1890 WULFF

ANNUAL REPORT 2011

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HISTORY

Wulff - A Success Story of More Than 120 Years

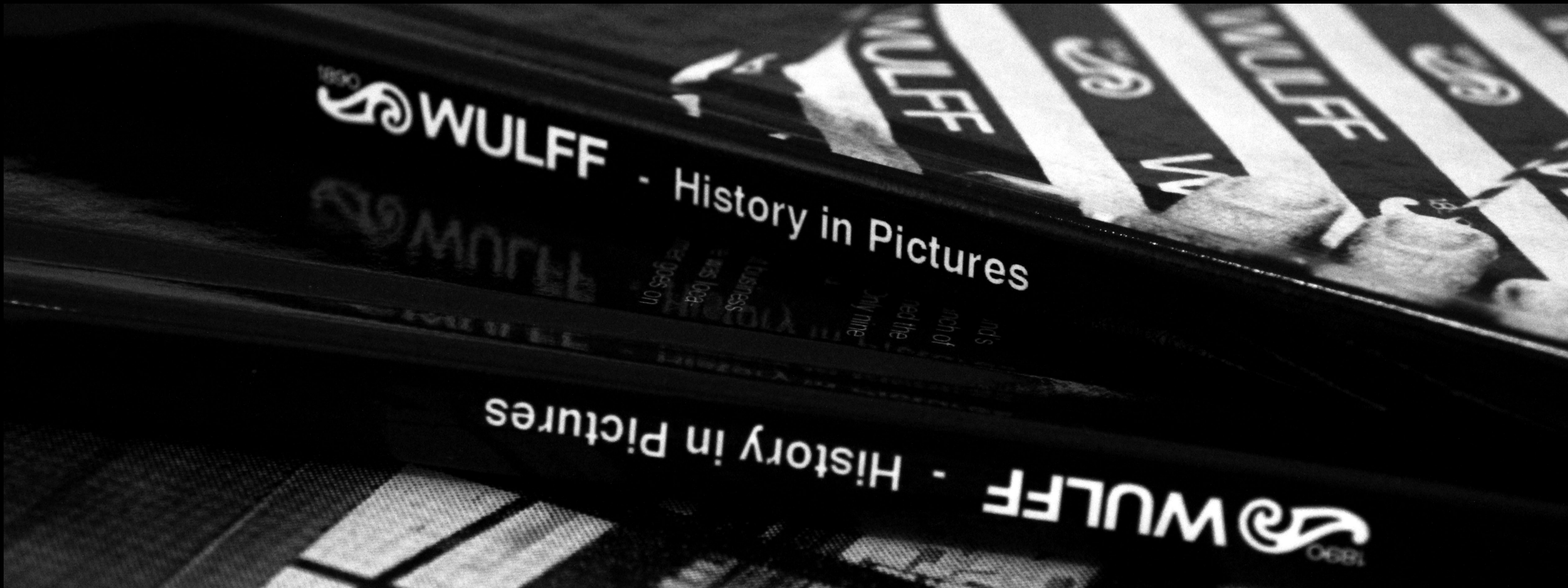
Wulff's long history is a success story. It was started by a conscientious and courteous employer, "a proper young man," **Thomas Fredrik Wulff**, who founded Wulff Oy Ab in 1890.

In the 1890s, Thomas Wulff worked in his uncle's, Gustaf Wilhelm Edlund's publishing company and bookstore as a librarian. At the Edlund's, the young man learned the manners, ethics and fortitude. Thomas, however, wanted to find a new business industry, which would enable him to stand on his own feet. In August 1890, Thomas Wulff opened his small stationery store's doors in Fredrikinkatu. Since then, the story of Wulff has been a success. This is described by the fact that just nine months after Wulff Oy Ab was founded, the store had to move to a larger facility in Eerikinkatu.

Paper trade went well and the store succeeded. An indication of Thomas Wulff's good business skills took place seven years later, when Wulff's flagship, a grand store, moved to a new address in Esplanadi 11. The new business facility with a central location was a bold and expensive investment which soon proved to be profitable. Because the store was located in the corner of Pohjois-Esplanadi and Mannerheimintie, it became known as "Wulff's corner". Even today, the corner is known with the same name among the people who experienced that era.

The company's management and ownership remained among the family from Thomas Wulff to the grandson Harry Fr. Wulff, who was the managing director until 1975. In 1987, Wulff Oy Ab's ownership changed when Sponsor Oy acquired the company and in 1992, the ownership changed to Mercantile Group. In 2002, Wulff Oy Ab was acquired by Beltton Group Plc, the national market leader in office supplies.

In 2008, Beltton Group Plc changed its name to Wulff Group Plc and Wulff's brand was reflected as the grand brand in the Group's customers and stakeholders in addition to Wulff Oy's operations. In 2011, the brand redesign brought out strongly Wulff's brand to operations of all companies: all of the Group's Finnish sales organizations were allowed to use the Wulff brand names as well as a black and white, fresh visual image. Today, Wulff's brand is grown and developed by 20 organization of Wulff Group! The well-known Wulff has earned its position as the most famous Finnish brand in office supplies!



BRAND RENEWAL

Fall in Love with Black and White!

Since 2011, Wulff Group's **brand redesign** helps the customers recognize the united and high-quality operator at the first sight. All the Group's Finnish companies were given Wulff brand names as well as a black-and-white, fresh visual image. Previously each Group company operated with their own brands.

The united, strong brand serves better both the customers and the personnel. Wulff's brand tells about a united operator and company's large size, reliability, long history and dynamics. Traditionally, Wulff's brand is connected to office supplies - now all Wulff brands are related to Wulff's wide product and service range. Wulff Group's wide service and product range includes – in addition to office supplies – also business and promotional gifts, IT supplies, ergonomics, first aid products and international fair services. When customers intend to focus their purchases more and more, Wulff is the diverse service provider which provides comprehensive solutions for offices. Thanks to the brand renewal, the customers will now understand Wulff's service range more easily.

The new visual image launched in spring 2011 was already familiar to many people. And indeed, the memorable diagonal stripes have been seen already in the 1960s, when products purchased from Wulff were wrapped in a striped packing paper. In connection with the redesign, Wulff went back to its roots regarding the colour of its logo, as the blue colour was changed to black and white.

Wulff's symbol has been designed by P.O. Nyström, Mainos Taucher's Art Director. The basis of his design work was the French curve, used by architects and made up of many different curves. It is used when sketching by hand when architects want to draw different smooth lines with different radius.

After the brand redesign, Wulff Group companies have been recognized from the united symbol, black-and-white colors and diagonal stripes. Effective and memorable diagonal stripes can be seen in webpages and business cards, for instance.

The well-functioning and timeless brand will be strongly presented, for example, in campaigns and packaging, in which Wulff stripe is visibly displayed. Wulff's long-term target is to serve its customers as the Scandinavian market leader and as the most famous and reliable brand in its field!

Heikki Vienola, CEO, Wulff Group Plc

GROUP CEO'S REVIEW

"Everyone sells" in 2012!

In 2011, everyone at Wulff worked with full speed ahead and good performance was achieved in turnover and result. In the summer we gave even a positive profit warning and adjusted the 2011 profit estimate up to a greater level. In 2011, the Group's net sales increased by 6.5 percentages from the year 2010 and totalled EUR 99.1 million (EUR 93.1 million). Profitability improved as well. In 2011, the operating profit of EUR 1.60 million was clearly better than in 2010 (EUR 0.04 million).

We have succeeded well in the changing operational environment. The recovery of office supply markets continued in year 2011 and the market growth was approximately three percentages. It is great that Wulff Group's net sales have grown faster than the market. The positive sales growth and clear profit improvement in 2011 have been fuelled by development activities in the sales operations and the efficiency improvement initiatives managed successfully. I strongly believe that by focusing on customers as well as own operation and its development, it is possible to make a good profit also during the economically challenging times. I started my business in 1984 by founding Vinstock Oy (today Wulff Vinstock). A tiny backyard company has grown in to a listed Nordic Group in less than 30 years. We have been successful by focusing on opportunities and operating bravely according to the strategy even when others have been more cautious in the market. For example, the acquisition of Strålfors Supplies (nowadays Wulff Supplies) in 2009 was an important investment for serving our Scandinavian customers. Today Wulff Supplies operates in Sweden, Norway and Denmark and it is our largest subsidiary in terms of sales.

The result in 2011 creates a good base to build a profitable year 2012. Being a pioneer has always been important to Wulff: we serve our customers the way they choose via the preferred channels and we offer the market's most advanced services. Service development together with our customers is the base of our operations. Companies want to centralize their purchases to partners with a diverse product range. Wulff's service and product range is the largest in the office supplies market – office supplies, IT supplies, ergonomics, business and promotional gifts as well as international fair services. We serve our customers with contract and direct sales concept as well as in the webstore Wulffinkulma.fi.

We have a good market position and reputation which is strengthened by a respected brand. According to the brand renewal in 2011, customers recognize all our Group companies as a united service provider at the first sight. Recognisability continues growing when all the Group companies strengthen the same brand message. Wulff's brand is a guarantee of the customer's successful purchase decision. Our brand is strengthened with significant investment in marketing: Wulff Group Plc will get publicity by partnering in the IIHF Ice Hockey World Championship in spring 2012.

Also this year, I have been able to spend time in sales field and I have noticed that our salespeople are top sales professionals. It has been especially great to find out how satisfied our customers have been in our services and products. Our customer base includes, for a good reason, the finest companies in the Nordic countries. For example TeliaSonera, Fazer, Statoil, Sparebank and Viking Line rely on us. And nearly 100 000 other great companies.

In 2012 **Everyone sells** in Wulff! The theme 'Everyone sells' means us even higher valuation of customers and focusing in sales. When everyone sells, everyone's own target in sales, administration and logistics, is to have a positive impact to both customers' service experience and sales.

I thank warmly all our customers, partners and personnel for a good year 2011. Looking forward to year 2012!

CEO

Vision

We are Nordic B-to-B sales market leader in office supplies, business and promotional gifts and international fair services.

Mission

We are markets most desired partner and we bring complete solution for enhansing office and contributing sales.

PALTAMO SAUNA METER
Hot Design by Looks! This beautiful sauna-meter is made of Finnish heat-treated birch. It was born on the drawing board of Wulff Looks Designer, carrying stories and whispers of Finnish forest with it. Paltamo sauna meter is an excellent example of Wulff Looks unique ideas and products.

Nordic Operating Environment

The office supplies market encompasses the production and sales of office supplies, business and promotional gifts, IT supplies and ergonomics products. Wulff's main target areas are Finland, Sweden, Norway, Denmark and Estonia. The Group has been a market leader and pioneer for a long time in Finland. Wulff faces competition of the Scandinavian market leadership from international corporate giants, for example Staples and Lyreco.

Wulff Group is the most significant sales and marketing organization in office supplies solutions in Scandinavia. Wulff Group companies are a desired distribution channel for manufactures and suppliers. Its sales channel reaches effectively the small micro-businesses, large companies and groups. The Group does not manufacture products itself.

According to Wulff Group's estimates, the office supplies market size annually is approximately EUR 400 million in Finland, EUR 700 million in Sweden, EUR 450 million in Norway and EUR 400 million in Denmark. Scandinavian markets are similar when comparing customer numbers, purchasing behaviour and product demand. Markets are notably smaller in Estonia and standard of living has also an impact to markets. Wulff Group operates mainly in corporate promotional product market in Estonia.

Markets grew moderately in 2011. The growth in office supplies market in Scandinavia was 3 percentages, according to Wulff Group Plc's estimate in 2011. Business and promotional gifts markets grew 20 percentages in Estonia. The markets are expected to continue with an annual growth of 1-2 percentages.

Customers in All Nordic Companies

Companies use office supplies and services throughout the year. Demand for basic products, such as files, pens and tabs, is constant. Basic product demand is determined by general economic situation especially in the contract customer business. For example, when large companies recruit employees, they increase consumption of office supplies. The demand of business and advertising gifts is affected by seasons: the sales focus on the second and last quarter. Although the seasonal impact has slightly evened out in the past few years and gifts are seen as an increasingly important part of companies' communication and brand marketing, economic uncertainties have affected the business and promotional gift purchases.

Each new Nordic company is a potential new customer for Wulff. Wulff wants to serve all its customers equally well: this is the reason why Wulff has developed service concepts for companies of all sizes. Wulff is the only player in its field, which can provide complementary service models, Contract Customer concept, Direct Sales concept and Wulffinkulma.fi webstore for its customers.

Transactions in the Operating Environment

The market for office supplies has been traditionally very fragmented in the Nordics and Baltics. Owing the easy market entry, many small companies are operating in the sector. Several companies enter and leave the market every year. Business has consolidated in the past few years. Wulff estimates that the consolidation development will be intense and the business' future will be in the hands of bigger players. In summer 2009, Wulff acquired Scandinavian office supplies giant, Strålfors Supplies and significantly strengthened its position in the Scandinavian market. In summer 2011, American Staples started operating in Finland by acquiring Wulff's strong and old competitor, Oy Lindell Ab. Nordic customers appreciate national and Northern services. Wulff's strengths are in operating both locally and inter-Nordic, knowing well customers' operating environment and culture.

Wulff's competitors consist of unlisted small and medium-sized companies in all market sectors. It has approximately ten significant competitors in Finland. Wulff Oy Ab's Contract Customer concept faces competition from Staples (previously Oy Lindell Ab), Lyreco (previously Officeday Finland Oy) and Paperipalvelu. In the Scandinavian contract customer market, Wulff Supplies faces competition from Staples (Corporate Express) and Lyreco. Wulff Ibero Liikelahjat's and Wulff KB-tuote's, both selling contract services of corporate promotional products, most significant competitors are Logonet Oy and Mastermark Oy. Direct Sales companies compete of the market share with Canncolor Group and Oy Rahmqvist Ab, for example.

In addition to office supplies, customers can purchase international fair services from Wulff. The international fair service expert in the Group is Wulff Entre. Fair service sales are seasonal and sales are emphasized in the first and last quarter of the year. In Finland, Wulff Entre's competitors are for example Ständi Oy, Louder Oy, Eastway Sound and Lighting Oy and Arvelin International Oy.

On the Way to the Nordic Market Leadership

Wulff's five-year target is to grow profitably and become the leading company in the office supply market in all Nordic countries. Diversity of the product range gives a good starting point for reaching the objective. Wulff has a possibility to serve companies in all sizes cost-effectively from different business fields with complimentary service models. Service models are a competitive advantage which separates Wulff from other operators in the field. Wulff has constantly succeeded to increase its market share and grow faster than the market.

BUSINESS

Constantly Improving Business

The companies in Wulff Group engage in versatile operations in the Finnish, Swedish, Norwegian, Danish and Estonian office supplies market. Wulff's product and service range includes a variety of office supplies, business and promotional gifts, IT supplies, ergonomics and first aid solutions. The Group also offers international fair services to its customers.

Customers in the key position

It has always been important for Wulff to serve its customers in a best possible way and have a positive impact to customers' business operations. Cost savings are created by bringing the functional solutions for customers' everyday life by enhancing their office work and promoting their sales. This has also a positive impact to a customer's reputation and brand. To be able to provide advanced up-to-date solutions, Wulff develops its business constantly together with its customers.

In 2011, the Group executed a brand redesign which allows the customers to instantly recognize the Group's all Finnish companies as a united operator. Each company started using Wulff's brand and brand name. Wulff's exclusive and long life brand appears, grows and develops everyday when the Group's sales professionals visit their customers!

Complementary Service Models as a Competitive Advantage

Wulff is the only Nordic player in its field which is able to offer complementary service models for its customers. Products and services are always sold according to the concept chosen by the customer. Wulff Group's sales personnel meet customers personally everyday. The amount of annual customer encounters is approximately 200,000.

The Contract Customer concept makes it easier for customers to make regular purchases, while Direct Sales companies offer local and personal service to companies of all sizes. Similar to both concepts is the idea of offering the company's own competence to customers. Comprehensive service promotes customer satisfaction and continuation of the relationship.

One of today's most important business locations is internet. Wulff has invested strongly in development of its web services. Contract Customers are served more widely in the internet with customized solutions. A significant investment in the future is the webstore Wulffinkulma.fi which offers the broadest range of office supplies from coffee to copying paper. More information on service models can be found on pages 11-12.

The Structure of Wulff Group

Wulff Group Plc is the parent company of independent subsidiaries. The Group comprises of the parent company and 20 subsidiaries.

The Contract Customer concept is operated by Wulff Oy Ab, which sells office supplies in Finland, as well as by Wulff Supplies AB, which operates in Sweden, Norway and Denmark. Wulff Ibero Liikelahjat and Wulff KB-tuote, which also has an Estonian subsidiary called KB Eesti OÜ, sell business and promotional gifts based on the Contract Customer concept. Direct Sales organization includes Wulff Beltton, Wulff Care, Wulff Looks, Wulff Naxor, Wulff Rader, Wulff Vinstock and Wulff Visual Globe, as well as Wulff Beltton in Sweden and Wulff Direct in Norway. Wulff Entre is an expert in international fair services.

Efficient Distribution Channel for High Quality Services and Products

Wulff Group is a major player for its partners. The Group is a desired distribution channel for suppliers' new products and solutions. Through the nationwide organizations novelties, for example, can be launched to the customers quickly and with personal customer service approach. The growing Group is able to provide its customers even wider range of services and price advantages. The Group is constantly gathering feedback and information from its customers, as well as the users of the products and services. In addition to developing Wulff's own operations, information is used by Wulff's suppliers: usually the best ideas for product development and new products come from customers.

Networking as a Part of Business

InterACTION is a very important office products network for Wulff Group and the leading purchase organisation in its field. All member companies are leading companies in their home countries. There is a total of 9 interACTION companies, operating in 20 different countries. The members of InterACTION meet regularly to coordinate joint purchases and share knowledge and skills in sales, marketing and logistics. InterACTION companies exchange information about products that sell best in different countries, for example. Wulff benefits directly from the market and product information it receives. The joint purchasing organisation has an overall volume of EUR 1.8 billion and its own international brand called Q-Connect. There is a range of 3,000 quality products which are included also in Wulff Group's assortment.

Similar to InterACTION, the organizations WAGE and IGC (International Advertising Gift Council) operate in the business gift industry. Since the beginning of its operations, Wulff Ibero Liikelahjat has been the only Finnish member in the international business gift organisation IGC. Founded in 1956, the organisation has 52 business gift companies from all over the world as members. WAGE, founded in 1958, has 21 business gift companies as members in 25 countries. Wulff Group's representative in WAGE is Wulff KB-tuote. The memberships in business gift organisations guarantee Wulff Group companies finding new ideas, products and contacts with competitive prices.

The Future of Challenges and Opportunities

Recent years have been challenging for each operator in the field. The economic conditions have increased uncertainty in the operating environment, making it difficult to predict the future outlook. During 2011, the Group companies continued their enhancement measures in compliance with the profitability improvement programmes and made big inputs in sales. Both turnover and profitability improved. The Group continues taking actions according to the strategy. As a national market leader and the most significant Nordic player in its field, Wulff believes that challenges are – above all – a chance to show the strengths of its services for customers as a cost-effective solution and a service-minded partner.

Service models

Flexible Purchases for Contract Customers

Contract Customers obtain **comprehensive service entities** from Wulff Group. Wulff Group's concepts enable companies to focus on their core competence. Contract Customers turn to Wulff's special skills for their purchases in the fields of office supplies, business and advertising gifts, IT supplies, ergonomics and international fair services. Outsourcing calls for courage: Wulff Group is a reliable business partner, which surely keeps its promises.

Contract Customers get their **office supplies and IT supplies** easily and cost-effectively from Wulff Oy Ab in Finland and from Wulff Supplies AB in Sweden, Norway and Denmark. Customers also purchase easily **Facility Management products** from Wulff Oy Ab and Wulff Supplies Ab. Wulff's goal is to reduce customers' purchase costs in office and IT supplies. It offers different operating concepts for companies of different sizes and types. MiniBar is one of the most popular solutions in Finland. The basic product range is jointly determined with the customer and placed in a MiniBar rack, containing 150-400 products, at the customer's premises. Each product in the MiniBar has its own bar code, which enables products to be ordered quickly using a bar code reader. Real-time information on consumption is available through the web reporting. The electronic ordering system, WulffNet, serves customers 24 hours a day, and the WulffApu teleservice centre provides personal assistance, if needed. To date, over one thousand MiniBars have found their way into Finnish companies. The corresponding service for MiniBar solution is Supplies Support, Wulff Supplies' service to its customers.

The Group's **business gift services** cater for companies that wish to boost their corporate image and control their reputation. The sales representative helps the customer to design a high-quality, seasonally updated product range in line with the customer's brand. The range can include company textiles, gift items as well as consumer's daily-life products. The Group's business gift companies have their own designers in charge of product design. If required, the products can be stocked and distributed on the customer's behalf. In Wulff Group, companies specializing in business and advertising gifts in contract customer services are Wulff Ibero Liikelahjat and Wulff KB-tuote. Customers can get acquainted with the Wulff KB-tuote product range at showrooms in five cities. Wulff KB-tuote has also a subsidiary, KB Eesti Oü, which operates in Tallinn, Estonia. Wulff Ibero Liikelahjat has a solid foothold especially in the Helsinki Metropolitan area.

Direct Sales Services Bring Increased Efficiency in Daily Work

The products of Wulff Group's direct sales **facilitate and enhance daily work**. Customers can easily acquaint themselves with products and select the ones best suited to them in their own operating environment. The work of direct sales representatives is based on daily customer visits. Customers know that the products will be suitable for their needs because all items can be tested before placing an order. Wulff Group collects feedback and information about the wishes and work methods of customers during customer visits. At best, the road from idea to product takes no more than one month. Thanks to close co-operation between Wulff and its goods suppliers, customer feedback can be quickly forwarded to product development. Efficient sales organisations enable product innovations to be launched simultaneously throughout the country.

High-quality specialty products give value added to customers' work. Special products can be fully customized. Examples of daily-used office products are accessories for meetings, trainings and negotiations as well as specialized pockets and folders, printing materials, specialized memo pads, archiving systems, cleaning products for computers and storage devices. Well-being in workplace can be improved with Finnish-made ergonomic mice as well as hand, wrist and foot supports. **Workplace ergonomics** can be enhanced with high-quality office stools, saddle and knee stools and correctly placed special lamps.

Wulff takes care of first aid skills of Finnish companies. Its product range includes comprehensive **first aid products** and in addition, the trainers who will ensure statutory first aid skills. One of the most popular models for first aid is provided by Wulff's complete solution, where Wulff Care specialist is responsible for filling and updating the customer company's first aid points.

Companies are investing more and more in branded and personalized products and one of Wulff's direct sales categories is **personalized printed products** such as designated notebooks and covers for materials. Wulff has co-operated with Unibind for more than 20 years. Unibind is the world's leading manufacturer in presentation and photo products, for example in photobook covers and binding machines. Wulff has the exclusive distribution right in Finland for Unibind products. Another strong indicator is the exclusive distribution right for brand Xyron. Xyron's high-quality paper finishing products are valued especially at construction sites where sustainability and quality in all conditions is required for the laminating machines and materials, for example.

Imaginative, modern and ecological Looks products are available only in Wulff Group. Multifunctional **company textiles and the gift solutions** are created on the table of Looks brand's own designer team. Wulff Looks sales professionals sell and market products for customers. Wulff Looks' mission, "Looks like you", displays in all of the collection's products and they have received a lot of positive feedback from customers.

BUSINESS

Wulff Entre – Expert in International Fair Services

Wulff Entre is a professional event and fair services organizer. Its core business is **international fair services**. Each year, 200 companies rely on Wulff Entre's services in 500 events in 30 different countries.

Wulff Entre has over 90 years international experience in organizing fairs and events. The company's multi-skilled team of specialists turns customer's vision into action, experiences and successful meetings. Good relations and right contacts ensure the success in international operation.

Besides contacts and marketing skills, fairs and events require creative design, sense of style as well as strong project and condition management. Wulff Entre provides contacts and their own professional expertise for Finnish companies which wish to expand their market and grow their business internationally. Sales, design and project management teams are available for the customer and the Project Managers personally take care of customers also in the events.

Wulffinkulma.fi – the broadest range of office supplies from coffee to copying paper in the internet

Wulffinkulma.fi webstore is open for all companies and communities. In particular, webstore serves small and medium-sized companies. Quick delivery – 24 hours from order to own desktop, low costs, easiness and wide range of 4,000 products have convinced customers. Amount of satisfied regular customers grows constantly and there is still potential in the market: more than 90 percentages of Finnish companies' employ less than ten persons. For these companies Wulffinkulma.fi is a cost-efficient and serving purchase channel. The webstore has focused on good search functions as well as intuitive and guiding user interface. Customers are served also by telephone and Livezhat which is Wulffinkulma.fi webstore's customized webservice. If necessary, new customers are instructed personally to make orders.

Wulffinkulma.fi has had a lot of credits for its product range which includes a significant amount of ecological and nature-friendly products. It has also the field's most environmentally friendly order and delivery chain. Wulffinkulma.fi is the first office supplies webstore where all environmentally friendly products can be found easily with only one click. Ordering green products has never been this easy!

200,000 MEETINGS WITH CUSTOMERS IN A YEAR

Business cards with Wulff Stripe: a familiar sight in Nordic companies. Sales people of the Wulff Group meet customers personally every day. Yearly there are more than 200,000 encounters with Wulff Group's customers.

CORPORATE RESPONSIBILITY

Wulff has always been a pioneer in its field and aims to be one also in corporate responsibility issues. Customer is in the heart of Wulff's responsible business. For our customers Wulff provides services and products which are made as responsibly as possible: according to ethical and sustainable development manners. Making environmentally friendlier choices – for example by purchasing Wulff's green office supplies – our customers have possibility to increase their responsibility and have a positive effect on the environment. Wulff's Finnish customers value also the industry's greenest order and delivery chain. Wulff's product deliveries are always totally carbon neutral – thanks to Itella Green service.

For Wulff responsibility means taking care of the personnel's well-being, corporate responsibility, responsible financial management and consideration of important environmental issues in all own operations.

Environmental Responsibility

For Wulff Group, it is important to operate as environmentally responsibly as possible. Sustainable and environmentally friendly business operation is an increasingly important competitive edge for companies, because customers are valuing ecological operations more and more. Wulff aims to act as its industry's pioneer in environmental responsibility issues.

Wulff promotes responsible conduct in cooperation with all its stakeholders. Group's all operations pay attention to environmental responsibility. Wulff is the eco-friendliest player in its field in Finland when measuring in national level. Wulff's operations have been standardized with the certification ISO 14001.

Wulff's Environmental Targets

The environmental targets are set annually in the environmental program which the Group CEO approves. Emissions will be reduced in conjunction with customers in the way agreed. We are constantly seeking environmentally friendly products which enable us to expand our product range and to provide more environmentally friendly alternatives for our customers. We provide information about the products and their recycling to help our customers know how to sort e.g. packaging materials properly.

Carbon Neutral Deliveries

Majority of Wulff Group's deliveries are carbon neutral. For example the Group's all Finnish companies use Itella Green deliveries. Itella Green deliveries are CO_2 neutral. Calculation of CO_2 emissions is part of Itella's environmental program. Wulff has also the capacity of accurate reporting of CO_2 emissions and in the future emissions can be verified to customers, even on the order-specific level. Improvement of energy efficiency and using renewable energy with fewer emissions are the key methods to reduce the overall carbon footprint. In the customer's point of view, all deliveries are completely carbon-neutral as the remaining emissions are compensated with certified Gold Standard climate projects.

CO_2 Emissions Decrease

A large part of the carbon footprint is created by motoring. Wulff Group's car policy includes renewal of vehicles which load environment as little as possible. A part of the vehicles is renewed every year, so the number of the eco-friendlier vehicles is increasing constantly. Emission limits of purchased cars has reduced every year.

Concrete Actions for both Personnel and Customers

Wulff is reducing actively emissions, consumption and waste generated by its operations. The Group's offices will pay particular attention to recycling and sorting. Personnel is trained and instructed in environmentally friendly activities and sustainable development operations are also encouraged through the various campaigns.

It is important to guide the customers to operate in a way as environmentally friendly as possible. Recycling options for customers have been increased by e.g. launching the recycling boxes for various uses. With the help of returnable recycling boxes, recycling and returning of toner color cartridges, soft drink bottles, batteries and waste from electric and electronic equipments (WEEE) is managed quickly and easy. When a box is filled, the pick-up for the box is ordered from Itella and products are taken forward to recycling.

