1890 WULFF 2012

ANNUAL REPORT

TABLE OF CONTENTS

WULFF IN BRIEF

Wulff - The Most Significant Nordic Player in Office Supplies

Wulff Group Plc is an internationalising listed company, the most significant player in the field of office supplies and an industry pioneer. Wulff sells and markets office supplies, facility management products, business and promotional gifts, IT supplies as well as ergonomics and first aid solutions. Customers can also acquire international fair services from Wulff.

It has always been important for Wulff to serve its customers in the best possible ways and to have a positive impact on the customer’s business. Cost savings and reputation and brand improvement is achieved by bringing customers everyday solutions on **how to optimise their office operations and sales.** So that Wulff is able to offer its customers current and innovative solutions, the business operations are developed constantly in cooperation with the customers.

Wulff Group consists of 20 companies. The customers can recognize Wulff Group companies from the distinguishable and visible black-and-white brand and brand names. Each Nordic Group company carries the Wulff name. In addition to Finland, Wulff operates in Sweden, Norway, Denmark and Estonia. Wulff’s customers are served by almost 350 sales professionals in Nordic countries.

The customers are served in the way they want to be served. Even today customers appreciate personal service and face-to-face contact. Wulff’s service personnel meet their customers usually in their own operating environment. A lot of the customers have also become used to doing business in Wulff’s stores and an ever increasing number of them want to do their purchases over the internet. In addition to versatile customer-specific web services, Wulff serves its customers with a non-exclusive webstore Wulffinkulma.fi.

HISTORY
Wulff's Story

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 Edlund's, the young man learned the manners, ethics and fortitude.

Thomas, however, wanted to find a new line of business, which would enable him to stand on his own feet. In August 1890 Thomas Wulff opened his small stationery store 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 flourished. 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. Because the store was located on the corner of Pohjois-Esplanadi and Mannerheimintie, it became known as "Wulff's corner". Even today, the corner is known by the same name among the people who experienced that era.

The company's management and ownership remained in 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.

Being a pioneer has always been important to Wulff. The Group's companies and the professionals who work there improve Wulff and its operations in cooperation with the customers.

Following in Thomas Wulff's footsteps, Wulff is still managed today like a dear family business. It was always important for the Wulff family to serve its customers in the best possible way – so it is even today for all Wulff employees.

GROUP CEO’S REVIEW

In 2013 Professional care for customers and personnel alike

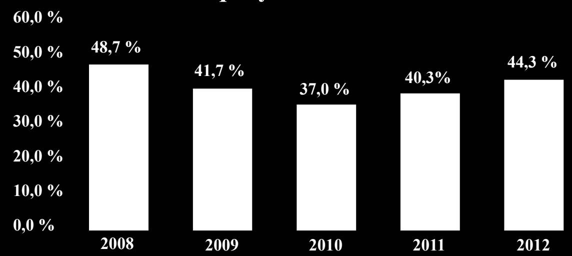
I believe that the most important thing in any business is to listen to the customer. Here at Wulff we are in a great position because we can listen to our customers in person: our sales personnel meet customers every day. We have nearly **200,000 customer meetings every year.** I believe that listening to our customers is the key to being a front runner and we have been one for over 120 years. Being a front runner in a constantly changing environment requires a lot of work and plenty of sharp ears to listen to our customers. I know that all our employees have done a lot of good work with our customers. It’s great that we get to start the year 2013 once again as **the national market leader.**

Our customers have wished for more opportunities to centralize all their office supply purchases. They also want more eco-friendly services than before. Therefore we have placed added emphasis on developing our operations to make them **more customer-oriented and environmentally friendly.** Wulff’s solutions offer the customers more cost savings and efficient purchase management. We want to offer our customers an opportunity to do business with Wulff in the most convenient channel, whether it is the customer-specific service model, private meetings, a webstore or a street-level shop.

In 2012 we **strengthened and developed the Wulff brand, our sales channels and entire service range** according to our strategy. In spring 2012 we merged two of Finland’s oldest business gift companies, Wulff Ibero Liikelahjat and Wulff KB-tuote. The new Wulff Liikelahjat serves our customers with the best business gift ideas and products as well as possesses the industry’s best knowhow. In August 2012 renewed **Wulffinkulma** stores were opened in Helsinki and Turku. For the first time, the stores exhibit the Group’s entire product range. The stores also got a new black-and-white look. In September Wulff’s service concept in Åland was also renewed when Wulff Åland started its operations. Wulff has received a lot of positive feedback on the new service model. The customers value the broader product range, cost-efficiency as well as their own Swedish speaking Key Account Manager.

We were able to attract a large number of new contract customers in Scandinavia in 2012. We also have the pleasure to continue doing business with a lot of long-term major customers. Today almost 50 percent of our net sales come from Scandinavia and our position in the Scandinavian market strengthens constantly. Strålfors Supplies (now Wulff Supplies) acquired in 2009, has been a successful investment in serving our Scandinavian and Pan-Nordic customers. In Scandinavian direct sales we strengthened our competitiveness by uniting and reorganizing its operations.

Equity-to-assets ratio



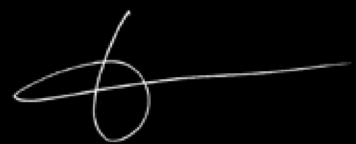
International fairs increase their status as an even more important business forum. They are also an even more significant part of Wulff’s operations. The Group’s fair and event service company Wulff Entre’s focusing on its core competence, international fair services has been the right solution: Wulff Entre’s profitability has improved and the company made an excellent result last year.

In 2012 the market situation was interesting. The office supplies markets in the US and Europe diminished. The general economic recession influenced the operations of major companies and the demand for office supplies. We survived the challenging market situation with hard work and a positive sales attitude.

I believe that focusing on profitable business and increasing operational efficiency according to our strategy, will affect the Group’s result in a positive way in 2013. Our result is also affected by our success in being the front runner. I believe we have the ability to bring entirely new solutions for our customers to develop their operations. In 2012 the Group hired an Innovation and Development Director, which shows how important innovation development is to us. It takes will, skill and the right resources to be a front runner. Our theme for 2013 is “Professional care for customers and personnel alike”. For our customers it means that they get the best private meetings and the most advanced products and services. For our employees it means that we manage our processes close, give a lot of feedback and invest in well-being and improve team spirit at the work place.

I want to thank all our customers, partners and personnel warmly for an eventful year 2012. I’m looking forward to meeting all of you in person in 2013 because market leadership is earned with the hard work of every employee, every day.

NET SALES 2012	OPERATING PROFIT 2012
90.2 million	1.13 million



Heikki Vienola
konsernijohtaja

VALUES

CUSTOMER ORIENTATION

We understand our customers.
We provide personal service.
We make purchasing easy.

ENTREPRENEURSHIP

We commit ourselves to our goals.
We improve our skills.
We exceed expectations.

PERFORMANCE

We set clear goals for our business.
We manage our processes.
We reward top achievements.

OPERATING ENVIRONMENT

Nordic Operating Environment

The office supplies market encompasses the production and sales of office supplies, business and promotional gifts as well as promotional products, IT supplies, facility management products, ergonomic and first aid products. Wulff's main operating areas are Finland, Sweden, Norway, Denmark and Estonia. The Group has been a market leader and a pioneer for a long time in Finland. Wulff faces competition for the Scandinavian market leadership from international corporate giants e.g. Staples and Lyreco.

Wulff does not manufacture products itself. Wulff is an efficient and desired distribution channel for manufacturers and suppliers because its sales channels reach businesses of all sizes.

According to Wulff Group's estimates, the office supplies annual market size 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 the standard of living also has an impact on the market. In Estonia Wulff operates in the business and promotional gift market.

Changes in economic, political, social and technological environment affect company operations. In 2012 the general economic situation affected the market situation in the office supplies field. The general economic activity level decreased and companies, cities and municipalities had to adjust their operations. Personnel lay-offs show as a decrease in demand for Wulff's products and services.

Wulff believes in a bright future. The improvement of the economic situation also has a positive impact on Wulff's business, as the demand for products and services increases. Wulff offers solutions that are needed despite the economic trends and as a front runner Wulff brings new products to market actively. These products bring customers added value and operational cost-efficiency as well as flexibility to offices and companies everyday life.

Our Customers Include All Companies and Communities

Companies and communities use office supplies and services throughout the year. There is a constant demand for basic products, such as paper, files, pens, storage devices and cleaning products. The demand is determined by the general economic situation. For example, when large companies recruit employees the consumption of office supplies is increased. Demand for business and advertising gifts is affected by the seasonality of the business: the sales tend to 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 company communication and brand marketing, economic uncertainties have affected the business and promotional gift purchases. During uncertain economic periods companies may also minimize attending fairs.

Each new Nordic company is a potential new customer for Wulff. Wulff wants to serve all its customers equally well: this is why Wulff wants to constantly develop its service channels. Different service concepts have been developed for different size companies. Wulff is the only player in its field that can provide its customers with complementary service models: personal contract and direct sales service, comprehensive web services and a non-exclusive webstore as well as the opportunity to visit a street-level store.

Operating Environment in Transition

The market for office supplies has been traditionally very fragmented in the Nordics and Baltics. Entering the market is easy and that is why 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 future will be in the hands of bigger players.

Strålfors Supplies (now Wulff Supplies), acquired in 2009, has been a successful investment in serving our Scandinavian and Pan-Nordic customers. Wulff has significantly strengthened its position in the Scandinavian market. In 2011 an American company Staples started operating in Finland by acquiring Wulff's strong and old competitor, Oy Lindell Ab. Nordic customers appreciate domestic and Nordic services. Wulff's strengths lie in operating both locally and in the Pan-Nordic region with a good understanding of the 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 Liikelahjat Oy's 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 acquire international fair services from Wulff. The international fair service expert in the Group is Wulff Entre. Fair service sales are seasonal and most of the sales are generated in the first and last quarter of the year. In Finland Wulff Entre's competitors are e.g. Ständi Oy, Eastway Sound and Lighting Oy and Arvelin International Oy.

On the Way to Nordic Market Leadership

Wulff's five-year objective is to grow profitably and become the Nordic market leader in the field of office supplies. Diversity of the supply sets a good starting point for reaching the objective. Wulff has a possibility to serve companies of all sizes from different business fields cost-efficiently with complimentary service models and diverse sales channels. Service models are a competitive advantage which separates Wulff from other operators in the field. Wulff has constantly succeeded in increasing its market share and to grow faster than the markets.

In 1890, Wulff launched its operations in Finland. Its strengths lie in ***operating both locally and in the Pan-Nordic region*** *with a good understanding of the customers' operating environment and culture.*

As the most significant Nordic sales and marketing organisation in office solutions, **Wulff is a desired distribution channel for manufacturers and suppliers.** For example, when launching new products Wulff's sales channels reach businesses and communities of all sizes quickly. When marketing new innovations, personal contact is the key to success: Wulff's employees hold almost **200,000** customer meetings each year.

BUSINESS

Constantly Improving Business

Wulff Group companies engage in versatile operations in the Finnish, Swedish, Norwegian, Danish and Estonian office supplies markets. Wulff's product and service range includes a variety of office supplies, facility management products, business and promotional gifts, IT supplies, ergonomics and first aid solutions. Customers can also acquire international fair services from Wulff

Cooperative Growth with the Customer

It has always been important for Wulff to serve its customers in the best possible way and have a positive impact on customer's business operations. Cost savings are created by bringing functional solutions for customers' everyday life by enhancing their office work and promoting their sales. This also has a positive impact on 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 2012 Wulff strengthened and developed its sales channels, entire service range and the Wulff brand according to strategy in all operative countries. Customers have wished for more opportunities to centralize all their office supply purchases. Therefore we have placed added emphasis on **developing our operations to make them more customer-oriented and environmentally friendly.**

Wulff brings innovative and new solutions and special products to the market and is also an efficient provider of basic office products. Wulff's solutions offer the customers more cost savings and efficient purchase management. We offer our customers the opportunity to do business with Wulff in the most convenient channel, whether it is the customer-specific service model, private meetings, a webstore or a street-level store.

Our theme for 2013 is *Professional care for customers and personnel alike*. For our customers it means more and better customer meetings and for our personnel it means that we manage our processes close and give a lot of feedback. We want to develop ourselves to be the best at customer meetings and at giving as well as receiving feedback.

Wulff Brand – Guaranteed Quality

Cooperating with Wulff ensures the customers that they are in business with a reliable partner. The brand guarantees operation, product and service quality. Same brand and brand names make it easy for the customers to recognize the different Group's companies as one unified operator. Wulff's fine and long-term brand shows, grows and develops along with the Group's sales professionals and customers each day.

Complementary Service Models as a Competitive Advantage

Wulff is the only Nordic player in its field that 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 every day. The number of annual customer encounters is approximately 200,000.

The Contract Customer concept makes it easier for customers to make regular purchases, while direct sales offer local and personal service to companies of all sizes. Both concepts share 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 the internet. Wulff has invested strongly in the development of its web services. Contract Customers are served more widely on the internet with customized solutions. A significant investment for 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 13-14.

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.

In Finland Wulff Oy Ab provides diverse services for domestic and Pan-Nordic contract customers. Wulff Supplies AB attends to customer needs in Sweden, Norway and Denmark. Contract customers are usually big corporations or Groups that have at least 50 employees. Wulff Liikelahjat offers comprehensive business and promotional gift services in Finland. Wulff Looks's corporate textiles are recognised by the LOOKS brand and the international fair expert is Wulff Entre. Wulff Naxor's lamination and LED lighting solutions are needed in construction and building sites.

Wulff Torkkelin Paperi operates diversely in the Lahti region. It has the region's strongest market position and the most extensive service range as well as a street-level store. Direct sales is an efficient innovation and launching channel for new products and sales as well as for service products. In Finland, Wulff Oy Ab's direct sales channels offer the customer expertise in ergonomics, first aid and office's special products and solutions. Wulff Beltton and Wulff Direct handle the direct sales in Sweden, Norway and Denmark. Direct sales especially serves small and medium sized companies. Wulff operates in this market also through its retailers, with whom Wulff does wholesale business with. A quarter of the retail network uses the Wulff brand in its marketing (Wulff Partner companies).

In Estonia Wulff operates in the business and promotional gift field through Wulff Liikelahjat's subsidiary KB Eesti Oü.

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 for example novelties 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 constantly gathers feedback and information from its customers, as well as from product and service users. 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.

Wulff renovated its street-level stores in Helsinki and Turku

In autumn 2012 Wulff opened its renovated stores in Helsinki and Turku in their new brand-like black-and-white look. The stores now exhibit the Group's entire product range for the first time. In addition to office supplies and business gifts the stores now offer ergonomics and first-aid as well Wulff's Green products and recycling centres.

Added emphasis has been placed on making purchasing and finding the products easy as well as to stylishly spotlight the fresh brand. Wulff Group's international fair service company Wulff Entre that has strong design knowhow, has produced the stores design and outlook.

At the same time when customers want even more comprehensive web services and the popularity of e.g. Wulffinkulma webstore's *zhat* function raises, people still greatly value personal service. In addition to Helsinki and Turku, Wulff has a store also in Lahti. Wulff strongly believes in the street-level store concept. The stores have an important place alongside personal customer meetings and the webstore.

The store names were also changed. The stores in Helsinki and Turku as well as the Group's webstore that is open to all businesses and organisations, all carry the traditional name Wulffinkulma. These stores especially serve small and medium sized businesses.

WULFF’S STRENGTHS

- Best at customer meetings: best personal meetings
- Most advanced products and services and the most comprehensive solution range
- Greenest order-delivery chain in the field
- A local and yet a Nordic operator

Networking as a Part of Business

InterACTION is a very important office product network for Wulff Group and the leading purchase organisation in its field. All member companies are leading companies in their native 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 best selling products 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. It consists of 4,200 quality products which are also included in Wulff Group's assortment.

IGC (International Advertising Gift Council) is similar to InterACTION and it operates in the business gift industry. Since the beginning of its operations in 1954, Ibero Liikelahjat (now Wulff Liikelahjat) has been the only Finnish member in the international business gift organisation IGC. Founded in 1956 the organisation has 52 business gift company members from all over the world. The membership guarantees that Wulff Liikelahjat finds new ideas, products and contacts with competitive prices.

