



NORTH AMERICAN FUR AUCTIONS WILD FUR SHIPPERS COUNCIL

NAFA WFSC ONCE AGAIN PUTS MORE DOLLARS BACK IN MEMBERS' WALLETS

October 16, 2008

NAFA and our producer organization partners reached a level of profitability once again in the past year which will allow NAFA to rebate part of the profit to the members of our producer-owned organizations for the third year running. The WFSC member rebate will be processed prior to our year end in October and will appear as a WFSC profit sharing rebate on your first account sale for the 2008-9 season. The additional member profit rebate will equal a further reduction in auction house selling charges for last season of 1% in addition to the 2% commission reduction and free freight or pelt handling charges members have enjoyed since 1997. This additional rebate will make the net auction fee charged to WFSC members the lowest in the world.

HISTORY:

The NAFA WFSC was incorporated on February 24th 1997 for the purpose of promoting wild fur products and to provide a vehicle for the purchase of an ownership interest in the company for wild fur producers. NAFA WFSC made available to wild fur producers a membership program by which a \$100 membership fee provided a five year membership with the immediate benefits as outlined above. The proceeds of the membership were set aside to provide the necessary funds to acquire the shares.

The initial board of directors was elected in January 1998 and in April 2000 the Directors unanimously approved the purchase proposal for shares in NAFPI. In May 2000, 15% of NAFPI was sold to the NAFA WFSC exactly 330 years after the issuing of the Charter of Incorporation for the original *Hudson's Bay Company*. The NAFA WFSC purchased an additional 3% in November 2002 for a total of 18% ownership of NAFPI. The significance of ownership by the NAFA WFSC was to ensure that the promotional activities and sale of wild fur will be part of NAFA for the next generation of North American trappers. The NAFA WFSC now has over 7,000 members who jointly represent the majority of the wild fur sold at NAFA auctions.

NAFA WFSC ANNOUNCES ADDITIONAL \$160,000 FOR "SPECIAL WILD FUR PROMOTION" IN 2009 SEASON

The NAFA WFSC is very pleased to report that an additional \$160,000 USD on top of the already-committed \$500,000 USD will be spent on wild fur promotion by the *North American Fur Association* for the upcoming season.

Last year Tina Jagros, Executive Director of *North American Fur Association* outlined a new proposal for wild fur in order to further enhance objectives for wild fur by increasing demand, price and stability in a shorter time frame. The proposal involved building demand and awareness by reintroducing wild fur to top designers; creating a stronger image at the retail level and creating a more diverse and competitive market while utilizing Studio NAFA. The program launched by joining the *Council of Fashion Designers of America* as an affiliate member to develop the use of wild fur within the American design and manufacturing community. We increased work with designers using wild fur products in 2007/8 and researched new dressing and dyeing techniques specifically for wild fur. The cost for membership, additional skin and dressing costs, roundtable costs, labour, a fashion event and Studio NAFA sponsorship was \$260,000 USD. The proposal was approved unanimously by the Board of Directors of NAFA WFSC in June 2007. The funding for this proposal was only made available by the support, loyalty and insight of the members of NAFA WFSC. We are very proud that we were able to spend in excess of \$750,000 on wild fur promotion for the 2008 season alone, so that we can improve the future of your business. The WFSC approved an additional \$160,000 this year to continue the program in 2008/9. This will increase the WFSC contribution to \$420,000 with in excess of \$1,500,000 spent on Wild Fur Promotion in the past two years alone. The WFSC values and looks forward to its members support as we continue to work and invest in a strong and successful future for Wild Fur Producers.

Sincerely,

Bob McQuay, CMA
Executive Director
NAFA WFSC