ANNUAL REPORT

1890 WULFF

2013


WULFF
PAPERIKAUPPA
1890
WULFF

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WULFF IN BRIEF

Wulff - The Most Significant Nordic Player in Office Supplies

Wulff Group Plc is an internationalizing listed company, the most significant player in the office supplies field 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. Its service range also includes international fair services.

It has always been important to 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 produced by bringing customers everyday solutions on how to optimize 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 17 companies. The customers can recognize Wulff Group companies from the distinguishable and visible black-and-white brand and brand names. Each Group company carries the Wulff name. In addition to Finland, Wulff operates in Sweden, Norway, Denmark and Estonia. Wulff's customers are served by 300 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. Wulffs service personnel meet their customers usually in their own operating environment. A lot of the customers have also gotten 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 the Edlund's, the young man learned the manners, ethics and fortitude.

Thomas, however, wanted to find a new business industry, which would enable him to stand on his own feet. In August 1890, Thomas Wulff opened his small stationery store's doors in Fredrikinkatu. Since then, the story of Wulff has been a success. This is described by the fact that just nine months after Wulff Oy Ab was founded, the store had to move to a larger facility in Eerikinkatu. Paper trade went well and the store succeeded. An indication of Thomas Wulff's good business skills took place seven years later, when Wulff's flagship, a grand store, moved to a new address in Esplanadi 11. Because the store was located in the corner of Pohjois-Esplanadi and Mannerheimintie, it became known as "Wulff's corner". Even today, the corner is known by the same name among the people who experienced that era.

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

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 best possible way – so it is even today, for all Wulff employees.

GROUP CEO'S REVIEW

Customer intimacy is our theme in 2014

We have nearly 100 000 customers in Finland, Sweden, Estonia, Norway and Denmark. Every customer is important to us. During the past year our customers have chosen to save their own costs. Green values and ergonomic solutions for our customers' needs have become more and more frequent also.

Wulff serves the lowest cost both large and small customers. We are constantly developing our solutions to our customers. During economically difficult times, we need to find cost-effective solutions. We have been able to save our clients costs with normal office and IT equipment in addition to a variety of daily workplace products such as coffee, catering products and cleaning supplies.

We are searching new products and services continuously. During year 2013 we achieved a breakthrough in LED lighting. LED lighting combines both environmentally friendliness and cost-effectiveness. In best case, return on invest is less than a year and cost savings in energy consumption can be enjoyed for many years. Last year, Wulff carried Nordic region's largest LED lighting reform Sotkamon Katinkulta. The investment is expected to pay for itself in less than 3 years

Last year was financially difficult for Wulff. We were forced to make operational adjustments to improve our competitiveness. I believe that as demand recovers our profit performance will be in good level.

One of the most positive businesses was the international fair services provider Wulff Entre. Wulff Entre's services have been in the international test when we have offered our services to the German, Russian and Swedish customers. We have succeeded well and that is why Entre Wulff took over the first self-internationalization step to open an office in Stockholm in 2013. Wulff Entre operations in Sweden have started well and I am looking forward to the growth of the Swedish market.

Wulff is Finnish company established in 1890. We have always been close to our customers and our customers have been talking the same language. We make decisions in locally and we prefer local products and services.
I know that our customers appreciate it.

Usually challenging times followed by better times. I believe that economic activity will brighten first in the small companies and export companies. In these companies, I have noticed an increase in activity.

I sincerely thank our customers, partners and personnel eventful year 2013. I hope to see as many this year as well!

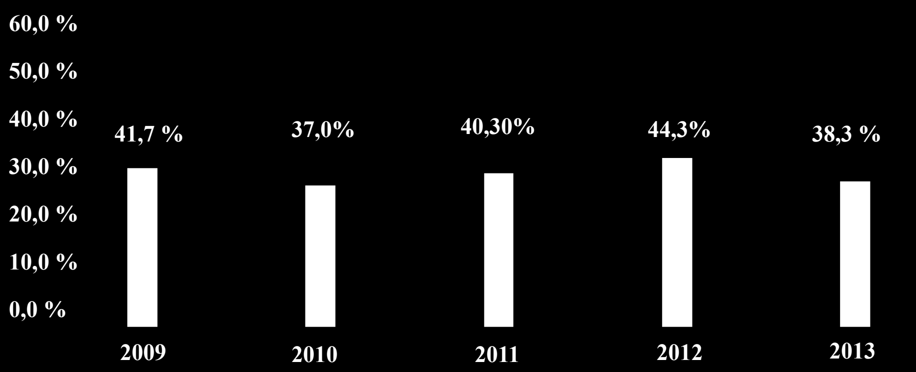
NET SALES 2013

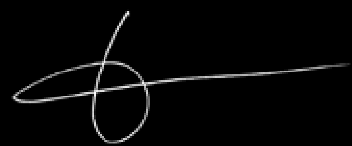
83,5 milj.

OPERATING PROFIT 2013

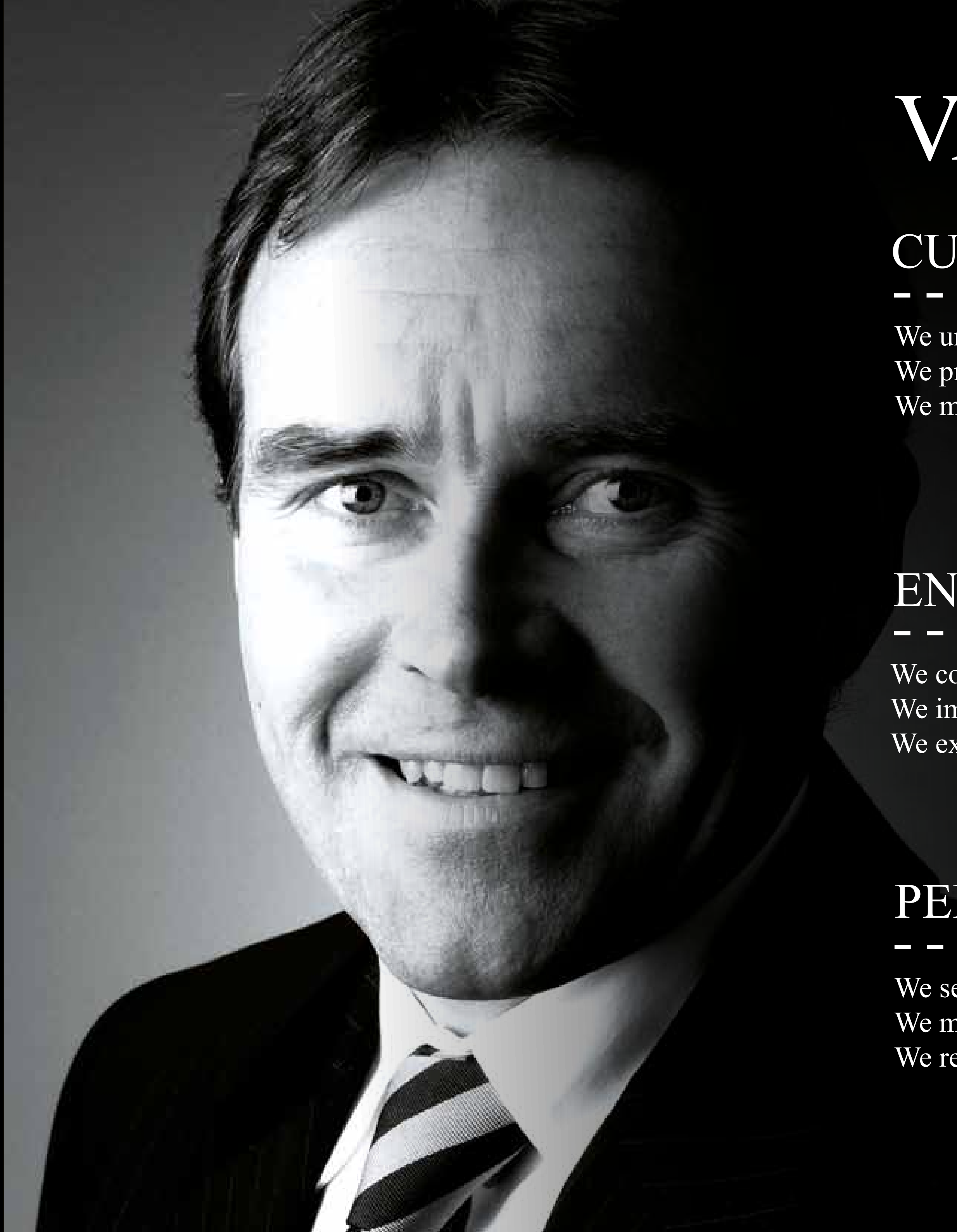
-2,7 milj.

