

**FINNISH FUR SALES
INTERIM REPORT FOR 1 SEPTEMBER 2009 - 30 NOVEMBER 2009**

This Interim Report has been prepared in accordance with the IFRS recognition and valuation principles, but, in preparing it, not all presentation requirements referred to in IAS 34 Interim Financial Report have been complied with.

As of 1 September 2009, the Group has applied the following new and amended standards:

- IFRS 8 Operating Segments
- IAS 23 Borrowing Costs
- IAS 1 Presentation of Financial Statements
- IFRS 3 Business Combinations
- IAS 27 Consolidated and Separate Financial Statements

The amendments to IAS 1 Presentation of Financial Statements govern the method of presenting the Income statement and the Statement of changes to shareholders' equity. In practice, other changes do not have an impact on the reporting period.

In other respects, same principles have been applied to preparing this report as when prepared the financial statements for the financial year 1 September 2008 – 31 August 2009. The data in this Interim Report are based on unaudited figures.

Sales during the review period 1 September 2009 - 30 November 2009

During the reporting period of 1 September 2009 -30 November 2009, Finnish Fur Sales held one auction in September 2009. The sales amounted to MEUR 40.4, with the Chinese buying accounting for ca. two thirds. For the future of the fur production in Finland, a major turn of events took place in the auction: compared to the June auction, the price level of the assortment of more than 250,000 Blue fox pelts went up by nearly 30 per cent, and all pelts were sold. A strong decrease in China's Blue fox production and the fact that Blue fox is trendy contributed to the increase in the price level.

During the reporting period, a total of 890,000 mink pelts, the majority of which were mink pelts sorted during the previous financial year (880,000 during the previous corresponding period), 520,000 fox pelts (560,000), 130,000 karakul pelts (37,000), and 44,000 Finnraccoon pelts (33,000) were sold. In spite of the increase in the Blue fox pelts price in September, due to the low price level of mink pelts, the value of the sales remained 18 per cent below that of the previous corresponding period and was MEUR 42.9 (MEUR 52.6).

Auction	Sales 1,000 ea 2009/2010	Value EUR 1,000 2009/2010	Sales 1,000 ea 2008/2009	Value EUR 1,000 2008/2009
September	1 560	42 633	1 512	52 512
Warehouse sales	16	237	3	85
Total	1 576	42 870	1 515	52 597

Financial Position and Performance

For the first quarter of the financial year, the Group's net turnover was MEUR 5.8, i.e., five per cent lower than that of the previous corresponding period (MEUR 6.1). Compared to the previous corresponding period, the operating expenses decreased by two per cent, amounting to MEUR 7.2 (MEUR 7.4). The employee benefit costs increased by six per cent from the previous corresponding period, but the other operating expenses decreased by nine per cent. The net result for the reporting period totalled to MEUR -1.4 (MEUR -1.3).

Compared to the previous corresponding period, the Group's net financial income increased by 17 per cent, amounting to EUR 980,000 (840,000). The increase in the net financial income was the result of no credit losses having been incurred during the reporting period. The result before taxes for the reporting period was EUR - 370,000 (-420,000), and the result for the reporting period was EUR -280,000 (-320,000). The return on equity for the reporting period was -0.5 per cent (-0.6 per cent) and the earnings per share EUR -0.08 (EUR -0.09).

The Group's liquidity remained good for the entire reporting period.

Capital Expenditure and Development

For the reporting period, the Group's gross capital expenditure amounted to EUR 340,000 (880,000), i.e., six per cent (14 per cent) of the net turnover, with 91 per cent of the capital expenditure on the tangible and intangible assets of the parent company and nine per cent on the tangible and intangible assets of the subsidiaries.

Shares and Share Performance

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

During the reporting period, the value of the shares traded totalled EUR 270,000, with 33,000 shares traded, i.e., one per cent of the Series C shares. The period high was EUR 8.78, its low EUR 7.55, and its average EUR 8.22. At the end of the period, the share closed at EUR 8.22. On 30 November 2008, the Company's market capitalisation totalled MEUR 29.8.