Environmentally Friendly Operations on the Web

Environmental aspect plays a significant role in Wulffinkulma.fi webstore. Wulffinkulma.fi is the first office supplies webstore in Finland where customers can find environmentally friendly products with one click. Wulff's green office products help to save the world by one office supply at a time!

CORPORATE RESPONSIBILITY

Society Responsibility and Financial Responsibility

Society Responsibility

Active Co-operation with Educational Institutes and Employment and Economic Development Office

For Wulff, it is important to have a positive impact on the environment and the communities in which it operates. For example, youth unemployment and marginalization of young people is a matter where Wulff feels it can make a positive contribution. Wulff offers jobs and internships for young people. All of the young interns learn important basic workplace skills and in addition, special skills when working in sales organization. Structure of the internship has designed in a way that in 50 % of the tasks the young will certainly accomplish and feel success. The other 50 % of the tasks are designed to teach new skills and developing interns own expertise and qualifications. Wulff has received a lot of positive feedback from its interns, educational institutes and Employment and economic development offices. Plenty of interns are employed by the Group afterwards and according to the interns, the skills learned in Wulff have given concrete advantage in work life.

Wulff is happy to provide jobs for young sales talents. It is ready to invest in its employees' education and coaching. Wulff has own unique Wulff Academy training program for new sales talents. In addition, each employee's individual training requirement is assessed separately. While working in Wulff, it is also possible to graduate with a commercial basic examination.

Diversely Good Acts

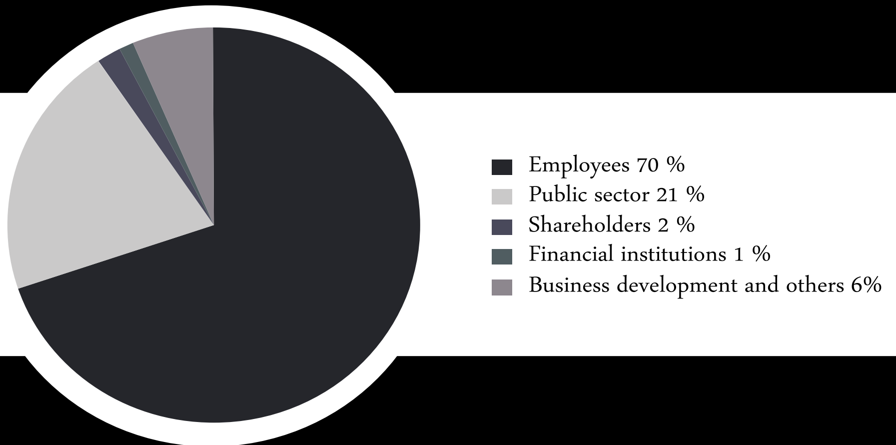
Wulff is annually supporting a number of important projects and supports activity of sports clubs as a sponsor and a partner. In many cases, Wulff's customers can also participate in the charity campaigns. In 2011, Wulff's customers had a possibility to support important cancer research by purchasing the Post-it and Scotch's Pink Ribbon campaign products. Operations of Children's homes, the Federation of Mother and Child Homes and Shelters' Alvari, Christmas tree fundraising and Salvation Army were supported by many kinds of product donations.

A healthy person is exercising regularly. That is the reason why Wulff has wanted to invest in supporting physical activity. Financial support is channelled to the practical actions of a multi-sided cooperation with sports clubs and sporting teams.

Financial Responsibility

The Group's financial success enables to develop the business in a responsible and sustainable way. Wulff aims to add value for its stakeholders in all its operational countries: customers, suppliers and employees. Wulff creates value for shareholders e.g. through dividends and share value increase. In 2011, Wulff Group Plc paid its shareholders dividends of EUR 0.33 million (EUR 0.33 million). The minority shareholders of the subsidiaries were paid dividends of EUR 0.11 million (EUR 0.15 million). In 2011, the Group paid interests of EUR 0.3 million (EUR 0.3 million) to financial institutions and income taxes of EUR 0.6 million (EUR 0.4 million) to tax authorities in the Group's different operational countries. The Group's value added can be divided to these different stakeholders as shown in the graph attached.

Distribution of Value Added



PLACE THE BRAND INTO THE BAG

Wulff’s well-known and visible brand element, “The Wulff Stripe” lives in many practical everyday products. Wulff’s business gift services design tailor-made gift and textile collections. Many times the brand is woven already into the pattern of the fabric.

CORPORATE RESPONSIBILITY

Social Responsibility and Personnel

Social Responsibility

Corporate citizenship means in Wulff that each employee overall takes care of responsibility. In addition to the responsibility for own operations, each employee ensures that own partners and contacts are operating under the Wulff's standards.

Well-being Personnel in a Key Position

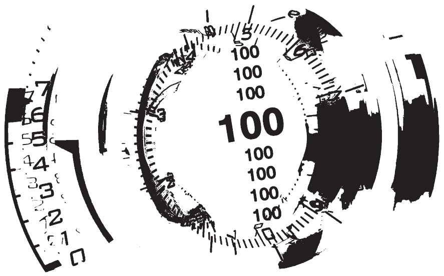
As a sales company, Wulff's key resource is its skilled and committed personnel. Growth is always created by healthy and motivated personnel. Wulff's personnel is educated actively. On average, there are 12 education and coaching days in a year. In 2011, the Group launched a new educational program for all managers in Finland. Program's target is to develop the managers' leadership skills and it is built around the entrepreneurship. Besides education, personnel's well-being is taken care of by organizing recreational events and campaigns, and by offering a variety of free or supported sports and cultural opportunities.

Career in Wulff

Wulff offers its employees good opportunities to grow and develop at own work. For example, most of the subsidiaries' Managing Directors have started their careers as sales persons. As a Scandinavian company, Wulff also offers a possibility to create an international career. Wulff is in many ways an equal employer: it employs people of all ages and with different educational and work experience backgrounds. When lots of companies focus their business operations in the capital city areas in different countries, Wulff can offer vacancies in numerous locations around the operating countries.

With Full Speed Ahead Step Campaign Inspired to Increase Everyday Motion

In 2011, Wulff carried out a step campaign 'Full Speed Ahead' which inspired personnel to increase the amount of everyday motion. Participants collected steps during 100 days by the help of a step counter and the target was to reach 1,000,000 steps. Everyone who reached more than 1,000,000 steps was awarded with sporty awards and the winner who collected more than 2,000,000 steps was awarded with a sports holiday provided by the Group.



Personnel

The Structure of Personnel

In 2011, the Group's personnel totalled 365 (384) employees on average. In the end of the period, the Group had 359 (370) employees of which 134 (132) persons were employed in Sweden, Norway, Denmark or Estonia.

The majority, approximately 60 percentages of the Group's personnel works in sales operations and approximately 40 percentages of the employees work in sales support, logistics and administration. The personnel consists approximately half-and-half of men and women.

Customer orientation

- Customer service with personal attention at all times
- Ensures business continuity

Internal entrepreneurship

- Commitment to work and sense of responsibility
- Motivation of using performance-related pay

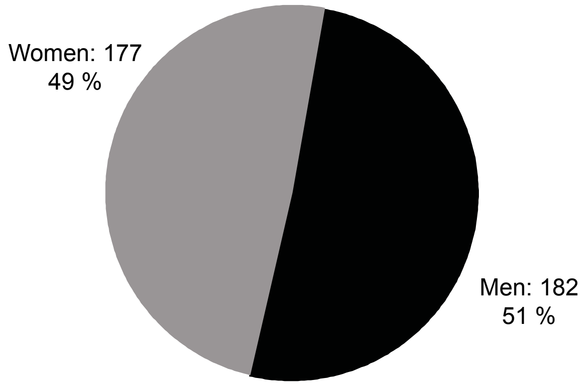
Performance

- Measurable results in euros
- Growing and profitable business

Wulff Group's values – customer orientation, internal entrepreneurship and performance – guide Wulff people's daily solutions and work. Each employee's target of the function is to have a positive impact on customer's service experience and sales, both in administration, sales and logistics.

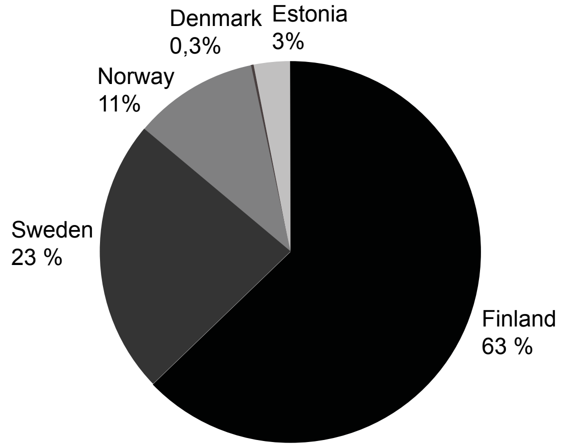
Personnel

Gender Distribution



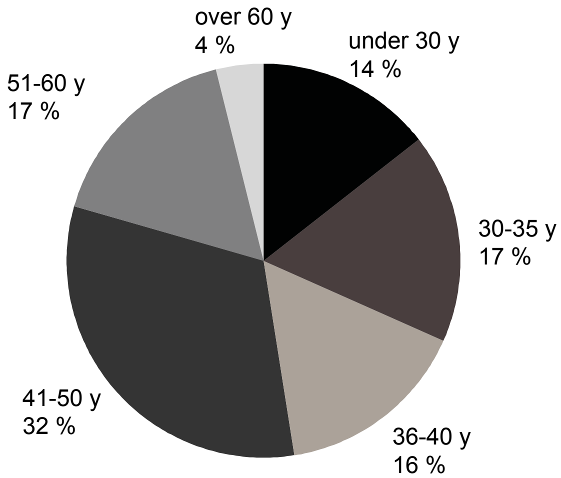
Wulff employs equally both genders: 51 percentages of the employees are men and 49 percentages are women. People with different backgrounds of education and work experience work in sales, administration and logistics. At Wulff, all employees are trained for their work tasks – the right attitude and thrive for learning new issues are the most important factors.

Personnel by Countries



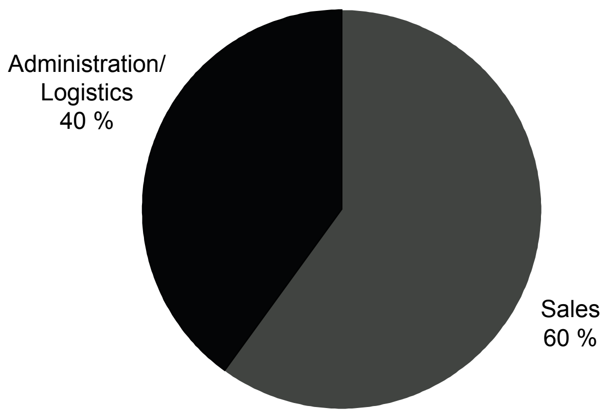
More than half of the Group's personnel work in Finland whereas approximately one-fifth of the employees work in Sweden and one-tenth in Norway. Less than one-tenth of the employees work in Estonia and Denmark. All countries search continuously for new sales talents.

Age Structure



At Wulff, there are both young employees taking their first career steps and also professionals with long experience. Wulff is both a traditional and dynamic organization which makes different people enjoy working at Wulff.

Sales/Administration and logistics



People working in Wulff aim to serving the customers in the best possible way. Approximately 60 percent of the Group's personnel work in sales operations and nearly 40 percentages work in the sales support functions: administration and logistics.

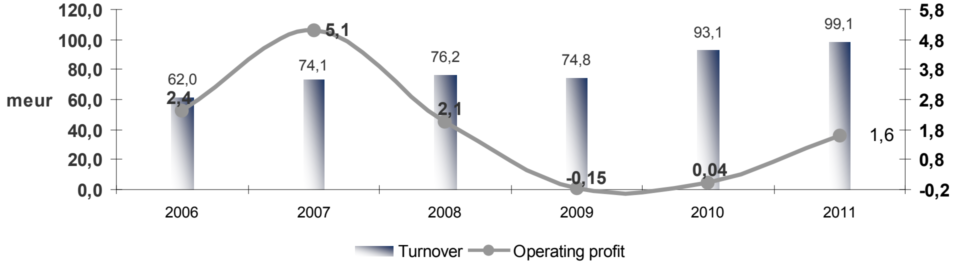
REVIEW OF THE BOARD OF DIRECTORS

Wulff Group Plc's Review of the Board of Directors

Net Sales and Result Improvement Increased the Dividend

- In 2011, the Group's net sales increased by 6.5 percentages and totalled EUR 99.1 million (EUR 93.1 million). The year's positive development is backed with the sales operations development activities, good performance in customer service and the efficiency improvement initiatives managed successfully.
- The whole year's EBITDA increased by 71 percentages up to EUR 2.69 million (EUR 1.58 million) in 2011. EBITDA was 2.7 percentages (1.7 %) of the net sales.
- In 2011, the operating profit of EUR 1.60 million was clearly better than in 2010 (EUR 0.04 million). Operating profit margin was 1.6 percentages (0.00 %).
- The net profit totalled EUR 0.82 million (EUR -0.42 million) for the whole year.
- In 2011, earnings per share turned up to a profit of EUR 0.10 per share, whereas in 2010 earnings per share were EUR -0.10.
- The Board of Directors proposes for the Annual General Meeting, that a dividend of EUR 0.07 per share (EUR 0.05 per share) totalling EUR 0.46 million (EUR 0.33 million) will be distributed for the year 2011.

Turnover and operating profit



Group's Net Sales and Performance

The Group's net sales continued growing also in 2011. The positive sales growth and clear profit improvement have been fuelled by the sales operations development activities and the efficiency improvement initiatives managed successfully. The office supply market recovery continued in year 2011. Wulff Group's net sales have increased faster than the market.

In 2011, net sales increased by 6.5 percentages and totalled EUR 99.1 million (EUR 93.1 million). The focus on sales activities and new client hunting fuelled the sales growth in both divisions and in different operating countries of the Group. The demand for the Group's products has increased when the Group's clientele has been served in an even broader way. The majority of the sales growth was gained in the Group's Scandinavian companies. In 2011, the net sales have grown also in Finland, especially in the office supply contract sales.

Wulff Group's CEO Heikki Vienola: "We have succeeded well in the changing operational environment. The result in 2011 creates a good base to build a profitable year 2012. Being a pioneer has always been important to Wulff: we serve our customers the way they choose via the preferred channels and we offer the market's most advanced services. Service development together with our customers is the base of our operations. Companies want to centralize their purchases to partners with a diverse product range. Wulff's service and product range is the largest in the office supplies market - office supplies, IT supplies, ergonomics, business and promotional gifts as well as international fair services. We serve our customers with contract and direct sales concept as well as in the webstore Wulffinkulma.fi."

Along with the sales growth, the Group's profitability has improved positively. The positive financial development has been fuelled by the sales operations activities, cost-consciousness and the efficiency improvement initiatives managed successfully. The whole year's EBITDA increased by 71 percentages up to EUR 2.69 million (EUR 1.58 million) in 2011. EBITDA was 2.7 percentages (1.7 %) of the net sales. The Group, focusing on sales growth and continuing the review of its cost structure and performance efficiency, aims to improve the profitability of its businesses.

In 2011, the operating profit of EUR 1.60 million was clearly better than in 2010 (EUR 0.04 million). Operating profit was 1.6 percentages (0.00 %) of the annual net sales.

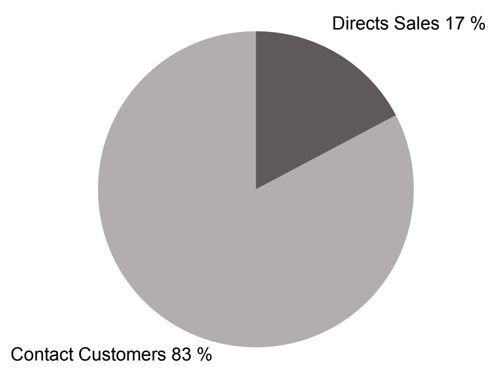
In 2011, the financial income and expenses totalled (net) EUR -0.46 million (EUR +0.18 million) including dividend income of EUR 0.04 million (EUR 0.15 million), interest expenses of EUR 0.34 million (EUR 0.27 million) and mainly currency-related other financial items (net) of EUR -0.15 million (EUR +0.31 million).

The 12-month result before taxes was EUR 1.14 million being EUR 0.92 million better than in 2010 (EUR 0.22 million). The net result after taxes totalled EUR 0.82 million (EUR -0.42 million) for the whole year.

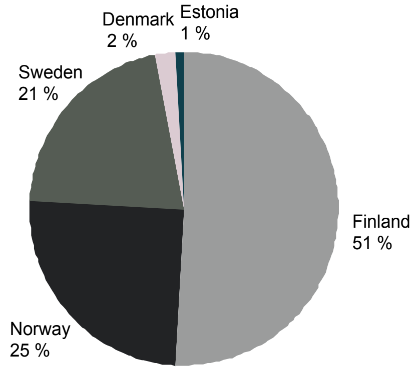
The net result attributable to the equity holders of the parent company amounted to EUR 0.63 million (EUR -0.62 million) in the entire year 2011. In 2011, earnings per share turned up to a profit of EUR 0.10 per share, whereas in 2010 earnings per share were EUR -0.10.

Return on investment (ROI) was 5.45 percentages (1.75 %) for the whole year. Return on equity (ROE) was 4.82 percentage (-2.38 %) in 2011.

Net sales by operating segments



Net sales by geographical markets



Contract Customers Division

The Contract Customers Division is the customer's comprehensive partner in the field of office supplies, IT supplies, business and promotional gifts as well as fair services. In 2011, the segment's net sales increased by EUR 5.2 million i.e. 7 percentages up to EUR 82.5 million (EUR 77.3 million). The division's operating profit excluding non-recurring items was EUR 2.14 million being EUR 1.30 million better than in 2010 (EUR 0.83 million).

Wulff Supplies AB, operating in Scandinavia, managed to increase clearly its market share in 2011. Wulff Supplies made many new significant office supply contracts with its customers. Wulff Supplies' good result continued to improve further.

Also Wulff Oy Ab, with its operations in Finland, has increased its sales and improved its operating profit in 2011. In particular the Group's webstore Wulffinkulma.fi has grown and improved its result. The webstore is an important investment for the future. The investment has given quick results. Wulff Oy Ab's retail and partner networks have grown also strongly and the co-operation has strengthened. The sales operations are supported by strong marketing and publicity received e.g. as Wulff is a partner of the 2012 IIHF Ice Hockey World Championship. The Group's target is to be the Nordic market leader and the pioneer in its field.

The division's result is affected by the cycles of the business and promotional gift market: the majority of the products are delivered and the majority of the annual profit is generated in the second and the last quarter of the year. Business and promotional gift market has brightened up in Finland. The Estonian market is recovering after the economic slowdown.

Entre Marketing Oy, the company offering international fair services, turned its result clearly up and the effectiveness of its sales organization has improved remarkably during the year 2011. Excellent results have been gained by focusing on profitable services and the company's special expertise in the international fair service sales. With a narrower service range and a leaner organization, resources have been directed to the profitable operations. In January 2012, Entre Marketing Oy's brand renewed and its name was changed to Wulff Entre according to the Group's brand strategy.

Direct Sales Division

The Direct Sales Division aims to improve its customers' daily operations with innovative products as well as the industry's most professional personal and local service. In 2011, the division's net sales increased by 2 percentages from the comparable year's EUR 16.1 million up to EUR 16.4 million. The Direct Sales Division's operating result totalled EUR 0.22 million (EUR 0.32 million) in the whole year 2011.

A good profitability level was achieved in the Scandinavian direct sales companies during 2011. Sales grew and profitability improved in Sweden and Norway. Compensation systems were renewed to encourage personnel better towards profitable results. Development of the product and service portfolio has been invested in strongly. The Group's new partnering strategy aims to gain synergies in product purchases. Group-level price competitions in purchases and co-operation have already gained good results especially in the Scandinavian direct sales.

The Finnish Direct Sales organization was renewed with an administrational merger of seven subsidiaries in the end of the year. The reorganization continued in February 2012 when Finland's Direct Sales organization got a common Development and Sales Director. Consequently the management of Direct Sales can focus even stronger on sales development. In 2012, the most important development projects are the renewal and integration of sales support systems e.g. a new CRM system. Marketing and sales are supported strongly with new tools in 2012.

The talented and skilled personnel is Wulff's growth engine. In 2011, the renewal of the personnel development program was started. Concrete renewals are e.g. a new development and target discussion method and managers' own training program launched in early 2012. In the changing market, success requires good and strong leadership and therefore the Group invests significantly in regular management training.

The Group has potential to recruit several new sales talents in its operational countries. Wulff is known as a sales academy. A sales organization is a good leadership school and sales experience is valued increasingly wide also in Finnish companies. Being a growing and internationalizing Group, Wulff has possibilities to employ both experienced sales professionals and new sales talents, who are entering the industry for the first time, as well as people who are changing jobs. Wulff provides a suitable training program for each new employee. Additionally the Group offers a possibility to get a commercial elementary degree along the work.

Financing, Investments and Financial Position

The cash flow from operating activities was totalled EUR 1.03 million (EUR 1.53 million) in the entire year.

For its fixed asset investments, the Group paid a net of EUR 0.80 million (EUR 1.32 million) in the whole year. In 2011, the Group paid EUR 0.98 million (EUR 0.22 million) for subsidiary and minority acquisitions made in the previous financial years.

The Group repaid loans of net EUR 0.79 million (EUR 0.47 million) in the whole year. Wulff Group Plc paid its shareholders dividends of EUR 0.33 million (EUR 0.33 million) and additionally the minority shareholders of the subsidiaries were paid dividends of EUR 0.11 million (EUR 0.15 million).

In general, the Group's cash balance decreased by EUR 1.93 million (EUR 0.96 million) during the whole year from the beginning value of EUR 4.38 million down to EUR 2.46 million as of December 31, 2011.

The equity attributable to the equity holders of the parent company totalled EUR 2.45 per share (December 31, 2010: EUR 2.41) and the equity-to-assets ratio was 40.3 percentages (December 31, 2010: 37.0 %).

Decisions of Wulff Group's Annual General Meeting

Wulff Group Plc's Annual General Meeting held on April 28, 2011 decided to pay a dividend of EUR 0.05 per share and authorised the Board of Directors to decide on the repurchase of the company's own shares. Also the other proposals to the Annual General Meeting were accepted as such.

The Annual General Meeting adopted the financial statements for the financial year 2010 and discharged the members of the Board of Directors and CEO from liability.

The Annual General Meeting decided that the number of the board members is six. The current Board members Erkki (Ere) Kariola, Ari Pikkarainen, Pentti Rantanen, Sakari (Saku) Ropponen, Andreas Tallberg and Heikki Vienola were re-elected. The organising meeting of the Board of Directors, held after the Annual General Meeting, decided that Sakari (Saku) Ropponen continues as the Chairman of the Board.

REVIEW OF THE BOARD OF DIRECTORS

As proposed by the Board of Directors, the Annual General Meeting decided to elect KPMG Oy Ab, a company of Authorized Public Accountants, with Authorized Public Accountant Minna Riihimäki as the lead audit partner, as Wulff Group Plc's auditor. Based on the Articles of Association, the auditors are appointed until further notice. The Annual General Meeting decided that the reimbursements to the auditors are paid on the basis of reasonable invoicing.

In 2012, Wulff Group Plc's Annual General Meeting will be held on Monday April 23, 2012.

Shares and Share Capital

Based on the authorization of the Annual General Meeting held on April 23, 2010, the acquisition of own shares continued in early 2011. Authorized by the Annual General Meeting held on April 28, 2011, the Board of Directors decided in its organizing meeting to continue buying back a maximum of 300,000 own shares by the next Annual General Meeting. In April-December 2011, no own shares were reacquired. In the end of the reporting period, the Group held a total of 90,000 own shares (99,036 as of December 31, 2010) representing 1.4 percentage (1.5 %) of the total number and voting rights of Wulff shares. The average price for the own shares repurchased in 2011 was EUR 2.70 per share.

The Group does not have any option schemes currently in force. Share reward plan is a part of Wulff Group's incentive and commitment program for its key personnel. The Group's first share reward plan was for years 2008-2010 and in March 2010 the Board of Directors decided to grant 5,000 treasury shares owned by the Company without compensation to Group's key person. The handover date was March 23, 2010. In February 2011, the Board of Directors decided to grant 10,000 treasury shares owned by the Company without compensation to Group's key person based on achieved results in 2010. The handover date was February 11, 2011. On February 8, 2011, Wulff Group Plc's Board of Directors decided on a new share-based incentive and commitment scheme for the Group's key personnel. The plan has three earning periods, which are the calendar years 2011, 2012 and 2013. Based on this scheme, a maximum of 100,000 Company shares can be granted. The share reward plan is described in detail on Consolidated Financial Statements' note 24.

The parent company's share capital (EUR 2.65 million) consists of 6,607,628 shares with one vote each. There have been no changes in share capital in 2010 and 2011. The stock exchange release on June 9, 2011, based on the Securities Market Act, stated that Ari Pikkarainen's ownership decreased below 20 percentages of the total number of shares and votes in Wulff Group Plc. There have been no disclosed notifications on changes in major holdings during 2010.

In 2011, Wulff Group Plc's share was listed on NASDAQ OMX Helsinki in the Small Cap segment under the Consumer Discretionary sector. In 2012, the sector changed to Industrials sector. The company's trading code is WUF1V. In 2011, a total of 652,535 (261,633) Wulff shares were traded which represents 10.0 percentages (4.0 %) of the total number of shares. The trading was worth of EUR 1,451,322 (EUR 793,852). In 2011, the highest share price was EUR 2.74 (EUR 3.70) and the lowest price was EUR 1.84 (EUR 2.43). In the end of 2011, the share was valued at EUR 1.99 (EUR 2.60) and the market capitalization of the outstanding shares totalled EUR 13.0 million (EUR 16.9 million).

Personnel

In 2011, the Group's personnel totalled 365 (384) employees on average. In the end of the period, the Group had 359 (370) employees of which 134 (132) persons were employed in Sweden, Norway, Denmark or Estonia. The majority, approximately 60 percentages of the Group's personnel works in sales operations and approximately 40 percentages of the employees work in sales support, logistics and administration. The personnel consists approximately half-and-half of men and women.

In order to strengthen the organic sales growth, the Group focuses on the recruitment of the sales personnel. The Group has possibilities to recruit several new sales talents in its operational countries during 2012.

For more information on personnel, social responsibility and other corporate responsibility issues, please see pages 14-19.

Organizational Changes during the Financial Year

The Group's Executive Board renewed during the year 2011. Trond Fikseaunet, Wulff Supplies AB's Norwegian Managing Director started as a new Group Executive Board member in March 2011. In August, Sami Asikainen started as the Group Executive Board member and Wulff Oy Ab's Managing Director.

Group Executive Board members are:

Fikseaunet Trond, Managing Director, Wulff Supplies AB
Näätänen Kati, CFO, Wulff Group Plc
Asikainen Sami, Managing Director, Wulff Oy Ab
Törmänen Tarja, Communications and Marketing Director, Wulff Group Plc
Vienola Heikki, CEO, Wulff Group Plc
Ågerfalk Veijo, Director, Direct Sales Division

The management of Group's subsidiaries renewed during the financial year when Topi Ruuska started as a Managing Director in Wulff Entre and KB-tuote.

Risks and Uncertainties in the Near Future

The demand for office supplies is still affected by the organizations' personnel lay-offs and cost saving initiatives made during the economic downturn. The general uncertainty may still continue which will most likely affect the ordering behaviour of some corporate clients in 2012.

Although the business gifts are seen increasingly as a part of the corporate communications as a whole and they are utilized also in the off-season, some cost savings may be sought after by decreasing the investments in the brand promotion. The ongoing economic uncertainties impact especially the demand for business and promotional gifts. During the uncertain economic periods, the corporations may also minimize attending fairs.

Half of the Group's net sales comes from other than euro-currency countries. Fluctuation of the currencies may affect the Group's net result and financial position.

The Group's risk management practices are described on pages 58-59. In addition, Group's financial risks and capital management practices are described in Note 26 of Consolidated Financial Statements.