Equity-to-assets ratio





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.

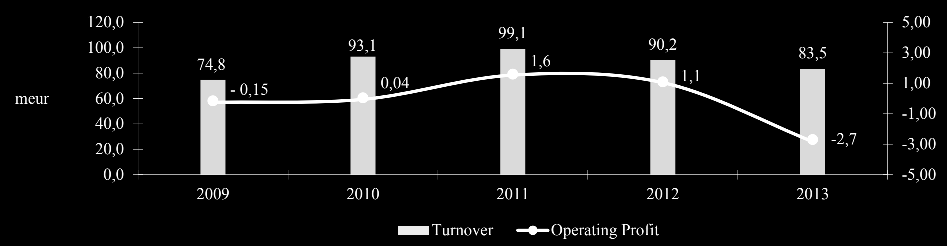
REVIEW OF THE BOARD OF DIRECTORS

Wulff Group Plc's review of the Board of Directors

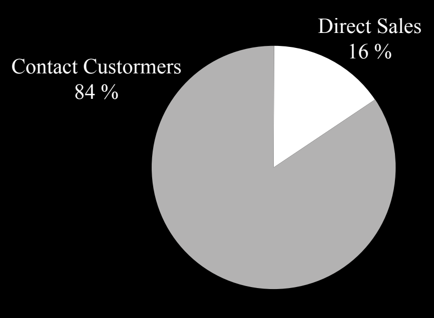
Result Impacted by Difficult Market Situation and Impairments

- Net sales totalled EUR 83.5 million (EUR 90.2 million) in 2013. Compared to 2012, net sales decreased by seven percentages cumulatively.
- In 2013, EBITDA was EUR 0.00 million (EUR 2.3 million) being 0.0 percentages (2.5 %) of net sales.
- The operating result was also impacted by an impairment of EUR 0.6 million in the Group's business gifts' goodwill in September and EUR 1.0 million in the Finnish office supplies business in December.
- The result was impacted by a total of EUR -2.6 million non-recurring items of which EUR -1.8 million impacted operating result and EUR -0.8 million impacted financial items and taxes.
- Earnings per share (EPS) were EUR -0.59 (EUR 0.11)
- Equity-to-assets ratio was 38.3 percentages (December 31, 2012: 44.3 %).
- Equity per share amounted to EUR 1.80 (December 31, 2012: EUR 2.51).
- The Board of Directors proposes to the Annual General Meeting that no dividend will be distributed for the financial year 2013.

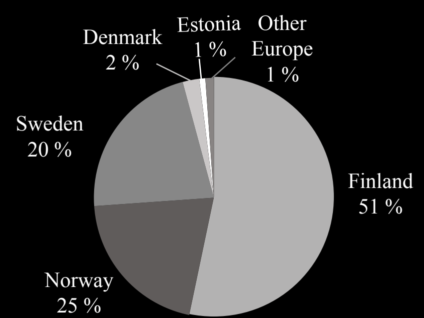
Turnover and operating profit 2009 - 2013



Net sales by operating segments



Net sales by geographical markets



Group's Net Sales and Performance

Net sales totalled EUR 83.5 million (EUR 90.2 million) in 2013. Compared to 2012, net sales decreased by seven percentages cumulatively. In 2013, EBITDA was EUR 0.00 million (EUR 2.3 million) being 0.0 percentages (2.5 %) of net sales.

The general economic situation remained difficult which impacted the demand in the office supply markets. The operating result was also impacted by an impairment of EUR 0.6 million in the Group's business gifts' goodwill in September and EUR 1.0 million in the Finnish office supplies business in December. Additionally the result was impacted by inventory write-downs and bad debts of EUR 0.12 million. The reported operating result including the impairments was EUR -2.7 million (EUR 1.1 million). In 2013, operating result (EBIT) excluding the non-recurring goodwill impairments totalled EUR -1.1 million (EUR 1.1 million). The reported operating result including the impairments was EUR -2.7 million (EUR 1.1 million). In the cost-saving program performed in the year-end 2013, the target is to gain annual savings of EUR 2.0 million which are estimated to impact the result mainly in 2014. 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: "The difficult economic situation in our markets impacted strongly our product demand in 2013. Despite our many achievements Wulff's financial result 2013 was a disappointment. We have adjusted our operations by many cost-saving actions. In 2014 we search for growth in the international fair services and new product categories such as led lighting. In order to ensure our competitiveness and competitive advantage to be our industry pioneer also in the future, we shall focus on those issues that are the most important for our customers. Customer focus has been in our values already for more than 120 years – and we will also continue that way in the future. Success will be built by developing our operations with long-term partnerships together with our customers."

In 2013 the financial income and expenses netted EUR -0.7 million (EUR -0.1 million) including dividend income of EUR 0.01 million (EUR 0.02 million), interest expenses of EUR 0.2 million (EUR 0.2 million), allowances of EUR 0.2 million (EUR 0.0 million) for given bank guarantee receivables as well as mainly currency-related other financial items (net) EUR -0.3 million (EUR +0.1 million).

The result before taxes was EUR -3.4 million (EUR 1.0 million). The net result after taxes was EUR -3.9 million (EUR 0.9 million).

Earnings per share (EPS) were EUR -0.59 (EUR 0.11) in 2013.

Return on investment (ROI) was -13.9 percentages (4.7 %). Return on equity (ROE) was -25.6 percentages (5.1 %).

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 totalled EUR 70.7 million (EUR 76.3 million) in 2013. The general economic situation and the decrease in the products' demand have led to the decrease in net sales. The division's operating result was also impacted by inventory write-downs.

The Contract Customers division's operating result was also impacted by an impairment of EUR 0.6 million in the business gifts' goodwill in September and EUR 1.0 million in the Finnish office supplies business in December. The division's operating result (EBIT) excluding the non-recurring goodwill impairments totalled EUR -0.1 million (EUR 2.04 million). The reported operating result including the impairments was EUR -1.69 million (EUR 2.04 million).

International fair services with the net sales of EUR 8 million (EUR 7 million) are an even more significant part of Wulff's business. In spring 2013 Wulff Entre established its fair service sales in the Swedish markets by opening its own operations in Sweden. Wulff Entre's investments in sales and its development have resulted in both stronger customer relationships and an increase in clientele in Finland, Russia and Germany. In Sweden Wulff Entre has won new customers who have already given good feedback on Wulff Entre's services and know-how. In 2013 Wulff Entre exported Finnish companies' know-how to more than 30 countries. Wulff Entre is the market leader in its field in Finland and the customers have had a solid trust in Wulff Entre's ability to find the right international venues for over 90 years already.

The net sales and profitability of Wulff's Scandinavian operator Wulff Supplies AB decreased in 2013. Today almost half of the Group's net sales come from Scandinavia. Office supply markets have decreased in Finland and also some in Scandinavia. Wulff's position in the market is strong. Wulff Supplies serves the Group's Scandinavian and pan-Nordic customers.