Personnel

During the reporting period, the number of permanent Group personnel averaged 136 (132 for the corresponding previous period), and that of fixed-term employees 64 (76 employees). At the end of the reporting period, the Group had employed a total of 450 employees (502 employees).

Seasonal variation

During a 12-month sales season, Finnish Fur Sales holds 4-6 auctions. The auction dates and the number of pelts offered in the auctions change each year. During a financial year, there may be quarters when no auction is held. Due to seasonal variations, there may also be differences between financial years, e.g., if the number of auctions held/not held during the comparison season is not the same. For this reason, in regard to the comparison season, the changes in the value of sales, net turnover, and costs do not necessarily present the right picture of the developments during the entire financial year.

Risks and Factors of Insecurity in Business Operation

The most significant business-related risks and uncertainties are reported in the Review by the Board of Directors for 1 September 2008 - 31 August 2009. Item 25 in the notes to the consolidated financial statements addresses financial risk management. No fundamental changes to risks have taken place during the reporting period.

Significant Events after the Conclusion of the Reporting Period

Fur's popularity in international fashion, the cold winter in the main market areas, and low raw material stocks contributed to the strong increase in the prices of most pelt types in Finnish Fur Sales' December auction compared to the price level in the September auction.

The number of pelts sold nearly tripled from the previous year's corresponding auction. In the December 2008 auction, the international financial crisis and the resulting insecurity reflected on the auction's sales result, and only part of the pelts offered at the auction were sold. In the December 2009 auction, 700,000 mink pelts (240,000 in the previous year's corresponding auction), 220,000 fox pelts (71,000), 140,000 karakul pelts (78,000), and 10,000 Finn raccoon pelts (10,000) were sold. The sales totalled MEUR 42.0 (MEUR 12.8). The pelts sold in the December 2009 auction have been paid and shipped exceptionally fast.

In accordance with the agreement approved in September, effective 31 December 2009, the statutory pension security of Finnish Fur Sales' domestic personnel was transferred from the Finnish Fur Breeders' Pension Fund to Ilmarinen Mutual Pension Insurance Company. In this respect, as of 1 January 2010, the classification of the old-age, unemployment, and disability pensions transferred to reserves changed from defined benefit plans to defined contribution plans.

The Annual General Meeting (AGM) of Finnish Fur Sales held on 21 January 2010 adopted the Company's financial statements for the financial year closed on 31 August 2009 and approved the Board of Directors' proposal for the distribution of dividends. A decision was taken to distribute EUR 0.42 / share, i.e., a total of EUR 1.512,000 in dividends. Furthermore, based on the proposal of the Finnish Fur Breeders' Association, the AGM decided to authorise Finnish Fur Sales' Board of Directors to decide on an additional maximum dividend of EUR 0.18 / share. The authorisation is in force until the commencement of the next Annual General Meeting. Fur producer Jorma Kauppila, fur producer Markku Koski, fur producer Pentti Lipsanen, fur producer Esa Rantakangas, fur producer Rainer Sjöholm, and Helena Walldén, M.Sc. (Tech.) will continue in the Board. At the Board's organising meeting after the AGM, Jorma Kauppila was elected as Chairman and Markku Koski as Vice Chairman of the Board. Ernst & Young Oy was elected as Company's auditor. The AGM also approved the Board's proposal for the amendment of sections 2, 4, 9, 12, and 13 of the Articles of Association.

During December 2009 - January 2010, Odin Finland, the Company's second largest shareholder, sold the majority of the shares owned by it. A list of the Company's largest shareholders on 26 January 2010 is presented on the Company's Internet site.

Outlook for the Balance of the Financial Year

In addition to the auctions held in September and December 2009, in the course of this financial year, Finnish Fur Sales will hold auctions 2 February 2010, 22 - 26 March 2010, and 6 - 11 June 2010. The goal of the Company is to offer five million mink pelts, 1.3 million fox pelts, and 80,000 Finn raccoon pelts as well as 100,000 karakul pelts in the said auctions.