Successful Development of Business Operations

In spite of the challenging market situation Wulff managed to keep the result at a reasonable level. Among the Group companies which managed to improve their profitability, were Wulff Naxor, which provides the construction sector with a wide range of products; the international fair service expert Wulff Entre as well as the office supplies contract customers' businesses Wulff Supplies in Scandinavia and Wulff Torkkelin Paperi in Lahti, together with Wulff Looks, a company offering business promotional products. The general economic situation affects especially demand for business and promotional gifts as well as office supplies. The result was also affected by the non-recurring expenses for the reorganisation of Finland's business gift companies and the direct sales in Scandinavia. The Group continues to review its expense structure and optimise its operations to improve the profitability of its businesses.

The Future of Challenges and Opportunities

Recent years have been challenging for all the operators in the field. The economic situation has increased uncertainty in the operating environment, making it difficult to predict the future outlook.

The Group continues taking action 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. No significant market changes are expected in the first half of 2013. The Group aims to improve profitability through its own actions. Typically in the industry the annual profit is made in the last quarter of the year.

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 customers the strengths of Wulff's services as a cost-effective solution and a service-oriented 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 field of office supplies, business and advertising gifts, facility management products, IT supplies, ergonomics and first aid products as well as international fair services. Outsourcing calls for courage: Wulff Group is a reliable business partner that surely keeps its promises.

Contract Customers get their **products and services** easily and cost-effectively from Wulff Oy Ab in Finland and from Wulff Supplies AB in Sweden, Norway and Denmark. Customers can also easily purchase **Facility Management products** from Wulff Oy Ab and Wulff Supplies Ab. Busy customers like to get their property maintenance products, cleaning products and paper towels and toilet paper purchases from the same efficient supplier. 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 that is in line with the customer's brand. The range can include company textiles, gift items as well as everyday consumer 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. Wulff Group's business and promotional gift services is provided by Wulff Liikelahjat. Customers can also familiarise themselves with the company's product range at sales exhibitions that can be found in five different cities. Wulff Liikelahjat's subsidiary KB Eesti Oü has offices and a sales exhibition in Tallinn.

Direct Sales Services Bring Increased Efficiency to Everyday Work

Wulff Group's direct sales s**pecial products 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 way from idea to product takes no more than one month. Thanks to close co-operation between Wulff and its suppliers, customer feedback can be quickly forwarded to product development. Efficient sales organisations enable product innovations to be launched simultaneously throughout the country.

BUSINESS

High-quality specialty products give added value to customers' work. Special products can be fully customised. 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 at work 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 cooperated with Unibind for more than 20 years. Unibind is the world's leading manufacturer of presentation and photo products, for example in photobook covers and binding machines. Wulff has the exclusive distribution right in the Nordic countries for Unibind products. Another strong indicator is the exclusive distribution right for brand Xyron Pro. 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. Wulff is the only provider of Xyron Pro products in Finland.

Imaginative, modern and ecological Looks products are available only in Wulff Group. Multifunctional company textiles and gift solutions are created on the table of Looks brand's own designer team. Wulff Looks' sales professionals sell and market products to 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.

Wulff Entre – Expert in International Fair Services

Wulff Entre is skilled in designing and producing international fair services. Each year over 300 companies rely on Wulff Entre's services. In 2012 Wulff Entre took Finnish companies to fairs and events in 25 different countries.

Wulff Entre has over 90 years of international experience in organizing fairs and events. The company's multi-skilled team of specialists turn the customer's vision into action, experiences and successful meetings. Good relations and right contacts ensure 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's design knowhow is highly valued and its design team consists of Finland's best designers. Wulff Entre provides contacts and professional expertise for Finnish companies that want 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 assist the customers also during the events.

Wulffinkulma.fi – the Broadest Online Office Supplies Range from Coffee to Copypaper

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 your desk, low costs, easiness and wide range of 4,000 products have convinced customers. The number of satisfied regular customers grows constantly and there is still potential in the market: more than 90 percent of Finnish companies' employ fever than ten persons. For these companies Wulffinkulma.fi is a cost-efficient and helpful purchase channel. The webstore has focused on good search functions as well as an intuitive and guided user interface. Customers are also served on the phone and Livezhat which is Wulffinkulma.fi webstore's customized web service. If necessary new customers are instructed personally on how to make orders.

Wulffinkulma.fi has received a lot of credit for its product range, which includes a significant number 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!

VISION

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

MISSION

As the most desired business partner in our field, we offer our customers a complete solution package for improving their office and increasing sales.

GROWTH

Organic growth is supported and sped up with acquisitions that are a relevant part of Wulff's growth strategy.

PROFITABILITY

Wulff focuses on profitable business and operational optimisation according to strategy. This is believed to have a positive impact on the Group's net sales and result in 2013.

INTERNATIONALISATION

Wulff's long term goal is to be the fastest growing and most profitable office supply company in the Nordic and Baltic regions.


1890
WULFF

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New service model delights in Åland

Åland has traditionally been an important market area for Wulff. The service concept was revised according to customer wishes and **Wulff Åland service** launched its operations in September 2012. Wulff has already received a lot of positive feedback from the customers about on the wider product range and cost-efficiency. Also their own Swedish speaking Key Account Manager is seen as an important partner. The new service model helps customers with their purchases.

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CORPORATE RESPONSIBILITY

Environmental Responsibility

Wulff is one of the most environmentally friendly companies in its field. Wulff aims to offer its customers advanced, environmentally friendly solutions and to burden the environment as little as possible. Customer is in the heart of Wulff's responsible business. Environmental values, ecology, ethics and operations towards sustainable development strongly influence the business planning process. Even though ecology is not the most important factor in Finnish companies, the meaning of environmental issues in the companies' decision-making processes grows constantly. Sustainable and environmentally friendly business operation is an increasingly important competitive edge for companies. Wulff aims to be the industry pioneer in environmental responsibility issues.

Leading by Example

To make our operations more environmentally friendly we put special emphasis on developing our internal processes and setting an example to all our social partners. Active cooperation and mutual commitment ensures a good end result – decreased carbon footprint and the reduction of environmental load.

Environmental issues are important to Wulff. The office holds a safe and controlled facility and office waste management and recycling spot. The faculty is instructed and encouraged to have a positive attitude towards the environment and Wulff takes into account the principles of sustainable development when selecting material suppliers. Customer needs, technical development, societal expectations and legislation are taken into account in all processes. Wulff constantly provides its customers with information about the products environmental friendliness, it's recycling alternatives and solutions.

Environmentally Friendly Products

Special attention is paid to the environmental aspects of our products as a product made according to the principles of sustainable development places the least burden on the environment. The number of environmentally friendly products has been constantly increased. For example environmentally friendly products are easy to find in Wulff's wide product catalogue under the section "Environmentally Friendly Products". These products are manufactured from environmentally friendly materials. Information about certified environment labels of Wulff's products is always available as well as a comprehensive environment and recycling information.

Environmental Objectives Show in Wulff Customer Services and Support Activities

Environmental goals are set in the environment program each year. Emissions are decreased cooperatively with the customers as agreed. Wulff's diverse service channels and their support functions are constantly developed to be even greener. Ever growing attention is paid to the environment friendliness of packaging materials and shipping methods. Wulff Oy Ab has received a lot of positive feedback on its precise environment reporting. For example environment burdening CO2 emissions are being followed on both company and customer level.

All the packaging materials used in Wulff's shipping are recyclable or reusable as an energy source. Cardboard boxes, packaging tape and bands, stretches and platform hoods as well as filling paper has been chosen so that they can be disposed in an environmentally friendly way. In addition the shipping is handled in an environmentally friendly, carbon neutral way.

In Finland carbon neutral shipping is carried out with Itella Green service. The reduction and calculation of CO2 emissions are being handled by Itella's environment program and the left-over emissions are being compensated by financing environment projects. All of Itella's financed environment projects have the Gold Standard certificate.

CO2 Emissions Decrease also in Wulff's Own Operations

A large part of the carbon footprint is created by motoring. New Wulff Group's cars are chosen so that they burden the environment as little as possible. A number of the vehicles are traded each year, so the number of the more eco-friendly vehicles is increasing constantly. Wulff has reduced the emission limits of purchased cars every year.

DID YOU KNOW…

There are plenty of products available in Wulff's printing and copy paper selection that have been coated with aqueous solutions. The selection has also increased with **environmentally friendly paper products** e.g. 100 % recycled FSC certified copy paper. In addition most of the products that contain plastic are now made from **recycled plastic**. For example folders are now coated with polypropylene that is suitable for archive use and can be reused as energy waste.

In addition to plastic-coated folders, Wulff has a wide variety of folders and files that have been made of **recycled carton and cardboard.** Besides material choices and quality, Wulff also invests strongly in **energy efficiency** and energy consumption. Wulff's product range favours energy-efficient products. For example energy-efficient printers are marked with the **Energy Star** label.

Society Responsibility

Responsible Opinion Leader

For Wulff it is important to have a positive impact on the environment and the communities in which it operates. Wulff feels that it can affect the **employment of young people** in a positive way. Wulff offers excellent premises for work-based learning. It is beneficial to have commercial education and work experience, but it is not necessary. Right attitude is the most important thing: the willingness to meet customers. When the attitude is right, Wulff is ready to invest in the employees' education and coaching. Wulff has its own

Wulff has always been a pioneer in its field and wants to be one also in corporate responsibility issues. Customer is in the heart of Wulff's responsible business. For its customers, Wulff provides services and products that are made as responsibly as possible: according to ethical and sustainable development standards. With Wulff as their office supplies partner, it is possible for the customers to increase their responsibility and have a positive influence on the environment.

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 its own operations.

Did you know that the ordinary light bulb lasts for 7,000 hours and the LED light is good for 50,000 hours? LED solutions are substantially more eco-friendly. Wulff offers a wide range of LED lighting solutions.

Concrete Actions for both Personnel and Customers

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

It is important to guide the customers to operate in the most environmentally friendly way. Recycling options for customers have been increased by e.g. launching recycling boxes for various uses. With the help of returnable recycling boxes, recycling and returning of toner colour cartridges, soft drink bottles, batteries and waste from electric and electronic equipment (WEEE) is managed quickly and easily. The pick-up for the full box is ordered from Itella and the products are delivered to recycling centres.

unique Wulff Academy training program for new sales talents. In addition, each employee's individual training requirement is assessed separately. While working at Wulff, it is also possible to graduate with a vocational examination in business administration.

Wulff **Trainee programs** are popular among students. Education benefits the learning of sales work tremendously and the work is best learned by doing. Wulff has received lots of gratitude from students, student academies, trainees and Employment and Economic Development Offices for its hands-on training program that allows the trainees to face real customer situations.

All the young people that participate in these Trainee programs and internships learn special sales organisation skills in addition to important work place basic skills. The structure of the internship is planned in a way that half of the work assignments are meant to give the trainee a feeling of success and achievement and the other half teaches new things and develops the trainees skills and knowhow. The Group has employed a lot of former trainees and interns and according to their feedback, the skills they learned at Wulff have benefitted them greatly in their work.

Passing on Something Good

Wulff supports annually a number of important projects and support activities of sports clubs as a sponsor and a partner. In many cases Wulff's customers can also participate in the charity campaigns. In 2012 Wulff's customers had a possibility to support the work of The Association of Friends of the University Children's Hospitals.

A healthy person exercises 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 Finnish and Scandinavian sports clubs and 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 2012 Wulff Group Plc paid its shareholders dividends of EUR 0.46 million (EUR 0.33 million). The minority shareholders of the subsidiaries were paid dividends of EUR 0.07 million (EUR 0.11 million). In 2012 the Group paid interests of EUR 0.2 million (EUR 0.3 million) to financial institutions and income taxes of EUR 0.6 million (EUR 0.6 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.

Social Responsibility

Corporate citizenship means in Wulff that every employee assumes overall responsibility. In addition to being responsibility for one's own operations, each employee ensures that their partners and contacts operate according to 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, professional and motivated personnel. Wulff's personnel are trained actively. On average, there were 12 education and coaching days in 2012 per person.

In 2012 the Group renewed its training and development programs and e.g. its development discussion practises. **Wulff Talent,** launched in 2012, is the Group's own training program for almost 30 key persons. Wulff Talent improves leadership skills and develops new business operations. Wulff has also invested strongly in the development of the superior training. Important personnel themes for 2013, in addition to the company's values, are **professional care for customers and personnel alike** and **giving feedback actively.** The most important goal for these training and education programs is to give the personnel skills that make them better prepared for each customer appointment and to improve everyone's self-management skills. Each Wulff employee is a star and a talent in his/hers own position and work because we need everyone's expertise and professionalism to serve our customers in the best possible way.

In addition to training and education programs the personnel's well-being is also taken care by organizing different recreation events and campaigns as well as offering different kind of free or company sponsored exercise and cultural activities.

Sales Work Holds Opportunities!

Are you inspired by sales work or know a sales talent? Wulff is actively searching for **new sales talent** to grow with the company and become top salesmen. Wulff's vacancies and Trainee spots can be found at www.urawulffilla.fi and on Facebook with the search word urawulffilla. We pay a substantial reward for successful salesman tips. No training or job experience? No worries. Wulff's own orientation and training programs ensures that each salesman gets a comprehensive start-up training as well as self-improving further training.

Young People Are The Future!

What does the future hold for Finland? We here at Wulff believe that tomorrows Finland will be more international and greener than the one today. In the future, we will have lots of excellence in Finland that hopefully will benefit us here in Finland as well as abroad. Tomorrows Finland will be built by today's youth. What kind of Finland they want to inhabit and what sort of work do they want to do?

We believe it's important to include the youth in the future's building process and that is why **Wulff has invested strongly in youth career opportunities, employment and Trainee programs.** It is our mutual responsibility to teach the youth responsibility about themselves and about the environment. This is most efficiently achieved through cooperation.

WULFF – MOST ATTRACTIVE EMPLOYER IN SALES

Everyone wants to feel needed and belong to a community. Wulff aims to be the most attractive work place in its field – a sales community that everyone wants to be a part of. As the most recognized brand and desired partner, people can be proud to work at Wulff.

CORPORATE RESPONSIBILITY

Career in Wulff

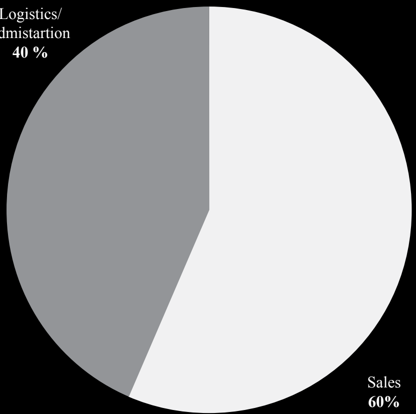
Wulff offers its employees good opportunities to grow and develop at their own work. For example, most of the subsidiaries' Managing Directors have started their careers as sales persons. As a Scandinavian company, Wulff also offers a possibility to create an international career. Wulff is in many ways 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. In order to strengthen the organic sales growth, the Group focuses on the recruitment of the sales personnel. In 2013, Wulff wants to hire new sales representatives in all the operational countries.

The Structure of Personnel

In 2012, the Group's personnel totalled 343 (365) employees on average. In the end of the period, the Group had 359 (370) employees of which 125 (134) persons were employed in Sweden, Norway, Denmark or Estonia.

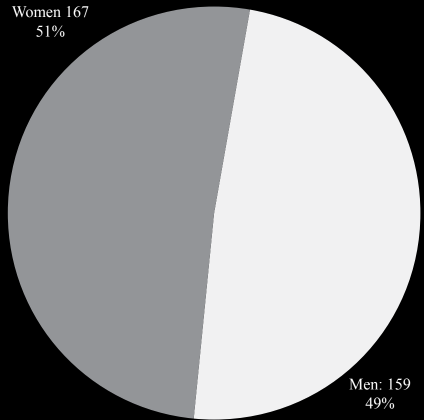
The majority, approximately 60 percentages of the Group's personnel works in sales operations and approximately 40 percentages of the employees work in sales support, logistics and administration. The personnel consists approximately half-and-half of men and women.