The Group's web store Wulffinkulma.fi has increased its net sales. According to the strategy, Wulff has developed its sales channels and its whole service range to be more versatile. Wulff stores serve locally small and mid-sized corporate customers, entrepreneurs and consumers. In summer 2013 Wulff Helsinki store moved to new premises in Konala, Helsinki. The new store is located along excellent traffic routes in a business centre which enables to attract plenty of new customers. Since 2013 for the first time, the stores exhibit the Group's entire product range, Wulff's Green products and recycling centres. The stores exhibit also seasonal business gifts.

Traditionally the Contract Customers 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. The markets have not improved as expected and the demand for Wulff's products has continued to decrease. In September 2013, Wulff reported an impairment of EUR 0.6 million from its business gift goodwill which decreased down to EUR 0.7 million.

As the industry pioneer and the most professional partner Wulff believes to have a good position to serve its customers as broadly and versatile as possible when the markets start turning up again. In a poor general economic situation companies search for cost saving solutions and Wulff is the partner capable of offering such savings

Direct Sales Division

The Direct Sales Division aims to improve its customers' daily operations with innovative products as well as the industry's most professional personal and local service. In 2013 the division's net sales totalled EUR 12.9 million (EUR 14.0 million) and operating result was EUR -0.11 (EUR -0.04 million). The division's result was impacted by inventory write-downs and bad debts.

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 improve the sales operations.

Wulff's sales growth is fuelled most importantly by the sales personnel. Successful recruiting affects especially the performance of Direct Sales. Wulff is prepared to employ new sales talents also in the times of economic slowdown. 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 was EUR 0.6 million (EUR 3.3 million). Typically in this industry the result and cash flow are generated in the last quarter.

For its fixed asset investments the Group paid a net of EUR 0.7 million (EUR 0.7 million). In 2013 the Group paid back loans of net EUR 0.03 million (EUR 1.85 million, net).

In general the Group's cash balance decreased by EUR 1.0 million in 2013 (EUR +0.3 million). The Group's bank and cash funds totalled EUR 2.7 million in the beginning of the year and EUR 1.8 million in the end of the reporting period.

In the end of the financial year 2013 the Group's equity-to-assets ratio was 38.3 percentages (December 31, 2012: 44.3 %). Equity attributable to the equity holders of the parent company amounted to EUR 1.80 per share (December 31, 2012: EUR 2.51).

REVIEW OF THE BOARD OF DIRECTORS

Wulff Group Plc's review of the Board of Directors

Decisions of Wulff Group's Annual General Meeting

Wulff Group Plc's Annual General Meeting held on April 10, 2013 decided to pay a dividend of EUR 0,08 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 Ari Pikkarainen, Sakari Ropponen, Andreas Tallberg, Vesa Tengman and Heikki Vienola were re-elected. The new elected board member was Tarja Pääkkönen (born 1962), who is a partner at Boardman Oy and holds multiple board member positions in several companies. 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, 2014.

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 the end of the reporting period the share was valued at EUR 1.57 (EUR 1.77) and the market capitalization of the outstanding shares totalled EUR 10.2 million (EUR 11.5 million).

In 2013 no own shares were reacquired. As a part of Wulff Group's key personnel's share-based incentive plan introduced in February 2011, the Board of Directors decided in May 2013 to grant 6,000 treasury shares without compensation to the Group's key person who may not transfer the shares during a restriction period of two years. In the end of December 2013, the Group held 79,000 (December 31, 2012: 85,000) own shares representing 1.2 percentage (1.3 %) of the total number and voting rights of Wulff shares. According to the Annual General Meeting's authorisation on April 10, 2013, 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, 2014.

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 May 8, 2013, 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 2013, one key person earned 6,000 shares which were handed over on May 5, 2013. 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 2012 and 2013. There were no disclosed notifications on changes in major share holdings in 2013.

Personnel

In 2012, the Group's personnel totalled 311 (343) employees on average. In the end of the year, the Group had 295 (326) employees of which 115 (125) 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.

The Group's Executive Board

The Group's Executive Board remain the same as in 2012.

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 (Samu Vuorio since February 2014)
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

Wulff Group Plc's review of the Board of Directors

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.

In case of long-term economic slowdown and poor financial performance it is even more important to ensure the adequacy of financing. 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. On December 31, 2013 the equity ratio was 38.3 % (44.3 %). On December 31, 2013 the interest-bearing debt/EBITDA ratio (requirement max. 3.5) was breached due the loss in 2013. During the end of 2013 the group management negotiated with the banks which will require a non-recurring waiver fee from the company.

Subsequent events

20% of Wulff Liikelahjat Oy was sold to an external non-controlling shareholder in January 2014.

Board of Directors' Dividend Proposal

The Group's parent company Wulff Group Plc's distributable funds totalled EUR 1.9 million. The Group's net result attributable to the parent company shareholders was EUR -3.9 million (EUR 0.7 million) i.e. EUR -0.59 per share (EUR 0.11 per share). The Board of Directors proposes to the Annual General Meeting that no dividend will be distributed for the financial year 2013 and the financial year's loss will be transferred in the retained earnings in the shareholders' equity.

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.

Wulff's management believes the demand for office supplies will recover earliest in late 2014. Operating result is believed to improve in 2014 due to cost savings. Typically in the industry, the annual profit is made in the last quarter of the year.

Wulff continues to improve the efficiency of its operations along the continuous renewal in order to increase the Group's profitability and to reach its long-term financial targets. In the cost-saving program performed in the year-end 2013, the target is to gain annual savings of EUR 2.0 million which are estimated to impact the result mainly in 2014.

The Group focuses strongly on sales activities, the development of its sales operations and new solutions offered to customers. Examples of new products and services, which have already received good customer feedback, are LED lights and lighting solutions as well as acoustic panels improving work environment, personnel well-being and ecological objectives.

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 2014.

INTERNATIONALISATION

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


WULFF VASA
19.10.1982

STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF CASH FLOW

INCOME STATEMENT

EUR 1000	Note	Jan 1 - Dec 31, 2013	Jan 1 - Dec 31, 2012
Net sales	**2, 4**	**83 543**	**90 238**
Other operating income	5	110	200
Materials and services	6	-55 190	-58 260
Employee benefit expenses	7	-17 811	-18 755
Other operating expenses	8	-10 649	-11 155
EBITDA		**3**	**2 269**
Depreciation and amortization	9	-1 104	-1 136
Operating profit (EBIT)		**-2 721**	**1 132**
Financial income	10	155	272
Financial expenses	10	-829	-413
Profit before taxes		**-3 395**	**990**
Income taxes	11	-510	-100
Net profit/loss for the period		**-3 904**	**890**
Attributable to:			
Equity holders of the parent company		-3 874	717
Non-controlling interests		-31	173
Earnings per share for profit attributable to the equity holders of the parent company:			
Earnings per share, EUR (diluted = non-diluted)	12	-0,59	0,11

STATEMENT OF COMPREHENSIVE INCOME

EUR 1000		Jan 1 - Dec 31, 2013	Jan 1 - Dec 31, 2012
Net profit/loss for the period		**-3 904**	**890**
Other comprehensive income, net of tax			
Change in translation differences	11	-258	181
Fair value changes on available-for-sale investments	11	-50	-22
Total other comprehensive income		**-308**	**159**
Total comprehensive income for the period		**-4 212**	**1 049**
Total comprehensive income attributable to:			
Equity holders of the parent company		-4 148	839
Non-controlling interests		-64	210