Board of Directors' Dividend Proposal

The parent company's distributable funds totalled EUR 5.59 million. The Group's net result attributable to the parent company shareholders was EUR 0.63 million i.e. EUR 0.10 per share (EUR -0.10 per share). The Parent Company's net result was EUR 1.71 million (EUR 0.45 million). The Board of Directors proposes to the Annual General Meeting that for the financial year 2011, a dividend of EUR 0.07 per share (0.05 per share) totalling EUR 0.46 million (EUR 0.33 million) will be distributed. At the date of the dividend distribution, the own shares held by the Company are not paid any dividend. The remaining distributable funds of EUR 5.13 million will be retained in the shareholders' equity.

Parent company's distributable funds as of December 31, 2011:

EUR	
Funds for invested non-restricted equity	223 051,20
Treasury shares	-325 069,83
Retained earnings on January 1, 2011	3 981 995,25
Net result for the period	1 708 715,14
Distributable funds total	5 588 691,76
- dividend distribution total	456 233,96
Funds left in retained earnings	5 132 457,80
Shares total	6 607 628
Treasury shares held	90 000
Shares which are paid dividend	6 517 628
x Dividend per share (EUR)	0,07
Dividends total (EUR)	456 233,96

Market Situation and Future Outlook

Wulff is the most significant Nordic player in its industry. Wulff's mission is to help its corporate customers to succeed in their own business by providing them with leading-edge products and services in a way best suitable to them. The markets have been consolidating in the past few years and the Nordic markets are expected to consolidate in the future as well. Wulff is prepared to carry out new strategic acquisitions.

Also in 2012, the Group continues taking actions for enhancing profitability. The Group focuses on the growth and development of its sales operations. The Group expects to win new customers and gain growth especially along with Wulff Supplies AB in Scandinavia and with the webstore Wulffinkulma.fi in Finland. The Group has good possibilities to increase its net sales and operating profit in 2012.

STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF CASH FLOW

INCOME STATEMENT

EUR 1000	Note	Jan 1 - Dec 31, 2011	Jan 1 - Dec 31, 2010
Net sales	2, 4	**99 129**	**93 107**
Other operating income	5	238	467
Materials and services	6	-65 532	-60 516
Employee benefit expenses	7	-19 204	-18 617
Other operating expenses	8	-11 942	-12 866
EBITDA		**2 689**	**1 575**
Depreciation and amortization	9	-1 095	-1 182
Impairment	9	0	-350
Operating profit (EBIT)		**1 595**	**43**
Financial income	10	182	755
Financial expenses	10	-637	-575
Profit before taxes		**1 139**	**223**
Income taxes	11	-320	-637
Net profit/loss for the period		**819**	**-415**
Attributable to:			
Equity holders of the parent company		634	-623
Non-controlling interests		185	209
Earnings per share for profit attributable to the equity holders of the parent company:			
Earnings per share, EUR (diluted = non-diluted)	12	0,10	-0,10

STATEMENT OF COMPREHENSIVE INCOME

EUR 1000		Jan 1 - Dec 31, 2011	Jan 1 - Dec 31, 2010
Net profit/loss for the period		**819**	**-415**
Other comprehensive income, net of tax			
Change in translation differences	11	34	134
Fair value changes on available-for-sale investments	11	-4	42
Total other comprehensive income		**30**	**176**
Total comprehensive income for the period		**849**	**-238**
Total comprehensive income attributable to:			
Equity holders of the parent company		663	-540
Non-controlling interests		186	302

STATEMENT OF CASH FLOW

EUR 1000	Note	Jan 1 - Dec 31, 2011	Jan 1 - Dec 31, 2010
Cash flow from operating activities:			
Cash received from sales		98 153	91 189
Cash received from other operating income		130	339
Cash paid for operating expenses		-96 462	-89 433
Cash flow from operating activities before financial items and income taxes		1 821	2 095
Interest paid		-278	-274
Interest received		93	79
Income taxes paid		-605	-372
Cash flow from operating activities		**1 031**	**1 528**
Cash flow from investing activities:			
Investments in intangible and tangible assets		-1 253	-1 509
Proceeds from sales of intangible and tangible assets		456	187
Loans granted		-12	0
Repayments of loans receivable		74	29
Cash flow from investing activities		**-735**	**-1 293**
Cash flow from financing activities:			
Acquisition of own shares	22	-3	-110
Dividends paid		-433	-484
Dividends received	10	40	149
Payments for subsidiary acquisitions		-982	-219
Cash paid for (received from) short-term investments (net)		-56	-55
Withdrawals and repayments of short-term loans		173	914
Withdrawals of long-term loans		385	0
Repayments of long-term loans		-1 348	-1 388
Cash flow from financing activities		**-2 226**	**-1 193**
Change in cash and cash equivalents		**-1 930**	**-958**
Cash and cash equivalents at the beginning of the period		4 379	5 337
Translation difference of cash		15	0
Cash and cash equivalents at the end of the period	21	2 464	4 379

The presentation of the cash flow statement 2010 has been changed and now the cash flow from financial activities includes the additional acquisition price payments and minority acquisition prices for deals made after the Group has originally acquired the majority control in the subsidiary. Until 2010 all payments for subsidiary acquisitions were presented in the cash flow from investing activities. This new way of presentation is better in line with IFRS guidelines.

STATEMENT OF FINANCIAL POSITION

EUR 1000	Note	Dec 31, 2011	Dec 31, 2010
ASSETS			
Non-current assets			
Goodwill	13, 14	9 467	9 501
Intangible assets	13	1 355	1 382
Property, plant and equipment	13	2 102	2 285
Non-current financial assets			
Long-term receivables from related parties	15, 29	87	493
Long-term receivables from others	15	10	10
Available-for-sale investments	16	367	442
Deferred tax assets	11	1 621	1 011
Total non-current assets		**15 008**	**15 124**
Current assets			
Inventories	17	11 280	11 740
Short-term receivables			
Loan receivables from related parties	18	0	74
Loan receivables from others	18	51	0
Trade receivables from related parties	19, 29	6	0
Trade receivables from others	19	12 077	12 026
Advance payments		77	13
Other receivables		1 340	543
Accrued income and expenses	19	2 146	2 127
Financial assets recognised at fair value through profit and loss	20	56	0
Cash and cash equivalents	21	2 464	4 379
Total current assets		**29 497**	**30 902**
TOTAL ASSETS		**44 505**	**46 025**

EUR 1000	Note	Dec 31, 2011	Dec 31, 2010
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company:			
Share capital		2 650	2 650
Share premium fund		7 662	7 662
Invested unrestricted equity fund		223	223
Retained earnings		5 461	5 121
Equity attributable to the equity holders of the parent company		15 996	15 656
Non-controlling interests		1 198	1 158
Total equity	22, 23, 24	**17 195**	**16 814**
Non-current liabilities			
Non-current liabilities to others	25	7 409	7 911
Non-current liabilities to related parties	25, 29	0	492
Deferred tax liabilities	11	128	136
Total non-current liabilities		**7 537**	**8 539**
Current liabilities			
Interest-bearing current liabilities	25	2 135	2 425
Trade payables		8 804	8 753
Advance payments		1 799	625
Other liabilities	27	2 794	4 918
Accrued income and expenses	27	4 241	3 952
Total current liabilities		**19 773**	**20 673**
TOTAL EQUITY AND LIABILITIES		**44 505**	**46 025**

STATEMENT OF CHANGES ON EQUITY

EUR 1000

Equity attributable to equity holders of the parent company

	Note	Share capital	Share-premium fund	Fund for invested non-restricted equity	Treasury shares	Translation differences	Retained earnings	**Total**	Non-controlling interest	**TOTAL**
Equity on Jan 1, 2010		**2 650**	**7 662**	**223**	**-211**	**-190**	**6 751**	**16 886**	**1 117**	**18 003**
Net profit/loss for the period							-623	**-623**	209	**-415**
Other comprehensive income*:								**0**		**0**
Change in translation differences						41		**41**	93	**134**
Fair value changes on available-for-sale investments							42	**42**		**42**
Comprehensive income *						41	-581	**-540**	302	**-238**
Transactions with the shareholders:										
Dividends paid							-327	**-327**	-157	**-484**
Treasury share acquisition					-110			**-110**		**-110**
Treasury share disposal					42		-42	**0**		**0**
Share-based payments							42	**42**		**42**
Changes in ownership							-294	**-294**	-103	**-398**
Equity on Dec 31, 2010	**22**	**2 650**	**7 662**	**223**	**-279**	**-149**	**5 549**	**15 656**	**1 158**	**16 814**
Equity on Jan 1, 2011		**2 650**	**7 662**	**223**	**-279**	**-149**	**5 549**	**15 656**	**1 158**	**16 814**
Net profit/loss for the period							634	**634**	185	**819**
Other comprehensive income*:								**0**		**0**
Change in translation differences						33		**33**	1	**34**
Fair value changes on available-for-sale investments							-4	**-4**		**-4**
Comprehensive income *						33	630	**663**	186	**849**
Transactions with the shareholders:										
Dividends paid							-325	**-325**	-110	**-435**
Treasury share acquisition					-3			**-3**		**-3**
Share-based payments							5	**5**		**5**
Changes in ownership								**0**	-36	**-36**
Equity on Dec 31, 2011	**22**	**2 650**	**7 662**	**223**	**-283**	**-116**	**5 860**	**15 996**	**1 198**	**17 195**

*** net of tax**

ROYALTY OF THE MICE - COMFORTABLE COMFI

This mouse is invited to dance on your table – vertical style. Creative workers rely on the vertical mouse, because it keeps your hand in good ergonomic position. Comfi vertical mouse is a tireless companion for graphic designers and it is the perfect match also for mouse users with smaller hands.

1. Accounting principles

General information

The Group's parent company, Wulff Group Plc is a Finnish public limited liability company, established in accordance with Finnish law. It is domiciled in Helsinki and the address of its headquarters is Manttaalitie 12, 01530 Vantaa, Finland. Copies of the consolidated financial statements are available at the above address.

The Group consists of the parent company Wulff Group Plc and its 20 subsidiaries in Finland, Sweden, Norway, Denmark and Estonia. Wulff's product and service range includes office supplies, IT supplies, business and promotional gifts, ergonomics and international fair services. The Group's two concepts, Contracts Customers and Direct Sales, enable Wulff to serve its various-sized customers in different industries professionally and comprehensively. The Contract Customers concept eases the customers' regular office supply and business gift purchases. The Direct Sales concept serves especially small and mid-sized companies with a personal approach. The Group is led in two divisions, Contract Customers and Direct Sales, based on these operating segments' different service concepts, which has been described in more detail in Note 2 'Segment information'.

Wulff Group Plc's Board of Directors approved these financial statements for publication at its meeting on March 21, 2012. According to the Finnish Limited Liability Companies Act, the shareholders at the general meeting held after the publication may approve or reject the financial statements or decide on amendments to be made to the financial statements.

Basis of preparation

These consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) including IAS and IFRS standards as well as the SIC and IFRIC interpretations in effect on December 31, 2011. The term 'IFRS standards' refers to standards and interpretations which are approved and adopted by the European Union (regulation EY 1606/2002) and thus are in force in the Finnish legislation. The Group has not early adopted any new, revised or amended standards or interpretations. The notes to the consolidated financial statements also comply with the Finnish accounting and company legislation.

Based on IFRS standards, the consolidated financial statements are based on historical cost except for available-for-sale financial assets, financial assets recognised at fair value through profit and loss as well as share-based transactions to be settled in cash and measured at fair value. Equity-settled share-based payments (share rewards) have also been measured at fair value at the grant date.

The IFRS standards require the management to make estimates and assumptions when preparing financial statements. Although these estimates and assumptions are based on the management's best knowledge of today, the final outcome may differ from the estimated values presented in the financial statements. Information about the assessments and judgment that the management has used and that are most critical to the figures in the financial statements are presented under "Critical accounting estimates and key sources of estimation uncertainty".

The consolidated financial statements are presented in thousands of euro.

Adoption of new and amended standards and interpretations

The consolidated financial statements have been prepared according to the accounting policies of previous years and in addition applying the following new or amended standards and interpretations that have come into effect in 2011:

- IAS 24 Related Party Disclosures: (Revised, effective for financial periods beginning on or after January 1, 2011). The revised standard clarifies the definition of a related party in order to simplify the identification of related party relationships particularly in relation to significant influence and joint control. Certain disclosures in respect of government-related entities have changed. The revised standard had no significant impact on the consolidated financial statements.

Other standards or interpretations effective in 2011, which are not listed here, had no impact on the consolidated financial statements.

The Group will adopt the following new and amended standards and interpretations in 2013 or later:
- Amendments to IAS 1 Presentation of Financial Statements (effective for financial years beginning on or after July 1, 2012): The change requires to group items of other comprehensive income as to whether or not they will be reclassified subsequently to profit or loss when specific conditions are met. The amendment has not yet been endorsed for use by the European Union in consolidated financial statements. According to the assessments of the Group the amendment will not have any significant impact on the consolidated financial statements.
- IFRS 9 Financial Instruments (effective date for financial years beginning on or after January 1, 2015. IFRS 9 is the first step of a wider project to replace the current IAS 39 by the new standard. In future the financial assets are classified by measurement into two main groups: financial assets at amortised cost and financial assets at fair value. Classification depends on a company's business model and the characteristics of contractual cash flows. The standard has not yet been endorsed for use by the European Union. The Group is yet to assess the impact of the standard.
- IFRS 10 Consolidated Financial Statements (effective for financial years beginning on or after January 1, 2013): In future determining whether an entity should be incorporated within the consolidated financial statements will in all cases be based on the existence of control. The standard also provides guidance on the factors that support control and how the existence of control can be assessed in different situations. The standard has not yet been endorsed for use by the European Union. According to the assessments of the Group the amendment will not have any significant impact on the consolidated financial statements.
- IFRS 12 Disclosures of Interests in Other Entities (effective for financial years beginning on or after January 1, 2013): The standard includes the combined disclosure requirements for all forms of interests in other entities, including associates, joint arrangements, structured entities and other off-balance sheet vehicles. The standard has not yet been endorsed for use by the European Union. According to the assessments of the Group the amendment will not have any significant impact on the consolidated financial statements.

According to the assessments of the Group other standards or interpretations issued will not have any impact on the consolidated financial statements.

Consolidation principles

The consolidated financial statements include the parent company Wulff Group Plc and all its subsidiaries in which it holds, directly or indirectly, more than half of the voting rights or other governing power. The subsidiaries are consolidated from the date the Group gains control until the Group loses control in them. The subsidiaries have the same financial period as the parent company.

Intra-Group holdings have been eliminated using the acquisition cost method, according to which the acquisition cost as well as the assets and liabilities of the subsidiary are measured at fair value at the acquisition date. If the acquisition cost, the non-controlling interests and the previously owned share in total exceed the fair value of the net assets acquired, the excess is recognized as goodwill which is not amortized but tested for impairment at least annually. If the goodwill is negative, it is recognized directly through income statement. Acquisition transaction costs are expensed when incurred and they are not included in goodwill.

The non-controlling interests i.e. the minority shares in a subsidiary acquired are measured at either fair value or at the amount corresponding to the minority shareholders' proportional share of the net assets acquired. The valuation choice is made separately for each acquisition. When the Group acquires shares from the minority shareholders, the difference between the acquisition cost and the book value of the share of the net assets acquired is recognized directly to equity and the goodwill does not change anymore after the original acquisition of controlling majority. Also the gains and losses from the sale of shares to minority shareholders are recognized directly in equity. The losses incurred are allocated also to the minority shareholders. The Group's equity and earnings attributable to the non-controlling interests are presented separately.

The acquisitions made before January 1, 2010 are treated in accordance with the prevailing guidelines in force at that time.

All intra-Group business transactions, internal receivables and liabilities, internal margins for inventories and fixed assets, as well as internal profit distribution have been eliminated when preparing the consolidated financial statements.

The Group does not have associated companies or joint ventures.

Foreign currency items

Items in each group company's financial statements are measured using the currency of that company's country ("functional currency"). The consolidated financial statements are presented in euro, which is the Company's functional and reporting currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency using the exchange rates prevailing at the balance sheet date. Non-monetary items denominated in foreign currency, measured at fair value, are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses from operating business transactions are recorded in the appropriate, corresponding income statement accounts included in operating profit. Also foreign exchange gains and losses arising from the translation of foreign-currency-denominated trade receivables and trade payables are recorded in the related income statement accounts included in operating profit. Foreign exchange gains and losses from the translation of foreign-currency-denominated loan receivables and liabilities as well as monetary assets are recognized in financial income and expenses. Exchange differences arising on a monetary item that forms a part of a net investment in a foreign operation are recognized in the statement of other comprehensive income and finally on the disposal of the net investment they are recognized in the income statement.

Income statements of foreign subsidiaries, whose functional and reporting currency is not euro, are translated into euro using the monthly average exchange rates. Their balance sheets are translated using the exchange rates of balance sheet date. The translation differences arising from the translation of income statements and balance sheets as well as from the elimination of internal ownership and the exchange differences incurred after the date of acquisition are recognized in the statement of other comprehensive income and the cumulative translation differences are presented in equity. On the disposal of a subsidiary functioning in foreign currency, that entity's cumulative translation difference is recognized in the income statement as part of the gain or loss on the sale.

Any goodwill arising from the acquisition of a foreign company and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign subsidiary and retranslated using the exchange rate of balance sheet date. Goodwill and fair value adjustments arising from acquisitions prior to January 1, 2004 have been treated in euro.

Revenue recognition

Net sales comprise of consideration received less indirect sales taxes, discounts and exchange rate differences arising from sales denominated in foreign currency. The consolidated net sales do not include intra-group transactions.

Sales of goods are recognized after the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainties remain regarding the collection of the receivable, associated costs and possible return of goods. Revenues from services are recorded when the service has been performed.

Entre Marketing Oy, the subsidiary offering fair and event marketing services, recognizes revenue from its services following the contract terms and the percentage-of-completion method. The percentage of completion is determined in different projects based on the hours performed of the total hours and the costs incurred of the total costs. The original estimates of the projects' income, costs and completion status are reconsidered systematically and the possible changes in estimates affect the result in the period when the management receives information about changing circumstances. The financial statements were not materially affected by the receivables and advance payments of the projects recognized based on the percentage-of-completion method.

Rental income arising from operating leases is recognized on a straight-line basis over the lease terms. Royalty income is recorded according to the contents of the agreement. Dividend income is recognized when the company is entitled to receive the dividends.

Goodwill and other intangible assets

Goodwill represents the excess of the acquisition cost, the non-controlling interests and the previously owned share in total over the fair value of the Group's share of the net identifiable assets of a subsidiary acquired.

Business combinations made during January 1, 2004-December 31, 2009 are treated in accordance with the previous standard IFRS 3. The goodwill of business combinations carried out previously corresponds to the carrying amount complying with the accounting standards previously in use, which has been used as the default acquisition cost. Goodwill is allocated to those cash-generating units that are expected to benefit from the synergies arising from the business combination. Goodwill is not systematically amortized but it is tested annually for possible impairment. Goodwill is measured at the original value less impairment which is not cancelled later.

Intangible assets include customer relationships, copyrights, licenses, software rights and webstore project costs. An intangible asset is recognized in the balance sheet only if it is probable that the future economic benefits attributable to the asset will flow to the Group, and the cost of the asset can be measured reliably. Intangible assets are stated at cost, amortized on a straight-line basis over the expected useful lives which vary from three to seven years and adjusted for any impairment charges. Intangible assets acquired in a business combination are measured at the acquisition date's fair value. Expected useful lives of intangible assets are reviewed at each balance sheet date and depreciation periods are changed, if necessary. So far, the Group does not have intangible assets with indefinite economic lifetime.

The expected useful lives are:

Goodwill	no depreciations; impairment testing
IT software	3-7 years; straight-line
Customer relationships	5 years; straight-line
Other intangible assets	3-5 years; straight-line
Intangible assets under construction	no depreciations; impairment testing

Tangible assets

Tangible assets are stated at historical cost, depreciated on a straight-line basis over the expected useful life and adjusted for any impairment charges. Tangible assets acquired in a business combination are valued at the acquisition date's fair value.

Expected useful lives of tangible assets are reviewed at each balance sheet date and, if they differ significantly from previous estimates, the depreciation times are changed accordingly. Land is not depreciated as it is deemed to have an indefinite life.

The expected useful lives are:

Buildings	20 years; straight-line
Machinery and equipment	3–8 years; straight-line
Cars and vehicles	5 years; straight-line
Other tangible assets	5–10 years; straight-line
Tangible assets under construction	no depreciations; impairment testing

Ordinary maintenance and repair costs are expensed as incurred.

Gains and losses on sales and disposals are determined as the difference between the proceeds received and the carrying amount. Those gains and losses are included in other operating income and expenses in the income statement. Possible group-internal margins from asset transfers are eliminated in the consolidation process.

Depreciations are discontinued when the tangible asset is classified as being held-for-sale in accordance with standard IFRS 5 'Non-Current Assets Held-for-sale and Discontinued Operations'. The Group did not have such assets in 2010-2011.

Impairment

The carrying amounts of tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If indications exist, the recoverable amount of the asset is estimated. Indications of potential need for impairment may be for example changes in market conditions and sales prices, decisions on significant restructurings or changes in profitability. Goodwill, intangible assets with indefinite useful lives and intangible assets under construction are in all cases tested annually. For the purposes of assessing impairment, assets are grouped at the lowest cash-generating-unit level for which there are separately identifiable, mainly independent cash flows.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable value. An impairment loss is the amount by which the carrying amount of the assets exceeds the recoverable amount. The recoverable amount is the asset's value-in-use determined by discounted future net cash flows expected to be generated by the asset. Discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment loss is immediately recognized in the income statement. An impairment loss attributable to a cash-generating unit is deducted first from the goodwill allocated to the cash-generating unit, and thereafter equally from the unit's other assets. In connection with the impairment loss recognition, the asset's useful life is reassessed for the depreciations. A previously recognized impairment loss is reversed if there has been a change in the estimates determining the recoverable amount. However, the reversal of the impairment must not lead to a value higher than the carrying amount determined without any impairment loss in prior years. Goodwill impairment losses are not reversed.

Borrowing costs

Borrowing costs are capitalized as part of the cost of the qualifying asset acquired or constructed. So far, the Group has not capitalized borrowing costs as part of the cost of the asset because the IFRS requirements have not been met. Other borrowing costs are expensed when incurred.

Leases

Leases of tangible assets, where the risks and rewards related to ownership are not fully transferred to the lessee, are treated as operating leases. When the Group is a lessee, these other operating lease payments are expensed in the income statement on a straight-line basis over the lease period. The consolidated income statement included rental expenses for e.g. premises and machinery. The Group's rental commitments are presented in Note 28. When the Group is a lessor, rental income is recognized as other operating income in the income statement on a straight-line basis over the lease period. The Group does not have finance leases in its liabilities or receivables as of December 31, 2011 and December 31, 2010.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the FIFO (first-in, first-out) method or, alternatively, the weighted average cost where it approximates FIFO. The valuation method is chosen in each company based on the inventory type and the IT possibilities. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated, necessary selling costs.

Employee benefits

Pension obligations

The statutory pension scheme of the Group's Finnish employees is arranged through pension insurances, and that of the Group's employees abroad in compliance with the local legislation and social security regulations in each country. The costs incurred in these schemes are expensed in the period that they relate to. According to the IFRS standards, the insurance company Alecta's pension plan for the Group's Swedish employees is a defined benefit plan, but because Alecta is unable to provide detailed information, the plan is treated as a defined contribution plan in the consolidated financial statements.

Share-based payments

The Group has applied IFRS 2 to the share-based incentive scheme for the Group's key personnel. The Group's first share reward plan was for years 2008-2010 and in February 2011, a new share reward plan for years 2011-2013 was approved. The schemes have been described in Note 24. Any benefits granted in the scheme are measured at fair value at the grant date and recognised as personnel expenses evenly over the plan's duration period. Cash-settled payments are recognised as liabilities, and the change in fair value is expensed accordingly. The fair value of equity-settled payments is recognised as an expense and an increase in shareholders' equity.

Income taxes

The Group's income taxes consist of current taxes based on the group companies' profits, the taxes related to previous years and the changes in deferred taxes. Taxes related to other comprehensive income are recognized in the statement of other comprehensive income. Current tax is calculated for the taxable income with the tax rates enacted in each country. The taxes are adjusted with previous years' tax impacts, if necessary.

Deferred taxes are measured with enacted tax rates for all temporary differences between book and tax values. Temporary differences are recognized as a deferred tax asset to the extent that is probable to utilize against the future taxable profits.

Majority of the Group's deferred tax assets arise from confirmed tax losses and depreciation differences in taxation and accounting. Majority of the Group's deferred tax losses consist of depreciation differences and assets recognized at fair value upon business combinations. Contents of the Group's deferred tax assets and liabilities are presented in Note 11.

Financial assets and liabilities

Financial assets are classified as financial assets measured at fair value through profit or loss, financial assets held-to-maturity, loans and other receivables as well as available-for-sale financial assets. The Group determines the classification of its financial assets upon the initial recognition and re-evaluates this designation annually. Financial assets include current and non-current assets and they can be interest-bearing or non-interest-bearing.

Financial assets recognized at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition as at fair value through profit or loss ('fair value option'). Financial assets are classified as held-for-trading if they are acquired for the purpose of selling them in a short term. Financial assets classified as held-for-trading are measured at fair value. Unrealized and realized profits or losses due to changes in fair value are recognized in the income statement when incurred. This category also includes investments in publicly listed companies. The Group does not have derivative financial instruments.

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has a positive intention and ability to hold the instrument until maturity.

Loan receivables, trade receivables and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Their maturity determines whether they are recognized in current or non-current assets. Gains and losses are recognized in the income statement when the loans and other receivables are derecognized and impaired. Loan receivables, trade receivables and other receivables are carried at their anticipated realizable value, which is the original invoicing amount less possible credit amounts and estimated valuation allowances. A bad debt allowance is made for loan and trade receivables when there is objective evidence that the Group will not be able to collect all amounts according to the original terms of the receivables. A bad debt allowance may be recognized due to e.g. trade receivables falling significantly overdue, unsuccessful collecting attempts or the customer's known financial difficulties with an increased probability of customer insolvency. The assessment and decision for recognizing bad debt allowances is made locally in each business unit on a case-by-case basis. Uncertain receivables are assessed as frequently as necessary. Bad debt recognition is based on objective assessment and the recognition is reversed later if it proves unnecessary. Trade receivables' impairment losses are booked in other operating expenses and loan receivables' impairment losses are booked in other finance expenses.

Other financial assets are classified as available-for-sale financial instruments. Upon the initial recognition, available-for-sale financial assets are measured at fair value by using quota market rates and market prices, discounted cash flow analyses and other appropriate valuation models. Available-for-sale financial assets include investments presented in Wulff Group's non-current assets and they consist of both publicly listed and non-listed shares. Publicly listed shares are measured at fair value. The unlisted shares for which fair values cannot be measured reliably are recognized at cost less impairment. The fair value changes of available-for-sale financial assets, net of tax, are recognized as other comprehensive income. Changes in fair value are transferred from the statement of other comprehensive income to the income statement when the instrument is sold or its value has decreased so that an impairment loss has to be recognized. Purchases and sales of available-for-sale financial assets are recognized on the trade date.

The Group's cash and cash equivalents comprise cash in hand, bank deposits held at call and other highly liquid investments. Bank overdrafts of those bank accounts included in the Group's consolidated bank account facility are netted against those other Group companies' bank account amounts because the Group has a contractual legal right to net those financial assets with each other.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

Financial liabilities include current and non-current liabilities and they can be interest-bearing or non-interest-bearing. Financial liabilities are initially recognized at the fair value of the consideration received plus directly attributable transactions costs. After the initial recognition, they are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized, impaired and through the amortization process. Contingent considerations for business combinations are classified as non-interest-bearing financial liabilities. The Group did not have contingent consideration liabilities for business combinations as of December 31, 2011.

Provisions

Provisions are recognized in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation or an economic loss will be evident and the amount of the obligation can be estimated reliably. If the Group expects some or all of the provision to be reimbursed by a third party, the reimbursement is recognized as a separate asset but only when the reimbursement is practically certain. Provisions are valued at the net present value of the expenses required to cover the obligation.