Sales/administration and logistics



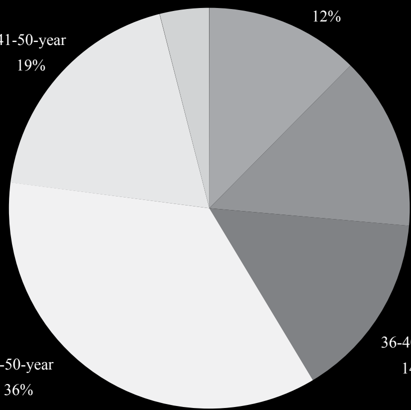
Wulff's employees aim to serve their customers in the best possible way. Approximately 60 percent of the Group's personnel work in sales operations and nearly 40 percentages work in the sales support functions: administration and logistics.

Gender Distripution



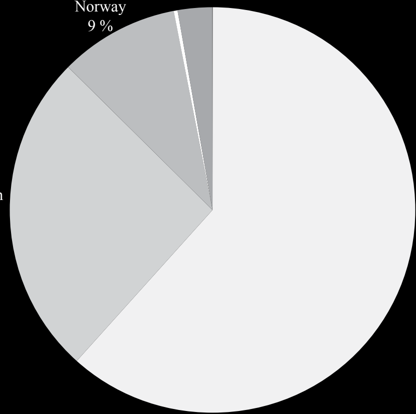
Wulff employs equally both genders: 49 percentages of the employees are men and 51 percentages are women. People with different educational backgrounds and work experience work in sales, administration and logistics. At Wulff, all employees are trained for their work tasks – the right attitude and thrive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

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 allows different people to enjoy working at Wulff.

Personnel by Countries



More than half of the Group's personnel work in Finland whereas approximately 26 percent of the employees work in Sweden and 10 percent in Norway. Less than one-tenth of the employees work in Estonia and Denmark. All countries search continuously for new sales talents.

CORPORATE RESPONSIBILITY

"

Wulff promotes responsible conduct in cooperation with all its stakeholders. Environmental responsibility shows in all of the Group's operations. On national level, Wulff is the most eco-friendly player in its field in Finland. Wulff's operations have been standardized with the **certification ISO 14001.**

For its customers Wulff provides services and products which are made as responsibly as possible: according to ethical and sustainable development procedures. For example in Wulffinkulma.fi webstore making the Greener choice is easy! You get all of the environmentally friendly products with just the click of a mouse. Making environmentally friendlier choices – for example by purchasing Wulff's green office supplies – **our customers have the possibility to increas their responsibility and have a positive impact on the environment.**
It is possible to save the world – one office supply at a time!

"

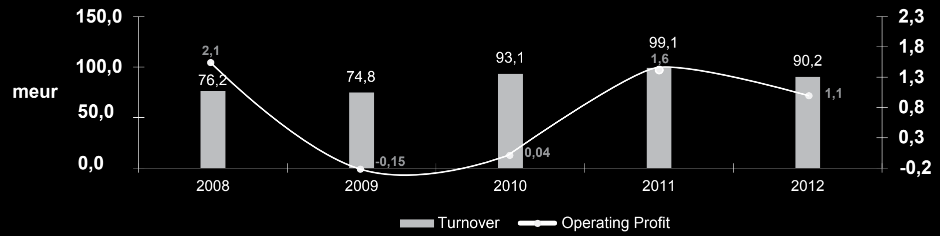
REVIEW OF THE BOARD OF DIRECTORS

Wulff Group Plc's review of the Board of Directors

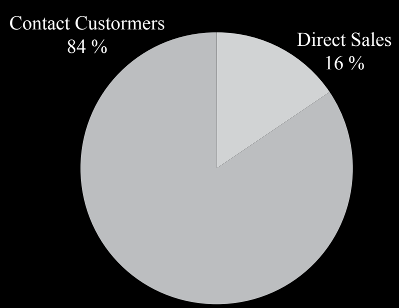
Net Sales and Operating Profit Decreased, Earnings per share and Cash Flow Improved

- In 2012, the Group's net sales decreased by 9 percentages down to EUR 90.2 million from last year's EUR 99.1 million.
- In 2012, EBITDA was EUR 2.27 million (EUR 2.69 million) being 2.5 percentages (2.7 %) of net sales.
- In 2012, the operating profit (EBIT) was EUR 1.13 (EUR 1.60 million) being 1.3 percentages (1.6 %) of net sales.
- The net profit after taxes rose up to a profit of EUR 0.89 million (EUR 0.82 million) in 2012.
- Earnings per share (EPS) rose up to EUR 0.11 (EUR 0.10) in 2012.
- The Board of Directors' dividend proposal is EUR 0.08 per share (EUR 0.07).

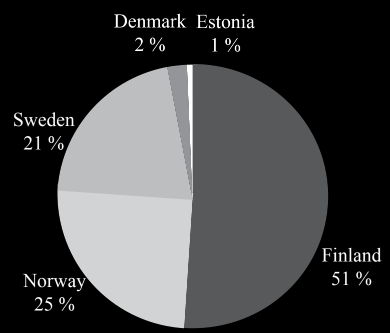
Turnover and operating profit



Net sales by operating segments



Net sales by geographical markets



Group's Net Sales and Performance

In 2012, the Group's net sales decreased by 9 percentages down to EUR 90.2 million from last year's EUR 99.1 million.The general economic situation and the decrease in the products' demand have led to the decrease in net sales. The reorganisations in our corporate customers have decreased the demand for the Group's products. For example, the personnel lay-offs affect Wulff's products' demand directly.

In 2012, EBITDA was EUR 2.27 million (EUR 2.69 million) being 2.5 percentages (2.7 %) of net sales. In 2012, the operating profit (EBIT) was EUR 1.13 (EUR 1.60 million) being 1.3 percentages (1.6 %) of net sales.

In spite of the challenging market situation Wulff managed to keep the result at a reasonable level. Among the Group companies, which managed to improve their profitability, were Wulff Naxor, which provides the construction sector with a wide range of products; the international fair service expert Wulff Entre as well as the office supplies contract customers' businesses Wulff Supplies in Scandinavia and Wulff Torkkelin Paperi in Lahti, together with Wulff Looks offering business promotional products. The general economic situation affects especially the demand of business and promotional gifts as well as office supplies. The result was also affected by the non-recurring expenses for the reorganisation of Finland's business gift companies and the direct sales in Scandinavia. The Group continues to review its expense structure and optimise its operations to improve the profitability of its businesses.

Wulff Group's CEO Heikki Vienola: In 2012, we have strengthened and developed our sales channels, entire service range and the Wulff brand according to our strategy. Our customers have wished for more opportunities to centralize all their office supply purchases. They also want more eco-friendly services than before. Therefore we have placed added emphasis on developing our operations to make them more customer-oriented and environmentally friendly. Wulff's solutions offer the customers more cost savings and efficient purchase management. We offer our customers the opportunity to do business with Wulff in the most convenient channel, whether it is the customer-specific service model, private meetings, a webstore or a street-level shop. I believe that focusing on profitable business and increasing operational efficiency according to our strategy, will affect the Group's result in a positive way in 2013. Our result is also affected by our success in being the front runner in the field of office supplies. I believe we have the abilities to bring entirely new solutions for our customers to develop their operations. It takes will, skill and the right resources to be a front runner – Wulff and our employees have these all. Our theme for 2013 is "Professional care for customers and personnel alike". For our customers it means that they get the best private meetings and the most advanced products and services. For our employees it means that we manage our processes close and give a lot of feedback."

The Group's financial situation remained good the whole year 2012. In 2012, the financial income and expenses totalled (net) EUR -0.14 million (EUR -0.46 million) including dividend income of EUR 0.02 million (EUR 0.04 million), interest expenses of EUR 0.23 million (EUR 0.34 million) and mainly currency-related other financial items (net) EUR +0.06 million (EUR -0.15 million).

In 2012, the result before taxes was EUR 0.99 million (EUR 1.14 million) and the net profit after taxes was EUR 0.89 million (EUR 0.82 million).

Wulff Group Plc's review of the Board of Directors

Due to the positive movement in the financial items, the earnings per share (EPS) rose up to EUR 0.11 (EUR 0.10) in 2012.

Return on investment (ROI) was 4.67 percentage (5.45 %) in 2012 and return on equity (ROE) was 5.11 percentage (4.82 %) in 2012.

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 international fair services. The division's net sales were EUR 76.3 million (EUR 82.5 million) in 2012 and the division's operating profit was EUR 2.04 (EUR 2.14 million) in 2012.

The general economic situation and the decrease in the products' demand have led to the decrease in net sales. The Group's webstore Wulffinkulma.fi has shown good growth and profit increase, and it is an important investment for the future bringing quick results. Wulff has developed the Wulff brand, sales channels and the whole service range, according to the strategy. In August 2012, renewed Wulffinkulma stores were opened in Helsinki and Turku. For the first time, the stores exhibit the Group's entire product range. In addition to office supplies and business gifts, the stores exhibit Wulff's Green products and recycling centres. Wulffinkulma stores serve local small and medium-sized corporate customers, entrepreneurs and consumers. In September, Wulff's service concept in Åland was also renewed. Wulff has received a lot of positive feedback on the new service model. The customers value the broader product range, cost-efficiency as well as their own Swedish-speaking Key Account Manager.

We were able to attract a large number of new contract customers in Scandinavia in 2012. We also have the pleasure to continue doing business with a lot of long-term, major customers. Today almost 50 percent of our net sales come from Scandinavia and our position in the Scandinavian market strengthens constantly. Strålfors Supplies (now Wulff Supplies) acquired in 2009, has been a successful investment in serving our Scandinavian and Pan-Nordic customers.

International fairs increase their status as an even more important business forum. They are also an even more significant part of Wulff Entre's operations. The Group's fair and event service company Wulff Entre's focusing on its core competence, international fair services has been the right solution and it has generated excellent results. Investing in sales and its development has resulted in both stronger customer relationships and an increase in clientele. In 2012, Wulff Entre exports Finnish companies' know-how to more than 30 countries. Wulff Entre is the market leader in Finland in its field and for over 90 years already there has been a solid trust in Entre's ability to find the right international venues.

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. Wulff Group's business gift companies, Finland's two oldest business and promotional gift experts, Ibero Liikelahjat Oy and KB-tuote Oy, merged into Wulff Liikelahjat Oy in spring 2012. Wulff Liikelahjat Oy's goal is to be the biggest and strongest player in Finland's business gift industry. The merging and development of the Group's business gift operations brought non-recurring expenses of EUR 0.1 million in the reporting period. According to the Group's strategy, it is very important to invest in the constant development of services and renew the Group structure when necessary. The company's new showroom and office premises are located near great transport connections in Ruoholahti, Helsinki.

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. The division's net sales were EUR 14.0 million (EUR 16.4 million) in 2012 and the operating result totalled EUR -0.04 million (EUR 0.22 million) in 2012. The result was affected by e.g. the reorganisation costs of the Scandinavian direct sales operations.

The Division's profitability is improved by concentrating on profitable product and service fields and by optimising the operations' efficiency. Wulff invests strongly in the development of the product and service range and aims to increase the synergy of the purchasing operations by group wide competitive bidding and cooperation. Unifying the sales support systems and introducing the new CRM program are important investments in the future.

Successful recruiting affects especially the performance of Direct Sales. New sales personnel are being actively recruited by, for example, campaigning in the social media. Wulff's own introduction and training programmes ensure that every sales person gets both a comprehensive starting training and further education on how to improve one's own know-how.

Financing, Investments and Financial Position

The cash flow from operating activities increased to EUR 3.3 million from last year's EUR 1.0 million. In this industry it is typical that the result and cash flow are generated in the last quarter. A total of EUR 0.6 million less working capital was tied in the inventories than a year ago.

For its fixed asset investments, the Group paid a net of EUR 0.68 million (EUR 0.80 million) in 2012. Wulff Group Plc paid its shareholders dividends of EUR 0.46 million (EUR 0.33 million) and additionally the subsidiaries' non-controlling shareholders were paid dividends of EUR 0.07 million (EUR 0.11 million). The Group paid EUR 0.05 million for the acquisitions and disposals of non-controlling interests in Wulff Supplies AB and Wulff Direct AS to the subsidiaries' key personnel in the first half of 2012. The Group repaid loans of net EUR 1.85 million in 2012, whereas EUR 0.79 million (net) was paid in 2011.

In general, the Group's cash balance increased by EUR 0.18 million in 2012 (EUR -1.93 million). The Group's bank and cash funds totalled EUR 2.46 million in the beginning of the year and EUR 2.75 million in the end of the year.

REVIEW OF THE BOARD OF DIRECTORS

Wulff Group Plc's review of the Board of Directors

In 2012, the Group's Equity-to-assets ratio increased to 44.3 percentages (December 31, 2011: 40.3 %). Equity attributable to the equity holders of the parent company was EUR 2.51 per share (December 31, 2011: EUR 2.45).

Decisions of Wulff Group's Annual General Meeting

Wulff Group Plc's Annual General Meeting held on April 23, 2012 decided to pay a dividend of EUR 0,07 per share and authorised the Board of Directors to decide on the repurchase of the company's own shares. Also the other proposals were accepted as such.

The previous Board members Erkki Kariola, Ari Pikkarainen, Sakari Ropponen, Andreas Tallberg and Heikki Vienola were re-elected. The new elected board member was Vesa Tengman (born 1958), who acts as the CEO of Holiday Club Resorts Oy. The Board of Directors' organising meeting held after the Annual General Meeting elected Andreas Tallberg as the new Chairman of the Board.

Wulff Group Plc's Annual General Meeting will be held on Wednesday April 10, 2013.

Shares and Share Capital

Wulff Group Plc's share is listed on NASDAQ OMX Helsinki in the Small Cap segment under the Industrials sector. The company's trading code is WUF1V. In 2012, a total of 161,675 (652,535) Wulff shares were traded which represents 2.5 percentages (10.0 %) of the total number of shares. The trading was worth of EUR 320,958 (EUR 1,451,322). In 2012, the highest share price was EUR 2.29 (EUR 2.74) and the lowest price was EUR 1.77 (EUR 1.84). In the end of the reporting period, the share was valued at EUR 1.77 (EUR 1.99) and the market capitalization of the outstanding shares totalled EUR 11.5 million (EUR 13.0 million).

In 2012, a total of 161,675 (652,535) Wulff shares were traded which represents 2.5 percentages (10.0 %) of the total number of shares. The trading was worth of EUR 320,958 (EUR 1,451,322). In 2012, the highest share price was EUR 2.29 (EUR 2.74) and the lowest price was EUR 1.77 (EUR 1.84).

In 2012, no own shares were reacquired. As a part of the Group's share-based incentive scheme, Wulff Group granted 5.000 own shares to a key person in February 2012. In the end of 2012, the Group held 85.000 (December, 2011: 90.000) own shares representing 1.3 percentage (1.4 %) of the total number and voting rights of Wulff shares. According to the Annual General Meeting's authorisation on April 23, 2012, the Board of Directors decided in its organizing meeting to continue the acquisition of its own shares, by acquiring a maximum of 300.000 own shares by April 30, 2013.

The Group does not have any option schemes currently in force. Wulff Group has a share reward plan which is a part of the 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. 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. In 2011, one key person earned 5,000 shares which were handed over on February 13, 2012. The share reward plans are described in 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 2011 and 2012. 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 2012.

Personnel

In 2012, the Group's personnel totalled 343 (365) employees on average. In the end of the year, the Group had 326 (359) employees of which 125 (134) 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 2012, the Group renewed its training and development programs and e.g. its development discussion practises. Wulff Talent, launched in 2012, is the Group's own training program for almost 30 key persons. Wulff Talent improves leadership skills and develops new business operations. Wulff has also invested strongly in the development of the superior training. Important personnel themes for 2013, in addition to the company's values, are professional care for customers and personnel alike and giving feedback actively. The most important goal for these training and education programs is to give the personnel skills that make them better prepared for each customer appointment and to improve everyone's self-management skills.

For more information on personnel, social responsibility and other corporate responsibility issues, please see pages 18-25.

Organizational Changes during the Financial Year

The Group's Executive Board renewed during the year 2012. In September 2012, Topi Ruuska (born 1956) was appointed as a member of the Wulff Group Executive Board. Ruuska's responsibilities include international fair services as well as business and advertising gift services.