STATEMENT OF CASH FLOW

EUR 1000	Note	Jan 1 - Dec 31, 2013	Jan 1 - Dec 31, 2012
Cash flow from operating activities:			
Cash received from sales		85 210	93 018
Cash received from other operating income		114	65
Cash paid for operating expenses		-84 131	-89 063
Cash flow from operating activities before financial items and income taxes		1 193	4 020
Interest paid		-136	-169
Interest received		30	39
Income taxes paid		-520	-592
Cash flow from operating activities		**567**	**3 297**
Cash flow from investing activities:			
Investments in intangible and tangible assets		-828	-946
Proceeds from sales of intangible and tangible assets		123	269
Disposal of other non-current investments		11	12
Loans granted		-65	-13
Repayments of loans receivable		34	8
Cash flow from investing activities		**-725**	**-670**
Cash flow from financing activities:			
Acquisition of own shares	22	0	0
Dividends paid	23	-638	-531
Dividends received	10	7	20
Payments for subsidiary acquisitions		-33	-129
Payments received for subsidiary share disposals		0	81
Cash paid for (received from) short-term investments (net)		95	-32
Withdrawals and repayments of short-term loans		1 357	-254
Withdrawals of long-term loans		0	355
Repayments of long-term loans		-1 385	-1 952
Cash flow from financing activities		**-598**	**-2 443**
Change in cash and cash equivalents		**-756**	**184**
Cash and cash equivalents at the beginning of the period		2 749	2 464
Translation difference of cash		-219	101
Cash and cash equivalents at the end of the period	21	1 774	2 749

STATEMENT OF FINANCIAL POSITION

EUR 1000	Note	Dec 31, 2013	Dec 31, 2012
ASSETS			
Non-current assets			
Goodwill	13, 14	7 845	9 546
Intangible assets	13	1 180	1 308
Property, plant and equipment	13	1 536	1 890
Non-current financial assets			
Long-term receivables from related parties	15, 29	25	33
Long-term receivables from others	15	10	10
Available-for-sale investments	16	246	327
Deferred tax assets	11	1 737	1 972
Total non-current assets		**12 578**	**15 085**
Current assets			
Inventories	17	9 053	10 236
Short-term receivables			
Loan receivables from others	18	20	16
Trade receivables from related parties	19, 29	49	0
Trade receivables from others	19	9 543	10 301
Advance payments		57	176
Other receivables		680	1 191
Accrued income and expenses	19	1 400	1 683
Financial assets recognised at fair value through profit and loss	20	3	78
Cash and cash equivalents	21	1 774	2 749
Total current assets		**22 578**	**26 430**
TOTAL ASSETS		**35 156**	**41 515**

EUR 1000	Note	Dec 31, 2013	Dec 31, 2012
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		1 190	5 849
Equity attributable to the equity holders of the parent company		11 725	16 384
Non-controlling interests		1 137	1 283
Total equity	**22, 23, 24**	**12 861**	**17 667**
Non-current liabilities			
Interest-bearing liabilities	25	4 825	6 008
Deferred tax liabilities	11	39	102
Total non-current liabilities		4 864	6 109
Current liabilities			
Interest-bearing liabilities	25	2 839	1 685
Trade payables		7 375	8 415
Advance payments		1 580	1 628
Other liabilities	27	1 675	2 101
Accrued income and expenses	27	3 962	3 909
Total current liabilities		**17 431**	**17 738**
TOTAL EQUITY AND LIABILITIES		**35 156**	**41 515**

BEAUTIFY YOUR SOUNDSCAPE!

Now, acoustic boards as Wulff's new release! You can improve the soundscape and coziness of a space naturally with our Innofur acoustic boards. The boards provide a healthier soundscape in a beautiful way: you can have them tinted in different colours and cut in a desired shape. Both the standard sized boards as well as the custom made boards can be printed with an interesting pattern, a logo or a picture. This ecological and beautiful form of environmental art will have a positive impact on your well-being!

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, 2012		**2 650**	**7 662**	**223**	**-283**	**-116**	**5 860**	**15 996**	**1 198**	**17 194**
Net profit/loss for the period		0	0	0	0	0	717	717	173	890
Other comprehensive income*:		0	0	0	0	0	0	0	0	0
Change in translation differences		0	0	0	0	144	0	144	37	181
Fair value changes on available-for-sale investments		0	0	0	0	0	-22	-22	0	-22
Comprehensive income *		0	0	0	0	144	695	839	210	1 049
Transactions with the shareholders:		0	0	0	0	0	0	0	0	0
Dividends paid	23	0	0	0	0	0	-457	-457	-77	-534
Treasury share acquisition	0	0	0	0	0	0	0	0	0	0
Share-based payments	24	0	0	0	0	0	5	5	0	5
Changes in ownership	3	0	0	0	0	0	0	0	-48	-48
Equity on Dec 31, 2012	**22**	**2 650**	**7 662**	**223**	**-272**	**28**	**6 093**	**16 384**	**1 283**	**17 667**
		0	0	0	0	0	0	0	0	0
Equity on Jan 1, 2013		**2 650**	**7 662**	**223**	**-272**	**28**	**6 093**	**16 384**	**1 283**	**17 667**
Net profit/loss for the period		0	0	0	0	0	-3 874	-3 874	-31	-3 904
Other comprehensive income*:		0	0	0	0	0	0	0	0	0
Change in translation differences		0	0	0	0	-225	0	-225	-34	-258
Fair value changes on available-for-sale investments		0	0	0	0	0	-50	-50	0	-50
Comprehensive income *		0	0	0	0	-225	-3 923	-4 148	-64	-4 212
Transactions with the shareholders:		0	0	0	0	0	-522	-522	-117	-638
Dividends paid	23	0	0	0	0	0	0	0	0	0
Treasury share acquisition	0	0	0	0	0	0	0	0	0	0
Treasury share disposal	22	0	0	0	12	0	-12	0	0	0
Share-based payments	24	0	0	0	0	0	11	11	0	11
Changes in ownership	3	0	0	0	0	0	0	0	35	35
Equity on Dec 31, 2013	**22**	**2 650**	**7 662**	**223**	**-260**	**-196**	**1 647**	**11 725**	**1 137**	**12 862**

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 17 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, 2014. 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, 2013. 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 2013:

- 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.

Other standards or interpretations effective in 2013, 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:

- 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 IFRS 9 Financial Instruments* and subsequent amendments (the effective date has been postponed): 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. Amendments dealing with general hedge accounting were issued in November 2013. The unfinished part of IFRS 9, impairment of financial assets, is 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

Foreign Currency Items

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

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

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

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

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

Revenue Recognition

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

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

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

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

Goodwill and Other Intangible Assets

Goodwill represents the excess of the acquisition cost, the non-controlling interests and the previously owned share in total over the fair value of the Group's share of the net identifiable assets of a subsidiary acquired. Business combinations made during January 1, 2004-December 31, 2009 are treated in accordance with the previous standard IFRS 3. The goodwill of business combinations carried out previously corresponds to the carrying amount complying with the accounting standards previously in use, which has been used as the default acquisition cost. Goodwill is allocated to those cash-generating units that are expected to benefit from the synergies arising from the business combination. Goodwill is not systematically amortized but it is tested annually for possible impairment. Goodwill is measured at the original value less impairment which is not cancelled later.

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

The expected useful lives are:

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

Tangible Assets

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

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

The expected useful lives are:

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

Ordinary maintenance and repair costs are expensed as incurred.

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

Depreciations are discontinued when the tangible asset is classified as being held-for-sale in accordance with standard IFRS 5 'Non-Current Assets Held-for-sale and Discontinued Operations'. The Group did not have such assets in 2012-2013.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

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, 2013 and December 31, 2012.

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.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

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, 2013 nor .December 31, 2012.

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

20% of Wulff Liikelahjat Oy was sold to an external non-controlling shareholder in January 2014. There have been no other material events after the end of the financial year January 1 – December 31, 2013.