Equity and dividend distribution

The contents of the Group's equity is described in Note 22.

On the acquisition date, the acquisition cost of the repurchased shares of Wulff Group Plc is recognized as a deduction in the consolidated equity in the fund 'Treasury Shares'. The acquisition, disposal and expenses related to treasury shares are presented in the Statement of Changes in Equity. Share-based incentive schemes are described in Note 24.

The dividend proposed by the Board of Directors is deducted from the distributable equity only after approval by the Shareholders' General Meeting. Dividend distribution is described in Note 23.

Critical accounting estimates and management judgments

The IFRS principles require the management to make estimates and assumptions when preparing financial statements. Although these estimates and assumptions are based on the management's best knowledge of today, the final outcome may differ from the estimated values presented in the financial statements. The changes in estimates affect the income and expenses for the financial period as well as the values of assets and liabilities in the balance sheet. Estimates and judgments are needed also for applying the Group's accounting policies.

Management's estimates and assumptions are based on historical experience and plausible future scenarios which are evaluated constantly. Possible changes in estimates and assumptions are recognized in the accounting period during which estimates and assumptions were revised, and in all subsequent accounting periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next accounting period, are related to the valuation of the Group's assets (inventories, receivables), goodwill impairment testing (future cash flow estimates, discount rates) and recognition of deferred taxes (the probability of utilizing tax losses).

Operating profit

IFRS standards do not define the concept of operating profit. The Group has defined it as a net sum of net sales added with other operating income less purchase expenses adjusted with inventory change and deducted by employee benefits, other operating expenses as well as amortizations, depreciations and impairment. Other items of the income statement are presented below the operating profit.

Statement of cash flow

Cash and cash equivalents presented in the cash flow statement comprise cash in hand, bank deposits held at call and other short-term highly liquid investments with original maturities of three months or less. Cash generated from operating activities has been reported using the direct method, as recommended by IFRS standards. All income taxes paid during the financial year are presented in net cash generated from operating activities, unless they can be particularly allocated to investing or financing cash flows.

Key figures

Based on IFRS standards, the earnings per share (EPS) is calculated by dividing the net profit attributable to the parent company shareholders by the weighted average number of shares during the period. The total average number of shares is deducted by the average number of reacquired own shares because the EPS is determined for the outstanding shares. Wulff Group does not have share options and thus the Group's undiluted EPS and diluted EPS are the same. The calculation formulas of key figures are presented along the key figures in Group notes.

Events after the balance sheet date

There have been no material events after the end of the financial year January 1 – December 31, 2011.

1. Segment information

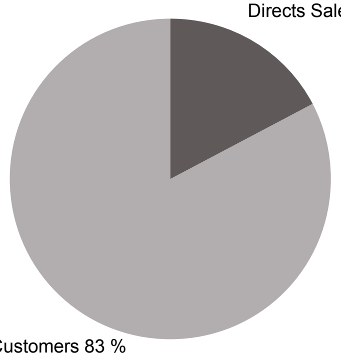
Wulff Group consists of two strategically different operating segments: Contract Customers division and Direct Sales division. Operating segments are based on IFRS 8 and the Group's internal reporting practice where the different businesses are organized and led by divisions. All 21 group companies belong to these operating segments based on their different services, marketing strategies and distribution channels. Contract Customers division consists of 10 subsidiaries and Direct Sales division consists of 9 subsidiaries as shown in Note 30. Additionally the Group's parent company Wulff Group Plc and its subsidiary with leasing operations, Wulff Leasing Oy, make the Group Services segment which includes group management's general costs which cannot be allocated on a reasonable basis for Contract Customers and Direct Sales.

The Contract Customers Division is the customer's comprehensive partner in the field of office supplies, IT supplies, business and promotional gifts as well as fair services. Larger companies and corporations can purchase their basic office supplies very fast and in a cost efficient way as the Group's contract customer. Being a contract customer grants the companies the possibility to time-saving and to concentrate on their core competence, when Wulff takes automatically care of its contract customers' office supply minibars' fill-in service. The smaller companies' basic office supply needs are fulfilled by the webstore Wulffinkulma.fi. Also business promotional products and fair services are part of Contract Customers division.

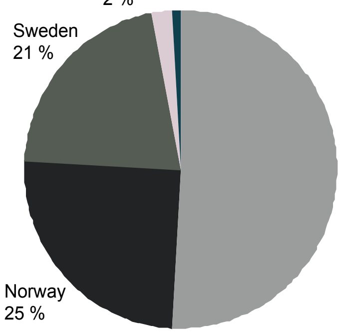
The Direct Sales Division aims to improve its customers' daily operations with innovative products as well as the industry's most professional personal and local service. The product range of Direct Sales companies consists of e.g. office supply specialities, IT products as well as ergonomics and first aid products.

The segments' performance is reviewed and the Group Executive Board's and the Board of Directors' decision-making related to resource allocation is based on the segments' operating result (IFRS). Inter-segment transactions are market-priced. Intra-segment transactions are eliminated from the segment's income and the inter-segment eliminations are presented separately in the following reconciliation. Fixed management expenses from group services are allocated to Contract Customers and Direct Sales in proportion of the usage of those internal services. Impairment of goodwill arising from an acquisition of a subsidiary is allocated to the segment of that subsidiary.

Net sales by operating segments



Net sales by geographical markets



Operating segments:

Net sales by operating segments

EUR 1000	2011	2010
Contract Customers Division		
Sales to external customers	82 487	77 112
Intragroup sales to other segments	55	189
Total Contract Customers Division	**82 542**	**77 301**
Direct Sales Division		
Sales to external customers	16 329	15 972
Intragroup sales to other segments	68	103
Total Direct Sales Division	**16 397**	**16 075**
Group Services		
Sales to external customers	313	23
Intragroup sales to other segments	825	1 234
Total Group Services	**1 138**	**1 257**
Intragroup eliminations between segments	**-948**	**-1 525**
Total net sales	**99 129**	**93 107**

Revenue from any individual customer did not exceed 10 percent share of the consolidated revenue in 2010 or 2011.

Result by operating segments 2011

EUR 1000	Contract Customers	Direct Sales	Group services and non-allocated items	Eliminations	Group
Net sales	82 542	16 397	1 138	-948	99 129
Expenses	-79 887	-16 006	-1 496	948	-96 440
EBITDA	2 655	392	-358	0	2 689
Depreciations	-520	-176	-399		-1 095
Goodwill impairment	0				0
Operating profit (EBIT)	**2 136**	**215**	**-756**	**0**	1 595
Financial income (non-allocated)					182
Financial expenses (non-allocated)					-637
Profit before taxes	**2 136**	**215**	**-756**	**0**	**1 139**

Result by operating segments 2010

EUR 1000	Contract Custom-ers	Direct Sales	Group services and non-allocated items	Eliminations	Group
Net sales	77 301	16 075	1 257	-1 525	93 107
Expenses	-75 844	-15 605	-1 610	1 525	-91 533
EBITDA	1 457	470	-353	0	1 575
Depreciations	-625	-146	-411	0	-1 182
Goodwill impairment	-350				-350
Operating profit (EBIT)	**482**	**324**	**-764**	**0**	43
Financial income (non-allocated)					755
Financial expenses (non-allocated)					-575
Profit before taxes	**482**	**324**	**-764**	**0**	**223**

Geographical information:

Wulff Group companies are located in the Nordic and Baltic countries. According to IFRS 8, the consolidated net sales are presented by the geographical location of both the group companies and the customers. Non-current assets of the group companies located in different countries consist of goodwill as well as other intangible and tangible assets. As required by IFRS 8, these geographical segments' assets do not include non-current financial assets and deferred tax assets.

Net sales by group companies' locations

EUR 1000	2011	2010
Finland	50 706	53 019
Norway	34 418	30 925
Sweden	24 679	20 799
Denmark	1 745	1 555
Estonia	861	675
Net sales between countries	-13 280	-13 865
Net sales total	**99 129**	**93 107**

External net sales by customers' locations

EUR 1000	2011		2010	
Finland	50 334	51 %	50 785	55 %
Norway	24 773	25 %	20 794	22 %
Sweden	20 999	21 %	18 907	20 %
Denmark	2 038	2 %	1 757	2 %
Estonia	810	1 %	638	1 %
Other European countries	127	0 %	166	0 %
Other countries	47	0 %	61	0 %
Net sales total	**99 129**	**100 %**	**93 107**	**100 %**

Non-current assets by group companies' locations

EUR 1000	2011		2010	
Finland	10 039	78 %	10 289	78 %
Sweden	2 512	19 %	2 524	19 %
Norway	369	3 %	355	3 %
Estonia	3	0 %	0	0 %
Total non-current assets	**12 922**	**100 %**	**13 168**	**100 %**

3. Business combinatioins

Business acquisitions in 2011

In June 2011, the Group's ownership in Wulff Supplies rose to 82 percentages when Wulff Group Plc acquired the shares (2%) from an employee leaving Wulff Supplies. This change in ownership (EUR 0.04 million) is shown in the Statement of Changes in Equity. In 2011, the Group paid EUR 0.98 million for business combinations and non-controlling interest acquisitions made in the previous financial years: Wulff Supplies (EUR 0.25 million), Torkkelin Paperi Oy (EUR 0.39 million), Ibero Liikelahjat Oy (EUR 0.18 million) and Entre Marketing Oy (EUR 0.16 million).

Business acquisitions in 2010

In 2010, the Group paid a total of 0.2 million euros related to business combinations and non-controlling interest acquisitions when the additional acquisition price of the fully-owned Ibero Liikelahjat Oy was paid and additionally the non-controlling interests in Entre Marketing Oy and IM Inter-Medson Oy were acquired. The Group acquired the non-controlling interests of Torkkelin Paperi Oy from the previous Managing Director Pekka Lähde in December 2010 and now Torkkelin Paperi Oy is fully owned by the Group. The acquisition price was paid in 2011.

Mergers in 2011

In 2011, the Finnish Direct Sales companies Vinstock Oy, Suomen Rader Oy, Visual Globe Oy, Naxor Care Oy, Wulff Office Oy and Active Office Finland Oy merged with Beltton Oy, the name of which was then changed to Wulff Novelties Oy. Also IM Inter-Medson Oy merged with its parent company KB-Tuote Oy. All companies were already previously the Group's fully-owned subsidiaries and these mergers did not affect the Group's financial result of status.

Disposals of subsidiaries

In 2011 and 2010, no subsidiaries were sold.

Other changes

Closing of the small direct sales operations in Lithuania in summer 2010 did not have a material impact on the Group's net sales, profitability or financial status.

4. Net sales

EUR 1000	2011	2010
Sales of products and related services	93 673	86 925
Sales of fair services (including income based on percentage-of-completion method)	5 456	6 182
Total	**99 129**	**93 107**

5. Other operating income

EUR 1000	2011	2010
Sales gains from tangible assets	161	146
Rental income	19	44
Other	57	276
Total	**238**	**467**

6. Materials and services

EUR 1000	2011	2010
Materials, supplies and products		
Purchases during the financial year	64 213	58 878
Change in inventories	295	524
External services	1 024	1 115
Total	**65 532**	**60 516**

7. Employee benefits

EUR 1000	2011	2010
Salaries and fees	15 255	15 097
Pension expenses (defined contribution plans)	2 064	1 768
Other personnel expenses	1 879	1 709
Share-based payments (share rewards settled in shares)	5	42
Total	**19 204**	**18 617**
Average number of employees in accounting period	365	384
Personnel at the end of period	359	370

Information about the management's employment benefits and loans is presented in Note 29 Related party information. Details about loans to related parties is presented under Shares and shareholders.

8. Other operating expenses

EUR 1000	2011	2010
Rents	1 929	1 906
Travel and car expenses	2 776	3 069
ICT expenses	1 117	1 191
External logistics expenses	1 494	1 843
Marketing, PR and entertainment expenses	759	682
Credit losses and bad debt allowances of sales receivables	129	388
Fees to auditors *	157	239
Other	3 580	3 549
Total	**11 942**	**12 866**

* Fees to auditors total in all group companies:

EUR 1000	2011	2010
Audit	96	191
Tax services	5	0
Other services	56	48
Total	157	239

Fees to auditors include fees paid both to Nexia and KPMG. Nexia was the Group's auditor until the Annual General Meeting 2011 and currently the Group's auditor is KPMG.

The Group did not have material research and development expenses in the current or previous year.

9. Amortization, depreciation and impairment

EUR 1000	2011	2010
Amortization and depreciation during the period:		
Amortization of intangible assets:		
Customer relationships	-76	-266
Other intangible assets	-315	-216
Total amortization of intangible assets	-391	-481
Depreciation of tangible assets:		
Buildings and structures	0	-7
Machinery and equipment	-674	-663
Other tangible assets	-30	-31
Total depreciation of tangible assets	-704	-701
Total amortization and depreciation	-1 095	-1 182
Impairment during the period:		
Impairment of goodwill	0	-350
Total amortization, depreciation and impairment	**-1 095**	**-1 532**

10. Financial income and expenses

EUR 1000	2011	2010
Financial income:		
Interest income	76	78
Dividend income	40	148
Foreign exchange gains and other financial income	66	529
Financial income total	**182**	**755**
Financial expenses:		
Interest expenses	344	274
Change in fair value of assets recognised at fair value through profit or loss	69	0
Foreign exchange losses and other financial expenses	224	301
Financial expenses total	**637**	**575**

As shown in the Statement of Other Comprehensive Income, the fair value changes on available-for-sale investments impacted equity directly (net of tax) positively +42 thousand euros in 2010 and negatively -4 thousand euros in 2011.

11. Income taxes

Income taxes in the income statement

EUR 1000	2011	2010
Income taxes for the financial year	-881	-466
Income taxes for the previous years	-58	15
Deferred taxes:		
Change in deferred tax assets	610	-158
Change in deferred tax liabilities	7	-28
Total	**-320**	**-637**

Income tax reconciliation

EUR 1000	2011	2010
Income taxes according to the Finnish tax rate (26%)	-296	-58
Different tax rates abroad	-26	-7
Non-deductible expenses and tax-free income	-55	-134
Tax impact from the current year's losses for which no defta benefit is recognized	-31	-203
Income taxes for previous years	-58	15
Changes in deferred tax assets and liabilities recognized in previous years	178	-226
Impact of the change in the Finnish statutory tax rate (Jan 1, 2012) on the deferred tax assets	-31	0
Group consolidation and eliminations	-2	-22
Other	0	-2
Income taxes in the income statement	**-320**	**-637**

Taxes for other comprehensive income, 2011

EUR 1000	Pre-tax	Taxes	Net of tax
Translation differences	34	0	34
Fair value changes on available-for-sale investments	-5	1	-4
Total other comprehensive income	29	1	30

Taxes for other comprehensive income, 2010

EUR 1000	Pre-tax	Taxes	Net of tax
Translation differences	134		134
Fair value changes on available-for-sale investments	57	-15	42
Total other comprehensive income	191	-15	176

Changes in deferred taxes 2011

EUR 1000	Jan 1, 2011	Income statement	Equity	Translation differences	Dec 31, 2011
Deferred tax assets:					
Confirmed losses	609	-2		2	609
Provisions	31	-11		0	20
Pension liabilities	0	0		0	0
Depreciation differences	315	655		-15	954
Group consolidation and eliminations	7	6		0	13
Other temporary differences	49	-38	1	12	25
Deferred tax assets total	1 011	610	1	-2	1 621
Deferred tax liabilities:					
Depreciation differences and other untaxed reserves	22	5	0	-2	25
Fair value changes in net assets acquired	78	-19		1	60
Other temporary differences	36	7			43
Deferred tax liabilities total	136	-7	0	-1	128
Deferred tax assets, net	875	617	1	-1	1 493

Changes in deferred taxes 2010

EUR 1000	Jan 1, 2010	Income statement	Equity	Translation differences	Dec 31, 2010
Deferred tax assets:					
Confirmed losses	615	-17		12	609
Provisions	8	21		2	31
Pension liabilities	60	-62		2	0
Depreciation differences	419	-104		0	315
Group consolidation and eliminations	4	3		0	7
Other temporary differences	56	1	-15	6	49
Deferred tax assets total	1 162	-158	-15	22	1 011
Deferred tax liabilities:					
Depreciation differences and other untaxed reserves	11	9		1	22
Fair value changes in net assets acquired	88	-9		0	78
Other temporary differences	12	28		-4	36
Deferred tax liabilities total	110	28	0	-3	136
Deferred tax assets, net	1 052	-186	-15	25	875

As of December 31, 2011, the Group had confirmed tax losses carried forward of 828 thousand euros (Dec 31, 2010: 1,135 thousand euros) for which no deferred tax assets have been recognized in the consolidated financial statements because the realization of the tax benefit before their expiry is uncertain. The consolidated balance sheet as of December 31, 2011 includes deferred tax assets of 424 thousand euros (Dec 31, 2010: 605 thousand euros) in group companies which were loss-making in 2010. The recognition of these assets is based on profit estimates, which indicate that the realization of these deferred tax assets is probable.

Deferred tax liabilities for subsidiaries' undistributed earnings have not been recognized in the consolidated balance sheet because distribution of the earnings is in the control of the Group and such distribution is not probable within the foreseeable future.

12. Osakekohtainen tulos

	2011	2010
Profit for the period attributable to the equity holders of the parent company, EUR 1000	634	-623
/ Weighted average number of shares; diluted = non-diluted (1,000 shares)	6 517	6 525
Earnings per share (EPS); Diluted = non-diluted, EUR	0,10	-0,10

13. Intangible and tangible assets

2011	Goodwill	Customer relationships	Other intangible assets	Advance payments	**Intangible assets total**	Land	Buildings and structures	Machinery and equipment	Other tangible assets	**Tangible assets total**
Acquisition cost, Jan 1	11 355	618	1 495	423	**13 891**	263	242	7 204	177	**7 886**
Additions	0	0	238	135	**373**	0	0	791	4	**795**
Disposals	-52	0	-236	-6	**-294**	-40	-242	-1 177	-2	**-1 461**
Reclassifications between accounts	0	0	536	-536	**0**	0	0	155	0	**155**
Translation differences	18	1	-4	1	**16**	0	0	-1	1	**1**
Acquisition cost, Dec 31	11 321	619	2 029	17	**13 986**	223	0	6 972	180	**7 375**
Accumulated depreciation and impairment, Jan 1	-1 854	-314	-840	0	**-3 008**	0	-60	-5 464	-78	**-5 601**
Disposals	0	0	234	0	**234**	0	60	970	2	**1 032**
Depreciation during the period	0	-76	-315	0	**-391**	0	0	-674	-30	**-704**
Impairment during the period	0	0	0	0	**0**	0	0	0	0	**0**
Translation differences	0	0	0	0	**0**	0	0	0	0	**0**
Accumulated depreciation and impairment, Dec 31	-1 854	-390	-921	0	**-3 165**	0	0	-5 167	-106	**-5 273**
Book value, Jan 1	**9 501**	**304**	**655**	**423**	**10 883**	**263**	**182**	**1 741**	**99**	**2 285**
Book value, Dec 31	**9 467**	**229**	**1 108**	**17**	**10 821**	**223**	**0**	**1 805**	**74**	**2 102**

2010	Goodwill	Customer relationships	Other intangible assets	Advance payments	**Intangible assets total**	Land	Buildings and structures	Machinery and equipment	Other tangible assets	**Tangible assets total**
Acquisition cost, Jan 1	12 162	618	1 311	0	**14 090**	263	242	6 417	121	**7 043**
Additions	0	0	185	423	**608**	0	0	951	60	**1 011**
Disposals	-818	0	-1	0	**-818**	0	0	-248	-5	**-252**
Reclassifications between accounts	0	0	0	0	**0**	0	0	119	0	**119**
Translation differences	11	0	0	0	**11**	0	0	-34	0	**-34**
Acquisition cost, Dec 31	11 355	618	1 495	423	**13 891**	263	242	7 204	177	**7 886**
Accumulated depreciation and impairment, Jan 1	-1 504	-48	-624	0	**-2 176**	0	-53	-4 985	-52	**-5 090**
Reclassifications between accounts	0	0	0	0	**0**	0	0	0	0	**0**
Depreciation during the period	0	-266	-216	0	**-481**	0	-7	-663	-31	**-701**
Impairment during the period	-350	0	0	0	**-350**	0	0	0	0	**0**
Translation differences	0	0	0	0	**0**	0	0	0	0	**0**
Accumulated depreciation and impairment, Dec 31	-1 854	-314	-840	0	**-3 008**	0	-60	-5 464	-78	**-5 601**
Book value, Jan 1	**10 658**	**570**	**687**	**0**	**11 914**	**263**	**189**	**1 431**	**69**	**1 952**
Book value, Dec 31	**9 501**	**304**	**655**	**423**	**10 883**	**263**	**182**	**1 741**	**99**	**2 285**

14. Goodwill

EUR 1000	2011	2010
Contract Customers division:		
Office supplies / Finland (Wulff Oy Ab, Torkkelin Paperi Oy)	4 490	4 490
Office supplies / Scandinavia (Wulff Supplies AB)	1 799	1 835
Fair services / Finland (Entre Marketing Oy)	1 671	1 671
Business gifts / Finland (Ibero Liikelahjat Oy, KB-Tuote Oy)	1 329	1 329
Contract Customers division total	9 290	9 326
Direct Sales division:		
Direct Sales / Norway (Wulff Direct AS)	177	175
Direct Sales division total	177	175
Goodwill total	**9 467**	**9 501**

Consolidated goodwill is not amortized systematically but their book values are tested for possible impairment at least annually and additionally when the management has noted signs of possible impairment, e.g. due to decreased profitability performance. Wulff Group tests its goodwill values separately for each cash-generating unit. Changes in goodwill during the financial period are presented in Note 1 where all intangible assets are presented.

In goodwill impairment tests the carrying amount is compared to the unit's discounted present value of the recoverable cash flows i.e. the value in use, where the previous profit performance level, the next year's budget as well as the sales and profit estimates for future years are considered. The testing calculations' five-year estimate period consists of the budget year and the following four estimate years where a moderate, approximately two-percent annual growth is estimated in each business areas. After this five-year estimate period, the so-called eternity value is based on zero-growth assumption. The budgets and later years' estimates used in the testing are carefully estimated and the growth expectations are moderate considering also the impacts of economic slowdown. The assets tested includes goodwill together with other assets and working capital.

The discount factor in the impairment tests is based on weighted average cost of capital (WACC) before taxes which was 10.4 percentages. Weighted average cost of capital represents the overall expense of both equity and external loan financing, taking into account also the different return expectations and special risks related to different assets.

Goodwill for the Finnish office supplies business was EUR 4.5 million arising from the acquisition of Wulff Oy Ab and Torkkelin Paperi Oy. The assets tested totalled approximately EUR 8 million and the discounted value-in-use is approximately EUR 19 million. According to the management, the key factors in the testing calculations are the moderate growth and retaining the customer profitability, logistics' cost management and synergies from Nordic purchase cooperation in office supplies. Even if there was only zero-growth in the estimate years after the budget year and the discount factor was 15 percentages, no impairment should be booked for the assets of the Finnish office supply business. Even if the net sales and profitability stayed on the current level, no impairment should be booked for the assets of the Finnish office supply business.

Goodwill for the Scandinavian office supplies business was EUR 1.8 million arising from the acquisition of Wulff Supplies AB. The assets tested totalled approximately EUR 5 million and the discounted value-in-use is approximately EUR 18 million. According to the management, the key factors in the testing calculations are the moderate growth and retaining the customer profitability, logistics' cost management and synergies from Nordic purchase cooperation in office supplies. Even if there was only zero-growth in the estimate years after the budget year and the discount factor was 15 percentages, no impairment should be booked for the assets of the Finnish office supply business. Even if the net sales and profitability stayed on the current level, no impairment should be booked for the assets of the Finnish office supply business.

The goodwill arising from the acquisition of Entre Marketing Oy operating in fair services totalled EUR 1.7 million and the discounted value-in-use is approximately EUR 5 million. Previously some writedowns have been booked for the goodwill but in 2011, the previously loss-making business was turned profitable. Even if there was only zero-growth in the estimate years after the budget year and the discount factor was 15 percentages, no impairment should be booked for the assets of the fair services business. Even if the net sales and profitability stayed on the current level, no impairment should be booked for the assets of the fair services business.

The goodwill for the Finnish business promotional gift businesses totalled EUR 1.3 million including Ibero Liikelahjat Oy (EUR 1.1 million) and IM Inter-Medson Oy (EUR 0.2 million) which was merged with KB-Tuote Oy. The assets tested totalled approximately EUR 3 million and the discounted value-in-use is approximately EUR 6 million. Even if there was only zero-growth in the estimate years after the budget year and the discount factor was 15 percentages, no impairment should be booked for the assets of the business promotional gift businesses. KB-Tuote Oy was loss-making in 2011. The key issues in this business area are improving the efficiency of the business processes and taking the net sales up to the planned growth-track. If both net sales and profitability remain on the current level in all coming years, the impairment of business promotional gift businesses' assets should be re-estimated and some writedown would be booked, if necessary, to make the asset values correspond with the recoverable cash flows.

The goodwill for the direct sales business in Norway arose from the acquisition of Wulff Direct AS (previously Nordisk Profil AS) and totalled EUR 0.2 million. The assets tested totalled approximately EUR 1 million and the discounted value-in-use for the Group's ownership was approximately EUR 2 million. Even if there was only zero-growth in the estimate years after the budget year and the discount factor was 15 percentages, no impairment should be booked for the assets of the fair services business. Even if the net sales and profitability stayed on the current level, no impairment should be booked for the assets of the direct sales business in Norway.

15. Non-current receivables

Long-term receivables from related parties

EUR 1000	2011	2010
Carrying amount, Jan 1	493	559
Additions during the financial year	87	12
Disposals during the financial year	-493	-4
Transfer to current loan receivables		-74
Carrying amount, Dec 31	**87**	**493**

Long-term receivables from related parties are interest-bearing receivables falling due later than 12 months. In the financial statements as of December 31, 2010, the Group had a loan receivable from Entre Marketing Oy's previous Managing Director Harri Kaasinen and this long-term loan receivable was netted against the loan payable arising from the subsidiary acquisition when Harri Kaasinen left the Group in 2011. As of December 31, 2011, the Group had a loan receivable from a company under influence of a related party. The related party transactions are presented in Note 29.

Long-term receivables from others

EUR 1000	2011	2010
Quaranty deposits, Carrying amount, Jan 1	10	10
Quaranty deposits, Carrying amount, Dec 31	**10**	**10**

16. Available-for-sale investments

EUR 1000	2011	2010
Carrying amount, Jan 1	442	337
Additions during the financial year		48
Disposals during the financial year	-70	
Change in fair value	-5	57
Carrying amount, Dec 31	**367**	**442**

Available-for-sale investments are valued at the reporting date's fair value and classified as non-current assets, unless they are expected to be realized within the next 12 months after the reporting date. Changes in fair value are recognised in other comprehensive income and booked in the fair value reserve under equity, including tax effects. Changes in fair value are transferred from equity to the income statement when the investment is sold. The majority of these investments are publicly listed shares which are valued at their listed ending share prices on the reporting date. The unlisted shares which cannot be valued reliably due to lack of functioning markets, are valued at the acquisition cost less possible impairment.

17. Inventories

EUR 1000	2011	2010
Products	11 022	11 354
Work in process	42	52
Prepayments for inventories	216	334
Total	**11 280**	**11 740**

18. Current loan receivables

Current loan receivables include loan receivables falling due within 12 months.

Loan receivables from related parties

EUR 1000	2011	2010
Carrying amount, Jan 1.	74	0
Disposals	-74	
Transfer from non-current loan receivables		74
Carrying amount, Dec 31.	**0**	**74**

As of December 31, 2010, the current loan receivables from related parties were from Torkkelin Paperi Oy's previous Managing Director Pekka Lähde as shown in related party information in Note 29.