Wulff Group Plc's review of the Board of Directors

Group Executive Board members are:

Topi Ruuska, Managing Director, Wulff Entre & Wulff Liikelahjat
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 Scandinavia

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.

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 come from other than euro-currency countries. Fluctuation of the currencies affects the Group's net result and financial position.

The Group's risk management practices are described on pages xx-xx. 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 Group's parent company Wulff Group Plc's distributable funds totalled EUR 5.43 million. The Group's net result attributable to the parent company shareholders was EUR 0.72 million (EUR 0.63 million) i.e. EUR 0.11 per share (EUR 0.10 per share). The Board of Directors proposes to the Annual General Meeting that for the financial year 2012, a dividend of EUR 0.08 per share (0.07 per share) totalling EUR 0.52 million (EUR 0.46 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 4.91 million will be retained in the shareholders' equity.

Parent company's distributable funds:

EUR	Dec 31, 2012	Dec 31, 2011
Fund for invested non-restricted equity	223 051,20	223 051,20
Treasury shares	-325 069,83	-325 069,83
Retained earnings from previous years	5 234 126,43	3 981 995,25
Net result for the period	299 848,82	1 708 715,14
Distributable funds total	5 431 956,62	5 588 691,76
- dividend distribution total	-521 810,24	-456 233,96
Funds left in retained earnings	4 910 146,38	5 132 457,80

	Dec 31, 2012	Dec 31, 2011
Shares total	6 607 628	6 607 628
- Treasury shares held	-85 000	-90 000
Shares which are paid dividend	6 522 628	6 517 628
x Dividend per share (EUR)	0,08	0,07
Dividends total (EUR)	521 810,24	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.

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. No significant market changes are expected in the first half of 2013. The Group aims to improve profitability through own actions. Typically in the industry, the annual profit is made in the last quarter of the year.

STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF CASH FLOW

EUR 1000	Note	Jan 1 - Dec 31, 2012	Jan 1 - Dec 31, 2011
Net sales	**2, 4**	**90 238**	**99 129**
Other operating income	5	200	238
Materials and services	6	-58 260	-65 532
Employee benefit expenses	7	-18 755	-19 204
Other operating expenses	8	-11 155	-11 942
EBITDA		**2 269**	**2 689**
Depreciation and amortization	9	-1 136	-1 095
Operating profit (EBIT)		**1 132**	**1 595**
Financial income	10	272	182
Financial expenses	10	-413	-637
Profit before taxes		**990**	**1 139**
Income taxes	11	-100	-320
Net profit/loss for the period		**890**	**819**
Attributable to:			
Equity holders of the parent company		717	634
Non-controlling interests		173	185
Earnings per share for profit attributable to the equity holders of the parent company:			
Earnings per share, EUR (diluted = non-diluted)	12	0,11	0,10

STATEMENT OF COMPREHENSIVE INCOME

EUR 1000		Jan 1 - Dec 31, 2012	Jan 1 - Dec 31, 2011
Net profit/loss for the period		890	819
Other comprehensive income, net of tax			
Change in translation differences	11	181	34
Fair value changes on available-for-sale investments	11	-22	-4
Total other comprehensive income		159	30
Total comprehensive income for the period		1 049	849
Total comprehensive income attributable to:			
Equity holders of the parent company		839	663
Non-controlling interests		210	186

EUR 1000	Note	Jan 1 - Dec 31, 2012	Jan 1 - Dec 31, 2011
Cash flow from operating activities:			
Cash received from sales		93 018	98 153
Cash received from other operating income		65	130
Cash paid for operating expenses		-89 063	-96 462
Cash flow from operating activities before financial items and income taxes		4 020	1 821
Interest paid		-169	-278
Interest received		39	93
Income taxes paid		-592	-605
Cash flow from operating activities		**3 297**	**1 031**
Cash flow from investing activities:			
Investments in intangible and tangible assets		-946	-1 253
Proceeds from sales of intangible and tangible assets		269	456
Disposal of other non-current investments		12	0
Loans granted		-13	-12
Repayments of loans receivable		8	74
Cash flow from investing activities		**-670**	**-735**
Cash flow from financing activities:			
Acquisition of own shares	22	0	-3
Dividends paid	23	-531	-433
Dividends received	10	20	40
Payments for subsidiary acquisitions		-129	-982
Payments received for subsidiary share disposals		81	0
Cash paid for (received from) short-term investments (net)		-32	-56
Withdrawals and repayments of short-term loans		-254	173
Withdrawals of long-term loans		355	385
Repayments of long-term loans		-1 952	-1 348
Cash flow from financing activities		**-2 443**	**-2 226**
Change in cash and cash equivalents		**184**	**-1 930**
Cash and cash equivalents at the beginning of the period		2 464	4 379
Translation difference of cash		101	15
Cash and cash equivalents at the end of the period	21	2 749	2 464

STATEMENT OF FINANCIAL POSITION

EUR 1000	Note	Dec 31, 2012	Dec 31, 2011
ASSETS			
Non-current assets			
Goodwill	13, 14	9 546	9 467
Intangible assets	13	1 308	1 355
Property, plant and equipment	13	1 890	2 102
Non-current financial assets			
Long-term receivables from related parties	15, 29	33	87
Long-term receivables from others	15	10	10
Available-for-sale investments	16	327	367
Deferred tax assets	11	1 972	1 621
Total non-current assets		**15 085**	**15 008**
Current assets			
Inventories	17	10 236	10 860
Short-term receivables			
Loan receivables from others	18	16	51
Trade receivables from related parties	19, 29	0	6
Trade receivables from others	19	10 301	12 077
Advance payments		176	77
Other receivables		1 191	1 760
Accrued income and expenses	19	1 683	2 146
Financial assets recognised at fair value through profit and loss	20	78	56
Cash and cash equivalents	21	2 749	2 464
Total current assets		**26 430**	**29 497**
TOTAL ASSETS		41 515	44 505

EUR 1000	Note	Dec 31, 2012	Dec 31, 2011
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		5 849	5 461
Equity attributable to the equity holders of the parent company		16 384	15 996
Non-controlling interests		1 283	1 198
Total equity	**22, 23, 24**	**17 667**	**17 195**
Non-current liabilities			
Interest-bearing liabilities	25	6 008	7 409
Deferred tax liabilities	11	102	128
Total non-current liabilities		6 109	7 537
Current liabilities			
Interest-bearing liabilities	25	1 685	2 135
Trade payables		8 415	8 804
Advance payments		1 628	1 799
Other liabilities	27	2 101	2 794
Accrued income and expenses	27	3 909	4 241
Total current liabilities		**17 738**	**19 773**
TOTAL EQUITY AND LIABILITIES		41 515	44 505

STATEMENT OF CHANGES IN EQUITY

		Equity attributable to equity holders of the parent company								
EUR 1000	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, 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	23						-325	-325	-110	-435
Treasury share acquisition	22				-3			-3		-3
Share-based payments	24						5	5		5
Changes in ownership	3							0	-36	-36
Equity on Dec 31, 2011	**22**	**2 650**	**7 662**	**223**	**-283**	**-116**	**5 860**	**15 996**	**1 198**	**17 194**
Equity on Jan 1, 2012		**2 650**	**7 662**	**223**	**-283**	**-116**	**5 860**	**15 996**	**1 198**	**17 194**
Net profit/loss for the period							717	717	173	890
Other comprehensive income*:								0		0
Change in translation differences						144		144	37	181
Fair value changes on available-for-sale investments							-22	-22		-22
Comprehensive income *						144	695	839	210	1 049
Transactions with the shareholders:										
Dividends paid	23						-457	-457	-77	-534
Treasury share disposal	22				11		-11	0		0
Share-based payments	24						5	5		5
Changes in ownership	3							0	-48	-48
Equity on Dec 31, 2012	**22**	**2 650**	**7 662**	**223**	**-272**	**28**	**6 093**	**16 384**	**1 282**	**17 666**

* net of tax.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

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 18, 2013. 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, 2012. 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 2012:

- Amendments to IFRS 7 Financial Instruments: Disclosures (effective for financial years beginning on or after 1 July 2011): The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial instruments and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The amendments had no significant impact on the consolidated financial statements for the financial year 2012.

Other standards or interpretations effective in 2012, which are not listed here, had no impact on the consolidated financial statements.

Wulff has not yet adopted the following new and amended standards and interpretations already issued by the IASB. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year. The coming changes are:

- Amendments to IAS 1 Presentation of Financial Statements (effective for financial years beginning on or after 1 July 2012): The major change is the requirement 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 amendments only have an impact on the presentation of the Group's other comprehensive income.

- IFRS 13 Fair Value Measurement (effective for financial years beginning on or after 1 January 2013): IFRS 13 establishes a single source for all fair value measurements and disclosure requirements for use across IFRSs. The new standard also provides a precise definition of fair value. IFRS 13 does not extend the use of fair value accounting, but it provides guidance on how to measure fair value under IFRSs when fair value is required or permitted. IFRS 13 will expand the disclosures to be provided for non-financial assets measured at fair value. The new standard is not assessed to have a material impact on Wulff's consolidated financial statements.

- Annual Improvements to IFRSs 2009-2011* (May 2012) (effective for financial years beginning on or after 1 January 2013): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in total five standards. Their impacts vary standard by standard but are not significant.

- Amendments to IFRS 7 Financial Instruments: Disclosures (effective for financial years beginning on or after 1 January 2013): The amendments clarify disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting arrangements or similar agreements. The disclosures required by those amendments are to be provided retrospectively. The amendments are not assessed to have a significant impact on Wulff's consolidated financial statements.

- IFRS 10 Consolidated Financial Statements and subsequent amendments (in the EU effective for financial years beginning on or after 1 January 2014): IFRS 10 builds on existing principles by identifying the concept of control as the determining factor when deciding whether an entity should be incorporated within the consolidated financial statements. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. The new standard is not assessed to have a material impact on Wulff's consolidated financial statements.

- IFRS 11 Joint Arrangements and subsequent amendments (in the EU effective for financial years beginning on or after 1 January 2014): In the accounting of joint arrangements IFRS 11 focuses on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. In future jointly controlled entities are to be accounted for using only one method, equity method, and the other alternative, proportional consolidation is no longer allowed. The new standard is not assessed to have a material impact on Wulff's consolidated financial statements.

- IFRS 12 Disclosures of Interests in Other Entities and subsequent amendments (in the EU effective for financial years beginning on or after 1 January 2014): IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including associates, joint arrangements, structured entities and other off-balance sheet vehicles. The new standard will expand the notes the Group provides for its interests in other entities. The new standard is not assessed to have a material impact on Wulff's consolidated financial statements.

- IAS 28 Investments in Associates and Joint Ventures (revised 2011) and subsequent amendments (in the EU effective for financial years beginning on or after 1 January 2014): Following the issue of IFRS 11 the revised IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted. The revised standard is not assessed to have a significant impact on Wulff's consolidated financial statements.

- Amendments to IAS 32 Financial Instruments: Presentation (effective for financial years beginning on or after 1 January 2014): The amendments provide clarifications on the application of presentation requirements for offsetting financial assets and financial liabilities on the statement of financial position and give more related application guidance. The amended standard is to be applied retrospectively. The amendments are not assessed to have a significant impact on Wulff's consolidated financial statements.

- IFRS 9 Financial Instruments* and subsequent amendments (effective for financial years beginning on or after 1 January 2015): IFRS 9 is the first step of the IASB's originally three-phase project to replace the current IAS 39 Financial Instruments: Recognition and Measurement. The amendments resulting from the first phase (published in November 2009) address the classification and measurement of financial assets. Based on measurement, financial assets are classified 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 amendments published in October 2010 deal with the classification and measurement of financial liabilities and the standard retains most of the related IAS 39 requirements. The unfinished parts of IFRS 9, i.e. the impairment of financial assets and general hedge accounting phases are still a work in progress. Furthermore, the IASB is also considering limited amendments regarding the classification and measurement of financial assets. The macro hedge accounting phase has been taken apart from the IFRS 9 project as a separate project. As the IFRS 9 project is incomplete, the impacts of the standard on the consolidated financial statements cannot yet be assessed.

* = not yet endorsed for use by the European Union

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.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

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

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

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 2011-2012.

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, 2012 and December 31, 2011.

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. In February 2011, a share reward plan for years 2011-2013 was approved and the scheme is 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. 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.

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.

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, 2012.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

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.

Going Concern

The consolidated financial statements are based on the assumption of going concern. The Group's equity ratio and financial status are good. The Group's profitability is on an adequate level for going concern. Wulff's clientele is broad and in different markets in Northern Europe which diminishes the Group's risks partly. The Group's effective risk management also ensures the Group's ability of going concern.

Events After the Balance Sheet Date

There have been no material events after the end of the financial year January 1 – December 31, 2012.

2. 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 international 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 international 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 specialties, 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.

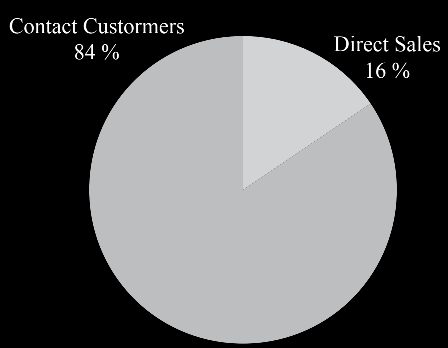
Operating segments:

Net sales by operating segments

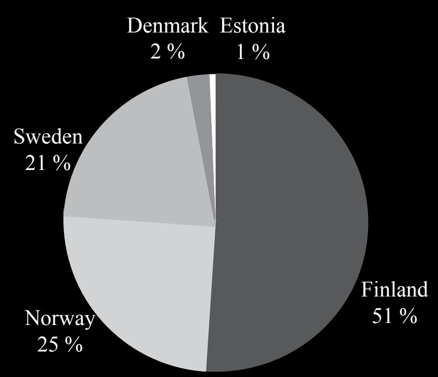
EUR 1000	2012	2011
Contract Customers Division		
Sales to external customers	76 107	82 487
Intragroup sales to other segments	143,2365	55
Total Contract Customers Division	**76 250**	**82 542**
Direct Sales Division		
Sales to external customers	13 874	16 329
Intragroup sales to other segments	149	68
Total Direct Sales Division	**14 023**	**16 397**
Group Services		
Sales to external customers	257	313
Intragroup sales to other segments	822	825
Total Group Services	**1 079**	**1 138**
Intragroup eliminations between segments	**-1 114**	**-948**
Total net sales	**90 238**	**99 129**

Revenue from any individual customer did not exceed 10 percent share of the consolidated revenue in 2011 or 2012.

Net sales by operating segments



Net sales by geographical markets



NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

Result by operating segments 2012

EUR 1000	Contract Customers	Direct Sales	Group services and non-allocated items	Eliminations	Group
Net sales	76 250	14 023	1 079	-1 114	90 238
Expenses	-73 643	-13 886	-1 555	1 114	-87 969
EBITDA	2 608	137	-476	0	2 269
Depreciations	-566	-175	-396		-1 136
Goodwill impairment	0				0
Operating profit (EBIT)	**2 041**	**-38**	**-872**	**0**	**1 132**
Financial income (non-allocated)					272
Financial expenses (non-allocated)					-413
Profit before taxes	**2 041**	**-38**	**-872**	**0**	**990**

Result by operating segments 2011

EUR 1000	Contract Custom-ers	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	0	-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**

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	2012		2011	
Finland	46 837	52 %	50 706	51 %
Norway	30 856	34 %	34 418	35 %
Sweden	22 328	25 %	24 679	25 %
Denmark	1 704	2 %	1 745	2 %
Estonia	603	1 %	861	1 %
Net sales between countries	-12 090	-13 %	-13 280	-13 %
Net sales total	**90 238**	**100 %**	**99 129**	**100 %**

External net sales by customers' locations

EUR 1000	2012		2011	
Finland	45 887	51 %	50 334	56 %
Norway	22 531	25 %	24 773	27 %
Sweden	18 335	20 %	20 999	23 %
Denmark	2 112	2 %	2 038	2 %
Estonia	594	1 %	810	1 %
Other European countries	513	1 %	127	0 %
Other countries	266	0 %	47	0 %
Net sales total	**90 238**	**100 %**	**99 129**	**110 %**

Non-current assets by group companies' locations

EUR 1000	2012		2011	
Finland	9 859	77 %	10 039	79 %
Sweden	2 538	20 %	2 512	20 %
Norway	344	3 %	369	3 %
Estonia	3	0 %	3	0 %
Total non-current assets	**12 743**	**100 %**	**12 922**	**101 %**

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

3. Business combinations

Business acquisitions

In 2012, the Group's ownership in Wulff Direct AS rose from 56 percentages to 68 percentages when the Group's subsidiary Beltton AS acquired the shares from an employee leaving Wulff Direct AS. This change in ownership (EUR 0.05 million) is shown in the Statement of Changes in Equity 2012.