2. Segment information

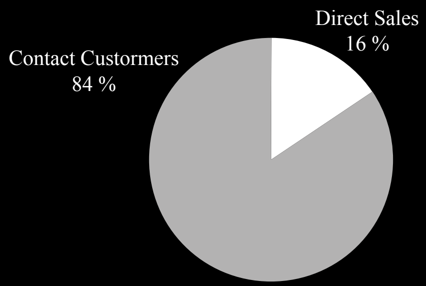
Wulff Group consists of two strategically different operating segments: Contract Customers division and Direct Sales division. Operating segments are based on IFRS 8 and the Group's internal reporting practice, where the different businesses are organized and led by divisions. All 18 group companies belong to these operating segments based on their different services, marketing strategies and distribution channels. Contract Customers division consists of 9 subsidiaries and Direct Sales division consists of 7 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.

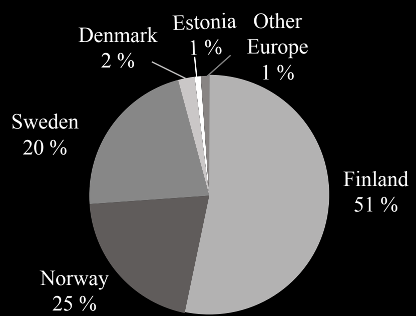
The Direct Sales Division aims to improve its customers' daily operations with innovative products as well as the industry's most professional personal and local service. The product range of Direct Sales companies consists of e.g. office supply specialties, IT products as well as ergonomics and first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

Net sales by operating segments



Net sales by geographical markets



Operaing Segments

Net sales by operating segments

EUR 1000	2013	2012
Contract Customers Division		
Sales to external customers	71 120	76 107
Intragroup sales to other segments	-451,153	143,23651
Total Contract Customers Division	70 669	76 250
Direct Sales Division		
Sales to external customers	12 279	13 874
Intragroup sales to other segments	614	149
Total Direct Sales Division	**12 892**	**14 023**
Group Services		
Sales to external customers	145	257
Intragroup sales to other segments	515	822
Total Group Services	659	1 079
Intragroup eliminations between segments	-677	-1 114
Total net sales	83 543	90 238

Revenue from any individual customer did not exceed 10 percent share of the consolidated revenue in 2012 or 2013.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

Result by operating segments 2013

EUR 1000	Contract Customers	Direct Sales	Group services and non-allocated items	Eliminations	Group
Net sales	70 669	12 892	659	-677	83 543
Expenses	-70 125	-12 875	-1 217	677	-83 540
EBITDA	543	18	-558	0	3
Depreciations	-613	-126	-365		-1 104
Goodwill impairment	-1 619				-1 619
Operating profit (EBIT)	-1 689	-108	-923	0	-2 720
Financial income (non-allocated)					155
Financial expenses (non-allocated)					-829
Profit before taxes	-1 689	-108	-923	0	-3 394

Result by operating segments 2012

EUR 1000	Contract Custom-ers	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	0	-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

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	2013		2012	
Finland	45 692	55 %	46 837	52 %
Norway	27 663	33 %	30 856	34 %
Sweden	16 910	20 %	22 328	25 %
Denmark	1 478	2 %	1 704	2 %
Estonia	688	1 %	603	1 %
Net sales between countries	-8 887	-11 %	-12 090	-13 %
Net sales total	83 543	100 %	90 238	100 %

External net sales by customers' locations

EUR 1000	2013		2012	
Finland	44 512	53 %	45 887	51 %
Norway	17 204	21 %	22 531	25 %
Sweden	18 334	22 %	18 335	20 %
Denmark	1 865	2 %	2 112	2 %
Estonia	677	1 %	594	1 %
Other European countries	851	1 %	513	1 %
Other countries	100	0 %	266	0 %
Net sales total	83 543	100 %	90 238	100 %

Non-current assets by group companies' locations

EUR 1000	2013		2012	
Finland	8 027	76 %	9 859	77 %
Sweden	2 277	22 %	2 538	20 %
Norway	250	2 %	344	3 %
Estonia	6	0 %	3	0 %
Total non-current assets	10 561	100 %	12 743	100 %

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.

In 2013, the Group's ownership in Wulff Supplies AB, Wulff Supplies AS and Wulff Supplies A/S rose from 82 percentages to 83 percentages when Wulff Group Plc acquired the shares (1%) from an employee leaving Wulff Supplies.

Mergers

In 2012, there were no mergers. In 2013, Wulff Novelties Oy merged with Wulff Oy and KB-Tuote Oy merged with Wulff Liikelahjat Oy.

4. Net sales

EUR 1000	2013	2012
Sales of products and related services	75 834	83 151
Sales of fair services (including income based on percentage-of-completion method)	7 709	7 087
Total	83 543	90 238

5. Other operating income

EUR 1000	2013	2012
Sales gains from tangible assets	55	141
Rental income	10	11
Other	45	48
Total	110	200

6. Materials and services

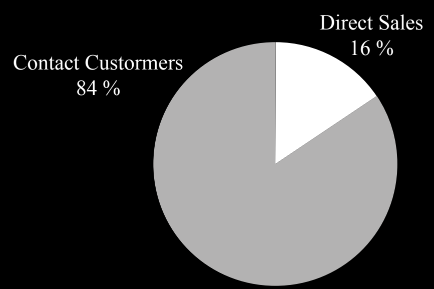
EUR 1000	2013	2012
Materials, supplies and products		
Purchases during the financial year	54 160	57 113
Change in inventories	584	331
External services	446	816
Total	55 190	58 260

7. Employee benefits

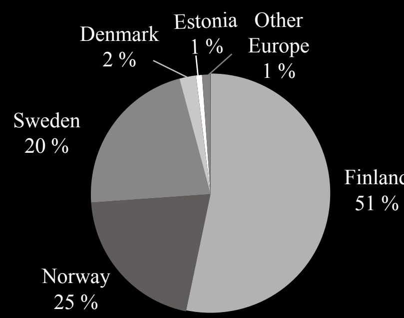
EUR 1000	2013	2012
Salaries and fees	14 049	14 755
Pension expenses (defined contribution plans)	1 957	2 020
Other personnel expenses	1 800	1 975
Share-based payments (share rewards settled in shares)	6	5
Total	17 812	18 755
Average number of employees in accounting period	317	343
Personnel at the end of period	295	326

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.

Net sales by operating segments



Net sales by geographical markets



NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

8. Other operating expenses

EUR 1000	2013	2012
Rents	1 915	2 018
Travel and car expenses	2 332	2 570
ICT expenses	1 074	1 080
External logistics expenses	1 426	1 393
Marketing, PR and entertainment expenses	570	612
Credit losses and bad debt allowances of sales receivables	116	31
Fees to auditors *	168	119
Other	3 048	3 332
Total	10 649	11 155

* Fees to auditors total in all group companies:

Approved audit firm KPMG Oy Ab

EUR 1000	2013	2013
Audit	47	60
Tax services	1	9
Other services	24	51
Total	72	119

Other approved audit firms

EUR 1000	2013	2013
Audit	8	0
Tax services	2	3
Other services	86	17
Total	96	20

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

9. Amortization, depreciation and impairment

EUR 1000	2013	2012
Amortization and depreciation during the period:		
Amortization of intangible assets:		
Customer relationships	-77	-79
Other intangible assets	-394	-357
Total amortization of intangible assets	-471	-436
Depreciation of tangible assets:		
Machinery and equipment	-611	-673
Other tangible assets	-22	-28
Total depreciation of tangible assets	-633	-700
Total amortization and depreciation	-1 104	-1 136
Impairment during the period:		
Impairment of goodwill	-1 620	
Total amortization, depreciation and impairment	-2 724	-1 136

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

10. Financial income and expenses

EUR 1000	2013	2012
Financial income:		
Interest income	30	39
Dividend income	7	20
Foreign exchange gains and other financial income	118	213
Financial income total	155	272
Financial expenses:		
Interest expenses	202	226
Change in fair value of assets recognised at fair value through profit or loss, realized *	0	0
Foreign exchange losses and other financial expenses	627	187
Financial expenses total	829	413

* 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 -22 thousand euros in 2012 and -50 thousand euros in 2013.