During this winter, the retail sales period in China, the Company's most important market area, has been extremely good. The exceptionally long, cold period in the Nordic hemisphere has perked fur sales also in other market areas. Hence, orders in the Beijing fur fair held in January 2010 exceeded those made in the previous year. It is believed that the market situation for mink pelts will continue its positive trend, although the rapid price increase to a very high level also increases the market risk.

As China's own production has decreased, it seems that the overproduction situation in fox pelts is actually turning into a raw material shortage. At the same time, more than before, the global textile industry uses fox pelts. Despite the large amounts of pelts offered in the spring auctions, the market outlook is quite good for fox pelts.

The long-term development programme for making the business operation more efficient and for cost management continues. The improved market situation decreases credit losses for this financial year. The result for the entire financial year is estimated to be profitable.

Consolidated statement of financial position, IFRS

EUR 1,000

ASSETS	30 Nov 2009	30 Nov 2008	31 Aug 2009
Non-current assets			
Property, plant and equipment	23 944	25 336	24 278
Intangible assets	1 072	1 102	1 091
Available-for-sale investments	461	410	451
Non-current receivables	654	204	654
Deferred tax assets	6	12	7
Non-current assets, total	<u>26 138</u>	27 064	26 482
Current assets			
Inventories	456	458	649
Deferred tax assets	596	108	522
Customer receivables and other receivables	79 242	93 027	83 599
Cash and cash equivalents	2 582	4 636	3 579
Current assets, total	<u>82 877</u>	98 229	88 349
Total assets	<u>109 015</u>	125 293	114 831

SHAREHOLDERS' EQUITY AND LIABILITIES

	30 Nov 2009	30 Nov 2008	31 Aug 2009
Equity attributable to parent company's shareholders			
Share capital	7 200	7 200	7 200
Share premium account	254	254	254
Other funds	13 470	13 200	13 470
Translation difference	59	57	59
Fair value reserve	133	95	125
Retained earnings	30 225	34 654	30 488
Shareholders' equity, total	<u>51 341</u>	55 461	51 597
Non-current liabilities			
Deferred tax liabilities	2 988	3 061	2 999
Interest-bearing liabilities	0	65	15
Non-current liabilities, total	<u>2 988</u>	3 126	3 013
Current liabilities			
Interest-bearing liabilities	42 352	53 294	47 600
Trade and other payables	12 334	13 412	12 621
Current liabilities, total	<u>54 686</u>	66 706	60 221
Total liabilities	<u>57 674</u>	69 832	63 234
Total shareholders' equity and liabilities	<u>109 015</u>	125 293	114 831

Consolidated statement of comprehensive income

EUR 1,000	2009/2010 3 mo	2008/2009 3 mo	2008/2009 12 mo
Continuous operations			
Net turnover	5 815	6 103	31 158
Other operating income	69	59	294
Materials and supplies	-498	-466	-1 631
Employee benefits	-2 440	-2 294	-13 697
Depreciation and impairment loss	-693	-679	-2 890
Other operating expenses	-3 608	-3 980	-17 133
Operating profit/loss	-1 356	-1 259	-3 899
Financial income and expenses	984	842	1 662
Profit/loss before tax	-372	-417	-2 236
Income tax	91	103	553
Net profit/loss for the reporting period	-282	-315	-1 684
Other comprehensive income			
Actuarial losses	0	0	-297
Off-balance-sheet receivables under IAS 19.58	25	-66	223
Available-for-sale investments	10	-55	-14
Translation differences	0	2	-1
Taxes included in other items in comprehensive profit/loss	-9	31	23
Other comprehensive income/expense, net of tax	26	-87	-66
Total comprehensive income/expense	-256	-402	-1 749
Earnings per share, EUR, basic (EUR) *)	-0,08	-0,09	-0.47
*) There are no factors diluting the key performance indicator			