In 2011, the Group's ownership in Wulff Supplies rose from 80 percentages 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 2011.

In 2011, the Group paid also 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).

Mergers

In 2012, there were no mergers. 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 in 2011. All these companies were already previously the Group's fully-owned subsidiaries and these mergers did not affect the Group's financial result of status.

4. Net sales

EUR 1000	2012	2011
Sales of products and related services	83 151	93 673
Sales of fair services (including income based on percentage-of-completion method)	7 087	5 456
Total	**90 238**	**99 129**

5. Other operating income

EUR 1000	2012	2011
Sales gains from tangible assets	141	161
Rental income	11	19
Other	48	57
Total	**200**	**238**

6. Materials and services

EUR 1000	2012	2011
Materials, supplies and products		
Purchases during the financial year	57 113	64 213
Change in inventories	331	295
External services	816	1 024
Total	**58 260**	**65 532**

7. Employee benefits

EUR 1000	2012	2011
Salaries and fees	14 755	15 255
Pension expenses (defined contribution plans)	2 020	2 064
Other personnel expenses	1 975	1 879
Share-based payments (share rewards settled in shares)	5	5
Total	**18 755**	**19 204**

Average number of employees in accounting period	343	365
Personnel at the end of period	326	359

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.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

8. Other operating expenses

EUR 1000	2012	2011
Rents	2 018	1 929
Travel and car expenses	2 570	2 776
ICT expenses	1 080	1 117
External logistics expenses	1 393	1 494
Marketing, PR and entertainment expenses	612	759
Credit losses and bad debt allowances of sales receivables	31	129
Fees to auditors *	119	157
Other	3 332	3 580
Total	11 155	11 942

* Fees to auditors total in all group companies:

EUR 1000	2012	2011
Audit	60	96
Tax services	9	5
Other services	51	56
Total	**119**	**157**

In 2011, the fees to auditors include fees paid both to Nexia and KPMG. Nexia was the Group's auditor until the Annual General Meeting 2011 and since then 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	2012	2011
Amortization and depreciation during the period:		
Amortization of intangible assets:		
Customer relationships	-79	-76
Other intangible assets	-357	-315
Total amortization of intangible assets	-436	-391
Depreciation of tangible assets:		
Machinery and equipment	-673	-674
Other tangible assets	-28	-30
Total depreciation of tangible assets	-700	-704
Total amortization and depreciation	-1 136	-1 095
Total amortization, depreciation and impairment	**-1 136**	**-1 095**

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

10. Financial income and expenses

EUR 1000	2012	2011
Financial income:		
Interest income	39	76
Dividend income	20	40
Foreign exchange gains and other financial income	213	66
Financial income total	**272**	**182**
Financial expenses:		
Interest expenses	226	344
Change in fair value of assets recognised at fair value through profit or loss, realized *	0	69
Foreign exchange losses and other financial expenses	187	224
Financial expenses total	**413**	**637**

* The unrealized change in fair value is presented in the Comprehensive Income Statement in the IFRS consolidated financial statement.

As shown in the Statement of Other Comprehensive Income, the fair value changes on available-for-sale investments impacted equity directly (net of tax) negatively -4 thousand euros in 2011 and -22 thousand euros in 2012.

11. Income taxes

Income taxes in the income statement

EUR 1000	2012	2011
Income taxes for the financial year	-463	-881
Income taxes for the previous years	-4	-58
Deferred taxes:		
Change in deferred tax assets	339	610
Change in deferred tax liabilities	29	7
Total	-100	-320

Income tax reconciliation

EUR 1000	2012	2011
Income taxes according to the Finnish tax rate (2012: 24,5% and 2011: 26%)	-243	-296
Different tax rates abroad	-86	-26
Non-deductible expenses and tax-free income	-36	-55
Tax impact from the current year's losses for which no defta benefit is recognized	-6	-31
Income taxes for previous years	-4	-58
Changes in deferred tax assets and liabilities recognized in previous years	258	178
Impact of the tax rate changes on deferred tax assets and liabilities	19	-31
Group consolidation and eliminations	-2	-2
Income taxes in the income statement	-100	-320

* 2012: Tax rate change in Sweden since January 1, 2013.
2011: Tax rate change in Finland since January 1, 2012.

Taxes for other comprehensive income, 2012

EUR 1000	Pre-tax	Taxes	Net of tax
Translation differences	181	0	181
Fair value changes on available-for-sale investments	-29	7	-22
Total other comprehensive income	152	7	159

Taxes for other comprehensive income, 2011

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

Changes in deferred taxes 2012

EUR 1000	Jan 1, 2012	Income statement	Equity	Translation differences	Dec 31, 2012
Deferred tax assets:					
Confirmed losses	609	441		23	1 074
Provisions	20	-13		1	8
Depreciation differences	954	-72		-21	862
Group consolidation and eliminations	13	5		0	18
Other temporary differences	25	-24	7	2	10
Deferred tax assets total	1 621	339	7	5	1 972
Deferred tax liabilities:					
Depreciation differences and other untaxed reserves	25	-3	0	-3	19
Fair value changes in net assets acquired	60	-24		0	36
Other temporary differences	43	-2			41
Deferred tax liabilities total	128	-29	0	-3	96
Deferred tax assets, net	1 493	368	7	8	1 876

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
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		-2	25
Fair value changes in net assets acquired	78	-19		1	60
Other temporary differences	36	7		0	43
Deferred tax liabilities total	136	-7	0	-1	128
Deferred tax assets, net	875	617	1	-1	1 493

For the Group companies' previous years' confirmed taxable losses, a deferred tax asset of 1,074 thousand euros has been booked, of which 124 thousand euros will fall due in 5 years, 874 thousand euros in 5-10 years and 76 thousand euros can be utilized indefinitely. As of December 31, 2012, the Group had confirmed tax losses carried forward of 1,148 thousand euros (Dec 31, 2011: 828 thousand euros) for which the deferred tax asset of 303 thousand euros (Dec 31, 2011: 223 thousand euros) has not 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, 2012 includes deferred tax assets of 558 thousand euros (Dec 31, 2011: 424 thousand euros) in group companies which made a loss in 2012. The recognition of these assets is based on profit estimates, which indicate that the realization of these deferred tax assets is probable. The Finnish companies' deferred tax assets from previous years' confirmed losses, which can be used in 10 years, can be utilized against the company's own future profits and also against group contributions granted by other Finnish group companies where the Group's ownership is 90 percentages at minimum.

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. Earnings per share

	2012	2011
Profit for the period attributable to the equity holders of the parent company, EUR 1000	717	634
/ Weighted average number of shares; diluted = non-diluted (1,000 shares)	6 522	6 517
Earnings per share (EPS); Diluted = non-diluted, EUR	0,11	0,10

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

13. Goodwill and intangible and tangible assets

2012	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	**11 321**	619	2 029	17	**2 665**	223	0	6 972	180	**7 375**
Additions	**0**	0	363	18	**381**	5	0	586	0	**591**
Disposals	**0**	0	-5	0	**-5**	0	0	-1 290	0	**-1 290**
Reclassifications between accounts	**0**	0	11	-18	**-7**	0	0	7	0	**7**
Translation differences	**79**	15	0	0	**15**	0	0	25	0	**25**
Acquisition cost, Dec 31	**11 400**	633	2 399	18	**3 050**	228	0	6 300	180	**6 707**
Accumulated depreciation and impairment, Jan 1	**-1 854**	-390	-921	0	**-1 311**	0	0	-5 167	-106	**-5 273**
Disposals	**0**	0	5	0	**5**	0	0	1 156	0	**1 156**
Depreciation during the period	**0**	-79	-357	0	**-436**	0	0	-673	-28	**-700**
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**	-469	-1 273	0	**-1 742**	0	0	-4 683	-134	**-4 817**
Book value, Jan 1	**9 467**	**229**	**1 108**	**17**	**1 355**	**223**	**0**	**1 805**	**74**	**2 102**
Book value, Dec 31	**9 546**	**164**	**1 126**	**18**	**1 308**	**228**	**0**	**1 616**	**46**	**1 890**

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	**2 536**	263	242	7 204	177	**7 886**
Additions	**0**	0	238	135	**373**	0	0	791	4	**795**
Disposals	**-52**	0	-236	-6	**-242**	-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	**-2**	0	0	-1	1	**1**
Acquisition cost, Dec 31	**11 321**	619	2 029	17	**2 665**	223	0	6 972	180	**7 375**
Accumulated depreciation and impairment, Jan 1	**-1 854**	-314	-840	0	**-1 154**	0	-60	-5 464	-78	**-5 601**
Reclassifications between accounts	**0**	0	0	0	**0**	0	0	0	0	**0**
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	**-1 311**	0	0	-5 167	-106	**-5 273**
Book value, Jan 1	**9 501**	**304**	**655**	**423**	**1 382**	**263**	**182**	**1 741**	**99**	**2 285**
Book value, Dec 31	**9 467**	**229**	**1 108**	**17**	**1 355**	**223**	**0**	**1 805**	**74**	**2 102**

14. Goodwill allocation and impairment test

EUR 1000	2012	2011
Contract Customers division:		
Office supplies / Finland (Wulff Oy Ab, Torkkelin Paperi Oy)	4 490	4 490
Office supplies / Scandinavia (Wulff Supplies AB)	1 868	1 799
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	9 359	9 290
Direct Sales division:		
Direct Sales / Norway (Wulff Direct AS)	186	177
Direct Sales division total	186	177
Goodwill total	**9 546**	**9 467**

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 13 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 include goodwill together with that cash-generating unit's 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 20 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 2013 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 eternally, no impairment should be booked for the assets of the Finnish office supply business when the discount factor was 10.4 percentages. If the net sales and profitability stayed on the current level eternally and additionally the discount factor was 15 percentages, the assets' values should be re-estimated and some writedown would be booked, if necessary, to make the asset values correspond with the recoverable cash flows.

Goodwill for the Scandinavian office supplies business was EUR 1.9 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 16 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 2013 and the discount factor was 15 percentages, no impairment should be booked for the assets of the Scandinavian office supply business. Even if the net sales and profitability stayed on the current level eternally and additionally the discount factor was 15 percentages, no impairment should be booked for the assets of the Scandinavian 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 7 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 2013 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 eternally and additionally the discount factor was 15 percentages, no impairment should be booked for the assets of the fair services business.

The goodwill for the Finnish business promotional gift businesses' acquisitions totalled EUR 1.3 million. The assets tested totalled approximately EUR 3 million and the discounted value-in-use is approximately EUR 4 million. Wulff Liikelahjat Oy and KB-Tuote Oy, which combined their operations in spring 2012, were loss-making in 2012. 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 this business continued to make losses in all coming years, the business' assets should be impaired down to the value of the recoverable cash flows.

The goodwill arising from the acquisition of Wulff Direct AS operating in the direct sales business in Norway totalled EUR 0.2 million. The assets tested totalled approximately EUR 0.5 million and the discounted value-in-use for the Group's ownership share was approximately EUR 1 million. Wulff Direct AS was loss-making in 2012. 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 this business continued to make losses in all coming years, the business' assets should be impaired down to the value of the recoverable cash flows.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

15. Non-current receivables

Long-term receivables from related parties

EUR 1000	2012	2011
Carrying amount, Jan 1	87	493
Additions during the financial year	0	87
Disposals during the financial year	-54	-493
Carrying amount, Dec 31	**33**	**87**

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 and 2012, the Group had loan receivables 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	2012	2011
Quaranty deposits, Carrying amount, Jan 1	10	10
Quaranty deposits, Carrying amount, Dec 31	**10**	**10**

16. Available-for-sale investments

EUR 1000	2012	2011
Carrying amount, Jan 1	367	442
Additions during the financial year		
Disposals during the financial year	-12	-70
Change in fair value reported in the Statement of Comprehensive Income	-29	-5
Carrying amount, Dec 31	**327**	**367**

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	2012	2011
Products	10 062	10 602
Work in process	10	42
Prepayments for inventories	164	216
Total	**10 236**	**10 860**

In 2012, an expense of 0.2 million euros was booked from the inventories (0.3 million euros).

18. Current loan receivables

Loan receivables from related parties

EUR 1000	2012	2011
Carrying amount, Jan 1.	0	74
Disposals	0	-74
Carrying amount, Dec 31.	**0**	**0**

As of December 31, 2010, the current loan receivable of 74 thousand euros from a related party was from Torkkelin Paperi Oy's previous Managing Director Pekka Lähde. 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. Since 2011, 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.

Loan receivables from others

EUR 1000	2012	2011
Carrying amount, Jan 1.	51	0
Additions	30	51
Disposals	-25	
Impairment	-40	
Carrying amount, Dec 31.	**16**	**51**

19. Short-term non-interest-bearing receivables

Trade receivables

EUR 1000	2012	2011
Trade receivables from related parties	0	6
Trade receivables from others	10 301	12 077
Trade receivables total	10 301	12 083

Aging analysis of sales receivables

EUR 1000	2012		2011	
Not due (value not impaired)	8 701	84 %	9 828	81 %
Due (value not impaired):				
Less than 1 month	1 207	12 %	1 936	16 %
More than 1 month - less than 3 months	228	2 %	281	2 %
More than 3 months - less than 6 months	124	1 %	38	0 %
More than 6 months	40	0 %	0	0 %
Total	10 301	100 %	12 083	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	2012	2011
Valued added tax receivables	336	1 002
Other receivables	854	338
Other receivables total	1 190	1 340

Accrued income and expenses

EUR 1000	2012	2011
Income tax receivable	41	32
Corporate tax credits	207	214
Accruals for employee benefits (e.g. pension expense accruals)	159	263
Sales accruals of partial recognition based on percentage-of-completion method	614	882
Sales accruals of other businesses	156	195
Other accruals	505	560
Accruals total	1 683	2 146

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	2012	2011
Carrying amount, Jan 1	56	0
Additions during the financial year	105	56
Disposals during the financial year	-83	
Carrying amount, Dec 31	**78**	**56**

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, 2012 (EUR 1000)	Total	Level 1	Level 2	Level 3
Available-for-sale financial assets	327	187		140
Financial assets recognised at fair value through profit and loss (held-for-trading)	78	78		
Total	**405**	**265**	**0**	**140**

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)				
Total	**367**	**215**	**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	2012	2011
Cash and bank	2 749	2 464
Total	**2 749**	**2 464**

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 2011 and 2012. 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 2012.

	Share total	Treasury shares	Outstanding shares
Jan 1, 2011	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
Allocations of own shares to key personnel		5 000	5 000
Dec 31, 2012	6 607 628	-85 000	6 522 628

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.

In 2012, no own shares were reacquired. As a part of the Group’s share-based incentive scheme, Wulff Group granted 5.000 own shares to a key person in February 2012. In the end of 2012, the Group held 85.000 (December, 2011: 90.000) own shares representing 1.3 percentage (1.4 %) of the total number and voting rights of Wulff shares. According to the Annual General Meeting’s authorisation on April 23, 2012, the Board of Directors decided in its organizing meeting to continue the acquisition of its own shares, by acquiring a maximum of 300.000 own shares by April 30, 2013.

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 Group’s parent company Wulff Group Plc’s distributable funds totalled EUR 5.43 million. The Group’s net result attributable to the parent company shareholders was EUR 0.72 million (EUR 0.63 million) i.e. EUR 0.11 per share (EUR 0.10 per share). The Board of Directors proposes to the Annual General Meeting that for the financial year 2012, a dividend of EUR 0.08 per share (0.07 per share) totalling EUR 0.52 million (EUR 0.46 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 4.91 million will be retained in the shareholders’ equity.