Loan receivables from others

EUR 1000	2011	2010
Carrying amount, Jan 1.	0	0
Additions	51	
Carrying amount, Dec 31.	**51**	**0**

19. Short-term non-interest-bearing receivables

Trade receivables

EUR 1000	2011	2010
Trade receivables from related parties	6	0
Trade receivables from others	12 077	12 026
Trade receivables total	12 083	12 026

Aging analysis of sales receivables

EUR 1000	2011		2010	
Not due (value not impaired)	9 828	81 %	9 930	83 %
Due (value not impaired):				
Less than 1 month	1 936	16 %	1 673	14 %
More than 1 month - less than 3 months	281	2 %	294	2 %
More than 3 months - less than 6 months	38	0 %	71	1 %
More than 6 months	0	0 %	58	0 %
Total	12 083	100 %	12 026	100 %

Sales receivables are non-interest-bearing and fall due in 14-60 days. Credit losses expensed during the financial year are reported in Note 8. Sales receivables do not include significant credit risk concentrations.

Other receivables

EUR 1000	2011	2010
Valued added tax receivables	1 002	330
Other receivables	338	213
Other receivables total	1 340	543

Accrued income and expenses

EUR 1000	2011	2010
Income tax receivable	32	235
Corporate tax credits	214	661
Accruals for employee benefits (e.g. pension expense accruals)	263	123
Sales accruals, incl. partial recognition based on percentage-of-completion method	1 077	569
Other accruals	560	539
Siirtosaamiset yhteensä	2 146	2 127

The corporate tax credits included in the accrued receivables will expire in 2014.

20. Financial assets recognised at fair value through profit and loss

EUR 1000	2011	2010
Carrying amount, Jan 1	0	58
Additions during the financial year	56	
Disposals during the financial year		-58
Carrying amount, Dec 31	**56**	**0**

Financial assets recognised at fair value through profit and loss are publicly listed shares held for trading and they are valued at their market prices in the end of the reporting period.

Fair value hierarchy of the financial assets measured at fair value

Available-for-sale investments measured at fair value are presented in Note 16 and financial assets held-for-trading recognised at fair value through profit and loss are presented in Note 20. This fair value hierarchy presents the valuation methods for different financial instruments:

December 31, 2011 (EUR 1000)	Total	Level 1	Level 2	Level 3
Available-for-sale financial assets	367	215		152
Financial assets recognised at fair value through profit and loss (held-for-trading)	56	56		
Total	**423**	**272**	**0**	**152**

December 31, 2010 (EUR 1000)	Total	Level 1	Level 2	Level 3
Available-for-sale financial assets	442	289		152
Financial assets recognised at fair value through profit and loss (held-for-trading)				
Total	**442**	**289**	**0**	**152**

Fair value hierarchy levels

The fair values of the financial assets on the hierarchy level 1 are based on quoted market prices of similar financial instruments traded in an active market.

The fair values of the financial assets on the hierarchy level 2 are based on other price information than quoted market prices for a significant part of the valuation. This information is supported by observable market inputs either directly (i.e. prices) or indirectly (i.e. derived from prices). Currently there are no financial assets on level 2.

The fair values of the financial assets on the hiearchy level 3 are calculated using a valuation technique based on assumptions that are not supported by available observable market data. For example management estimates are utilized in generally accepted valuation models of the financial instruments.

The fair value hierarchy level, into which the entire financial instrument is classified, is determined based on the lowest-hierarchy-level information being significant for the valuation of that particular financial asset or liability. The significance of the information is estimated considering the financial instrument in its entirety.

No significant transfers between the hierarchy levels took place during the financial period.

21. Cash and cash equivalents

EUR 1000	2011	2010
Cash and bank	2 464	4 379
Total	**2 464**	**4 379**

22. Notes on equity

Share capital

The parent company's share capital (EUR 2.65 million) consists of 6 607 628 shares with one vote each and with no par value. There have been no changes in share capital in 2010 and 2011. The stock exchange release on June 9, 2011, based on the Securities Market Act, stated that Ari Pikkarainen's ownership decreased below 20 percentages of the total number of shares and votes in Wulff Group Plc. There were no disclosed notifications on changes in major share holdings in 2010.

	Share total	Treasury shares	Outstanding shares
Jan 1, 2010	6 607 628	-69 022	6 538 606
Acquisitions of own shares		-35 014	-35 014
Allocations of own shares to key personnel		5 000	5 000
Dec 31, 2010	6 607 628	-99 036	6 508 592
Acquisitions of own shares		-964	-964
Allocations of own shares to key personnel		10 000	10 000
Dec 31, 2011	6 607 628	-90 000	6 517 628

Treasury shares

Based on the authorization of the Annual General Meeting held on April 23, 2010, the acquisition of own shares continued in early 2011. Authorized by the Annual General Meeting held on April 28, 2011, the Board of Directors decided in its organizing meeting to continue buying back a maximum of 300,000 own shares by the next Annual General Meeting. In April-December 2011, no own shares were reacquired. In the end of the reporting period, the Group held a total of 90,000 own shares (99,036 as of December 31, 2010) representing 1.4 percentage (1.5 %) of the total number and voting rights of Wulff shares. The average price for the own shares repurchased in 2011 was EUR 2.70 per share.

The shares are acquired through public trading on NASDAQ OMX Helsinki in a proportion other than that of current shareholder holdings. The shares are acquired at the market price quoted at the time of the repurchase in accordance with the rules regarding the acquisition of company's owns shares. According to the authorisation, the treasury shares can be acquired to carry out acquisitions or other business related arrangements, to improve the company's capital structure, to support the implementation of the company's incentive scheme or to be cancelled or disposed of.

Share options and share rewards

The Group does not have any option schemes currently in force. The share reward plans are described in Note 24.

Share premium fund and fund for invested non-restricted equity

Share premium fund and the fund for invested non-restricted equity consist of the share value exceeding the par value in share issues in 1999-2008. There were no changes in the share premium fund and the fund for invested non-restricted equity during the latest or the previous financial year.

Translation differences

Translation differences arise from translation of foreign-currency-denominated subsidiaries.

23. Dividend distribution

The parent company's distributable funds totalled EUR 5.59 million. The Group's net result attributable to the parent company shareholders was EUR 0.63 million i.e. EUR 0.10 per share (EUR -0.10 per share). The Board of Directors proposes to the Annual General Meeting that for the financial year 2011, a dividend of EUR 0.07 per share (0.05 per share) totalling EUR 0.46 million (EUR 0.33 million) will be distributed. At the date of the dividend distribution, the own shares held by the Company are not paid any dividend. The remaining distributable funds of EUR 5.13 million will be retained in the shareholders' equity.

Parent company's distributable funds:

EUR	Dec 31, 2011	Dec 31, 2010
Fund for invested non-restricted equity	223 051,20	223 051,20
Treasury shares	-325 069,83	-322 471,67
Retained earnings on January 1, 2010	3 981 995,25	3 853 098,53
Net result for the period	1 708 715,14	454 326,32
Distributable funds total	5 588 691,76	4 208 004,38
- dividend distribution total	456 233,96	325 429,60
Funds left in retained earnings	5 132 457,80	3 882 574,78

	Dec 31, 2011	Dec 31, 2010
Shares total	6 607 628	6 607 628
Treasury shares held	90 000	99 036
Shares which are paid dividend	6 517 628	6 508 592
x Dividend per share (EUR)	0,07	0,05
Dividends total (EUR)	456 233,96	325 429,60

24. Share-based payments

The Group does not have any option schemes currently in force.

Share reward plan is a part of Wulff Group's incentive and commitment program for its key personnel. Wulff Group Plc's Board of Directors makes the rules for the share reward plans and approves the key persons to be included in the plan. The Group's first share reward plan was for years 2008-2010 and in February 2011 a new share reward plan for years 2011-2013 was approved. The Group has followed the requirements of IFRS 2 standard (Share-based payments) for the valuation and recognition of its share reward plans and these principles are described in the Accounting Principles.

Share reward plan 2011-2013

On February 8, 2011, Wulff Group Plc's Board of Directors decided on a new share-based incentive and commitment scheme for the Group's key personnel. The purpose of the scheme is to commit and encourage the Group's key personnel for profitable and growing business along with generating shareholder value in the long run.

The share reward plan offers the key personnel an opportunity to receive the Company's shares as a reward for reaching the earning criteria. The scheme comprises of three earning periods which are the calendar years 2011, 2012 and 2013. The potential reward for an earning period is based on the results achieved. The Board of Directors decides on the share-based payments after the earning period end. After the earning period end, the potential reward for each earning period will be paid partly in shares and partly in cash. The proportion paid in cash covers the taxes and related costs due to the reward. Based on this scheme, a maximum of 100,000 Company shares can be granted.

During a two-year restriction period, it is prohibited to transfer the shares. If a key person's employment or service ends during the restriction period, the person must return the shares given as the reward back to the Company without compensation. There is a maximum of 20 key persons within the scheme. The persons within the scheme may change during the years.

In 2011, one key person earned 5,000 shares which were handed over on February 13, 2012. Because these shares have a two-year restriction period after the earning period, their fair value is expensed during years 2011-2013. In 2011, the personnel expense from these share rewards totalled 5 thousand euros based on the market value of the shares granted.

Share reward plan 2008-2010

At its meeting on 6 February 2008, the Board of Directors of Wulff Group Plc decided to adopt a share-based incentive scheme. The plan had three earning periods, which were the calendar years 2008, 2009 and 2010. The goal was to promote internal entrepreneurship and the company's targets among the sales representatives covered by the scheme, as well as to commit the company's top management in a competitive way. The targets were tied to sales success and improved profitability.

The Group's Board of Directors annually determined the key personnel included in the scheme and defined the maximum rewards, which were expressed as a number of shares. Any rewards granted on the basis of the share-based incentive scheme were paid as a combination of shares and cash in the year following the earning period and there was a requirement for a three-year commitment period.

The share-based rewards paid on the basis of the scheme must correspond to the value of a maximum of 70,000 of Wulff Group Plc's shares over the three-year earning period. The value of shares granted was booked in personnel expenses and an increase in equity and the portion to be settled in cash was booked in accrued expense liabilities.

In March 2010, the Board of Directors decided to assign 5,000 treasury shares owned by the company without compensation to Group's key person and these shares were handed over on March 23, 2010. In February 2011, the Board decided to grant 10,000 treasury shares owned by the Company without compensation to Group's key person on February 11, 2011 based on the results achieved in 2010 and these share rewards were recongnized as personnel expense in 2010. For these shares granted in March 2010 and in February 2011, the personnel expense of 42 thousand euros is shown also as an increase in equity in the Statement of Changes in Equity in 2010.

25. Non-current and current loans

Payment schedule for the loans

EUR 1000	Book value Dec 31, 2011	Payment schedule (years): 2012	2013	2014	2015	2016	Later
Non-current							
Loans from financial institutions	4 406	0	1 361	877	858	710	600
Pension loans	3 003	0	462	462	462	462	1 155
Total	**7 409**	**0**	**1 823**	**1 339**	**1 320**	**1 172**	**1 755**
Current							
Loans from financial institutions	1 673	1 673					
Pension loans	462	462					
Total	**2 135**	**2 135**					

Interest-bearing liabilities by currencies Dec 31, 2011

EUR 1000	Total	EUR	SEK	NOK
Non-current				
Loans from financial institutions	4 406	3 983	212	211
Pension loans	3 003	3 003		
Total	**7 409**	**6 986**	**212**	**211**
Current				
Short-term repayments of the non-current loans				
Loans from financial institutions	1 673	1 375	298	
Pension loans	462	462		
Total	**2 135**	**1 837**	**298**	

Interest-bearing liabilities by currencies Dec 31, 2010

EUR 1000	Total	EUR	SEK	NOK
Non-current				
Loans from financial institutions	4 831	4 289	286	256
Pension loans	3 080	3 080		
Non-current liabilities to related parties	492	492		
Total	**8 403**	**7 861**	**286**	**256**
Current				
Short-term repayments of the non-current loans				
Loans from financial institutions	1 453	1 377	76	
Pension loans	80	80		
Other current interest-bearing loans	892		892	
Total	**2 425**	**1 457**	**968**	

The Group's bank loans are based on variable interest rates and their fair values correspond to their carrying amounts in the balance sheet. The bank loans' average interest rate based on short market interest rates, was approximately 2,4 % at the end of 2011 (2,1% at the end of 2010).

For the pension premium loans, an amount of EUR 1.3 million is based on fixed interest rate of 3.5 percentages p.a. The pension premium loans of EUR 2.2. million are based on variable interest rates. The variable-rated pension premium loans of EUR 1.8 million are based on a three-year pension premium interest rate and these loans' first interest-period started in summer 2009 has an interest level of 2.2 percentages and the interest rate is reviewed next time in summer 2012. The variable-rated pension premium loans of EUR 0.4 million are based on a one-year pension premium interest rate which was 2.55 percentages on the date of the withdrawal in 2011. The pension premium loans raised in summer 2009 have a repayment time of 10 years and the pension premium loans raised in 2011 have a repayment time of 5 years. All loans' repayments will be made every six months as fixed installments.

Non-current other interest-bearing liabilities as of December 2010 consisted of the liability payable to Entre Marketing Oy's Managing Director Harri Kaasinen as shown in the related party information in Note 29. The liability was netted against the loan receivable when Harri Kaasinen left the Group in 2011. The current other interest-bearing liabilities as of December 2010 consisted of a SEK-denominated interest-bearing loan related to the acquisition of Wulff Supplies and it has been paid in February 2011 to Strålfors AB, the seller of Wulff Supplies.

Fair value hierarchy of the financial liabilities measured at fair value

This fair value hierarchy presents the valuation methods for different financial instruments:

December 31, 2011 (EUR 1000)	Total	Level 1	Level 2	Level 3
Loans from financial institutions	6 079	0	0	6 079
Pension loans	3 465	0	0	3 465
Total	**9 544**	**0**	**0**	**9 544**

December 31, 2010 (EUR 1000)	Total	Level 1	Level 2	Level 3
Loans from financial institutions	6 284	0	0	6 284
Pension loans	3 160	0	0	3 160
Non-current liabilities to related parties	492	0	0	492
Other current interest-bearing loans	892	0	0	892
Total	**10 828**	**0**	**0**	**10 828**

Fair value hierarchy levels

The fair values of the financial liabilities on the hierarchy level 1 are based on quoted market prices of similar financial instruments traded in an active market. Currently there are no financial liabilities on level 1.

The fair values of the financial liabilities on the hierarchy level 2 are based on other price information than quoted market prices for a significant part of the valuation. This information is supported by observable market inputs either directly (i.e. prices) or indirectly (i.e. derived from prices). Currently there are no financial liabilities on level 2.

The fair values of the financial liabilities on the hiearchy level 3 are calculated using a valuation technique based on assumptions that are not supported by available observable market data. For example management estimates are utilized in generally accepted valuation models of the financial instruments on the level 3. Majority of the Group's loans are based on variable interest rates and mainly the interest is based on e.g. euribor market interests of 1-3 months and thus the loans' fair values are seen to correspond with their original book value.

The fair value hierarchy level, into which the entire financial instrument is classified, is determined based on the lowest-hierarchy-level information being significant for the valuation of that particular financial asset or liability. The significance of the information is estimated considering the financial instrument in its entirety.

No significant transfers between the hierarchy levels took place during the financial period.

26. Financial risk and capital management

Wulff Group's internal and external financing and financial risk management are mainly handled by the parent company. Group companies with non-controlling minority shareholders may make more independent financial decisions but always within the limits defined by the Group's Board. In addition to other risk management policies, the parent company's Board of Directors determines the principles of financial risk management. The goal of risk management is to minimise the effects that price fluctuations in the financial markets, as well as other uncertainty factors may have on result, balance sheet and cash flow.

Financial risks include currency risks, interest rate risks, liquidity risks and credit risks managed in each subsidiary.

Currency risks

Wulff Group's exposure to currency risks increased due to the acquisition of Wulff Supplies in 2009. Approximately half of the Group's sales are made in euros and the other half is made in Swedish, Norwegian and Danish crowns. In terms of import, the exposure to currency risks has increased and, following the acquisition, affects the currency risks of Wulff Supplies subgroup through changes between Sweden and Norway. The Group has only minor transactions in other currencies than euros and Nordic currencies. Interest-bearing liabilities by currencies are presented in Note 25 of the consolidated financial statements. The Group does not practice any speculative hedging. No hedging measures against currency risk have been taken in 2010-2011.

Interest rate risks

The Group is exposed to interest rate risk due to loans from financial institutions, pension premium loans and bank account limit facilities tied with variable interest rates. Changes in market rates impact directly the Group's interest payments in the future. Some of the pension premium loans have a fixed interest rate. More information on the interest rates of the Group's interest-bearing liabilities is presented in Note 25 of the consolidated financial statements. The Group does not make any speculative interest rate agreements and to date, no interest rate swaps have been utilized for managing interest rate risks.

Liquidity risks

Group companies operate with their own cash flows and if necessary, they are funded also with the Group's internal financing. In order to ensure good liquidity, the Group emphasises the subsidiaries' independence in the management of operating cash flow and working capital. Liquidity risk is managed on the group level with Group bank account arrangements in Finland and Sweden. Continuous supervision is used to assess and monitor the financing needed for the subsidiaries' operations. The availability and flexibility of financing is ensured with bank account credit limits. On December 31, 2011, unused credit limits totalled 3,0 million euros for the Finnish companies. Wulff Supplies Ab in Sweden had a credit limit of SEK 5,0 million as of December 31, 2011. The maturity of loans is presented in Note 25.

The Group's pension premium loans are secured with a bank guarantee, the margin of which is linked to the covenants regarding the equity ratio and the interest-bearing debt/EBITDA ratio. Covenant breaches lead to negotiations with the bank granting the guarantee and any possible consequences depend on the negotiations. The equity ratio shall be 35 % at minimum and the interest-bearing debt/EBITDA ratio shall be 3.5 at maximum in the end of each year. On December 31, 2011 the equity ratio was 40.3 % (December 31, 2010: 37.0 %) and the interest-bearing debt/EBITDA ratio was 3.5 in accordance with the covenant requirement.

Credit and default risks

The uncertainties relating to the general economic development in the last few years have emphasized the importance of monitoring the credit and default risks associated with customers and other counterparties. The subsidiaries manage their customers' credit analyses and active credit control independently. Together with the local company management, the subsidiaries' working capital management and related risks are monitored also on division and group level. The Group's trade receivables consist of an extensive customer base, and most of the annual sales volume is from well-known and solvent customers. Consequently, the Group has not considered credit guarantees or corresponding methods to be necessary.

The risk management policy of each company defines the credit risks and credit worthiness requirements, as well as the terms of delivery and payment. Credit risk monitoring is primarily the responsibility of the subsidiaries' management, while the parent company's financial management monitors regularly the compliance with the risk management principles and examines the efficiency of the centralised own collection operations and the outsourced collection partner. Traditionally the group companies' credit losses have been small in relation to their net sales. Aging analysis of sales receivables is presented in Note 19 of the consolidated financial statements.

Capital management

Wulff Group's capital structure management aims to ensure and improve the operating conditions of the group companies and to increase the Group's shareholder value in a sustainable, optimal way. The Group's capital structure is evaluated by monitoring the development in equity ratio where the long-term target is approximately 40 percent. Group companies operate with their own cash flows and if necessary, they are funded also with the Group's internal financing. The Group emphasises the subsidiaries' independence in the management of operating cash flow and working capital. The Group Finance controls centrally the group companies' working capital management. The Group Finance takes centrally care of the external loan financing and agrees on the loans' repayment schedules with the financiers.

27. Short-term non-interest-bearing liabilities

Other current liabilities

EUR 1000	2011	2010
Value added tax liabilities	1 944	1 246
Other current liabilities	850	3 672
Other current liabilities total	2 794	4 918

Accrued income and expenses

EUR 1000	2011	2010
Accruals for employee benefits	3 233	3 134
Income tax liabilities	406	276
Interest accruals	66	107
Sales accruals, incl. partial recognition based on percentage-of-completion method	203	142
Other accruals	334	293
Accrued income and expenses total	4 241	3 952

28. Commitments

EUR 1000	2011	2010
Mortgages and guarantees on own behalf		
Business mortgage for the Group's loan liabilities	7 350	7 350
Real estate pledge for the Group's loan liabilities	900	900
Subsidiary shares pledged as security for group companies' liabilities	3 284	3 284
Other listed shares pledged as security for group companies' liabilities	215	289
Current receivables pledged as security for group companies' liabilities	258	255
Pledges and guarantees given for the group companies' off-balance sheet commitments	222	221
Guarantees given on behalf of third parties	176	236
Minimum future operating lease payments, total	5 861	6 820
of which will be payable:		
in less than one year	1 489	1 437
between 1-5 years	4 042	4 639
after 5 years	329	744

Subsidiary shares pledged as security for group companies' liabilities are presented here in their book value in the parent company's balance sheet and they consist of KB-Tuote Oy (682 thousand euros), Wulff Oy Ab (100 thousand euros) and Entre Marketing Oy (2,502 thousand euros).

Non-cancellable lease agreements for office and warehouse premises are made normally for 3-5 years and they often include an option to extend the contract after the original end date. The most significant rental commitments are for the headquarters in Finland, which rental agreement signed in 2007 will end in 2017 at the earliest, and for the logistics centre in Ljungby, Southern Sweden, which rental agreement signed in 2010 will end in 2015 at the earliest. The rents expensed during the financial year are presented in Note 8.

29. Related party information

Summary of top management's employment benefits

EUR 1000	2011	2010
Board members' salaries and fees		
Heikki Vienola, Group CEO	50	50
Ari Pikkarainen (employee until August 2011)	45	57
Sakari Ropponen, Chairman of the Board since 4/2010 (prev. member)	12	12
Ari Lahti, Chairman of the Board until 4/2010	0	5
Erkki Kariola	12	12
Pentti Rantanen	12	12
Andreas Tallberg	12	7
Group management board's additional pension benefits		
Heikki Vienola, Group CEO	1	
Board members' benefits total	144	155
Group management board's basic salaries and fringe benefits	853	425
Group management board's bonuses	66	0
Group management board's additional pension benefits	28	17
Group management board's share rewards	26	16
Group management board's benefits total *	973	458
Top management's employee benefits total	**1 117**	**613**

* Others than the Board members Heikki Vienola (Chairman of the Group Executive Board) and Ari Pikkarainen (Member of the Group Executive Board until March 2011).

Remuneration of the Board members

According to the Company's Articles of Association, the Annual General Meeting determines the remuneration of the Board Members. The fees of the Board Members are paid in fixed amounts of cash. In 2010 and 2011, a monthly fee of EUR 1,000 was paid to the Chairman and those other Board Members who are not employed by the Company.

The Group CEO Heikki Vienola is not paid any compensation for the Board membership or meetings. Board member Ari Pikkarainen was paid salary as he was employed by the company until Autumn 2011, after which he has been paid a normal Board membership fee (EUR 1,000 per month) as the other Board members as well.

The Group has not granted loans, guarantees or other contingencies to the Board Members.

Remuneration of the Group CEO

The Board determines the Group CEO's remuneration and other contractual issues. Remuneration of CEO Heikki Vienola consists of salaries paid in cash. He does not have fringe benefits. In 2011, the CEO Heikki Vienola was paid a salary of 50 thousand euros (50 thousand euros in 2010) and extra pension of 1 thousand euros.

The CEO's benefits include statutory pension. The pension age has not been determined.

The period of notice is three months, as determined in the employment contract. No separate compensation for the period of notice is included in the contract.

Remuneration of senior management

Remuneration of senior management consists of monetary wages, fringe benefits, additional pensions, annually-determined performance-based bonuses and possible share-based incentives. In addition to fixed monthly salaries, a part of the payments is based on financial performance and the person's individual goal-setting.

The Group CEO determines the contractual terms, salaries and possible other benefits and incentives of the Executive Board Members. The remuneration of the Group Executive Board is presented in the attached table. In 2010, the Group Executive Board consisted of Heikki Vienola, Ari Pikkarainen, Jani Puroranta, Veijo Ågerfalk, Kati Näätänen and Tarja Törmänen. In 2011, the Group Executive Board consisted of Heikki Vienola, Ari Pikkarainen (until March 2011), Trond Fikseaunet (from March 2011), Jani Puroranta (until August 2011), Sami Asikainen (from August 2011), Veijo Ågerfalk, Kati Näätänen and Tarja Törmänen.

In addition to the Executive Board Members, also a few Managing Directors of the subsidiaries are paid based on the performance incentive program. The written contracts for managing directors define the customary mutual period of notice and possible other special compensation.

Business transactions with related parties

EUR 1000	2011	2010
Sales to related parties		
Sales of products	86	62
Sales of services	11	17
Car leases and sales	87	14
Purchases from related parties		
Purchases of products	23	83
Purchases of services	7	31
Trade receivables from related parties	6	0
Trade payables to related parties	0	0
Long-term interest-bearing receivables from related parties	87	566
Liabilities to related parties	0	492

Sales and purchases with the related parties consist of normal, market-priced transactions with the non-group companies under control of influence of the Board members or top management.

In the financial statements as of December 31, 2010, the Group had a loan receivable from Entre Marketing Oy's previous Managing Director Harri Kaasinen and this long-term loan receivable was netted agains the loan payable arising from the subsidiary acquisition when Harri Kaasinen left the Group in 2011. The loan granted in 2007 was to be payable as bullet in 10 years but despite the payment time agreed, Wulff Group Plc was entitled to require a bullet payment already in advance if Harri Kaasinen resigns from the Group's service or does not own Entre Marketing Oy's shares which are pledged as collateral for the loan.

Loan receivable from Torkkelin Paperi Oy's Managing Director Pekka Lähde totalled 74 thousand euros as of December 31, 2010. The loan interest was tied with the prevailing base interest. The loan capital had been repaid annually following the payment terms and the remaining capital fell due as of March 31, 2011. Torkkelin Paperi Oy's minority shares, which were owned by Pekka Lähde since 2006 and acquired by the Group in December 2010, were pledged as collateral for the loan. Now Torkkelin Paperi Oy is fully owned by the Group and the acquisition price was paid in March 2011 and simultaneously the remaining loan capital was netted against the payment.

As of December 31, 2011, the Group had a loan receivable from a company under influence of a related party.

30. Group companies

Companies by countries	Operating segment	Group's ownership and voting rights %	Parent company's ownership and voting rights %
Parent company Wulff Group Plc, Finland	Group Services		
Subsidiaries in Finland:			
Wulff Novelties Oy (ex. Beltton Oy *)	Direct Sales	100	100
Entre Marketing Oy	Contract Customers	100	100
Wulff Leasing Oy (ex. Grande Leasing Oy)	Group Services	100	0
Ibero Liikelahjat Oy	Contract Customers	100	100
KB-tuote Oy	Contract Customers	100	100
Looks Finland Oy	Direct Sales	75	75
Naxor Finland Oy	Direct Sales	75	0
Naxor Holding Oy	Direct Sales	75	75
Torkkelin Paperi Oy	Contract Customers	100	0
Wulff Oy Ab	Contract Customers	100	100
Subsidiaries in Sweden:			
Wulff Beltton AB (ex. Beltton Svenska AB)	Direct Sales	75	25
Office Solutions Svenska AB	Direct Sales	75	0
Rexab Ab	Direct Sales	75	0
S Supplies Holding AB	Contract Customers	82	82
Wulff Supplies AB	Contract Customers	82	0
Subsidiaries in Norway:			
Beltton AS	Direct Sales	80	60
Wulff Direct AS (ex. Nordisk Profil AS)	Direct Sales	56	0
Wulff Supplies AS	Contract Customers	82	0
Subsidiary in Denmark:			
Wulff Supplies A/S	Contract Customers	82	0
Subsidiary in Estonia:			
KB Eesti Oü	Contract Customers	70	0

In November 2011, the Finnish Direct Sales companies Vinstock Oy, Suomen Rader Oy, Visual Globe Oy, Naxor Care Oy, Wulff Office Oy and Active Office Finland Oy merged with Beltton Oy whose name was changed to Wulff Novelties Oy.