11. Income taxes

Income taxes in the income statement

EUR 1000	2013	2012
Income taxes for the financial year	-119	-463
Income taxes for the previous years	-207	-4
Deferred taxes:		
Change in deferred tax assets	-244	339
Change in deferred tax liabilities	60	29
Total	-510	-100

Income tax reconciliation

EUR 1000	2013	2012
Income taxes according to the Finnish tax rate (2012-2013: 24,5%)	832	-243
Different tax rates abroad	-11	-86
Non-deductible expenses and tax-free income	-423	-36
Tax impact from the current year's losses for which no defta benefit is recognized	-238	-6
Income taxes for previous years, allowances of corporate tax credits	-207	-4
Changes in deferred tax assets and liabilities recognized in previous years	-2	258
Impact of the tax rate changes on deferred tax assets and liabilities	-435	19
Group consolidation and eliminations	-27	-2
Income taxes in the income statement	-510	-100

* 2013: Tax rate change in Finland since January 1, 2014.
2012: Tax rate change in Sweden since January 1, 2013

Taxes for other comprehensive income, 2013

EUR 1000	Pre-tax	Taxes	Net of tax
Translation differences	-258	0	-258
Fair value changes on available-for-sale investments	-62	12	-50
Total other comprehensive income	-320	12	-308

Taxes for other comprehensive income, 2012

EUR 1000	Pre-tax	Taxes	Net of tax
Translation differences	181		181
Fair value changes on available-for-sale investments	-29	7	-22

Changes in deferred taxes 2013

EUR 1000	Jan 1, 2013	Income statement	Equity	Translation differences	Dec 31, 2013
Deferred tax assets:					
Confirmed losses	1 074	-16		-18	1 039
Provisions	8	1		-1	8
Depreciation differences	862	-197		0	665
Group consolidation and eliminations	18	-14		0	5
Other temporary differences	10	-17	28	0	20
Deferred tax assets total	1 972	-244	28	-20	1 736
Deferred tax liabilities:					
Depreciation differences and other untaxed reserves	19	-10	0	-2	7
Fair value changes in net assets acquired	36	-17		0	19
Other temporary differences	47	-33			13
Deferred tax liabilities total	102	-60	0	-2	39
Deferred tax assets, net	1 870	-183	28	-18	1 697

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		-3	19
Fair value changes in net assets acquired	60	-24		0	36
Other temporary differences	43	-2		6	47
Deferred tax liabilities total	128	-29	0	2	102
Deferred tax assets, net	1 493	368	7	3	1 870

For the Group companies' previous years' confirmed taxable losses, a deferred tax asset of 1,039 thousand euros has been booked, of which 173 thousand euros will fall due in 5 years, 782 thousand euros in 5-10 years and 84 thousand euros can be utilized indefinitely. As of December 31, 2013, the Group had confirmed tax losses carried forward of 2.391 thousand euros (Dec 31, 2012: 1.148 thousand euros) for which the deferred tax asset of 523 thousand euros (Dec 31, 2012: 303 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, 2013 includes deferred tax assets of 893 thousand euros (Dec 31, 2012: 558 thousand euros) in group companies which made a loss in 2013. 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.

12. Earnings per share

	2013	2012
Profit for the period attributable to the equity holders of the parent company, EUR 1000	-3 874	717
/ Weighted average number of shares; diluted = non-diluted (1,000 shares)	6 526	6 522
Earnings per share (EPS); Diluted = non-diluted, EUR	-0,59	0,11

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

13. Liikearvo sekä aineettomat ja aineelliset hyödykkeet

2013	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	**11 400**	633	2 399	18	**3 050**	228	0	6 300	180	**6 707**
Additions	**0**	0	359	0	**359**	0	0	414	5	**419**
Disposals	**0**	0	-20	0	**-20**	0	0	-577	0	**-577**
Reclassifications between accounts	**0**	0	4	-18	**-14**	0	0	0	14	**14**
Translation differences	**-82**	0	-2	0	**-2**	0	0	-28	1	**-27**
Acquisition cost, Dec 31	**11 318**	633	2 740	0	**3 373**	228	0	6 109	200	**6 537**
Accumulated depreciation and impairment, Jan 1	**-1 854**	-469	-1 273	0	**-1 742**	0	0	-4 683	-134	**-4 817**
Disposals	**0**	0	20	0	**20**	0	0	450	0	**450**
Reclassifications between accounts	**0**	0	0	0	**0**	0	0	0	0	**0**
Depreciation during the period	**0**	-77	-394	0	**-471**	0	0	-611	-22	**-633**
Impairment during the period	**-1 620**	0	0	0	**0**	0	0	0	0	**0**
Translation differences	**1**	0	0	0	**0**	0	0	0	0	**0**
Accumulated depreciation and impairment, Dec 31	**-3 473**	-545	-1 647	0	**-2 193**	0	0	-4 845	-156	**-5 001**
Book value, Jan 1	**9 546**	164	1 126	18	**1 308**	228	0	1 616	46	**1 890**
Book value, Dec 31	**7 845**	87	1 093	0	**1 180**	228	0	1 264	44	**1 536**

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**
Reclassifications between accounts	**0**	0	0	0	**0**	0	0	0	0	**0**
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**

14. Goodwill allocation and impairment test

EUR 1000	2013	2012
Contract Customers division:		
Office supplies / Finland (Wulff Oy Ab, Torkkelin Paperi Oy)	3 500	4 490
Office supplies / Scandinavia (Wulff Supplies AB)	1 810	1 868
Fair services / Finland (Entre Marketing Oy)	1 671	1 671
Business gifts / Finland (Ibero Liikelahjat Oy, KB-Tuote Oy)	700	1 329
Contract Customers division total	7 682	9 359
Direct Sales division:		
Direct Sales / Norway (Wulff Direct AS)	164	186
Direct Sales division total	164	186
Goodwill total	**7 845**	**9 546**

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 12.2 percentages (31.12.2012: 10,4%). 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 until 31.12.2012. The assets tested totalled approximately EUR 7 million. As a results of the impairment tests EUR -1.0 million impairment were booked. 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 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 12.2 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 2.0 million arising from the acquisition of Wulff Supplies AB. The assets tested totalled approximately EUR 4,5 million and the discounted value-in-use is approximately EUR 7 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 2014 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, 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.

The goodwill arising from the acquisition of Entre Marketing Oy operating in fair services totalled EUR 1.7 million and the discounted value-in-use is approximately EUR 5 million. 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. As a results of current difficult market situation and operating losses EUR -0.6 million impaiment were booked in September 2013. After that the assets tested totalled approximately EUR 2.0 million and the discounted value-in-use is approximately EUR 2. million. 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 0.3 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 2013. 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	2013	2012
Carrying amount, Jan 1	33	87
Additions during the financial year	0	0
Disposals during the financial year	-33	-54
Carrying amount, Dec 31	0	33

The related party transactions are presented in Note 29.

Long-term receivables from others

EUR 1000	2013	2012
Quaranty deposits, Carrying amount, Jan 1	10	10
Quaranty deposits, Carrying amount, Dec 31	**35**	**10**

16. Available-for-sale investments

EUR 1000	2013	2012
Carrying amount, Jan 1	327	367
Additions during the financial year		
Disposals during the financial year	-19	-12
Change in fair value reported in the Statement of Comprehensive Income	-62	-29
Carrying amount, Dec 31	246	327

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	2013	2012
Products	8 915	10 062
Work in process	31	10
Prepayments for inventories	108	164
Total	**9 053**	**10 236**

In 2013, an expense of 0.5 million euros was booked from the inventories (0.2 million euros).