Parent company's distributable funds:

EUR	Dec 31, 2012	Dec 31, 2011
Fund for invested non-restricted equity	223 051,20	223 051,20
Treasury shares	-325 069,83	-325 069,83
Retained earnings from previous years	5 234 126,43	3 981 995,25
Net result for the period	299 848,82	1 708 715,14
Distributable funds total	5 431 956,62	5 588 691,76
- dividend distribution total	-521 810,24	-456 233,96
Funds left in retained earnings	4 910 146,38	5 132 457,80

	Dec 31, 2012	Dec 31, 2011
Shares total	6 607 628	6 607 628
- Treasury shares held	-85 000	-90 000
Shares which are paid dividend	6 522 628	6 517 628
x Dividend per share (EUR)	0,08	0,07
Dividends total (EUR)	521 810,24	456 233,96

24. Share-based payments

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

Wulff Group has a share reward plan which is a part of the 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.

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 (measured at grant date) is expensed during years 2011-2013. The personnel expense from these share rewards totalled 5 thousand euros in 2011 and 5 thousand euros in 2012. 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.

25. Non-current and current loans

Payment schedule for the loans

EUR 1000	Book value Dec 31, 2012	Payment schedule (years): 2013	2014	2015	2016	2017	Later
Non-current							
Loans from financial institutions	3 466	0	951	931	781	236	568
Pension loans	2 541	0	462	462	462	385	770
Total	**6 008**	**0**	**1 413**	**1 393**	**1 243**	**621**	**1 338**

Current		
Loans from financial institutions	1 223	1 223
Pension loans	462	462
Total	1 685	1 685

Interest-bearing liabilities by currencies Dec 31, 2012

EUR 1000	Total	EUR	SEK	NOK
Non-current				
Loans from financial institutions	3 466	3 158	140	168
Pension loans	2 541	2 541		
Total	6 008	5 700	140	168
Current				
Short-term repayments of the non-current loans				
Loans from financial institutions	1 223	1 143	80	
Pension loans	462	462		
Total	**1 685**	**1 605**	**80**	

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**	

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 2,0% at the end of 2012 (Dec 31, 2011: 2,4%).

For the pension premium loans, an amount of EUR 1.1 million is based on fixed interest rate of 3.5% p.a. The pension premium loans of EUR 1.9 million are based on variable interest rates. The variable-rated pension premium loans of EUR 1.6 million are based on a three-year pension premium interest rate and these loans' second interest-period started in summer 2012 has an interest rate of 2.6%. The variable-rated pension premium loan raised in 2011 totalled EUR 0.3 million on December 31, 2012 and it is based on a one-year pension premium interest rate which was 1.0% on December 31, 2012. The pension premium loans raised in summer 2009 have a repayment time of 10 years and the pension premium loan raised in 2011 has a repayment time of 5 years. All pension premium loans' repayments will be made every six months as fixed installments.

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

Approximately half of the Group's sales are made in euros and the other half is made in Swedish, Norwegian and Danish crowns. Fluctuation of the currencies affects the Group's net result and financial position. In terms of import, the exposure to currency risks affects especially 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 separate hedging measures against currency risk are taken.

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.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

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 Scandinavia. 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, 2012, unused credit limits totalled 3.5 million euros in Finland, .5.0 million Swedish crowns in Wulff Supplies AB in Sweden and 4.0 million Norwegian crowns inWulff Supplies AS in Norway. The maturity of loans is presented in Note 25.

A part of the Group's loan agreements include covenants, according to which the equity ratio shall be 35 percentages at minimum and the interest-bearing debt/EBITDA ratio shall be 3.5 at maximum in the end of each financial year. Covenant breaches lead to negotiations with the bank granting the guarantee and any possible consequences depend on the negotiations. On December 31, 2012 the covenants were reached successfully. The equity ratio of 44.3 % exceeded the required level and the interest-bearing debt/EBITDA ratio was below 3.5 in accordance with the covenants.

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	2012	2011
Value added tax liabilities	1 093	1 944
Other current liabilities	1 008	850
Other current liabilities total	**2 101**	**2 794**

Accrued income and expenses

EUR 1000	2012	2011
Accruals for employee benefits	3 098	3 233
Income tax liabilities	283	406
Interest accruals	52	66
Sales accruals	124	203
Other accruals	352	334
Accrued income and expenses total	**3 909**	**4 241**

28. Commitments

EUR 1000	2012	2011
Mortgages and guarantees on own behalf		
Business mortgage for the Group's loan liabilities	7 550	7 550
Real estate pledge for the Group's loan liabilities	900	900
Subsidiary shares pledged as security for group companies' liabilities	4 018	3 284
Other listed shares pledged as security for group companies' liabilities	187	215
Current receivables pledged as security for group companies' liabilities	272	258
Pledges and guarantees given for the group companies' off-balance sheet commitments	232	222
Guarantees given on behalf of third parties	114	176
Minimum future operating lease payments, total	6 033	5 861
of which will be payable:		
in less than one year	1 857	1 489
between 1-5 years	4 176	4 042
after 5 years	0	329

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 Entre Marketing Oy (2,502 thousand euros), Wulff Liikelahjat Oy (1416 thousand euros; KB-Tuote Oy 682 thousand euros on December 31, 2011), Wulff Oy Ab (100 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	2012	2011
Board members' salaries and fees		
Erkki Kariola	12	12
Ari Pikkarainen	12	45
Pentti Rantanen, Board member -4/2012	5	12
Sakari Ropponen, Chairman of the Board -3/2011	12	12
Andreas Tallberg, Chairman of the Board 4/2011- (prev. member)	12	12
Vesa Tengman, Board member 4/2012-	7	0
Heikki Vienola, Group CEO	50	50
Group management board's additional pension benefits		
Heikki Vienola, Group CEO	1	1
Board members' benefits total	111	144
Group management board's basic salaries and fringe benefits	897	853
Group management board's bonuses	80	66
Group management board's additional pension benefits	27	28
Group management board's share rewards	11	26
Group management board's benefits total *	1 015	973
Top management's employee benefits total	**1 126**	**1 117**

* 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 2011 and 2012, a monthly fee of EUR 1,000 was paid to the Chairman and those other Board Members who are not employed by the Company.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

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.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 2012, the CEO Heikki Vienola was paid a salary of 50 thousand euros (2011: 50 thousand euros) and extra pension of 1 thousand euros (2011: 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 including the compensation of each member for the time they have been in the Group Executive Board. 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), Kati Näätänen, Tarja Törmänen and Veijo Ågerfalk. In 2012, the Group Executive Board consisted of Heikki Vienola, Sami Asikainen, Trond Fikseaunet, Kati Näätänen, Topi Ruuska (since September 2012), Tarja Törmänen and Veijo Ågerfalk.

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.

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	Direct Sales	100	100
Entre Marketing Oy	Contract Customers	100	100
Wulff Leasing Oy	Group Services	100	0
Wulff 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	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	Direct Sales	68	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

QUARTERLY KEY FIGURES

EUR 1000	Q4/12	Q3/12	Q2/12	Q1/12	Q4/11	Q3/11	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10
Net sales	25 105	19 768	22 039	23 326	27 526	21 971	24 390	25 242	27 073	20 435	24 016	21 584
EBITDA	959	470	364	476	1 084	567	756	282	1 284	228	2	61
% of net sales	3,8 %	2,4 %	1,7 %	2,0 %	3,9 %	2,6 %	3,1 %	1,1 %	4,7 %	1,1 %	0,0 %	0,3 %
Operating profit/loss	637	174	106	216	785	308	491	10	903	-411	-289	-160
% of net sales	2,5 %	0,9 %	0,5 %	0,9 %	2,9 %	1,4 %	2,0 %	0,0 %	3,3 %	-2,0 %	-1,2 %	-0,7 %
Profit/Loss before taxes	525	184	58	223	763	151	318	-93	794	-327	-200	-43
% of net sales	2,1 %	0,9 %	0,3 %	1,0 %	2,8 %	0,7 %	1,3 %	-0,4 %	2,9 %	-1,6 %	-0,8 %	-0,2 %
Net profit/loss for the financial year attributable to the shareholders of the parent company	369	150	25	174	468	105	241	-180	308	-557	-134	-240
% of net sales	1,5 %	0,8 %	0,1 %	0,7 %	1,7 %	0,5 %	1,0 %	-0,7 %	1,1 %	-2,7 %	-0,6 %	-1,1 %
Number of personnel at the end of period	345	321	330	326	359	377	357	374	370	391	383	360

KEY FIGURES 2008-2012

EUR 1000	2012	2011	2010	2009	2008
Net sales	90 238	99 129	93 107	74 785	76 178
Change in net sales %	-9,0 %	6,5 %	24,5 %	-1,8 %	2,8 %
Earnings before taxes, depreciation and amortization (EBITDA)	2 269	2 689	1 575	1 247	3 228
% of net sales	2,5 %	2,7 %	1,7 %	1,7 %	4,2 %
Operating profit/loss	1 132	1 595	43	-154	2 053
% of net sales	1,3 %	1,6 %	0,0 %	-0,2 %	2,7 %
Profit/Loss before taxes	990	1 139	223	-360	1 325
% of net sales	1,1 %	1,1 %	0,2 %	-0,5 %	1,7 %
Net profit/loss for the financial year attributable for the equity holders of the parent company	717	634	-623	-728	387
% of net sales	0,8 %	0,6 %	-0,7 %	-1,0 %	0,5 %
Cash flow from operations	3 297	1 031	1 528	1 470	1 153
Return on equity (ROE) %	5,11 %	4,82 %	-2,38 %	-3,46 %	3,57 %
Return on investment (ROI) %	4,67 %	5,45 %	1,75 %	0,19 %	6,41 %
Equity ratio %	44,3 %	40,3 %	37,0 %	41,7 %	48,7 %
Gearing %	27,6 %	40,3 %	34,9 %	29,5 %	19,5 %
Balance sheet total	41 513	44 505	46 025	45 708	39 453
Gross investments in fixed assets	972	1 167	1 619	915	915
% of net sales	1,1 %	1,2 %	1,7 %	1,2 %	1,2 %
Average number of personnel during the financial year	343	365	384	392	440
Number of personnel at the end of financial year	326	359	370	372	412

SHARE-RELATED KEY FIGURES

	2012	2011	2010	2009	2008
Earnings per share (EPS), EUR	0,11	0,10	-0,10	-0,11	0,06
Equity per share, EUR	2,51	2,45	2,41	2,58	2,74
Dividend per share, EUR *	0,08	0,07	0,05	0,05	0,05
Payout ratio %	73 %	70 %	-52 %	-45 %	84 %
Effective dividend yield %	4,5 %	3,5 %	1,9 %	1,6 %	2,2 %
Price/Earnings (P/E)	16,1	20,5	-27,2	-28,8	38,7
P/BV	0,70	0,81	1,08	1,24	0,76
EBITDA / share, EUR	0,35	0,41	0,24	0,19	0,50
Cash flow from operations / share, EUR	0,51	0,16	0,23	0,22	0,18
Share prices:					
Lowest share price, EUR	1,77	1,84	2,43	2,00	2,14
Highest share price, EUR	2,29	2,74	3,70	4,02	3,75
Average share price, EUR	1,99	2,22	3,03	3,00	3,09
Closing share price, EUR	1,77	1,99	2,60	3,20	2,30
Market value as of Dec 31, MEUR	11,5	13,0	16,9	20,9	15,1
Number of outstanding shares on average during the financial year	6 522 041	6 516 534	6 524 780	6 559 490	6 516 131
Number of outstanding shares at the end of the financial year	6 522 628	6 517 628	6 508 592	6 538 606	6 580 374
Number of shares traded	161 675	652 535	261 633	292 139	229 762
% of average number of shares	2,5 %	10,0 %	4,0 %	4,5 %	3,5 %
Shares traded, EUR	320 958	1 451 322	793 852	752 344	712 944

CALCULATION OF KEY FIGURES

Return on equity (ROE), %	$\frac{\text{Net profit/loss for the period (total including the non-controlling interest of the result)}}{\text{Shareholders' equity total on average during the period (including non-controlling interest)}}$
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 Statament

EUR	Note	Jan 1 - Dec 31, 2012	Jan 1 - Dec 31, 2011
Net sales	**2**	**470 424,94**	**411 650,68**
Other operating income	3	21 035,07	41 626,89
Personnel expenses	4	-738 123,28	-650 852,10
Other operating expenses	5	-919 962,94	-653 882,88
Depreciation and amortization according to plan	6	-197 345,82	-44 809,01
Operating profit/loss		**-1 363 972,03**	**-896 266,42**
Financial income	7	873 791,18	619 644,68
Financial expenses	7	-226 382,67	-989 786,92
Profit/Loss before extraordinary items and taxes		**-716 563,52**	**-1 266 408,66**
Extraordinary income and expenses	8	1 024 000,00	3 724 800,00
Profit/Loss before taxes		**307 436,48**	**2 458 391,34**
Income taxes	9	-7 587,66	-749 676,20
Net profit/loss for the period		**299 848,82**	**1 708 715,14**

Parent Company Cash Flow Statement

EUR 1000	Jan 1 - Dec 31, 2012	Jan 1 - Dec 31, 2011
Cash flow from operations:		
Payments received from sales	477	2 276
Payments received from other operating income	21	42
Amounts paid for operating expenses	-719	-1 133
Cash flow from business operations before financial items and taxes	**-221**	**1 185**
Interests and other financial costs paid	-177	-286
Interest received from operations	176	55
Cash flow from operations	**-221**	**953**
Cash flow from investment activities:		
Investments in intangible and tangible assets	-42	-7
Disposals of intangible and tangible assets	0	0
Acquisition of shares in subsidiaries	-93	-982
Disposal of shares in subsidiaries	81	0
Investments in other shares	0	-220
Loans granted	-2 282	0
Loan receivables repaid	435	0
Cash flow from investment activities	**-1 900**	**-1 209**
Cash flow from financial activities:		
Acquisition of treasury shares	0	-3
Dividend distribution paid	-457	-325
Dividend income received	296	247
Group contributions received and paid (net)	3 363	683
Short-term investments (net)	-21	-56
Withdrawals of long-term loans	355	0
Repayments of long-term loans	-1 428	-307
Cash flow from financial activities	**2 108**	**239**
Change in cash and cash equivalents	**-14**	**-17**
Cash and cash equivalents on January 1	**93**	**110**
Cash and cash equivalents on December 1	**79**	**93**

PARENT COMPANY'S BALANCE SHEET

EUR	Note	Dec 31, 2012	Dec 31, 2011
ASSETS			
FIXED ASSETS			
Intangible assets			
Trademarks	11	2 850 000,00	3 000 000,00
Other intangible assets	10	27 767,14	33 306,96
Tangible assets			
Land areas	10	587 180,00	582 400,00
Machinery and equipment	10	30 702,14	22 422,31
Other tangible assets	10	19 914,70	39 201,46
Investments			
Shares in Group companies	11	10 222 571,72	10 222 571,72
Other shares	12	220 028,70	220 028,70
Non-current receivables			
Non-current receivables from Group companies	13	7 575 716,60	7 885 937,63
TOTAL FIXED ASSETS		**21 533 881,00**	**22 005 868,78**
CURRENT ASSETS			
Current receivables			
Trade receivables		0,00	6 649,64
Receivables from Group companies	13	1 288 116,48	4 154 225,83
Other receivables		83 304,72	728 286,53
Prepaid expenses and accrued income	14	248 980,19	269 129,03
Current receivables total		1 620 401,39	5 158 291,03
Financial instruments	15	77 769,00	56 359,66
Cash and cash equivalents		79 314,36	93 163,23
TOTAL CURRENT ASSETS		**1 777 484,75**	**5 307 813,92**
TOTAL ASSETS		**23 311 365,75**	**27 313 682,70**

EUR	Note	Dec 31, 2012	Dec 31, 2011
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	-325 069,83
Invested unrestricted equity fund	16	223 051,20	223 051,20
Retained earnings	16	5 234 126,43	3 981 995,25
Net profit for the financial year	16	299 848,82	1 708 715,14
TOTAL SHAREHOLDERS´EQUITY	**16**	**15 971 548,12**	**16 128 283,26**
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	**17**	**3 158 500,00**	**3 980 708,94**
Pension loans	17	103 690,00	120 974,00
Total Non-current liabilities		**3 262 190,00**	**4 101 682,94**
Current liabilities			
Loans from credit institutions	17	1 141 708,94	1 375 000,00
Pension loans	17	17 284,00	17 284,00
Trade payables		47 345,31	12 885,09
Amounts owed to group companies	18	2 720 774,65	5 530 275,88
Other liabilities		24 807,73	38 473,41
Accrued liabilities and deferred income	19	125 707,00	109 798,12
Total current liabilities		4 077 627,63	7 083 716,50
TOTAL LIABILITIES		**7 339 817,63**	**11 185 399,44**
TOTAL EQUITY AND LIABILITIES		**23 311 365,75**	**27 313 682,70**

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:

Trademarks:	20 year straight-line basis
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	2012	2011
Rental income	2	11
Gains from disposal of shares in subsidiaries		
Other	19	31
Total	**21**	**42**

4. Personnel expenses

EUR 1000	2012	2011
Salaries, wages and fees	602	540
Pension expenses	129	92
Other personnel expenses	7	19
Total	738	651

Average number of employees in accounting period	10
Personnel at the end of period	13

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.