QUARTERLY KEY FIGURES

EUR 1000	Q4/11	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10	Q4/09	Q3/09	Q2/09	Q1/09
Net sales	27 526	21 971	24 390	25 242	27 073	20 435	24 016	21 584	25 724	17 570	14 746	16 745
EBITDA	1 084	567	756	282	1 284	228	2	61	824	66	275	82
% of net sales	3,9 %	2,6 %	3,1 %	1,1 %	4,7 %	1,1 %	0,0 %	0,3 %	3,2 %	0,4 %	1,9 %	0,5 %
Operating profit/loss	785	308	491	10	903	-411	-289	-160	349	-428	64	-139
% of net sales	2,9 %	1,4 %	2,0 %	0,0 %	3,3 %	-2,0 %	-1,2 %	-0,7 %	1,4 %	-2,4 %	0,4 %	-0,8 %
Profit/Loss before taxes	763	151	318	-93	794	-327	-200	-43	300	-488	45	-217
% of net sales	2,8 %	0,7 %	1,3 %	-0,4 %	2,9 %	-1,6 %	-0,8 %	-0,2 %	1,2 %	-2,8 %	0,3 %	-1,3 %
Net profit/loss for the financial year attributable to the shareholders of the parent company	468	105	241	-180	308	-557	-134	-240	219	-581	-55	-311
% of net sales	1,7 %	0,5 %	1,0 %	-0,7 %	1,1 %	-2,7 %	-0,6 %	-1,1 %	0,9 %	-3,3 %	-0,4 %	-1,9 %
Number of personnel at the end of period	359	377	357	374	370	391	383	360	372	383	373	413

KEY FIGURES 2007-2011

EUR 1000	2011	2010	2009	2008	2007
Net sales	99 129	93 107	74 785	76 178	74 087
Change in net sales %	6,5 %	24,5 %	-1,8 %	2,8 %	23,3 %
Earnings before taxes, depreciation and amortization (EBITDA)	2 689	1 575	1 247	3 228	6 937
% of net sales	2,7 %	1,7 %	1,7 %	4,2 %	9,4 %
Operating profit/loss	1 595	43	-154	2 053	5 132
% of net sales	1,6 %	0,0 %	-0,2 %	2,7 %	6,9 %
Profit/Loss before taxes	1 139	223	-360	1 325	4 281
% of net sales	1,1 %	0,2 %	-0,5 %	1,7 %	5,8 %
Net profit/loss for the financial year attributable for the equity holders of the parent company	634	-623	-728	387	2 900
% of net sales	0,6 %	-0,7 %	-1,0 %	0,5 %	3,9 %
Cash flow from operations	1 031	1 528	1 470	1 153	2 109
Return on equity (ROE) %	4,82 %	-2,38 %	-3,46 %	3,57 %	15,78 %
Return on investment (ROI) %	5,45 %	1,75 %	0,19 %	6,41 %	15,83 %
Equity ratio %	40,3 %	37,0 %	41,7 %	48,7 %	46,7 %
Gearing %	40,3 %	34,9 %	29,5 %	19,5 %	19,6 %
Balance Sheet Total	44 505	46 025	45 708	39 453	42 404
Gross investments in fixed assets	1 167	1 619	915	915	1 171
% of net sales	1,2 %	1,7 %	1,2 %	1,2 %	1,6 %
Average number of personnel during the financial year	365	384	392	440	440
Number of personnel at the end of financial year	359	370	372	412	467

SHARE-RELATED KEY FIGURES

	2011	2010	2009	2008	2007
Earnings per share (EPS), EUR	0,10	-0,10	-0,11	0,06	0,44
Equity per share, EUR	2,45	2,41	2,58	2,74	2,88
Dividend per share, EUR *	0,07	0,05	0,05	0,05	0,18
Payout ratio %	70 %	-52 %	-45 %	84 %	40 %
Effective dividend yield %	3,5 %	1,9 %	1,6 %	2,2 %	5,3 %
Price/Earnings (P/E)	20,5	-27,2	-28,8	38,7	7,6
P/BV	0,81	1,08	1,24	0,76	1,08
EBITDA / share, EUR	0,41	0,24	0,19	0,50	1,07
Cash flow from operations / share, EUR	0,16	0,23	0,22	0,18	0,32
Share prices:					
Lowest share price, EUR	1,84	2,43	2,00	2,14	3,30
Highest share price, EUR	2,74	3,70	4,02	3,75	4,90
Average share price, EUR	2,22	3,03	3,00	3,09	4,11
Closing share price, EUR	1,99	2,60	3,20	2,30	3,39
Market value as of Dec 31, MEUR	13,0	16,9	20,9	15,1	22,1
Number of outstanding shares on average during the financial year	6 516 534	6 524 780	6 559 490	6 516 131	6 507 628
Number of outstanding shares at the end of the financial year	6 517 628	6 508 592	6 538 606	6 580 374	6 507 628
Number of shares traded	652 535	261 633	292 139	229 762	416 346
% of average number of shares	10,0 %	4,0 %	4,5 %	3,5 %	6,4 %
Shares traded, EUR	1 451 322	793 852	752 344	712 944	1 712 001

* The Board of Directors' dividend proposal to the Annual General Meeting to be held on April 23, 2012.

CALCULATION OF KEY FIGURES

Return on equity (ROE), %	$\frac{\text{Net profit/loss for the period (total including the non-controlling interest of the result) x 100}}{\text{Shareholders' equity total on average during the period (including non-controlling interest)}}$
Return on investment (ROI), %	$\frac{\text{(Profit before taxes + Interest expenses) x 100}}{\text{Balance sheet total - Non-interest-bearing liabilities on average during the period}}$
Equity ratio, %	$\frac{\text{(Shareholders' equity + Non-controlling interest at the end of the period) x 100}}{\text{Balance sheet total - Advances received at the end of the period}}$
Net interest-bearing debt	Interest-bearing liabilities - Interest-bearing receivables - Cash and cash equivalents
Gearing, %	$\frac{\text{Net interest-bearing debt x 100}}{\text{Shareholders' equity + Non-controlling interest at the end of the period}}$
Earnings per share (EPS), EUR	$\frac{\text{Net profit attributable to the equity holders of the parent company}}{\text{Share issue adjusted number of outstanding shares on average during the period}}$
Equity per share, EUR	$\frac{\text{Equity attributable to equity holders of the parent company}}{\text{Share issue-adjusted number of outstanding shares at the end of period}}$
Dividend per share, EUR	$\frac{\text{Dividend for the financial period}}{\text{Share issue-adjusted number of outstanding shares at the end of period}}$
Payout ratio, %	$\frac{\text{(Dividend per share) x 100}}{\text{Earnings per share (EPS)}}$
Effective dividend yield, %	$\frac{\text{(Dividend per share) x 100}}{\text{Share issue-adjusted closing share price at the end of period}}$
Price / Earnings (P/E)	$\frac{\text{Share issue-adjusted closing share price at the end of period}}{\text{Earnings per share (EPS)}}$
P/BV ratio	$\frac{\text{Share issue-adjusted closing share price at the end of period}}{\text{Equity per share}}$
Earnings before taxes, depreciation and amortization (EBITDA) per share, EUR	$\frac{\text{Earnings before taxes, depreciation and amortization (EBITDA)}}{\text{Share issue adjusted number of outstanding shares on average during the period}}$
Cash flow from operations per share	$\frac{\text{Cash flow from operations (in the cash flow statement)}}{\text{Share issue-adjusted average number of outstanding shares during the period}}$
Market value of outstanding shares	Share issue-adjusted number of outstanding shares at the end of period x Closing share price at the end of period

PARENT COMPANY’S INCOME STATEMENT AND CASH FLOW STATEMENT

Parent company’s income statement

EUR	Note	Jan 1 - Dec 31, 2011	Jan 1 - Dec 31, 2010
Net sales	2	**411 650,68**	**558 681,49**
Other operating income	3	41 626,89	429 308,50
Materials and services	4		-17 966,13
Personnel expenses	5	-650 852,10	-671 544,24
Other operating expenses	6	-653 882,88	-1 211 055,78
Depreciation and amortization according to plan	7	-44 809,01	-48 576,83
Operating profit/loss		**-896 266,42**	**-961 152,99**
Financial income	8	619 644,68	1 283 194,74
Financial expenses	8	-989 786,92	-716 458,22
Profit/Loss before extraordinary items and taxes		**-1 266 408,66**	**-394 416,47**
Extraordinary income and expenses	9	3 724 800,00	1 183 500,00
Profit/Loss before taxes		**2 458 391,34**	**789 083,53**
Income taxes	10	-749 676,20	-334 757,21
Net profit/loss for the period		**1 708 715,14**	**454 326,32**

Parent company cash flow statement

EUR 1000	Jan 1 - Dec 31, 2011	Jan 1 - Dec 31, 2010
Cash flow from operations:		
Payments received from sales	2 276	3 728
Payments received from other operating income	42	429
Amounts paid for operating expenses	-1 133	-3 423
Cash flow from business operations before financial items and taxes	**1 185**	**734**
Interests and other financial costs paid	-286	-148
Interest received from operations	55	326
Cash flow from operations	**953**	**913**
Cash flow from investment activities:		
Investments in intangible and tangible assets	-7	-64
Disposals of intangible and tangible assets	0	447
Acquisition of shares in subsidiaries	-982	-218
Investments in other shares	-220	0
Loans granted	0	-1 300
Cash flow from investment activities	**-1 209**	**-1 135**
Cash flow from financial activities:		
Short-term investments (decrease +)	-3	-111
Acquisition of treasury shares	-325	-327
Dividend distribution	247	1 969
Group contributions received and paid (net)	683	3 339
Short-term investments (decrease +)	-56	59
Repayments of short-term loans	0	-4 217
Repayments of long-term loans	-307	-1 350
Cash flow from financial activities	**239**	**-639**
Change in cash and cash equivalents	**-17**	**-860**
Cash and cash equivalents on January 1	**110**	**970**
Cash and cash equivalents on December 1	**93**	**110**

PARENT COMPANY'S BALANCE SHEET

EUR	Note	Dec 31, 2011	Dec 31, 2010
ASSETS			
FIXED ASSETS			
Intangible assets			
Trademarks	11	3 000 000,00	0,00
Other intangible assets	11	33 306,96	43 701,93
Tangible assets			
Land areas	11	582 400,00	582 400,00
Machinery and equipment	11	22 422,31	30 014,30
Other tangible assets	11	39 201,46	58 563,51
Investments			
Shares in group companies	12	10 222 571,72	9 358 024,01
Other shares	13	220 028,70	
Non-current receivables			
Non-current receivables from Group companies	14	7 885 937,63	15 411 785,86
Loan receivables from external parties			512 666,14
Deferred tax assets	10		164 528,97
TOTAL FIXED ASSETS		**22 005 868,78**	**26 161 684,72**
CURRENT ASSETS			
Current receivables			
Trade receivables		6 649,64	6 240,38
Receivables from Group companies	14	4 154 225,83	1 685 990,47
Other receivables		728 286,53	25 702,33
Prepaid expenses and accrued income	15	269 129,03	823 915,13
Current receivables total		5 158 291,03	2 541 848,31
Financial instruments		56 359,66	0,00
Cash and cash equivalents		93 163,23	110 191,78
TOTAL CURRENT ASSETS		**5 307 813,92**	**2 652 040,09**
TOTAL ASSETS		**27 313 682,70**	**28 813 724,81**

EUR	Note	Dec 31, 2011	Dec 31, 2010
EQUITY AND LIABILITIES			
SHAREHOLDERS´EQUITY			
Share capital	16	2 650 000,00	2 650 000,00
Share premium fund	16	7 889 591,50	7 889 591,50
Treasury shares	16	-325 069,83	-322 471,67
Invested unrestricted equity fund	16	223 051,20	223 051,20
Retained earnings	16	3 981 995,25	3 853 098,53
Net profit for the financial year	16	1 708 715,14	454 326,32
TOTAL SHAREHOLDERS´EQUITY	16	**16 128 283,26**	**14 747 595,88**
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	17	3 980 708,94	4 280 708,94
Pension loans	17	120 974,00	138 258,00
Amounts owed to group companies	18	0,00	1 559 705,00
Total Non-current liabilities		4 101 682,94	5 978 671,94
Current liabilities			
Loans from credit institutions	17	1 375 000,00	1 375 000,00
Pension loans	17	17 284,00	8 642,00
Trade payables		12 885,09	11 149,07
Amounts owed to group companies	18	5 530 275,88	6 588 071,13
Other liabilities		38 473,41	22 035,76
Accrued liabilities and deferred income	19	109 798,12	82 559,03
Total current liabilities		7 083 716,50	8 087 456,99
TOTAL LIABILITIES		**11 185 399,44**	**14 066 128,93**
TOTAL EQUITY AND LIABILITIES		**27 313 682,70**	**28 813 724,81**

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. Accounting principles

Wulff Group Plc's financial statements are prepared in accordance with the Finnish accounting legislation whereas the consolidated financial statements are prepared according to IFRS standards. The accounting principles applied in the consolidated financial statements are described in the notes of the consolidated financial statements.

Statutory pensions are taken care of in an external pension company and pensions are expensed when incurred.

Income taxes are booked based on the Finnish tax and accounting regulations.

Non-current intangible and tangible assets are valued in their acquisition prices deducted by depreciations according to plan. The amortization and depreciation times according to plan are:

Intangible asset:	5 years straight-line basis
IT equipment:	3 years straight-line basis
Other machines and equipment:	8 years straight-line basis
Other tangible assets:	5-10 years straight-line basis

2. Net sales

Net sales consist of sales income deducted by value added taxes and discounts. Service income is recognized upon the delivery of the service. Parent company's net sales consist of only administrational services in Finland.

3. Other operating income

EUR 1000	2011	2010
Rental income	11	423
Gains from disposal of shares in subsidiaries		
Other	31	6
Total	**42**	**429**

4. Materials and services

EUR 1000	2011	2010
Finished products		
Purchases during the financial year		1
Change in inventories		17
Total	**0**	**18**

5. Personnel expenses

EUR 1000	2011	2010
Salaries, wages and fees	540	562
Pension expenses	92	97
Other personnel expenses	19	12
Total	**651**	**671**
Average number of employees in accounting period	10	10
Personnel at the end of period	13	9

Information about the management's employment benefits and loans is presented in Note 29 of the Consolidated Financial Statements. Information about loans to related parties is presented under Shares and shareholders.

6. Other operating expenses

EUR 1000	2011	2010
Rents	38	429
Travel and car expenses	10	63
ICT expenses	50	73
Marketing, PR and entertainment expenses	105	69
Losses on disposals of shares in subsidiaries		
Fees to auditors *	34	43
Other	417	534
Total	**654**	**1 211**

* Fees to auditors total in all group companies:

EUR 1000	2011	2010
Audit	27	43
Tax services	5	0
Other services	2	0
Total	34	43

Fees to auditors include fees paid both to Nexia and KPMG. Nexia was the Group's auditor until the Annual General Meeting 2011 and currently the Group's auditor is KPMG.

7. Amortization and depreciation during the financial year

EUR 1000	2011	2010
Amortization of intangible assets:		
Other intangible assets	-11	-7
Depreciation of tangible assets:		
Machinery and equipment	-15	-23
Other tangible assets	-19	-19
Total depreciation of tangible assets	-34	-42
Total amortization and depreciation	**-45**	**-49**

8. Financial income and expenses

EUR 1000	2011	2010
Financial income:		
Dividends from group companies	242	233
Dividends from others	5	109
Other interest and financial income from group companies	297	310
Other interest and financial income from others	55	16
Foreign exchange gains	21	614
Total	620	1 283
Financial expenses:		
Impairment of shares in subsidiaries	-656	-382
Interest expenses to group companies	-37	-42
Interest expenses to others	-201	-164
Foreign exchange losses		-10
Other financial expenses	-96	-119
Total	-990	-716
Financial income and expenses total	**-370**	**567**

9. Extraordinary income and expenses

EUR 1000	2011	2010
Extraordinary income: group contributions received	3 725	1 255
Extraordinary expenses: group contributions granted		-71
Total	**3 725**	**1 184**

10. Income taxes

Income taxes in the income statement:

EUR 1000	2011	2010
Change in deferred tax asset	-750	-335

Income taxes in the balance sheet:

EUR 1000	2011	2010
Deferred tax asset arising from temporary differences	0	165

11. Intangible and tangible assets

2011	Trademarks	Other intangible assets	**Intangible assets total**	Land	Machinery and equipment	Other tangible assets	**Tangible assets total**
Acquisition cost, Jan 1	0	52	**52**	582	131	114	**827**
Additions	3 000	0	**3 000**	0	7	0	**7**
Acquisition cost, Dec 31	3 000	52	**3 052**	582	138	114	**834**
Accumulated depreciation and impairment, Jan 1	0	-8	**-8**	0	-102	-55	**-157**
Depreciation during the period	0	-11	**-11**	0	-15	-19	**-34**
Accumulated depreciation and impairment, Dec 31	0	-19	**-19**	0	-117	-75	**-191**
Book value, Jan 1	**0**	**44**	**44**	**582**	**30**	**59**	**671**
Book value, Dec 31	**3 000**	**33**	**3 033**	**582**	**22**	**39**	**643**

2010	Other intangible assets	Other intangible assets	**Intangible assets total**	Land	Machinery and equipment	Other tangible assets	**Tangible assets total**
Acquisition cost, Jan 1	0	619	**619**	582	131	99	**812**
Additions	0	103	**103**	0	0	15	**15**
Disposals	0	-670	**-670**	0	0	0	**0**
Acquisition cost, Dec 31	0	52	**52**	582	131	114	**827**
Accumulated depreciation and impairment, Jan 1	0	-170	**-170**	0	-79	-36	**-115**
Disposals	0	170	**170**	0	0	0	**0**
Depreciation during the period	0	-7	**-7**	0	-23	-19	**-42**
Accumulated depreciation and impairment, Dec 31	0	-8	**-8**	0	-102	-55	**-157**
Book value, Jan 1	**0**	**449**	**449**	**582**	**52**	**63**	**697**
Book value, Dec 31	**0**	**44**	**44**	**582**	**30**	**59**	**671**

In 2011, the addition in intangible assets was from the acquisition of Wulff trademark from the subsidiary Wulff Oy Ab.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

12. Shares in group companies

EUR 1000	2011	2010
Acquisition cost, Jan 1	9 740	9 523
Additions	1 520	217
Disposals		
Acquisition cost, Dec 31	11 260	9 740
Accumulated depreciation and impairment, Jan 1	-382	0
Impairment during the period	-656	-382
Accumulated depreciation and impairment, Dec 31	-1 038	-382
Book value, Jan 1	**9 358**	**9 523**
Book value, Dec 31	**10 222**	**9 358**

From the subsidiary shares in Entre Marketing Oy, the company booked impairments of 656 thousand euros in 2011 and 382 thousand euros in 2010.

13. Muut osakkeet ja osuudet

EUR 1000	2011	2010
Acquisition cost, Jan 1	0	0
Additions	220	0
Acquisition cost, Dec 31	220	0
Book value, Jan 1	**0**	**0**
Book value, Dec 31	**220**	**0**

Other shares and holdings include long-term investments in other companies than subsidiaries and associated companies. Long-term investments are valued at their acquisition cost unless their fair value has decreased significantly for a long time.

14. Saamiset saman konsernin yrityksiltä

EUR 1000	2011	2010
Non-current:		
Capital loans	2 672	2 368
Other loans	5 214	8 939
Other receivables	0	4 105
Non-current receivables total	7 886	15 412
Current:		
Other receivables	4 154	1 686
Current receivables total	4 154	1 686
Receivables from group companies total	**12 040**	**17 098**

15. Prepaid expenses and accrued income

EUR 1000	2011	2010
Corporate tax credits	214	799
Accruals for employee benefits	28	3
Other accruals	27	22
Total	**269**	**824**

16. Equity

EUR 1000	2011	2010
Share capital as of Jan 1	2 650	2 650
Share capital as of Dec 31	**2 650**	**2 650**
Share premium fund as of Jan 1	7 889	7 889
Share premium fund as of Dec 31	**7 889**	**7 889**
Invested unrestricted equity fund as of Jan 1	223	223
Invested unrestricted equity fund as of Dec 31	**223**	**223**
Treasury shares as of Jan 1	-322	-212
Acquisitions of treasury shares	-3	-110
Treasury shares as of Dec 31	**-325**	**-322**
Retained earnings from previous financial years as of Jan 1	4 307	4 180
Dividend distribution	-325	-327
Retained earnings from previous financial years as of Dec 31	3 982	3 853
Net profit for the financial year	1 709	454
Retained earnings total as of Dec 31	**5 691**	**4 307**
Equity total as of Dec 31	**16 128**	**14 747**

Distributable funds in euros:	**31.12.2011**	**31.12.2010**
Invested unrestricted equity fund	223 051,20	223 051,20
Treasury shares	-325 069,83	-322 471,67
Retained earnings from previous financial years	3 981 995,25	3 853 098,53
Net profit for the financial year	1 708 715,14	454 326,32
Distributable funds total	**5 588 691,76**	**4 208 004,38**

17. Interest-bearing liabilities

Payment schedule for the loans

EUR 1000	Book value Dec 31, 2011	Payment schedule (years): 2012	2013	2014	2015	2016	Later
Non-current							
Loans from financial institutions	3 981		1 071	800	800	710	600
Pension loans	121		17	17	17	17	52
Total	**4 102**		**1 088**	**817**	**817**	**727**	**652**
Current							
Loans from financial institutions	1 375	1 375					
Pension loans	17	17					
Total	**1 392**	**1 392**					

18. Amounts owed to group companies

EUR 1000	2011	2010
Other long-term liabilities		1 560
Other short-term liabilities	5 530	6 588
Total	**5 530**	**8 148**

19. Accrued liabilities and deferred income

EUR 1000	2011	2010
Accruals for employee benefits	77	54
Interest accruals	30	22
Other accruals	2	7
Total	**110**	**83**

20. Commitments

EUR 1000	2011	2010
Mortgages and guarantees on own behalf		
Real estate pledge for own and subsidiaries' pension loans	900	900
Subsidiary shares pledged as security for own liabilities	3 284	3 284
Other listed shares pledged as security for group companies' liabilities (shares in fair value)	215	0
Mortgages and guarantees on behalf of subsidiaries		
Guarantees for the loans of subsidiaries	3 838	3 376
Pledges and guarantees given for the group companies' off-balance sheet commitments (rents, customs etc)	1 722	2 180
Guarantees given on behalf of third parties	176	236
Minimum future operating lease payments, total	2 581	2 953
of which will be payable:		
in less than one year	468	454
between 1-5 years	1 783	1 755
after 5 years	329	744

Subsidiary shares pledged as security for group companies' liabilities are presented here in their book value in the parent company's balance sheet and they consist of KB-Tuote Oy (682 thousand euros), Wulff Oy Ab (100 thousand euros) and Entre Marketing Oy (2502 thousand euros).

The majority of the parent company's non-cancellable lease agreements is for the headquarters in Finland, which rental agreement signed in 2007 will end in 2017 at the earliest.

RISK MANAGEMENT

Goals and Principles of Risk Management

Wulff Group follows the risk management policy devised by the Board of Directors, which determines the objectives and responsibilities of risk management, as well as the reporting procedures. The company's risk management supports the achievement of strategic objectives and ensures business continuity. The accomplishment of risk management policies are controlled with internal audit regularly and also external auditors supervise the adequacy and effectiveness of the risk management as a part of the audit procedures related to Group's governance.

Risk management is part of Wulff Group's business operations management. Wulff's risk management is guided by legislation, business objectives set by shareholders as well as the expectations of customers, personnel and other important stakeholders. The Group's risk management aims to systematically and extensively identify and understand any risks that may prevent the achievement of the Group's business objectives, as well as to ensure that risks are appropriately managed when making business-related decisions. Threats to business include risks related to acquisitions, risks related to the staff and its availability, as well as factors related to the general economic development and the company's reputation.

Risk Survey

Risks are classified into three categories: strategic, operational and market risks. The risk management process aims to identify and assess risks and then plan and implement practical measures to deal with each risk. Possible measures include, for example, avoiding the risk, reducing it in different ways or transferring it with insurance or agreements.

Wulff Group carries out annual risk surveys to determine the main risks in terms of their significance and probability. The business unit leaders are responsible for carrying out the surveys and risk monitoring on which they report to the Group Executive Board. Selected persons are responsible for the monitoring of specific issues within each risk category i.e. strategic, operative or market risks. The Group has not set up a separate organisation for risk management. Instead, risk management is arranged in compliance with the company's other business operations and organisation structure.

The divisions' financial reports and the situation of the businesses' key development projects are on the agenda of the Group Executive Board which convenes on a monthly basis.

The main risks determined in the risk survey, changes in the significance and probability of the risks, as well as the persons responsible, actions completed and results achieved are reported to the Group's Board of Directors annually. Special attention is paid to any possible new risks detected.

Strategic Risks

Most significant strategic risks arise from the uncertainties related to business acquisitions which may expose the Group to new types of market and operating environment risks. Acquisitions involve also risks related to the integration of business, commitment of key personnel and achievement of business objectives set for the acquisition, as well as the increasing exposure to currency and interest rate risks. In accordance with the International Financial Reporting Standards (IFRS), consolidated goodwill is not amortized on a regular basis, but instead is tested for impairment at least annually or whenever there are indications of impairment.

Operative Risks

Customer Base Management and Credit Risks

The main operational threats involve the loss of customers or sales volume and risks related to customer relationship management. The company tackles the risk of possible customer or volume losses by developing compensating sales in other customer or product groups. The risk of losing customers is reduced by the company's independence of individual customers. The Group has a broad customer base and the management analyses the risks related to customer concentration.

The uncertainties relating to the general economic development in the last few years have emphasized the importance of monitoring the credit and default risks associated with customers and other counterparties. The subsidiaries manage their customers' credit analyses and active credit control independently. Together with the local company management, the subsidiaries' working capital management and related risks are monitored also on division and group level. The Group's trade receivables consist of an extensive customer base, and most of the annual sales volume is from well-known and solvent customers. Consequently, the Group has not considered credit guarantees or corresponding methods to be necessary.

The risk management policy of each company defines the credit risks and credit worthiness requirements, as well as the terms of delivery and payment. Credit risk monitoring is primarily the responsibility of the subsidiaries' management, while the parent company's financial management monitors regularly the compliance with the risk management principles and examines the efficiency of the centralised own collection operations and the outsourced collection partner. Traditionally the group companies' credit losses have been small in relation to their net sales. The aging analysis of the sales receivables is presented in Note 19 of the Consolidated Financial Statements.

Personnel

The main operational threats involve also factors related to the personnel and the availability of workforce. Especially the net sales development and profitability of the Direct Sales Division is partly dependant on the number of sales representatives and their professionalism.

Financial Risks

Wulff Group's internal and external financing and financial risk management are mainly handled by the parent company. Group companies with non-controlling minority shareholders may make more independent financial decisions but always within the limits defined by the Group's Board. In addition to other risk management policies, the parent company's Board of Directors determines the principles of financial risk management. The goal of risk management is to minimise the effects that price fluctuations in the financial markets, as well as other uncertainty factors may have on result, financial position and cash flow.

Financial risks include currency risks, interest rate risks, liquidity risks and credit risks managed in each subsidiary.

Currency Risks

Wulff Group's exposure to currency risks increased due to the acquisition of Wulff Supplies in 2009. Approximately half of the Group's sales are made in euros and the other half is made in Swedish, Norwegian and Danish crowns. In terms of import, the exposure to currency risks has increased and, following the acquisition, affects the currency risks of Wulff Supplies subgroup through changes between Sweden and Norway. The Group has only minor transactions in other currencies than euros and Nordic currencies. Interest-bearing liabilities by currencies are presented in Note 25 of the consolidated financial statements. The Group does not practice any speculative hedging. No hedging measures against currency risk have been taken in 2010-2011.

Interest Rate Risks

The Group is exposed to interest rate risk due to loans from financial institutions, pension premium loans and bank account limit facilities tied with variable interest rates. Changes in market rates impact directly the Group's interest payments in the future. Some of the pension premium loans have a fixed interest rate. More information on the interest rates of the Group's interest-bearing liabilities is presented in Note 25 of the consolidated financial statements. The Group does not make any speculative interest rate agreements and to date, no interest rate swaps have been utilized for managing interest rate risks.

Liquidity Risks

Group companies operate with their own cash flows and if necessary, they are funded also with the Group's internal financing. In order to ensure good liquidity, the Group emphasises the subsidiaries' independence in the management of operating cash flow and working capital. Liquidity risk is managed on the group level with Group bank account arrangements in Finland and Sweden. Continuous supervision is used to assess and monitor the financing needed for the subsidiaries' operations. The availability and flexibility of financing is ensured with bank account credit limits. On December 31, 2011, unused credit limits totalled 3.0 million euros for the Finnish companies. Wulff Supplies AB in Sweden had a credit limit of SEK 5.0 million as of December 31, 2011. The maturity of loans is presented in Note 25.