Consolidated statement of cash flows

EUR 1,000	2009/2010 3 mo	2008/2009 3 mo	2008/2009 12 mo
<i>Cash flow from operating activities</i>			
Proceeds from sales	54 424	65 977	253 324
Cash received from other operating income	60	59	280
Cash paid for other operating expenses	-52 328	-74 658	-254 960
Cash flow from operating activities before financial items and taxes	2 156	-8 622	-1 356
Interest and other financial expenses	-391	-1 068	-4 501
Interest and other financial income	1 756	2 566	6 171
Dividend income	7	0	10
Direct taxes paid	-180	-145	444
Net cash flow from operating activities (A)	3 347	-7 269	768
<i>Cash flow from investment activities</i>			
Investments in tangible and intangible assets	-340	-883	-2 044
Proceeds from sale of tangible and intangible assets	0	26	59
Investments in other assets	-3	0	0
Proceeds from investments in other assets	0	14	0
Net cash flow from investment activities (B)	-342	-842	-1 984
<i>Cash flow from financing activities</i>			
Withdrawal of short-term borrowings	0	7 405	1 977
Repayments of short-term borrowings	-3 986	0	0
Repayments of long-term borrowings	-15	-16	-67
Change in translation difference	0	2	3
Dividends paid	-1	-1	-2 474
Net cash flow from financing activities (C)	-4 002	7 390	-562
Change in cash flows (A+B+C) increase (+) / decrease (-)	-997	-721	-1 778
Cash and cash equivalents, 31 Aug /30 Nov	2 582	4 636	3 579
./. Cash and cash equivalents, 1 Sep	3 579	5 357	5 357
Net change in cash and cash equivalents	-997	-721	-1 778

Consolidated statement of changes in shareholders' equity

EUR 1,000	Share capital	Share premium account	Other funds	Translation differences	Fair value reserve	Retained earnings	Shareholders' equity, total
Shareholders' equity, 1 Sep 2008	7 200	254	13 200	57	136	35 016	55 863
Result for the reporting period						-315	-315
Other comprehensive income/expense				1	-41	-47	-87
Shareholders' equity, 30 Nov 2008	7 200	254	13 200	57	95	34 654	55 461
Shareholders' equity, 1 Sep 2009	7 200	254	13 470	59	125	30 488	51 597
Result for the reporting period						-282	-282
Other comprehensive income/expense				0	8	18	26
Shareholders' equity, 30 Nov 2009	7 200	254	13 470	59	133	30 225	51 341

Key performance indicators

	2009/2010 3 mo	2008/2009 3 mo	2008/2009 12 mo
Total sales , EUR 1,000	42 870	52 597	248 418
Net turnover, EUR 1,000	5 815	6 103	31 158
Operating profit/loss, EUR 1,000	-1 356	-1 259	-3 900
% of net turnover	-23.3 %	-20.6 %	-12.5 %
Profit before taxes, EUR 1,000	-372	-417	-2 236
% of net turnover	-6.4 %	-6.8 %	-7.2 %
Earnings per share, EUR	-0,08	-0,09	-0.47
Equity per share, EUR	14.26	15.41	14.33
Return on equity (ROE) -%	-0.5 %	-0.6 %	-3.1 %
Return on investment (ROI) -%	0,0 %	0.7 %	0.5 %
Equity-to-assets ratio, %	50,0 %	45.8 %	46.5 %
Gearing	0.77	0.88	0.85
Gross capital expenditure, EUR 1,000	340	883	2 044
% of net turnover	5.8 %	14.5 %	6.6 %
Average number of personnel	200	208	320

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 for before taxes + interest and other financial costs - credit losses) x 100 / (balance sheet total - non-interest-bearing short-tem 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 30 Nov 2009 30 Nov 2008 31 Aug 2009

Mortgages given and receivables pledged in security for dept

Loans from financial institutions	29 076	37 651	32 423
Mortgages on property	54 071	54 071	54 071
Mortgages on company assets	2 691	2 691	2 691

Other contingent liabilities

Guarantees on behalf of others	6 771	5 004	5 302
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Derivative contracts

Forward exchange agreements	19 523	37 794	29 856
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Vantaa, 28 January 2010
Board of Directors