5. Other operating expenses

EUR 1000	2012	2011
Rents	44	38
Travel and car expenses	14	10
ICT expenses	52	50
Marketing, PR and entertainment expenses	87	105
Fees to auditors *	20	34
Other	703	417
Total	920	654

* Fees to auditors total in all group companies:

EUR 1000	2012	2011
Audit	7	27
Tax services	3	5
Other services	5	2
Total	**15**	**34**

In 2011, the fees to auditors include fees paid both to Nexia and KPMG. Nexia was the Group's auditor until the Annual General Meeting 2011 and since then the Group's auditor is KPMG.

6. Amortization and depreciation during the financial year

EUR 1000	2012	2011
Amortization of intangible assets:		
Trademarks	-150	0
Other intangible assets	-11	-11
Total amortization of intangible assets	-161	-11
Depreciation of tangible assets:		
Machinery and equipment	-17	-15
Other tangible assets	-19	-19
Total depreciation of tangible assets	-36	-34
Total amortization and depreciation	**-197**	**-45**

7. Financial income and expenses

EUR 1000	2012	2011
Financial income:		
Dividends from group companies	276	242
Dividends from others	19	5
Other interest and financial income from group companies	372	297
Other interest and financial income from others	64	55
Foreign exchange gains	143	21
Total	874	620
Financial expenses:		
Impairment of shares in subsidiaries	0	-656
Interest expenses to group companies	-39	-37
Interest expenses to others	-99	-201
Foreign exchange losses	-18	0
Other financial expenses	-70	-96
Total	-226	-990
Financial income and expenses total	**648**	**-370**

8. Extraordinary income and expenses

EUR 1000	2012	2011
Extraordinary income: group contributions received	1 024	3 725
Extraordinary expenses: group contributions granted		
Total	**1 024**	**3 725**

9. Income taxes

Income taxes in the income statement:

EUR 1000	2012	2011
Income taxes for the period	-8	0
Change in deferred tax asset	0	-750

Income taxes in the balance sheet:

EUR 1000	2012	2011
Current receivables: Corporate tax credits	207	214

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

10. Intangible and tangible assets

2012	Trademarks	Other intangible assets	**Intangible assets total**	Land	Machinery and equipment	Other tangible assets	**Tangible assets total**
Acquisition cost, Jan 1	3 000	52	**3 052**	582	138	114	**834**
Additions	0	5	**5**	5	32	0	**37**
Acquisition cost, Dec 31	3 000	57	**3 057**	587	170	114	**871**
Accumulated depreciation and impairment, Jan 1	0	-19	**-19**	0	-116	-75	**-191**
Depreciation during the period	-150	-11	**-161**	0	-23	-19	**-42**
Accumulated depreciation and impairment, Dec 31	-150	-30	**-180**	0	-139	-94	**-233**
Book value, Jan 1	**3 000**	**33**	**3 033**	**582**	**22**	**39**	**643**
Book value, Dec 31	**2 850**	**28**	**2 878**	**587**	**31**	**20**	**638**

2011	Other intangible assets	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**
Disposals			**0**	0	0	0	**0**
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**
Disposals	0		**0**				**0**
Depreciation during the period	0	-11	**-11**	0	-15	-19	**-34**
Accumulated depreciation and impairment, Dec 31	0	-19	**-19**	0	-117	-75	**-192**
Book value, Jan 1	**0**	**44**	**44**	**582**	**30**	**59**	**671**
Book value, Dec 31	**3 000**	**33**	**3 033**	**582**	**21**	**39**	**642**

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

11. Shares in group companies

EUR 1000	2012	2011
Acquisition cost, Jan 1	11 260	9 740
Additions	0	1 520
Disposals		
Acquisition cost, Dec 31	11 260	11 260
Accumulated depreciation and impairment, Jan 1	-1 038	-382
Impairment during the period	0	-656
Accumulated depreciation and impairment, Dec 31	-1 038	-1 038
Book value, Jan 1	**10 222**	**9 358**
Book value, Dec 31	**10 222**	**10 222**

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

12. Other shares

EUR 1000	2012	2011
Acquisition cost, Jan 1	220	0
Additions	0	220
Acquisition cost, Dec 31	220	220
Book value, Jan 1	**220**	**0**
Book value, Dec 31	**220**	**220**

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.

13. Receivables from group companies

EUR 1000	2012	2011
Non-current:		
Capital loans	2 690	2 672
Other loans	4 886	5 214
Non-current receivables total	7 576	7 886
Current:		
Other receivables	1 288	4 154
Current receivables total	1 288	4 154
Receivables from group companies total	**8 864**	**12 040**

14. Prepaid expenses and accrued income

EUR 1000	2012	2011
Corporate tax credits	207	214
Accruals for employee benefits	12	28
Other accruals	30	27
Total	**249**	**269**

15. Financial instruments

EUR 1000	2012	2011
Carrying amount, Jan 1	56	0
Additions during the financial year	104	56
Disposals during the financial year	-83	0
Carrying amount, Dec 31	**77**	**56**

16. Equity

EUR 1000	2012	2011
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	-325	-322
Acquisitions of treasury shares	0	-3
Treasury shares as of Dec 31	**-325**	**-325**
Retained earnings from previous financial years as of Jan 1	5 691	4 307
Dividend distribution	-457	-325
Retained earnings from previous financial years as of Dec 31	5 234	3 982
Net profit for the financial year		1 709
Retained earnings total as of Dec 31	**5 234**	**5 691**
Equity total as of Dec 31	**15 671**	**16 128**
Distributable funds in euros:	**31.12.2012**	**31.12.2011**
Invested unrestricted equity fund	223 051,20	223 051,20
Treasury shares	-325 069,83	-325 069,83
Retained earnings from previous financial years	5 234 126,43	3 981 995,25
Net profit for the financial year	299 848,82	1 708 715,14
Distributable funds total	**5 431 956,62**	**5 588 691,76**

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

17. Interest-bearing liabilities

Payment schedule for the loans

EUR 1000	Book value Dec 31, 2012	Payment schedule (years): 2013	2014	2015	2016	2017	Later
Non-current							
Loans from financial institutions	3 159		871	871	781	236	400
Pension loans	104		17	17	17	17	35
Total	**3 263**		**888**	**888**	**798**	**253**	**435**
Current							
Loans from financial institutions	1 142	1 142					
Pension loans	17	17					
Total	**1 159**	**1 159**					

18. Amounts owed to group companies

EUR 1000	2012	2011
Other short-term liabilities	2 721	5 530
Total	**2 721**	**5 530**

19. Accrued liabilities and deferred income

EUR 1000	2012	2011
Accruals for employee benefits	91	77
Interest accruals	18	30
Other accruals	17	2
Total	**126**	**110**

20. Commitments

EUR 1000	2012	2011
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	4 018	3 284
Other listed shares pledged as security for group companies' liabilities (shares in fair value)	187	215
Mortgages and guarantees on behalf of subsidiaries		
Guarantees for the loans of subsidiaries	3 102	3 838
Pledges and guarantees given for the group companies' off-balance sheet commitments (rents, customs etc)	1 743	1 722
Guarantees given on behalf of third parties	114	176
Minimum future operating lease payments, total	2 218	2 581
of which will be payable:		
in less than one year	488	468
between 1-5 years	1 730	1 783
after 5 years	0	329

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 Wulff Liikelahjat Oy (Dec 31, 2012: 1,415 thousand euros and Dec 31, 2011: KB-Tuote Oy 682 thousand euros), Wulff Oy Ab (100 thousand euros) and Entre Marketing Oy (2,502 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 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.

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 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.

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 on-going economic uncertainties impact especially the demand for business and promotional gifts. During the uncertain economic periods, the corporations may also minimize attending fairs.

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.

RISK MANAGEMENT

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

Approximately half of the Group's sales are made in euros and the other half is made in Swedish, Norwegian and Danish crowns. Fluctuation of the currencies affects the Group's net result and financial position. In terms of import, the exposure to currency risks affects especially 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 separate hedging measures against currency risk are taken.

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 Scandinavia. 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, 2012, unused credit limits totalled 3.5 million euros in Finland, 5.0 million Swedish crowns in Wulff Supplies AB in Sweden and 4.0 million Norwegian crowns in Wulff Supplies AS in Norway. The maturity of loans is presented in Note 25.

A part of the Group's loan agreements include covenants, according to which the equity ratio shall be 35 percentages at minimum and the interest-bearing debt/EBITDA ratio shall be 3.5 at maximum in the end of each financial year. Covenant breaches lead to negotiations with the bank granting the guarantee and any possible consequences depend on the negotiations. On December 31, 2012 the covenants were reached successfully. The equity ratio of 44.3 % exceeded the required level and the interest-bearing debt/EBITDA ratio was below 3.5 in accordance with the covenants.

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.

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

Andreas Tallberg, b. 1963
Chairman of the Board

Responsibilities:
Strategy, Acquisitions

Substantial education, experience and positions of trust:
- Master of Science in Economics
- Wulff Group's Chairman of the Board since 2012 and 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 Holding Oyj's Chairman of the Board since 2008
- Toolmasters Oy's Board Member since 2011
- Handelsbanken Finland Ab's Board Member since 2008
- Wulff ownership as of December 31, 2012: 0 shares

Erkki 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, 2012: 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
- 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, 2012: Ari Pikkarainen and his related parties owned 1,172,025 Wulff shares representing 17.7 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 86,750 Wulff shares (1.3 %).

Sakari Ropponen, b. 1957
Board Member

Responsibilities:
Education, Human Resources Development

Substantial education, experience and positions of trust:
- Wulff Group's Board Member since 2000
- 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, 2012: Sakari Ropponen and his related parties owned 9,800 Wulff shares representing 0.15 percent of the company's shares and votes.

Vesa Tengman, b. 1958
Board Member

Responsibilities:
Sales and marketing

Substantial education, experience and positions of trust:
- Wulff Group's Chairman of the Board since 2012
- Vocational Qualification in Business and Administration
- Undergraduate of Economic Sciences
- Holiday Club Resorts Oy's CEO since 1991
- Dividum Oy's and LR Finnish Holdings Oy's CEO in 2006 – 2008
- Procurator Oy's CEO and Board member in 1989 – 2003
- Nokia Plc's financial management tasks in 1980 – 1989
- Wulff ownership as of December 31, 2012: 0 shares

Heikki Vienola, b. 1960
Board Member, Group CEO

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, 2012: Heikki Vienola and his related parties owned 2,564,800 Wulff shares representing 38.8 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 86,750 Wulff shares (1.3 %).

BOARD AND MANAGEMENT

Group Executive Board

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

Responsibilities:
Wulff Oy Ab's management and the development of Finland's sales channels

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, 2012: 0 shares

Kati Näätänen, s. 1976
Wulff Group Plc Chief Financial Officer (CFO), Executive Board Member

Responsibilities:
Finance and Investor Relations and their development, 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, 2012: 0 shares

Heikki Vienola, s. 1960
Board Member, Group CEO

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, 2012: Heikki Vienola and his related parties owned 2,564,800 Wulff shares representing 38.8 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 86,750 Wulff shares (1.3 %).

Veijo Ågerfalk, s. 1959
Wulff Beltton Managing Director, Executive Board Member

Responsibilities:
Direct Sales Scandinavia and its development

Substantial education, experience and positions of trust:
- Executive Board Member since 2004
- Executive Vice President and Head of Direct Sales Scandinavia since 2012
- 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, 2012: Veijo Ågerfalk and his related parties owned 67,000 Wulff shares representing 1.0 percent of the company's shares and votes

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

Responsibilities:
Wulff Supplies AB's management, development of Scandinavia's Contract customer operations

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, 2012: 0 shares

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

Responsibilities:
Communications, marketing and recruitment as well as their development

Substantial education, experience and positions of trust:
- Specialist Qualification in Marketing Communications
- NLP Associate Trainer, 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, 2012: 100 Wulff shares (0.0 %)

Topi Ruuska, s. 1956
Wulff Entre and Wulff Liikelahjat Oy's Managing Director, Executive Board Member

Responsibilities:
International fair services and business and promotional gift services and their development

Substantial education, experience and positions of trust:
- Member of the Board since September 21, 2012
- CEO of Wulff Liikelahjat Oy since March 9, 2012
- CEO of Wulff Entren since April 1, 2011
- TP-Design Oy / Linedrive Oy sales consultant since 2007
- Responsible for profit of the sales division, TP-Design Oy, 2000-2006
- Sales Manager, Copysystems Oy, 1991-2000
- TJ-partner, Teleteam, 1986-1990
- Oy Papyrus Ab, graphic sales, 1980-1985
- Wulff ownership as of December 31, 2012: Topi Ruuska and his related parties owned 4,800 Wulff shares representing 0.1 percent of the company's shares and votes.

SHARE 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 2011 and 2012.

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 23, 2012 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 on April 23, 2012 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

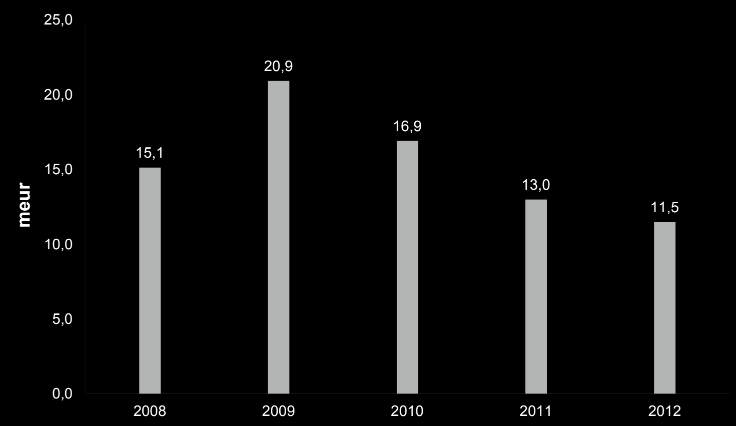
In 2012, no own shares were reacquired. As a part of the Group's share-based incentive scheme, Wulff Group granted 5.000 own shares to a key person in February 2012. In the end of 2012, the Group held 85.000 (December, 2011: 90.000) own shares representing 1.3 percentage (1.4 %) of the total number and voting rights of Wulff shares. According to the Annual General Meeting's authorisation on April 23, 2012, the Board of Directors decided in its organizing meeting to continue the acquisition of its own shares, by acquiring a maximum of 300.000 own shares by April 30, 2013.

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. Wulff Group has a share reward plan which is a part of the 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. 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 for 2011-2013. 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. In 2011, one key person earned 5,000 shares which were handed over on February 13, 2012. More information on share-based payments is presented in Note 24 of the consolidated financial statements.

Market Value of Shares



SHARE AND SHAREHOLDERS

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 2012, a total of 161,675 (652,535) Wulff shares were traded which represents 2.5 percentages (10.0 %) of the total number of shares. The trading was worth of EUR 320,958 (EUR 1,451,322). In 2012, the highest share price was EUR 2.29 (EUR 2.74) and the lowest price was EUR 1.77 per share (EUR 1.84). In the end of 2012, the share was valued at EUR 1.77 (EUR 1.99) and the market capitalization of the outstanding shares totalled EUR 11.5 million (EUR 13.0 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 10, 2012 that a dividend of EUR 0.08 per share be paid for the financial year 2012. No dividend will be paid on shares owned by the company at the time of the dividend distribution.