The Group's pension premium loans are secured with a bank guarantee, the margin of which is linked to the covenants regarding the equity ratio and the interest-bearing debt/EBITDA ratio. Covenant breaches lead to negotiations with the bank granting the guarantee and any possible consequences depend on the negotiations. The equity ratio shall be 35 % at minimum and the interest-bearing debt/EBITDA ratio shall be 3.5 at maximum in the end of each year. On December 31, 2011 the equity ratio was 40.3 % (December 31, 2010: 37.0 %) and the interest-bearing debt/EBITDA ratio was 3.5 in accordance with the covenant requirement.

Credit and Default Risks

The uncertainties relating to the general economic development in the last few years have emphasized the importance of monitoring the credit and default risks associated with customers and other counterparties. The subsidiaries manage their customers' credit analyses and active credit control independently. Together with the local company management, the subsidiaries' working capital management and related risks are monitored also on division and group level. The Group's trade receivables consist of an extensive customer base, and most of the annual sales volume is from well-known and solvent customers. Consequently, the Group has not considered credit guarantees or corresponding methods to be necessary.

The risk management policy of each company defines the credit risks and credit worthiness requirements, as well as the terms of delivery and payment. Credit risk monitoring is primarily the responsibility of the subsidiaries' management, while the Group Finance monitors regularly the compliance with the risk management principles and examines the efficiency of the centralised own collection operations and the outsourced collection partner. Traditionally the group companies' credit losses have been small in relation to their net sales. Aging analysis of sales receivables is presented in Note 19 of the consolidated financial statements.

Capital Management

Wulff Group's capital structure management aims to ensure and improve the operating conditions of the group companies and to increase the Group's shareholder value in a sustainable, optimal way. The Group's capital structure is evaluated by monitoring the development in equity ratio where the long-term target is approximately 40 percent. Group companies operate with their own cash flows and if necessary, they are funded also with the Group's internal financing. The Group emphasises the subsidiaries' independence in the management of operating cash flow and working capital. The Group Finance controls centrally the group companies' working capital management. The Group Finance takes centrally care of the external loan financing and agrees on the loans' repayment schedules with the financiers.

IT Risks

Subsidiaries are responsible for managing the risks related to their own IT systems and the most significant IT risks are evaluated also on group level. Also external auditors pay attention to IT risks and efficiency of the Group's IT processes, and the auditors report their findings and development recommendations to Group management and Board, if necessary.

Asset Risks

The Group's assets are comprehensively insured against accident and damage. Some of the subsidiaries, such as Wulff Oy Ab, are also insured against interruption in operations.

Environmental Risks

The Group considers also environmental risks and emphasizes environmental-friendliness in its operations. Wulff Group's subsidiary Entre Marketing Oy was awarded with an ISO 9001 certificate. Wulff Oy Ab complies with the International Chamber of Commerce's Business Charter for Sustainable Development. The company was awarded with an ISO 14001 environmental certificate, in 2002. Wulff provides customers with information about recycling and recycling solutions for office and IT supplies and sees to the recycling of its customers' used colour cartridges, for example. In addition, the Group promotes a positive attitude to environmental matters and their development among its personnel.

When selecting suppliers, Wulff Oy Ab favours companies committed to sustainable development. The company builds up its range with products that use environmentally friendly raw materials and production methods. In addition, Wulffinkulma.fi webstore provides a wide range of green office products which are produced in environmentally friendly way. In material selection has been preferred recycled and rapidly renewable materials and CO_2 emissions are minimized caused by transportation of products. All of the packaging materials used in Wulff Oy Ab's deliveries can be recycled or used as a source of energy.

All Wulff Group companies in Finland use Itella Green deliveries which are CO_2 neutral. With improved energy efficiency and usage of low emission, renewable energy carbon dioxide emission will be reduced. Customers' point of view deliveries are completely carbon neutral and the remaining emissions are compensated with certified Gold Standard climate projects.

Wulff Supplies, which operates in Sweden, Norway and Denmark, has developed a Supplies Control concept. The concept contains all environmental processes and future's directions. The concept was introduced in 2009 and it has been developed in collaboration with customers, employees and suppliers. By the help of the concept, Wulff Supplies is working actively to achieve overall cost reduction along the entire supply chain and minimizing environmental impacts.

Wulff Supplies makes certain that the products they offer have been developed and produced in compliance with ethical guidelines and applicable legislation and regulations. Wulff Supplies aims to reduce usage of materials, which means more efficient utilize of materials and energy. Materials are changed to more environmental friendly alternatives whenever they are available and hazardous substances are avoided. Wulff Supplies has been awarded with the ISO 9001:2008 and ISO 14001:2004 certificates in its all operating countries.

The Environmental Register of Packaging, PYR Ltd, has awarded Wulff with a certificate showing that the company handles the recovery of the packages it supplies to the market in compliance with directives, acts and statutes.

Business and promotional gift's company KB-tuote Oy sees to the recovery of packages supplied to domestic markets as provided in legislation. KB-tuote Oy is also a member of the Environmental Register of Packaging, PYR Ltd. In addition, KB-tuote Oy is a member of international business and advertising gifts community, WAGE Organization. WAGE's target is to develop business gift industry overall as well as monitor and control entire the supply chain ethics and ecology.

Market Risks

The main market risks include negative development in consumer preferences in important product groups, a notable decline in demand caused by an economic downturn, as well as international customer contracts. Changes in consumer preferences, such as new trends in printing solutions, affect development in the sector. Wulff Group keeps a close eye on changes and develops and searches for products and services that meet the new needs. The Group's broad range of products and services reduces the risks caused by changing consumer preferences. The company prepares for economic downturns by adjusting operations and expanding its customer base.

BOARD AND MANAGEMENT

Board

Sakari (Saku) Ropponen, b. 1957
Chairman of the Board

Responsibilities:
Education, Human Resources Development

Substantial education, experience and positions of trust:
- Wulff Group's Chairman of the Board since 2010
- Wulff Group's Board Member since 2000
- Fresh Outdoor Oy's Chairman of the Board since 2006
- Dinger Oy's Chairman of the Board since 2009
- Linedrive Oy's Chairman of the Board 1994-2009
- Mercuri International Oy's Sales and Marketing Consultant 1985-1994
- Wulff ownership as of December 31, 2011: Sakari Ropponen and his related parties owned 9,800 Wulff shares representing 0.15 percent of the company's shares and votes

Erkki (Ere) Kariola, b. 1948
Board Member

Responsibilities:
Acquisitions, Internationalisation, Strategic planning

Substantial education, experience and positions of trust:
- Master of Science in Engineering, Master of Science in Economics
- Wulff Group's Board Member since 2006
- 3i Group Plc's Senior Advisor 2006-2008
- 3i Finland Oy's Managing Director 2000-2006 as well as Managing Director of the company's predecessors SFK Finance Oy and Start Fund of Kera Oy since 1991
- Yleiselektroniikka Oy's President and Board Member 1986-1991
- Isku Yhtymä Oy's Board Member since 2007
- Suomen Kerta Oy's Board Member since 1997
- Aquamec Oy's Board Member since 1995
- Talent Partners Oy's Board Member since 2009
- Wulff ownership as of December 31, 2011: 0 shares

Ari Pikkarainen, b.1958
Board Member

Responsibilities:
Sales and its development

Substantial education, experience and positions of trust:
- Wulff Group's Board Member since 1999
- Dividend House Oy's Board Member since 2011
- Alekstra Oy's Board Member since 2010
- Suomen Rader Oy's, Naxor Finland Oy's and Visual Globe Oy's Managing Director 1994-2008
- Akro Oy's Sales Manager 1990-1994
- Oy Eric Rahmqvist Ab's Sales Manager 1984-1989
- Wulff ownership as of December 31, 2011: Ari Pikkarainen and his related parties owned 1,172,025 Wulff shares representing 17.74 percent of the company's shares and votes. Additionally, Heikki Vienola and Ari Pikkarainen have a joint control of Keskinäinen Kiinteistö Oy Vanha Talvitie 12 which owned 74,000 Wulff shares (1.12 %).

Pentti Rantanen, b.1945
Board Member

Responsibilities:
Sales and Marketing

Substantial education, experience and positions of trust:
- Wulff Group's Board Member since 2006
- Würth Oy's Managing Director 1976-2003
- Würth Oy's Chairman of the Board since 2004
- Würth Elektronik Oy's Chairman of the Board since 1990
- Würth Group's Management Team Member since 2001
- Ferrometal Oy's Chairman of the Board since 1989
- Wulff ownership as of December 31, 2011: 0 shares

Andreas Tallberg, b. 1963
Board Member

Responsibilities:
Strategy, Acquisitions

Substantial education, experience and positions of trust:
- Master of Science in Economics
- Wulff Group's Board Member since 2010
- G.W. Sohlberg Oy's Managing Director since 2007
- Detection Technology Oy's Chairman of the Board since 2006
- Glaston Oyj's Chairman of the Board since 2007
- GWS Assets Oy's Chairman of the Board since 2007
- GWS Invest Oy's Chairman of the Board since 2007
- GWS Trade Oy's Chairman of the Board since 2007
- StaffPoint Oy's Chairman of the Board since 2008
- Lite-On Mobile Oyj's (previous Perlos Oyj) Board Member since 2007
- Toolmasters Oy's Board Member since 2011
- Handelsbanken Finland Ab's Board Member since 2008
- Franck Media Oy's Board Member since 2009
- Wulff ownership as of December 31, 2011: 0 shares

Heikki Vienola, b. 1960
Group CEO, Board Member

Responsibilities:
Finance, Acquisitions

Substantial education, experience and positions of trust:
- Master of Science in Economics
- Wulff Group's Board Member since 1999
- Wulff Group CEO since 1999
- Vinstock Oy's Managing Director 1984-2004, Beltton Oy's Managing Director 1990-2004
- Arena Center Oy's Board Member since 1994
- Wulff ownership as of December 31, 2011: Heikki Vienola and his related parties owned 2,565,200 Wulff shares representing 38.82 percent of the company's shares and votes. Additionally, Heikki Vienola and Ari Pikkarainen have a joint control of Keskinäinen Kiinteistö Oy Vanha Talvitie 12 which owned 74,000 Wulff shares (1.12 %).

BOARD AND MANAGEMENT

Group Executive Board

Heikki Vienola, b. 1960
Group CEO, Board Member, Chairman of the Executive Board

Responsibilities:
Finance, Acquisitions

Substantial education, experience and positions of trust:
- Master of Science in Economics
- Wulff Group's Board Member since 1999
- Wulff Group CEO since 1999
- Vinstock Oy's Managing Director 1984-2004, Beltton Oy's Managing Director 1990-2004
- Arena Center Oy's Board Member since 1994
- Wulff ownership as of December 31, 2011: Heikki Vienola and his related parties owned 2,565,200 Wulff shares representing 38.82 percent of the company's shares and votes. Additionally, Heikki Vienola and Ari Pikkarainen have a joint control of Keskinäinen Kiinteistö Oy Vanha Talvitie 12 which owned 74,000 Wulff shares (1.12 %).

Kati Näätänen, b. 1976
Chief Financial Officer (CFO), Executive Board Member

Responsibilities:
Finance, Investor Relations, Secretary of the Board

Substantial education, experience and positions of trust:
- Master of Science in Economics
- Wulff Group's CFO and Secretary of the Board of Directors since 2010
- Rapala VMC's Group Financial Controller, 2009-2010
- KPMG Oy's Audit Manager, Authorized Public Accountant (APA), 1999-2009
- Wulff ownership as of December 31, 2011: 0 shares

Sami Asikainen, b. 1971
Wulff Oy Ab's Managing Director, Executive Board Member

Responsibilities:
Wulff Oy Ab's management

Substantial education, experience and positions of trust:
- Wulff Group Executive Board Member since August 10, 2011
- Wulff Oy Ab's Managing Director since August 10, 2011
- Oy Hartwall Ab Executive Board Member 2006-2011
- Oy Hartwall Ab Sales Management assignments since 1997
- Wulff ownership as of December 31, 2011: 0 shares

Tarja Törmänen, s. 1974
Communications and Marketing Director, Executive Board Member

Responsibilities:
Communications and Marketing

Substantial education, experience and positions of trust:
- Specialist Qualification in Marketing Communications
- NLP Practitioner, NLP Coach
- Executive Board Member since 2009
- Wulff Group's Communications and Marketing Director since 2009
- Wulff Group's Communications Manager/Brand Manager since 2002
- Vista Communication Instruments' Office Manager 2001-2002
- Previta Oy's Communications Manager 2000-2001
- Beltton Group's Brand Manager 1999-2000
- Wulff ownership as of December 31, 2011: 100 Wulff shares (0.0 %)

Trond Fikseaunet, b.1963
Wulff Supplies AB's Managing Director, Executive Board Member

Responsibilities:
Wulff Supplies AB's management

Substantial education, experience and positions of trust:
- Wulff Group Executive Board Member since 2011
- Wulff Supplies AB's Managing Director since 2009
- Strålfors, various positions 1998-2009, Member of Management Group, and Scandinavian Director in Supplies business area, 2006-2009
- Strålfors Norway, Managing Director, 2002-2006
- 3M, Sales and Marketing Manager, 1986-1998
- Wulff ownership as of December 31, 2011: 0 shares

Veijo Ågerfalk, b. 1959
Head of Direct Sales Division, Executive Board Member

Responsibilities:
Direct Sales Division

Substantial education, experience and positions of trust:
- Executive Board Member since 2004
- Executive Vice President and Head of Direct Sales Division of Wulff Group Plc since 2009
- Managing Director of Beltton Svenska AB since 1998
- Country Manager of Beltton Svenska 1993-1998
- Managing Director and Partner of Liftpoolen AB 1990-1993
- Wulff ownership as of December 31, 2011: Veijo Ågerfalk and his related parties owned 64,000 Wulff shares representing 0.97 percent of the company's shares and votes.

SHARES AND SHAREHOLDERS

Share Capital

The parent company's share capital (EUR 2.65 million) consists of 6,607,628 shares with one vote each and with no par value. There have been no changes in share capital in 2010 and 2011. The stock exchange release on June 9, 2011, based on the Securities Market Act, stated that Ari Pikkarainen's ownership decreased below 20 percentages of the total number of shares and votes in Wulff Group Plc. There were no disclosed notifications on changes in major share holdings in 2010.

Authorizations of the Board of Directors

Authorizing the Board of Directors to Decide on a Share Issue and the Special Entitlement of the Shares

The Annual General Meeting on April 28, 2011 authorised the Board to decide on the issue of new shares, disposal of treasury shares and/or the issue of special rights referred to in Chapter 10, Section 1 of the Companies Act in the following way:

The authorisation entitles the Board to issue a maximum of 1,300,000 shares, representing approximately 20 % of the company's currently outstanding stock, based on a single decision or several decisions. This maximum number encompasses the share issue and the shares issued on the basis of special rights. The share issue may be subject to or exempt from fees and may be carried out for the company itself as provided in the law.

The authorisation remains in force until the next Annual General Meeting. The authorisation entitles the Board to deviate from shareholders' pre-emptive rights as provided in the law (private placement). The authorisation can be used to carry out acquisitions or other business-related arrangements, to finance investments, to improve the company's capital structure, to support the implementation of the company's incentive scheme or for other purposes as decided by the Board.

The authorisation includes the right to decide on the way in which the subscription price is entered in the company's balance sheet. The subscription price can be paid in cash or as a non-cash contribution, either partly or in full, or by offsetting the subscription price with a receivable of the subscriber. The Board of Directors has the right to decide on other matters related to the share issue.

Authorizing the Board of Directors to Decide on the Repurchase of the Company's Own Shares

The Annual General Meeting authorised the Board of Directors to resolve on the acquisition of maximum 300,000 own shares. The authorization is effective until the next Annual General Meeting. The authorization encompasses the acquisitions of the own shares through the public trading arranged by NASDAQ OMX Helsinki Oy in pursuance of its rules or through a purchase offer made to the shareholders. The consideration paid for the acquired shares must be based on the market price. To carry out treasury share acquisitions, derivative, stock loan and other agreements may be made on the capital market in accordance with the relevant laws and regulations.

The authorization entitles the Board of Directors to deviate from the pre-emptive rights of shareholders (directed acquisition) in accordance with the law. The company can acquire treasury shares to carry out acquisitions or other business-related arrangements, to improve the company's capital structure, to support the implementation of the company's incentive scheme or to be cancelled or disposed of. The Board of Directors has the right to decide on other matters related to the acquisition of treasury shares.

Treasury Shares

Based on the authorization of the Annual General Meeting held on April 23, 2010, the acquisition of own shares continued in early 2011. Authorized by the Annual General Meeting held on April 28, 2011, the Board of Directors decided in its organizing meeting to continue buying back a maximum of 300,000 own shares by the next Annual General Meeting. In April-December 2011, no own shares were reacquired. In the end of the reporting period, the Group held a total of 90,000 own shares (99,036 as of December 31, 2010) representing 1.4 percentage (1.5 %) of the total number and voting rights of Wulff shares. The average price for the own shares repurchased in 2011 was EUR 2.70 per share.

The shares are acquired through public trading on NASDAQ OMX Helsinki in a proportion other than that of current shareholder holdings. The shares are acquired at the market price quoted at the time of the repurchase in accordance with the rules regarding the acquisition of company's owns shares. According to the authorisation, the treasury shares can be acquired to carry out acquisitions or other business related arrangements, to improve the company's capital structure, to support the implementation of the company's incentive scheme or to be cancelled or disposed of.

Share-based Payments

The Group does not have any option schemes currently in force.

Share reward plan is a part of Wulff Group's incentive and commitment program for its key personnel. Wulff Group Plc's Board of Directors makes the rules for the share reward plans and approves the key persons to be included in the plan. The Group's first share reward plan was for years 2008-2010 and in February 2011 a new share reward plan for years 2011-2013 was approved. The Group has followed the requirements of IFRS 2 standard (Share-based payments) for the valuation and recognition of its share reward plans and these principles are described in the Accounting Principles.

Share Reward Plan 2011-2013

On February 8, 2011, Wulff Group Plc's Board of Directors decided on a new share-based incentive and commitment scheme for the Group's key personnel. The purpose of the scheme is to commit and encourage the Group's key personnel for profitable and growing business along with generating shareholder value in the long run.

The share reward plan offers the key personnel an opportunity to receive the company's shares as a reward for reaching the earning criteria. The scheme comprises of three earning periods which are the calendar years 2011, 2012 and 2013. The potential reward for an earning period is based on the results achieved. The Board of Directors decides on the share-based payments after the end of the earning period. After the earning period ends, the potential reward for each earning period will be paid partly in shares and partly in cash. The proportion paid in cash covers the taxes and related costs due to the reward. Based on this scheme, a maximum of 100,000 company shares can be granted.

During a two-year restriction period, it is prohibited to transfer the shares. If a key person's employment or service ends during the restriction period, the person must return the shares given as the reward back to the Company without compensation. There is a maximum of 20 key persons within the scheme. The persons within the scheme may change during the years.

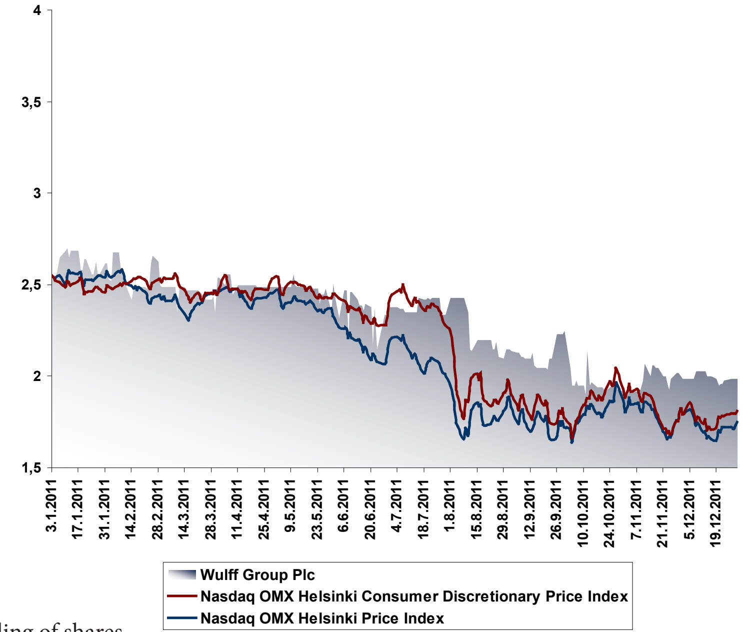
In 2011, one key person earned 5,000 shares which were handed over on February 13, 2012. Because these shares have a two-year restriction period after the earning period, their fair value is expensed during years 2011-2013. In 2011, the personnel expense from these share rewards totalled 5 thousand euros based on the market value of the shares granted.

Share Reward Plan 2008-2010

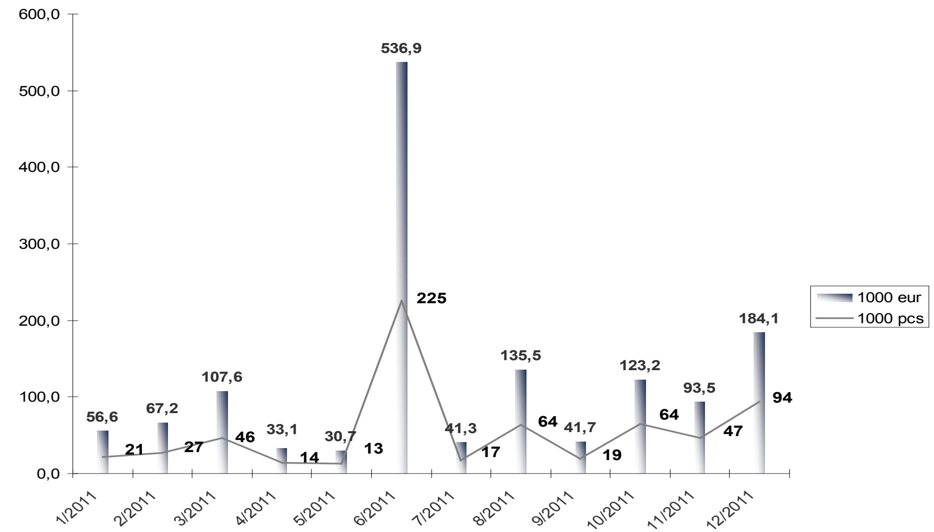
At its meeting on 6 February 2008, the Board of Directors of Wulff Group Plc decided to adopt a share-based incentive scheme. The plan had three earning periods, which were the calendar years 2008, 2009 and 2010. The goal was to promote internal entrepreneurship and the company's targets among the sales representatives covered by the scheme, as well as to commit the company's top management in a competitive way. The targets were tied to sales success and improved profitability.

The Group's Board of Directors determined annually the key personnel including in the scheme and defined the maximum rewards, which were reported as a number of shares. Any rewards granted on the basis of the share-based incentive scheme were paid as a combination of shares and cash in the year following the earning period and there was a requirement for a three-year commitment period.

Share price performance



Trading of shares



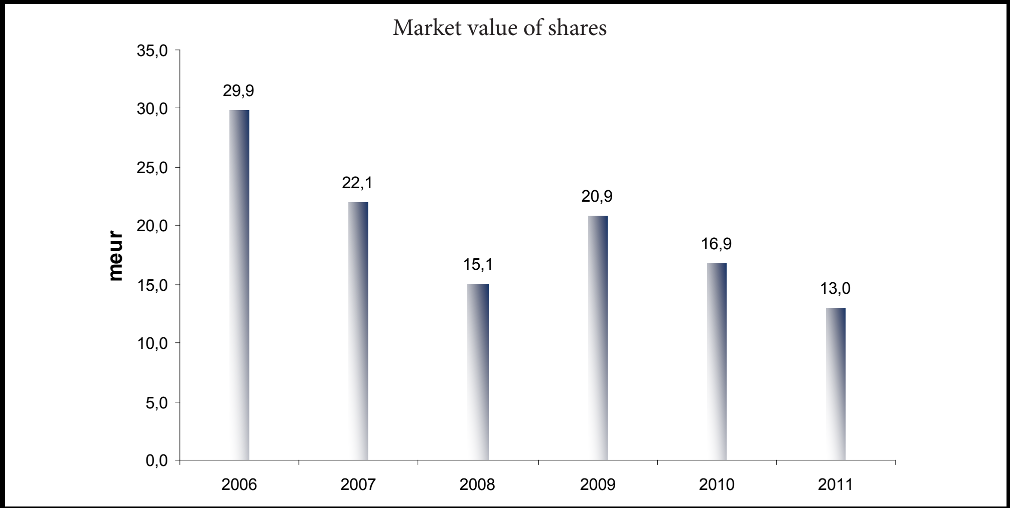
SHARES AND SHAREHOLDERS

The share-based rewards paid on the basis of the scheme had to correspond to the value of a maximum of 70,000 of Wulff Group Plc's shares over the three-year earning period. The value of shares granted was booked in personnel expenses and an increase in equity and the portion to be settled in cash was booked in accrued expense liabilities.

In March 2010, the Board of Directors decided to assign 5,000 treasury shares owned by the company without compensation to Group's key person and these shares were handed over on March 23, 2010. In February 2011, the Board decided to grant 10,000 treasury shares owned by the company without compensation to Group's key person on February 11, 2011 based on the results achieved in 2010 and these share rewards were recongnized as personnel expense in 2010. For these shares granted in March 2010 and in February 2011, the personnel expense of 42 thousand euros is shown also as an increase in equity in the Statement of Changes in Equity in 2010.

Share Quotation

Wulff Group Plc's exchange history started in October 2000 when the company's share was first listed on the Helsinki Stock Exchange's NM list. On April 22, 2003, Wulff transferred its shares to the main list, where they were listed in the Consumer Discretionary sector. Until February 2012, Wulff Group Plc's share was listed on NASDAQ OMX Helsinki in the Small Cap segment under the Consumer Discretionary sector. In February 2012, the sector changed to Industrials sector. Wulff share's trading code is WUF1V. NASDAQ OMX Helsinki commenced trading in round lots of one share on September 25, 2006. The share series' ISIN code used for international settlement of securities is FI0009008452.



Trading and Price Development of Wulff Shares

In 2011, a total of 652,535 (261,633) Wulff shares were traded which represents 10 percentages (4.0 %) of the total number of shares. The trading was worth of EUR 1,451,322 (EUR 793,852). In 2011, the highest share price was EUR 2.74 (EUR 3.70) and the lowest price was EUR 1.84 per share (EUR 2.43). In the end of 2011, the share was valued at EUR 1.99 (EUR 2.60) and the market capitalization of the outstanding shares totalled EUR 13.0 million (EUR 16.9 million) as shown in the graph attached.

Dividend Policy

Wulff Group Plc follows an active dividend policy. The goal is to distribute around 50 percent of the period's net profit in dividend. The Board of Directors of Wulff-Group has decided to propose the Annual General Meeting on April 23, 2012 that a dividend of EUR 0.07 per share be paid for the financial year 2011. No dividend will be paid on shares owned by the company at the time of the dividend distribution.

Shareholders and Ownership Structure

Wulff Group Plc's shares are registered in the book-entry securities system maintained by Euroclear Finland Ltd. The most significant shareholders and the ownership structure are presented in the graphs attached. The stock exchange release on June 9, 2011, based on the Securities Market Act, stated that Ari Pikkarainen's ownership decreased below 20 percentages of the total number of shares and votes in Wulff Group Plc. There were no disclosed notifications on changes in major share holdings in 2010.

Insider Regulations

Wulff Group Plc complies with the Guidelines for Insiders issued by NASDAQ OMX Helsinki Ltd. The public insider register of Wulff Group is maintained in Euroclear Finland Ltd's SIRE system. The company updates public insider information on its website at www.wulff.fi.