18. Current loan receivables

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

Loan receivables from related parties

EUR 1000	2013	2012
Carrying amount, Jan 1.	0	0
Disposals	0	0
Carrying amount, Dec 31.	**0**	**0**

Loan receivables from others

EUR 1000	2013	2012
Carrying amount, Jan 1.	16	51
Additions	4	30
Disposals	0	-25
Impairment	0	-40
Carrying amount, Dec 31.	20	16

19. Short-term non-interest-bearing receivables

Trade receivables

EUR 1000	2013	2012
Trade receivables from related parties	49	0
Trade receivables from others	9 543	10 301
Trade receivables total	9 592	10 301

Aging analysis of sales receivables

EUR 1000	2013		2012	
Not due (value not impaired)	7 727	81 %	8 701	84 %
Due (value not impaired):				
Less than 1 month	1 590	17 %	1 207	12 %
More than 1 month - less than 3 months	178	2 %	228	2 %
More than 3 months - less than 6 months	53	1 %	124	1 %
More than 6 months	44	0 %	40	0 %
Total	9 592	100 %	10 301	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	2013	2012
Valued added tax receivables	42	336
Other receivables	694	854
Other receivables total	736	1 190

Accrued income and expenses

EUR 1000	2013	2012
Income tax receivable	160	41
Corporate tax credits	0	207
Accruals for employee benefits (e.g. pension expense accruals)	64	159
Sales accruals of partial recognition based on percentage-of-completion method	433	614
Sales accruals of other businesses	0	156
Other accruals	743	506
Accruals total	1 400	1 683

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

EUR 1000	2013	2012
Carrying amount, Jan 1	77	56
Additions during the financial year	23	104
Disposals during the financial year	-97	-83
Carrying amount, Dec 31	**3**	**77**

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, 2013 (EUR 1000)	Total	Level 1	Level 2	Level 3
Available-for-sale financial assets	246	125		121
Financial assets recognised at fair value through profit and loss (held-for-trading)	3	3		
Total	249	128	0	121

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**

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	2013	2012
Cash and bank	1 774	2 749
Total	**1 774**	**2 749**

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 2012 and 2013. There were no disclosed notifications on changes in major share holdings in 2013.

	Share total	Treasury shares	Outstanding shares
Jan 1, 2012	6 607 628	-90 000	6 517 628
Acquisitions of own shares		0	0
Allocations of own shares to key personnel		5 000	5 000
Dec 31, 2012	6 607 628	-85 000	6 522 628
Allocations of own shares to key personnel		6 000	6 000
Dec 31, 2013	6 607 628	-79 000	6 528 628

Treasury shares

Authorized by the Annual General Meeting held on April 10, 2013, 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 2013, no own shares were reacquired. As a part of the Group's share-based incentive scheme, Wulff Group granted 6.000 own shares to a key person in May 2013. In the end of the reporting period, the Group held a total of 79,000 own shares (85,000 as of December 31, 2012) representing 1.2 percentage (1.3 %) of the total number and voting rights of Wulff shares.

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 1.93 million. The Board of Directors proposes to the Annual General Meeting that no dividend will be distributed for the financial year 2013 and the financial year's loss will be transferred in the retained earnings in the shareholders' equity.

Parent company's distributable funds:

EUR	Dec 31, 2013	Dec 31, 2012
Fund for invested non-restricted equity	223 051,20	223 051,20
Treasury shares	-260 069,83	-271 069,83
Retained earnings from previous years	4 947 165,01	5 180 126,43
Net result for the period	-2 978 443,61	299 848,82
Distributable funds total	1 931 702,77	5 431 956,62
- dividend distribution total	0,00	-521 810,24
Funds left in retained earnings	1 931 702,77	4 910 146,38

	Dec 31, 2012	Dec 31, 2011
Shares total	6 607 628	6 607 628
- Treasury shares held	-79 000	-85 000
Shares which are paid dividend	6 528 628	6 522 628
x Dividend per share (EUR)	0	0,08
Dividends total (EUR)	0,00	521 810,24

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 2013, one key person earned 6,000 shares which were handed over on May 13, 2013. 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 2012 and 6 thousand euros in 2013. 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, 2013	Payment schedule (years): 2014	2015	2016	2017	Later
Non-current						
Loans from financial institutions	2 645	0	929	1 081	236	400
Pension loans	2 079	0	462	462	385	770
Total	**4 725**	**0**	**1 391**	**1 543**	**621**	**1 170**
Current						
Loans from financial institutions	948	948				
Pension loans	462	462				
Total	**1 410**	**1 410**				

Interest-bearing liabilities by currencies Dec 31, 2012

EUR 1000	Total	EUR	SEK	NOK
Non-current				
Loans from financial institutions	2 645	2 411	135	100
Pension loans	2 079	2 079		
Total	**4 725**	**4 490**	**135**	**100**
Current				
Short-term repayments of the non-current loans				
Loans from financial institutions	948	871	77	
Pension loans	462	462		
Total	**1 410**	**1 333**	**77**	

Interest-bearing liabilities by currencies Dec 31, 2011

EUR 1000	Total	EUR	SEK	NOK
Non-current				
Loans from financial institutions	3 467	3 158	140	168
Pension loans	2 541	2 541		
Total	6 008	5 699	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**	

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 1,4% at the end of 2013 (Dec 31, 2012: 2,0%).

For the pension premium loans, an amount of EUR 1.0 million is based on fixed interest rate of 3.5% p.a. The pension premium loans of EUR 1.6 million are based on variable interest rates. The variable-rated pension premium loans of EUR 1.35 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 0.23 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.

Fair value hierarchy of the financial liabilities measured at fair value

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

December 31, 2013 (EUR 1000)	Total	Level 1	Level 2	Level 3
Loans from financial institutions	3 594	0	0	3 594
Pension loans	2 541	0	0	2 541
Total	**6 135**	**0**	**0**	**6 135**

December 31, 2012 (EUR 1000)	Total	Level 1	Level 2	Level 3
Loans from financial institutions	4 690	0	0	4 690
Pension loans	3 003	0	0	3 003
Total	**7 693**	**0**	**0**	**7 693**

Fair value hierarchy levels

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

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

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

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

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

26. Financial risk and capital management

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

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

Currency risks

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, 20123 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, 2013 the interest-bearing debt/EBITDA ratio (requirement max. 3.5) was breached due the loss in 2013. The equity ratio of 38,3 % 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	2013	2012
Value added tax liabilities	1 099	1 093
Other current liabilities	2 156	1 008
Other current liabilities total	3 255	2 101

Accrued income and expenses

EUR 1000	2013	2012
Accruals for employee benefits	2 869	3 098
Income tax liabilities	1	283
Interest accruals	29	52
Sales accruals	178	124
Other accruals	887	352
Accrued income and expenses total	3 964	3 909

28. Commitments

EUR 1000	2013	2012
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	6 702	4 018
Other listed shares pledged as security for group companies' liabilities	125	187
Current receivables pledged as security for group companies' liabilities	239	272
Pledges and guarantees given for the group companies' off-balance sheet commitments	183	232
Guarantees given on behalf of third parties	0	114
Minimum future operating lease payments, total	4 648	6 033
of which will be payable:		
in less than one year	1 764	1 857
between 1-5 years	2 884	4 176
after 5 years	0	0

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 (700 thousand euros and Wulff Oy Ab (3500 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	2013	2012
Board members' salaries and fees		
Erkki Kariola	5	12
Ari Pikkarainen	12	12
Tarja Pääkkönen	8	0
Pentti Rantanen, Board member -4/2012	0	5
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-	12	7
Heikki Vienola, Group CEO	50	50
Group management board's additional pension benefits		
Heikki Vienola, Group CEO	1	1
Board members' benefits total	112	111
Group management board's basic salaries and fringe benefits	899	897
Group management board's bonuses	53	80
Group management board's additional pension benefits	44	27
Group management board's share rewards	0	11
Group management board's benefits total *	996	1 015
Top management's employee benefits total	**1 108**	**1 126**

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 2012 and 2013, a monthly fee of EUR 1,000 was paid to the Chairman and those other Board Members who are not employed by the Company.