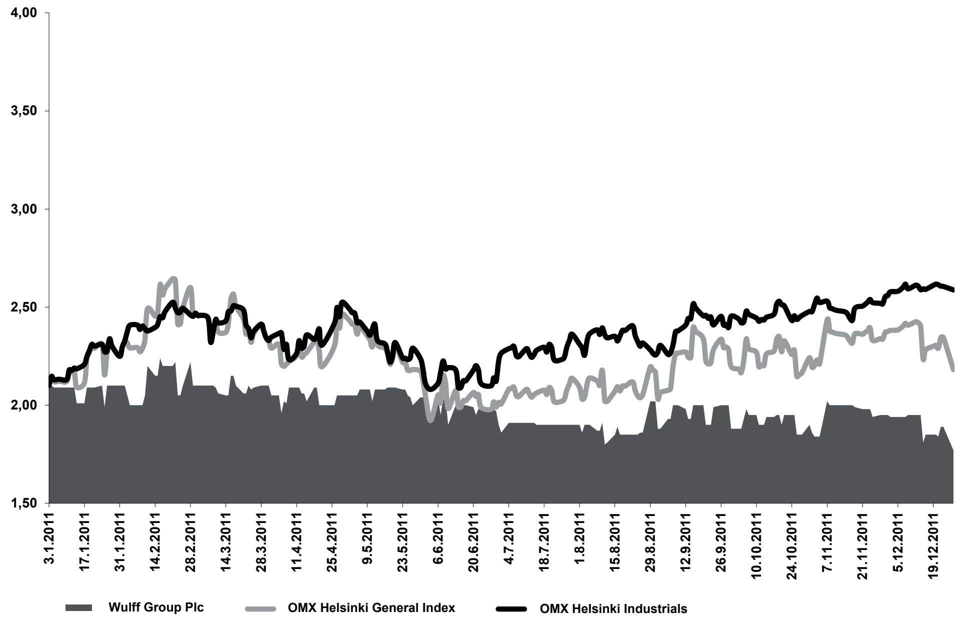
Shareholders and Ownership Structure

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 2012.

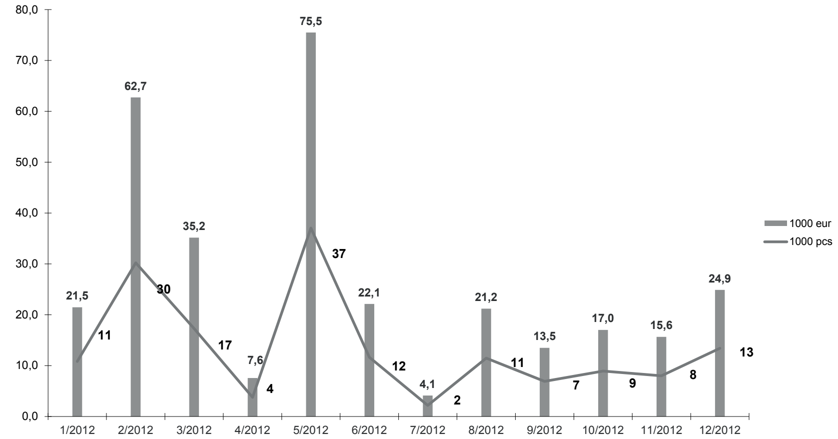
Insider Regulations

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.

Share Price Performance 2012



Trading of Shares 2012



SHARE AND SHAREHOLDERS

Major shareholders as of December 31, 2012

		Number of shares	% of shares
1	**Vienola Heikki***	**2 564 800**	**38,82 %**
	Vienola Heikki	2 533 500	38,34 %
	Vienola Kristina	16 200	0,25 %
	BVI-tuote Oy	14 300	0,22 %
	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 %**
10	**Keskinäinen Kiinteistö Oy Vanha Talvitie 12***	**86 750**	**1,31 %**
9	**Mandatum**	**86 100**	**1,30 %**
8	**Wulff Group Plc**	**85 000**	**1,29 %**
11	**Ågerfalk Veijo**	**67 000**	**1,01 %**
	Ågerfalk Veijo	65 000	0,98 %
	Ågerfalk Christine	1 000	0,02 %
	Ågerfalk Adam	1 000	0,02 %
12	**Laakkonen Mikko**	**64 185**	**0,97 %**
13	**Sundholm Göran**	**50 000**	**0,76 %**
14	**E. Öhman J:or Securities Finland Ltd**	**24 727**	**0,37 %**
15	**Cardia Invest Oy Ab**	**23 800**	**0,36 %**
	15 major shareholders total	**6 113 561**	**92,52 %**
	Other shareholders total	**494 067**	**7,48 %**
	Number of shares total	**6 607 628**	**100,00 %**
	- Own shares	**-85 000**	
	Outstanding shares total	**6 522 628**	

* 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 list of major shareholders can be found on the Group's website at www.wulff-group.com.

Shareholders by group as of December 31, 2012

Owner groups	Number of shareholders	%	Number of shares	%
Companies	37	6,03 %	391 360	5,92 %
Financial and insurance institutions	5	0,81 %	794 728	12,03 %
Public entities	4	0,65 %	925 876	14,01 %
Non-profit organisations	2	0,33 %	110	0,00 %
Private persons	549	89,41 %	4 391 337	66,46 %
Foreign shareholders	13	2,12 %	70 650	1,07 %
Nominee-registered shareholders	4	0,65 %	33 567	0,51 %
Total	**614**	**100,00 %**	**6 607 628**	**100,00 %**

Shareholders by the number of shares owned December 31, 2012

Number of shares	Number of shareholders	%	Number of shares	%
1-500	370	60,26 %	82 920	1,25 %
501-1000	99	16,12 %	82 280	1,25 %
1 001-10 000	120	19,54 %	383 088	5,80 %
10 001-100 000	17	2,77 %	726 387	10,99 %
100 001-	8	1,30 %	5 332 953	80,71 %
Total	**614**	**100,00 %**	**6 607 628**	**100,00 %**


like You

SIGNATURES AND THE AUDITOR'S NOTE

Signatures of the CEO and Board of Directors

Vantaa, March 18, 2013

Andreas Tallberg
Andreas Tallberg
Chairman of the Board

Heikki Vienola
Heikki Vienola
CEO

Erkki Kariola
Erkki Kariola

Ari Pikkarainen
Ari Pikkarainen

Sakari Ropponen
Sakari Ropponen

Vesa Tengman
Vesa Tengman

The Auditor's Note

The auditor's report has been issued today.

Helsinki, March 18, 2013

KPMG Oy Ab
Mannerheimintie 20 B, 00100 Helsinki

Minna Riihimäki
Minna Riihimäki
KHT

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 2012. 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 or 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, 18 March 2013

KPMG OY AB

Minna Riihimäki

Minna Riihimäki

KHT

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

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 26-29.

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 23, 2012. The Annual General Meeting adopted the financial statements for the financial year 2011 and discharged the members of the Board of Directors and CEO from liability. The AGM decided to pay a dividend of EUR 0.07 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 current Board members Erkki Kariola, Ari Pikkarainen, Sakari Ropponen, Andreas Tallberg and Heikki Vienola were re-elected. The new board member elected was Vesa Tengman. The organising meeting of Wulff Group Plc's Board of Directors, held after the Annual General Meeting, decided that the new Chairman of the Board is Andreas Tallberg.

The Annual General Meeting decided that the reimbursements to the Auditors are paid on the basis of reasonable invoicing. KPMG Oy Ab, a company of Authorized Public Accountants, with Authorized Public Accountant Minna Riihimäki as the lead audit partner, continues as the auditor of Wulff Group Plc.

Wulff Group Plc's Annual General Meeting 2013 will be held on April 10, 2013.

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.

CORPORATE GOVERNANCE STATEMENT

Wulff Group's Annual General Meeting held on April 23, 2012 elected six members to the Board of Directors. The Board of Directors consists of the Company's major shareholders and of outside experts. The Board must have sufficient expertise in at least the following areas: 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 2012, 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 Kariola, Sakari Ropponen, Andreas Tallberg and Vesa Tengman. 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 12 times in 2012 (11 times in 2011). The average meeting attendance was 92 percent (92 % in 2011). 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 2013, 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 2012, the assessment was carried out in writing at year end. Based on the assessment, Board work was successful.

More information on Board Members and their Wulff shareholdings is presented on page 72.

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 CEO's proposal, the Board of Directors confirms the composition and new nominations of the Group Executive Board Members.

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 group-wide 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 73.

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 2012, the CEO Heikki Vienola was paid a salary of 50 thousand euros (2011: 50 thousand euros) and extra pension of 1 thousand euros (2011: 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 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 chapter 3.5 including the compensation of each member for the time they have been in the Group Executive

CORPORATE GOVERNANCE STATEMENT

Board. 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), Kati Näätänen, Tarja Törmänen and Veijo Ågerfalk. In 2012, the Group Executive Board consisted of Heikki Vienola, Sami Asikainen, Trond Fikseaunet, Kati Näätänen, Topi Ruuska (since September 2012), Tarja Törmänen and Veijo Ågerfalk.

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.

The Group does not have any option schemes currently in force. Wulff Group has a share reward plan which is a part of the 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. 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 for 2011-2013. 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. In 2011, one key person earned 5,000 shares which were handed over on February 13, 2012. More information on share-based payments 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 group-wide 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 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.

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 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 69-71 of the Annual Report 2012.

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.

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 for an indefinite term.

Since 2011 the Group's auditor has been KPMG Oy Ab, a company of Authorized Public Accountants, with Authorized Public Accountant Minna Riihimäki as the lead audit partner.

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 total fees of 119 thousand euros in 2012:

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 site's chapter Board and corporate governance (http://www.wulff.fi/en/wulff-group+plc/investors/board+and+corporate+governance/) where the Group updates public insider information (insiders with the duty to declare, their related parties and changes in their shareholdings) without unnecessary delay, and no later than seven days after the party has notified the Company of changes.

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 site's chapter Board and corporate governance (http://www.wulff.fi/en/wulff-group+plc/investors/board+and+corporate+governance/).

Before 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 before year end. 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.

INFORMATION TO SHAREHOLDERS

Annual General Meeting 2013

Wulff Group Plc's Annual General Meeting will be arranged on Wednesday April 10, 2013 at noon (12.00) at Radisson Blu 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 March 27, 2013 and have registered as attendants to the Annual General Meeting no later than on Friday April 5, 2013. Registration for the Annual General Meeting can be made to the company:
- by e-mail to investors@wulff.fi
- by telephone to +358 9 5259 0050
- 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 March 27, 2013 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 Friday April 5, 2013 by 10.00 A.M. The shareholder who wishes to participate in the Annual General Meeting shall contact the company no later than Friday April 5, 2013. 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 the 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 2012

The Board of Directors of Wulff Group Plc proposes to the Annual General Meeting that a dividend of EUR 0.08 per share be paid for the financial year 2012. 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 Monday April 15, 2013. The Board of Directors proposes to the Annual General Meeting that the dividend would be paid on Monday April 22, 2013.

Financial Reporting 2013

Wulff Group Plc will release the following financial reports in 2013:

Interim Report, January-March 2013	Wednesday May 8, 2013
Interim Report, January-June 2013	Tuesday August 6, 2013
Interim Report, January-September 2013	Tuesday November 5, 2013

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 is 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

Chief Financial Officer (CFO)
Kati Näätänen
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STOCK EXCHANGE RELEASES 2012

1.2.2012	Wulff Group Plc’s Annual Summary 2011 Is Available
8.2.2012	Wulff Group Plc’s Financial Statements for January 1 – December 31 , 2011
8.2.2012	Allocation of Wulff Group Plc’s Own Shares
21.3.2012	Wulff Group Plc’s Annual Report, Financial Statements and Corporate Governance Statement 2011 Published
21.3.2012	Notice to Convene the Annual General Meeting of Wulff Group Plc
23.4.2012	Decisions of Wulff Group’s Annual General Meeting on April 23, 2012
23.4.2012	Wulff Group Continues to Buy Back Its Own Shares
11.5.2012	Wulff Group Plc’s Interim Report for January 1 – March 31, 2012
17.7.2012	Wulff Adjusts Its Estimate and Publishes Preliminary Key Figures for January – June 2012
10.8.2012	Wulff Group Plc’s Interim Report for January 1 – June 30, 2012
21.9.2012	Topi Ruuska Appointed to Wulff Group Executive Board
8.11.2012	Wulff Group Plc’s Interim Report for January 1 - September 30, 2012
14.12.2012	Wulff Adjusts Its Estimate for the Last Quarter
20.12.2012	Wulff Group Plc’s Financial Reporting and Annual General Meeting 2013

CONTACT INFORMATION IN FINLAND

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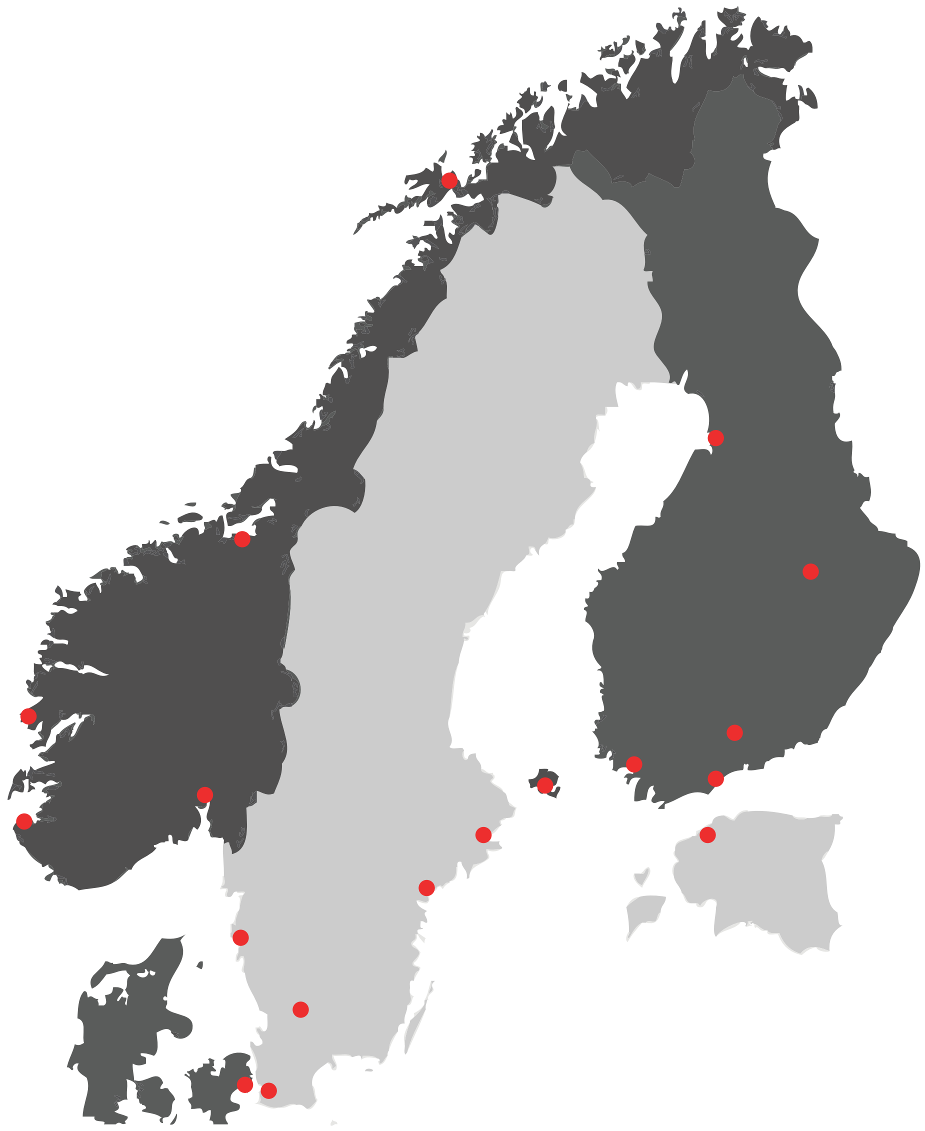

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