	Major shareholders as of December 31, 2011	Number of shares	% of shares
1	**Vienola Heikki***	**2 565 200**	**38,82 %**
	Vienola Heikki	2 526 000	38,23 %
	Vienola Kristina	15 700	0,24 %
	Vienola Jussi	16 200	0,25 %
	BVI-tuote Oy	6 500	0,10 %
	Arena Center Oy	700	0,01 %
	Asunto Oy Westendintie 43	100	0,00 %
2	**Pikkarainen Ari***	**1 172 025**	**17,74 %**
	Pikkarainen Ari	1 171 825	17,73 %
	Pikkarainen Samuli	200	0,00 %
3	**Tapiola**	**761 100**	**11,52 %**
	Tapiola Mutual Pension Insurance Company	350 000	5,30 %
	Tapiola General Mutual Insurance Company	283 900	4,30 %
	Tapiola Mutual Life Assurance Company	127 200	1,93 %
4	**Varma Mutual Pension Insurance Company**	**450 000**	**6,81 %**
5	**Nordea**	**323 674**	**4,90 %**
	Nordea Nordic Small Cap equity fund	296 128	4,48 %
	Nordea Bank Finland Plc	27 546	0,42 %
6	**The Local Government Pensions Institution**	**120 400**	**1,82 %**
7	**Progift Oy**	**100 000**	**1,51 %**
8	**Wulff Group Plc**	**90 000**	**1,36 %**
9	**Mandatum**	**86 100**	**1,30 %**
10	**Keskinäinen Kiinteistö Oy Vanha Talvitie 12***	**74 100**	**1,12 %**
11	**Laakkonen Mikko**	**64 185**	**0,97 %**
12	**Ågerfalk Veijo**	**64 000**	**0,97 %**
	Ågerfalk Veijo	60 000	0,91 %
	Ågerfalk Christine	1 000	0,02 %
	Ågerfalk Adam	1 000	0,02 %
	Ågerfalk Eweliina	1 000	0,02 %
	Ågerfalk Hannah	1 000	0,02 %
13	**Sundholm Göran**	**50 000**	**0,76 %**
14	**E. Öhman J:or Securities Finland Ltd**	**26 681**	**0,40 %**
15	**Cardia Invest Oy Ab**	**23 800**	**0,36 %**
	15 major shareholders total	**5 971 265**	**90,37 %**
	Other shareholders total	**636 363**	**9,63 %**
	Number of shares total	**6 607 628**	**100,00 %**
	- Own shares	**-90 000**	
	Outstanding shares total	**6 517 628**	

* Heikki Vienola and Ari Pikkarainen have a joint control of Keskinäinen Kiinteistö Oy Vanha Talvitie 12. The shareholders information is based on the shareholders' register maintained by Euroclear Finland Ltd. Shareholders are grouped according to the direct holdings of individual shareholders, individuals under their guardianship and the shares held by associations where they exercise authority and stated as aggregate amounts and specified category. The shareholdings of companies belonging to the same group are stated both as aggregate amounts and specified by category. The quarterly updated list of major shareholders can be found on the Group's website at www.wulff-group.com.

Shareholders by group as of December 31, 2011

Owner groups	Number of shareholders	%	Number of shares	%
Companies	41	6,49 %	371 766	5,63 %
Financial and insurance institutions	5	0,79 %	793 828	12,01 %
Public entities	4	0,63 %	925 876	14,01 %
Non-profit organisations	2	0,32 %	110	0,00 %
Private persons	562	88,92 %	4 418 832	66,87 %
Foreign shareholders	15	2,37 %	68 550	1,04 %
Nominee-registered shareholders	3	0,47 %	28 666	0,43 %
Total	**632**	**100,00 %**	**6 607 628**	**100,00 %**

Shareholders by the number of shares owned December 31, 2011

Number of shares	Number of shareholders	%	Number of shares	%
1-500	379	59,97 %	85 843	1,30 %
501-1000	100	15,82 %	83 586	1,26 %
1 001-10 000	129	20,41 %	413 855	6,26 %
10 001-100 000	16	2,53 %	698 891	10,58 %
100 001-	8	1,27 %	5 325 453	80,60 %
Total	**632**	**100,00 %**	**6 607 628**	**100,00 %**

SIGNATURES AND THE AUDITOR'S NOTE

Signatures of the CEO and the Board of Directors

Helsinki, March 21, 2012

Sakari Ropponen

Sakari Ropponen
Chairman of the
Board of Directors

Heikki Vienola

Heikki Vienola
CEO

Erkki Kariola

Erkki Kariola

Ari Pikkarainen

Ari Pikkarainen

Pentti Rantanen

Pentti Rantanen

Andreas Tallberg

Andreas Tallberg

The Auditor's Note

The auditor's report has been issued today.

Helsinki, March 21, 2012

KPMG Oy Ab
Mannerheimintie 20 B, 00100 Helsinki, Finland

Minna Riihimäki

Minna Riihimäki
Authorized Public Accountant

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

AUDITOR'S REPORT

To the Annual General Meeting of Wulff Group Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Wulff Group Plc for the year ended 31 December 2011. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki March 21, 2012

KPMG OY AB

Minna Riihimäki

Minna Riihimäki
Authorized Public Accountant

CORPORATE GOVERNANCE STATEMENT

Wulff Group Plc is both growing and internationalizing listed company and the most significant Nordic player in office supplies. Wulff sells and markets office supplies, business and promotional gifts, IT supplies and ergonomics. Its service range includes also international fair services. In addition to Finland, Wulff operates in Sweden, Norway, Denmark and Estonia. The Group also serves its customers online with a webstore for office supplies at wulffinkulma.fi.

Wulff Group Plc's corporate governance is based on the Companies Act, Securities Market Act and regulations regarding corporate governance of public listed companies, as well as the Articles of Association. The current Articles of Association are available on the Group's website www.wulff-group.com. Wulff Group Plc adheres also to the Finnish Corporate Governance Code which is publicly available on Securities Market Association's web pages (www.cgfinland.fi). The entire document describing the Group's corporate governance principles and practices is available on the Group's investor pages (www.wulff-group.com). This Corporate Governance Statement is presented separately from the Review of the Board of Directors which is presented on pages 20-23.

General Meeting

Wulff Group's highest decision-making powers are exercised by shareholders at the Company's General Meeting held at least once a year. The Annual General Meeting (AGM) is held annually on the date determined by the Board of Directors within six months of the end of the financial period either in the company's domicile, Helsinki, or in Espoo. Shareholders may exercise their rights to speak, request information and vote.

Shareholders are invited to general meetings by publishing the notice in at least one newspaper determined by the Board of Directors or by delivering a written notice to each shareholder to the address recorded in the shareholder list. The notice and instructions for participating the meeting are published in a stock exchange release. The Board's proposed agenda as well as the proposed Board members and auditors are announced in the notice or in a separate stock exchange release before the general meeting.

The Annual General Meeting handles the tasks pertaining to it according to the Limited Liability Companies Act and Wulff Group's Articles of Association, which include:

- adopting the income statement and balance sheet
- handling the profit or loss according to the adopted balance sheet, dividend distribution
- discharging the members of the Board of Directors and the CEO of liability
- determining the number of Board members and appointing members for one year at a time
- electing auditors
- determining the fees of Board members and auditors, as well as the criteria for reimbursement of travel expenses
- other matters mentioned in the notice of the meeting.

The General Meeting is also authorised to amend the Articles of Association. An Extraordinary General Meeting is summoned, if required, by the Board of Directors.

Wulff Group Plc's Annual General Meeting was held on April 28, 2011. The Annual General Meeting adopted the financial statements for the financial year 2010 and discharged the members of the Board of Directors and CEO from liability. The AGM decided to pay a dividend of EUR 0,05 per share and authorised the Board of Directors to decide on the repurchase of the Company's own shares. The Annual General Meeting accepted also the Board's proposal concerning the authorisation to perform share issues. The previous Board members Erkki (Ere) Kariola, Ari Pikkarainen, Pentti Rantanen, Sakari (Saku) Ropponen, Andreas Tallberg and Heikki Vienola were re-elected. The organising meeting of the Board of Directors, held after the Annual General Meeting, decided that Sakari (Saku) Ropponen continues as the Chairman of the Board. As proposed by the Board of Directors, the Annual General Meeting decided to elect KPMG Oy Ab, a company of Authorized Public Accountants, with Authorized Public Accountant Minna Riihimäki as the lead audit partner, as Wulff Group Plc's auditor. Based on the Articles of Association, the auditors are appointed until further notice.

Wulff Group Plc's Annual General Meeting will be held on April 23, 2012.

Board of Directors

The board is responsible for the administration and the proper organisation of the operations of the company. The board supervises and controls the operative management of the company, appoints and dismisses the Managing Director, approves the strategic goals and the risk management principles for the company and ensures the proper operation of the management system.

The Annual General Meeting elects three to six members to the Board of Directors and at most as many deputy members. The Board's term ends at the termination of the first Annual General Meeting following the election.

In the organising meeting held after the AGM, the Board elects a Chairperson among its members. Should the Chairperson be disqualified or prevented from attending to his/her duties, a Deputy Chairperson is elected among Board members for the duration of the meeting.

The Board of Directors supervises the management of company operations, administration and accounting. It annually confirms a written charter for its activities, which it complies with in addition to the Articles of Association, Finnish legislation and other regulations. The charter lays out the Board's meeting procedures and tasks. According to the Board's charter, in addition to the issues specified in legislation and the Articles of Association, Wulff Group's Board of Directors:

- approves the company's long-term goals and strategy
- approves the company's action plan, budget and financing plan and supervises their implementation
- handles and adopts interim reports and the financial statements
- decides on individual big and strategically significant investments, such as company acquisitions and acquisitions and disposals of business operations
- appoints the CEO and decides on his/her salaries and wages
- approves risk management and reporting procedures
- draws up the dividend policy
- sets up committees, if needed, to enhance Board work
- appoints the Group's management
- supervises auditing
- assesses the auditor's independence and additional auditing services

Wulff Group's Annual General Meeting held on April 28, 2011 elected six members to the Board of Directors. The previous Board members Erkki (Ere) Kariola, Ari Pikkarainen, Pentti Rantanen, Sakari (Saku) Ropponen, Andreas Tallberg and Heikki Vienola were re-elected. The organising meeting of the Board of Directors, held after the Annual General Meeting, decided that Sakari (Saku) Ropponen continues as the Chairman of the Board.

The Board of Directors consists of the company's major shareholders and external experts. The Board must have sufficient expertise in the following areas at least: economy and finance, management, marketing and sales. Each Board Member acts as an expert in his or her field on the Board. The Finnish Corporate Governance Code recommends that both genders would be represented in the Board. In Wulff Group's Board elected by the Annual General Meeting, both genders are not represented. In the AGM's election of the Board Members, attention has been paid to that the persons elected have adequate and versatile expertise and possibility to devote a sufficient amount of time to the work.

The majority of Board members must be independent of the company. In addition, at least two of the members in this majority must be independent of the company's major shareholders. The independence is evaluated in compliance with recommendations of the Finnish Corporate Governance Code. The Board members independent of the Company and of major shareholders are Erkki (Ere) Kariola, Pentti Rantanen, Sakari (Saku) Ropponen and Andreas Tallberg. Heikki Vienola and Ari Pikkarainen are major shareholders of the Group. Additionally Heikki Vienola is employed by the Group as the Group CEO and the Chairman of the Group Executive Board.

Due to the Group's small size, setting up Board committees has not been considered necessary. The entire Board of Directors has handled all its tasks.

The Board of Directors convenes on average once a month during the financial year and more often, if needed. The Chairperson of the Board is responsible for convening meetings and for meeting activities. The meeting agenda is prepared by the CEO together with the Secretary of the Board. Wulff Group's Board of Directors convened 11 times in 2011 (11 times in 2010). The average meeting attendance was 92 percent (88% in 2010). At its organisation meeting, the Board approved the charter and action plan for 2011 and evaluated the independence of its members. According to the meeting plan for 2012, the Board of Directors will convene 11 times.

The Board carries out annual assessments of its operations and working styles based on a self-evaluation form. In 2011, the assessment was carried out in writing and based on the assessment the Board work was successful.

More information on Board Members and their Wulff shareholdings is presented on page 60.

CEO

The Board appoints the Chief Executive Officer (CEO) who supervises the company's operational management in compliance with the instructions and guidelines provided by the Board. The CEO ensures that the Board has sufficient information to assess the company's operations and financial situation. The CEO is responsible for the accomplishment of the Board's decisions and reports the results to the Board.

The Managing Director may undertake acts which, considering the scope and nature of the operations of the company, are unusual or extensive, only with the authorisation of the Board.
The CEO of the Parent Company Wulff Group Plc acts also as the Group's CEO and as the Chairman of the Group Executive Board.

Heikki Vienola, M.Sc. (Econ.), has acted as the CEO of Wulff Group since 1999.

Group Executive Board

The Group Executive Board led by the Group CEO is responsible for the Group's operations in practice. The Group Executive Board convenes regularly to analyse and evaluate the financial and business performance as well as the key development initiatives of both divisions. The management team has no official statutory position but, in practice, it has a significant role in the organisation of the company management.

Based on the Group CEO's proposal, the Board of Directors confirms the composition and new nominations of the Group Executive Board Members. Group CEO Heikki Vienola acts as the Chairman of the Group Executive Board. Other members are Wulff Supplies AB's Managing Director Trond Fikseaunet, Wulff Oy Ab's Managing Director Sami Asikainen, Direct Sales Division Director Veijo Ågerfalk, Group CFO Kati Näätänen and Group Communications and Marketing Director Tarja Törmänen.

The Managing Directors of subsidiaries are in charge of the business operations in each subsidiary. Significant decisions, such as significant investments, are subject to the Group CEO's approval. Each subsidiary has its own financial administration, while groupwide financial administration is the responsibility of the Group's Chief Financial Officer.

The divisions' financial reports and the situation of the businesses' key development projects are on the agenda of the Group Executive Board which convenes on a quarterly basis.

More information on Group Executive Board Members and their Wulff shareholdings is presented on page 61.

Remuneration

According to the Company's Articles of Association, the Annual General Meeting determines the remuneration of the Board Members. The fees of the Board Members are paid in fixed amounts of cash. A monthly fee of EUR 1,000 is paid to the Chairman and those Board members who are not employed by the Group. The Group CEO Heikki Vienola is not paid any compensation for Board membership or meetings. The Group has not granted loans, guarantees or other contingencies to the Board Members.

The Board determines the Group CEO's remuneration and other contractual issues. Remuneration of CEO Heikki Vienola consists of salaries paid in cash. He does not have fringe benefits. In 2011, the Group CEO Heikki Vienola was paid a salary of 50 thousand euros (50 thousand euros in 2010) and an extra pension of one thousand euros. The CEO's benefits include statutory pension. The pension age has not been determined. The period of notice is three months. No separate compensation for the period of notice is included in the contract.

CORPORATE GOVERNANCE STATEMENT

Remuneration of senior management consists of monetary wages, fringe benefits, additional pensions, annually-determined performance-based bonuses and possible share-based incentives. In addition to fixed monthly salaries, a part of the payments is based on financial performance and the person's individual goal-setting.

The Group CEO determines the contractual terms, salaries and possible other benefits and incentives of the Executive Board Members. The contents of the remuneration of the Group Executive Board is presented in note 29. In 2010, the Group Executive Board members were Heikki Vienola, Ari Pikkarainen, Jani Puroranta, Veijo Ågerfalk, Kati Näätänen and Tarja Törmänen. In 2011, the members were Heikki Vienola, Ari Pikkarainen (until March 2011), Trond Fikseaunet (since March 2011), Jani Puroranta (until August 2011), Sami Asikainen (since August 2011), Veijo Ågerfalk, Kati Näätänen and Tarja Törmänen.

In addition to the Group Executive Board Members, also a few Managing Directors of the subsidiaries are paid based on the performance incentive program. The written contracts for Managing Directors define the customary mutual period of notice and possible other special compensation.

The Group does not have any option schemes currently in force. Share reward plan is a part of Wulff Group's incentive and commitment program for its key personnel. Wulff Group Plc's Board of Directors makes the rules for the share reward plans and approves the key persons to be included in the plan. The Group's first share reward plan was for years 2008-2010 and in February 2011 a new share reward plan for years 2011-2013 was approved. Based on the share reward plan for 2011-2013, a maximum of 100,000 Company shares can be granted and during a two-year restriction period it is prohibited to transfer the shares. In February 2011, the Board of Directors decided to grant 10,000 treasury shares owned by the company without compensation to Group's key person based on achieved results in 2010. The handover date was February 11, 2011. In 2011, one key person earned 5,000 shares which were handed over on February 13, 2012. More information on share reward plans is presented in Note 24 of the consolidated financial statements.

Summary of the top management's employment benefits is presented in Note 29 of the consolidated financial statements.

Risk management, Internal Control and Internal Audit

The Board of Directors is responsible for the internal control and the Group CEO arranges the management and supervision of internal controls' effectiveness in practice.

Ultimate responsibility for accounting, accuracy of the financial statements and supervision of asset management is carried by Wulff Group's Board of Directors. Business control and supervision are carried out through a groupwide reporting system. Each business area's and subsidiary's net sales, main expenses and operating profit with comparison data are reported to the Board each month. Additionally the Group CEO presents an overview of the current situation and future outlook based on weekly and monthly analyses.

The divisions' financial reports and the situation of the businesses' key development projects are on the agenda of the Group Executive Board which convenes on a quarterly basis. The subsidiaries' own Boards of Directors and management teams discuss their own business issues which are taken also to the division- or group-level management boards if those issues have influence also on other group companies. The Group CEO and CFO analyse and control each subsidiary's and business area's operations, performance and financial status regularly.

Wulff Group follows the risk management policy approved by the Board of Directors, which determines the objectives and responsibilities of risk management, as well as the reporting procedures. The company's risk management supports the achievement of strategic objectives and ensures business continuity. The accomplishment of risk management policies are controlled with internal audit regularly and also external auditors supervise the adequacy and effectiveness of the risk management as a part of the audit procedures related to Group's governance.

Risk management is part of Wulff Group's business operations management. Wulff's risk management is guided by legislation, business objectives set by shareholders as well as the expectations of customers, personnel and other important stakeholders. The Group's risk management aims to systematically and extensively identify and understand any risks that may prevent the achievement of the Group's business objectives, as well as to ensure that risks are appropriately managed when making business-related decisions. Threats to business include risks related to acquisitions, risks related to the staff and its availability, as well as factors related to the general economic development and the company's reputation.

Risks are classified into three categories: strategic, operational and market risks. The risk management process aims to identify and assess risks and then plan and implement practical measures to deal with each risk. Possible measures include, for example, avoiding the risk, reducing it in different ways or transferring it with insurance or agreements.

Wulff Group Plc carries out an annual risk survey to determine the main risks in terms of their significance and probability. The companies' managing directors are responsible for carrying out the surveys and risk monitoring on which they report to the Group Executive Board. Selected persons are responsible for the monitoring of specific issues within each risk category i.e. strategic, operative or market risks. The Group has not set up a separate organisation for risk management. Instead, risk management is arranged in compliance with the company's other business operations and organisation structure.

The divisions' financial reports and the situation of the businesses' key development projects are on the agenda of the Group Executive Board which convenes on a quarterly basis.

The main risks determined in the risk survey, changes in the significance and probability of the risks, as well as the persons responsible, actions completed and results achieved are reported to the Group's Board of Directors annually. Special attention is paid to any possible new risks detected.

More information on risks and risk management is presented on pages 58-59 of the Annual Report 2011.

The goal of Wulff Group Plc's internal audit is to ensure that the Group's internal processes and operating methods are efficient and correct. Internal audits are carried out on the basis of an annually prepared audit plan, which the Board of Directors approves at the beginning of the year. The Group's internal auditor draws up the plan, presents it to the Board of Directors and reports on the implementation of the measures. The internal auditor reports directly to the Board of Directors.

External Audit

Based on the Articles of Association, Wulff Group Plc shall have 1-2 Auditors. If the Annual General Meeting elects only one auditor and if the auditor is not a firm of authorised accountants, additionally one deputy auditor shall be elected. Based on the Articles of Association, the auditors are appointed until further notice.

Until 2010 Wulff Group Plc had two auditors who had worked as the company's auditors since 1999. The auditors were Nexia Oy, Authorised Public Accountants, and Juha Lindholm, Certified Auditor. The lead auditor nominated by Nexia Oy was Jukka Havaste, Authorised Public Accountant, until spring 2010, and then the lead auditor was Christer Antson, Authorised Public Accountant, until the Annual General Meeting 2011. As proposed by the Board of Directors, the Annual General Meeting held on April 28, 2011 decided to elect KPMG Oy Ab, a company of Authorized Public Accountants, with Authorized Public Accountant Minna Riihimäki as the lead audit partner, as Wulff Group Plc's auditor.

In addition to their statutory duties, the auditors report their audit findings to the Chairman of the Board, when necessary, and at least once a year to the Board of Directors.

The Annual General Meeting decides on the auditors' fees and the expense compensation principles. Based on the Board's decision, auditors can be paid reasonable fees for non-recurring other service assignments. The auditors of all Wulff group companies were paid fees of 157 thousand euros in 2011 (for more information, please see Note 8 of the consolidated financial statements).

Following the corporate governance regulations, the auditors do not own shares of Wulff Group Plc or its subsidiaries.

Insider Administration

Wulff Group Plc complies with the Guidelines for Insiders issued by NASDAQ OMX Helsinki Ltd. The public insider register of Wulff Group Plc is maintained in Euroclear Finland's SIRE system. The public insider register includes the members of the Board of Directors, the CEO, members of Group management and auditors. In the Group's website, the public insiders' shareholdings include Wulff shares owned by the insiders themselves, their spouses and persons under influence as well as the corporations under their control.

Permanent insiders include those who, based on their duties, regularly receive or handle unpublished information that has an impact on the share price. In addition, project-specific insider registers are maintained for acquisitions or other projects that may have a material impact on the share price. Insider issues are included in CFO Kati Näätänen's responsibilities.

Insiders are not allowed to trade in securities issued by Wulff Group Plc during 14 days preceding the publication of financial statements reviews and interim reports ('closed window'). The company aims to avoid investor events during the insider trading prohibition period.

A list of the people entered in the public insider register, their connections and shareholdings in Wulff Group Plc is presented in the Group's investor pages (www.wulff-group.com).

Communications

The Group publishes all its stock exchange releases and other matters related to listed companies' disclosure requirements on its website in Finnish and English. The Annual Report is published in electronic format so that it is equally available to all shareholders.

The Group's stock exchange releases, Corporate Governance principles and insider information is available in the Group's investor pages (www.wulff-group.com).

Before the year end, the investor calendar with publishing dates for the Group's financial information during the next calendar year is published in a stock exchange release and on the Group's web site. Prior to the publication of financial releases, there is a silent period of two weeks ('closed window') during which the management do not answer questions concerning the company's performance and when the insiders are not allowed to trade in Wulff shares.

Every six months, along the publication of the Annual Accounts and the Interim Report for January-June, the Group arranges events for investors and analysts. The company aims to avoid investor events during the insider trading prohibition period.

EVERYBODY LOVES ROLLER MOUSE
Employees at the office and physiotherapists love this Roller Mouse. And for a good reason. Center Mouse keeps your hands where they feel comfortable. And the work rolls! Wulff Beltton offers its customers a selection of Finnish high quality ergonomic products, for example highly valued Termi products, to improve the working environment.

Annual General Meeting 2012

Wulff Group Plc's Annual General Meeting will be arranged on Monday April 23, 2012 at noon (12.00) at Radisson SAS Seaside Hotel, Ruoholahdenranta 3, Helsinki, Finland.

Shareholders are entitled to attend the meeting if they have been registered as shareholders in the Company's shareholder list maintained by Euroclear Finland Ltd no later than on Wednesday April 11, 2012 and have registered as attendants to the Annual General Meeting no later than on Wednesday April 18, 2012. Registration for the Annual General Meeting can be made to the company:
- by e-mail to investors@wulff.fi
- by fax to +358 9 3487 3420
- with a letter to Wulff Group Plc, Annual General Meeting, Manttaalitie 12, FI-01530 Vantaa, Finland.

Each holder of nominee registered shares, who is registered on Wednesday April 11, 2012 in the shareholders' register of the Company held by Euroclear Finland Ltd. has the right to participate in the Annual General Meeting. A holder of nominee registered shares wishing to participate in the Annual General Meeting shall be temporarily registered into the shareholders' register of the company kept by Euroclear Finland Ltd at the latest on Wednesday April 18, 2012 by 10.00 A.M. A shareholder who wishes to participate in the Annual General Meeting shall contact the company no later than Wednesday April 18, 2012. A holder of nominee registered shares is advised to request without delay necessary instructions regarding the registration in the shareholders' register, the issuing of proxy documents and registration for the Annual General Meeting from his/her custodian bank. The custodian bank of an account operator must announce holder of nominee registered shares wishing to participate in the Annual General Meeting to be temporarily registered into the shareholders' register no later than on the above-mentioned date.

Instructions for registration and additional information on the Annual General Meeting are available in the Group's website at www.wulff-group.com.

Dividend for 2011

The Board of Directors of Wulff Group Plc proposes to the Annual General Meeting that a dividend of EUR 0.07 per share be paid for the financial year 2011. The dividend determined by the Annual General Meeting will be paid to shareholders who have been registered in the shareholder list maintained by Euroclear Finland Ltd on the record date of Thursday April 26, 2012. The Board of Directors proposes to the Annual General Meeting that the dividend would be paid on Friday May 4, 2012.

Financial Reporting 2012

Wulff Group Plc will release the following financial reports in 2012:

Financial Statements Release 2011	Wednesday February 8, 2012
Annual Report 2011	Week 12/2012
Interim Report, January-March 2012	Friday May 11, 2012
Interim Report, January-June 2012	Friday August 10, 2012
Interim Report, January-September 2012	Thursday November 8, 2012

Wulff-Group publishes its reports in Finnish and English stock exchange releases and on its website at www.wulff-group.com. To receive Wulff Group Plc's interim reports and releases by email, shareholders can join the company's email distribution list by sending a request by email to investors@wulff.fi.

Contact Information for Ordering the Annual Report

Wulff Group Plc
Manttaalitie 12, FI-01530 Vantaa, Finland
tel: +358 9 5259 0050
email: investors@wulff.fi

The annual report will be published as a PDF document in Finnish and English. It can be viewed at the Group's website at www.wulff-group.com.

Contact Person for Investor Relations

Wulff-Group Plc's contact person for investor relations is:

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STOCK EXCHANGE RELEASES AND STOCK EXCHANGE ANNOUNCEMENTS

Stock Exchange Releases 2011

08.02.2011	Wulff Group Plc's Annual Summary 2010 is available
09.02.2011	Wulff Group Plc's Financial Statements for January 1-December 31, 2010
09.02.2011	Wulff Group Plc's share reward plan 2011-2013
09.02.2011	Allocation of Wulff Group Plc's own shares: share-based incentive plan 2008-2010
23.03.2011	Wulff Group Plc's Annual Report, Financial Statements and Corporate Governance statement 2010 published
23.03.2011	Notice to convine the annual general meeting of Wulff Group Plc
23.03.2011	More Scandinavian knowledge in Wulff Group Plc's executive board
28.04.2011	Decisions of Wulff-Group's Annual General Meeting on April 28, 2011
28.04.2011	Wulff Group continues to buy back its own shares
06.05.2011	Wulff Group Plc's Interim Report for January 1-March 31, 2011
09.06.2011	Ari Pikkarainen's ownership in Wulff Group decreased below 20 percentages
15.07.2011	Wulff adjusts its profit estimate and publishes preliminary key figures for January-June 2011
10.08.2011	Wulff Group Plc's Interim Report for January 1-June 30, 2011
10.11.2011	Wulff Group Plc's Interim Report for January 1-September 30, 2011
16.12.2011	Wulff Group Plc's Financial Reporting and Annual General Meeting 2012

Stock Exchange Announcements 2011

11.1.2011 Acquisition of own shares
13.1.2011 Acquisition of own shares

SEE YOU AT WULFFINKULMA.FI

Wulff's Corner at Esplanadi 11 in Helsinki central was known as the rendezvous for notable customers, ranging from presidents and queens to artists as well as common people. Today, one of the best rendezvous' is the web. Today Wulff's customers meet at Wulffinkulma.fi webstore. In the picture: Wulff's Corner at the beginning of the 20th century captured in an Eco Gift Bag (product available at Wulff Vinstock).

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TELL YOUR STORY BETWEEN UNIBIND COVERS

Who has not made a PhotoBook? High-quality PhotoBook is likely to be carried out by Unibind solutions. Wulff is the exclusive distributor in Finland for Unibind binding solutions: machines, covers and spines of the book. They ensure that PhotoBooks, company presentations and personalized Notebooks finalize your message with style!

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