50,325	32,052	60,227
Trade and other payables	8,762	11,235	8,455
Total short-term liabilities	59,087	43,286	68,682
Total liabilities	63,430	47,408	72,875
Total liabilities and shareholders' equity	121,746	106,010	131,729

Consolidated income statement

EUR 1,000	2007/2008 3 mths	2006/2007 3 mths	2006/2007 12 mths
Net Turnover	6,276	5,499	34,625
Other operating income	69	68	273
Materials and supplies	-623	-582	-1,596
Employee benefits	-2,206	-1,947	-13,109
Depreciation and impairment loss	-590	-627	-2,586
Other operating expenses	-4,064	-4,332	-17,110
Operating profit/loss	-1,138	-1,920	497
Financial income and expenses	409	620	3,191
Profit/loss before tax	-729	-1,300	3,688
Income tax	180	335	-991
Net profit/loss	<u>-549</u>	<u>-965</u>	<u>2,697</u>
Earnings per share, EUR	-0,15	-0,27	0,75

Statement of changes in shareholders' equity

EUR 1,000	Share capital	Share premium fund	Other funds	Translation differences	Fair value reserve	Retained earnings	Shareholders' equity total
Shareholders' equity 31 Sept. 2007	7,200	254	12,960	58	207	38,174	58,853
Net profit/loss						-549	-549
Change in translation difference				-1			-1
Fair value reserve					12		12
Shareholders' equity 31 Nov. 2007	7,200	254	12,960	57	219	37,625	58,315
Shareholders' equity 1 Sept. 2006	7,200	254	12,230	57	151	39,627	59,519
Net profit/loss						-965	-965
Change in translation difference				1			1
Fair value reserve					47		47
Shareholders' equity 30 Nov. 2006	7,200	254	12,230	58	198	38,662	58,602

Consolidated cash flow statement

EUR 1,000	2007/200 8 3 mths	2006/200 7 3 mths	2006/200 7 12 mths
<i>Cash flow from operating activities</i>			
Proceeds from auctions and sales	71,506	95,607	357,232
Cash receipts from other operating income	60	99	289
Cash paid to suppliers and employees	-63,305	-78,312	-364,457
Cash flow from operating activities before financial items and taxes	8,260	17,393	-6,936
Interest and other financial expenses	-952	-665	-2,857
Interest and other financial income	1,455	1,679	5,974
Dividend income	17	0	25
Income tax paid	-667	-304	-811
Net cash flow from operating activities (A)	8,113	18,103	-4,605
<i>Cash flow from investing activities</i>			
Purchase of tangible and intangible assets	-2,111	-901	-2,707
Proceeds from sale of property, plant and equipment, and intangible assets	22	8	39
Investments in other assets	0	0	0
Net cash used in investing activities (B)	-2,088	-893	-2,668
<i>Cash flow from financing activities</i>			
Proceeds from short-term borrowings	0	0	5,291
Repayments of short-term borrowings	-7,133	-22,897	0
Proceeds from long-term borrowings	137	0	0
Repayments of long-term borrowings	-5	0	0
Change in translation difference	-2	1	1
Dividends paid	0	0	-3,364
Net cash flow used in financing activities (C)	-7,003	-22,897	1,929
Change in cash flows (A+B+C), increase (+) / decrease (-)			
..	-978	-5,687	-5,344
Cash and cash equivalents 31 Aug./30 Nov.	3,288	3,923	4,266
Cash and cash equivalents 1 Sept.	-4,266	-9,610	-9,610
Net change in cash and cash equivalents	-978	-5,687	-5,344

Key figures and ratios

	2007/2008	2006/2007	2006/2007
	3 mths	3 mths	12 mnths
Total sales, EUR 1,000	52,302	56,719	322,914
Net turnover, EUR 1,000	6,276	5,499	34,625
Operating profit/loss, EUR 1,000	-1,138	-1,920	497
Profit/loss before tax, EUR 1,000	-729	1,300	3,688
Earnings per share, EUR	-0,15	-0,27	0,75
Equity per share, EUR	16,20	16,28	16,35
Return on equity (ROE), %	-0.9%	-1.6%	4.6%
Return on capital invested (ROI), %	0.2%	-0.6%	5.5%
Equity-to-assets ratio, %	48.7%	56.8%	45.4%
Gearing	0.81	0.48	0.95
Gross capital expenditure, EUR 1,000	2,110	901	2,707
% net turnover	33.6%	16.4%	7.8%
Average personnel	214	201	323

Pledges, guarantees and other contingent liabilities

EUR 1,000	30 Nov. 2007	30 Nov. 2006	31 Aug 2007
Mortgages given and receivables pledged in security for debt			
Loans from financial institutions	34,111	13,268	40,949
Mortgage on property	54,071	54,071	54,071
Mortgage on company assets	2,691	2,691	2,691
Pledged receivables	23,103	22,707	19,568
Other contingent liabilities			
Guarantees on others' behalf	4,425	3,528	2,720
Derivative contracts			
Forward contracts	23,034	21,091	38,876

Vantaa, 30 January 2008
Board of Directors