



NORTH AMERICAN FUR AUCTIONS

Wild Fur Market Update

April 15, 2009

While the world stock markets and the Russian ruble appear to have stabilized, the problems that we are facing in the wild fur business unfortunately have not changed. The disappointing Russian retail season and the weak ruble continue to negatively impact cashflows to our major manufacturers. There are many unpaid bills and short of a miracle, now that the retail season is over, they will most likely remain unpaid. We continue to monitor the market very closely through our very active buyer solicitation program, but unfortunately the news from Russia and Europe in general, is not that good. Oksana Moroz and Olga Petrova, our Russian agents, will be in Moscow next week attending "Chapeau", a wholesale fair for fur hats, accessories and trimming.

Our buyer attendance in May from China is expected to be outstanding, while the attendance from other markets will be below normal. The articles that fit the Chinese consumer are mostly ranch-raised mink, as well as muskrats, and other less bulky fur. Of course, we have the group of wild fur articles that sold 100% in February, although at reduced prices, the martens, fishers, otters and muskrats. For the upcoming May auction, we expect a similar pattern to February's, but as we have mentioned before, we will do our utmost to ensure that we have much higher clearance levels on those wild fur articles that met resistance in February. We should also keep in mind that although 100% of the ranch mink has been sold worldwide since February, mink prices are down 30% to 60% from last year, with the more commercial goods declining the most.

We will need new Chinese customers to purchase the wild furs that we have traditionally sold to other manufacturers for the Russian market, such as beavers, coyotes, raccoon and red foxes. We are working very hard in China in product promotion and buyer solicitation to make sure that we are giving wild fur the maximum exposure and the best chance to sell. Kevin Douse, Dragon Hu and Lumin Yao are there right now. Mike Mengar and Doug Fizzell will also be in Turkey next week visiting the Turkish fur trade and Kevin will continue on to Korea from China and Hong Kong at the end of the month.

Herman Jansen