The Group CEO Heikki Vienola is not paid any compensation for the Board membership or meetings.

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 2013, the CEO Heikki Vienola was paid a salary of 50 thousand euros (2012: 50 thousand euros) and extra pension of 1 thousand euros (2012: 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 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 2013, the Group Executive Board was the same as 2012.

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.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

Business transactions with related parties

EUR 1000	2013	2012
Sales to related parties		
Sales of products	242	181
Sales of services	5	18
Car leases and sales	0	4
Purchases from related parties		
Purchases of products	56	0
Purchases of services	0	80
Trade receivables from related parties	49	0
Long-term interest-bearing receivables from related parties	0	33
Liabilities to related parties	0	0

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

As of December 31, 2013 the Group had any loan receivable from a company under influence of a related party.

30. Group companies

Companies by countries	Operating segment	Group's ownership and voting rights %	Parent company's ownership and voting rights %
Parent company Wulff Group Plc, Finland	Group Services		
Subsidiaries in Finland:			
Wulff Entre Oy	Contract Customers	100	100
Wulff Leasing Oy	Group Services	100	0
Wulff Liikelahjat 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
S Supplies Holding AB	Contract Customers	83	83
Wulff Supplies AB	Contract Customers	83	0
Subsidiaries in Norway:			
Beltton AS	Direct Sales	80	60
Wulff Direct AS	Direct Sales	68	0
Wulff Supplies AS	Contract Customers	83	0
Subsidiary in Denmark:			
Wulff Supplies A/S	Contract Customers	83	0
Subsidiary in Estonia:			
KB Eesti Oü	Contract Customers	60	0

QUARTERLY KEY FIGURES

Quarterly Key Figures

EUR 1000	Q4/13	Q3/13	Q2/13	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	Q4/11	Q3/11	Q2/11	Q1/11
Net sales	22 585	17 474	20 743	22 742	25 105	19 768	22 039	23 326	27 526	21 971	24 390	25 242
EBITDA	328	-246	-486	407	959	470	364	476	1 084	567	756	282
% of net sales	1,5 %	-1,4 %	-2,3 %	1,8 %	3,8 %	2,4 %	1,7 %	2,0 %	3,9 %	2,6 %	3,1 %	1,1 %
Operating profit/loss	-930	-1 141	-769	120	637	174	106	216	785	308	491	10
% of net sales	-4,1 %	-6,5 %	-3,7 %	0,5 %	2,5 %	0,9 %	0,5 %	0,9 %	2,9 %	1,4 %	2,0 %	0,0 %
Profit/Loss before taxes	-1 242	-1 212	-1 005	64	525	184	58	223	763	151	318	-93
% of net sales	-5,5 %	-6,9 %	-4,8 %	0,3 %	2,1 %	0,9 %	0,3 %	1,0 %	2,8 %	0,7 %	1,3 %	-0,4 %
Net profit/loss for the financial year attributable to the shareholders of the parent company	-2 113	-1 030	-760	29	369	150	25	174	468	105	241	-180
% of net sales	-9,4 %	-5,9 %	-3,7 %	0,1 %	1,5 %	0,8 %	0,1 %	0,7 %	1,7 %	0,5 %	1,0 %	-0,7 %
Number of personnel at the end of period	295	311	315	325	345	321	330	326	359	377	357	374

KEY FIGURES 2009-2013

EUR 1000	2013	2012	2011	2010	2009
Net sales	83 543	90 238	99 129	93 107	74 785
Change in net sales %	-7,4 %	-9,0 %	6,5 %	24,5 %	-1,8 %
Earnings before taxes, depreciation and amortization (EBITDA)	3	2 269	2 689	1 575	1 247
% of net sales	0,0 %	2,5 %	2,7 %	1,7 %	1,7 %
Operating profit/loss	-2 721	1 132	1 595	43	-154
% of net sales	-3,3 %	1,3 %	1,6 %	0,0 %	-0,2 %
Profit/Loss before taxes	-3 395	990	1 139	223	-360
% of net sales	-4,1 %	1,1 %	1,1 %	0,2 %	-0,5 %
Net profit/loss for the financial year attributable for the equity holders of the parent company	-3 874	717	634	-623	-728
% of net sales	-4,6 %	0,8 %	0,6 %	-0,7 %	-1,0 %
Cash flow from operations	567	3 297	1 031	1 528	1 470
Return on equity (ROE) %	-25,58 %	5,11 %	4,82 %	-2,38 %	-3,46 %
Return on investment (ROI) %	-13,92 %	4,67 %	5,45 %	1,75 %	0,19 %
Equity ratio %	38,3 %	44,3 %	40,3 %	37,0 %	41,7 %
Gearing %	45,4 %	27,6 %	40,3 %	34,9 %	29,5 %
Balance sheet total	35 156	41 513	44 505	46 025	45 708
Gross investments in fixed assets	778	972	1 167	1 619	915
% of net sales	0,9 %	1,1 %	1,2 %	1,7 %	1,2 %
Average number of personnel during the financial year	311	343	365	384	392
Number of personnel at the end of financial year	295	326	359	370	372

SHARE-RELATED KEY FIGURES

Earnings per share (EPS), EUR	-0,59	0,11	0,10	-0,10	-0,11
Equity per share, EUR	1,80	2,51	2,45	2,41	2,58
Dividend per share, EUR *	0,00	0,08	0,07	0,05	0,05
Payout ratio %	0 %	73 %	70 %	-50 %	-45 %
Effective dividend yield %	-	4,5 %	3,5 %	1,9 %	1,6 %
Price/Earnings (P/E)	-2,6	16,1	20,5	-27,2	-28,8
P/BV	0,87	0,70	0,81	1,08	1,24
EBITDA / share, EUR	0,00	0,35	0,41	0,24	0,19
Cash flow from operations / share, EUR	0,09	0,51	0,16	0,23	0,22
Share prices:					
Lowest share price, EUR	1,44	1,77	1,84	2,43	2,00
Highest share price, EUR	1,98	2,29	2,74	3,70	4,02
Average share price, EUR	1,70	1,99	2,22	3,03	3,00
Closing share price, EUR	1,57	1,77	1,99	2,60	3,20
Market value as of Dec 31, MEUR	10,2	11,5	13,0	16,9	20,9
Number of outstanding shares on average during the financial year	6 526 458	6 522 041	6 516 534	6 524 780	6 559 490
Number of outstanding shares at the end of the financial year	6 528 628	6 522 628	6 517 628	6 508 592	6 538 606
Number of shares traded	186 292	161 675	652 535	261 633	292 139
% of average number of shares	2,9 %	2,5 %	10,0 %	4,0 %	4,5 %
Shares traded, EUR	315 822	320 958	1 451 322	793 852	752 344

* The Board of Directors' dividend proposal to the Annual General Meeting to be held on April 10, 2014.

CALCULATION OF KEY FIGURES

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

PARENT COMPANY'S INCOME STATEMENT

EUR	Note	Jan 1 - Dec 31, 2013	Jan 1 - Dec 31, 2012
Net sales	2	**228 476**	**470 425**
Other operating income	3	9 115	21 035
Personnel expenses	4	-523 615	-738 123
Other operating expenses	5	-556 719	-919 963
Depreciation and amortization according to plan	6	-189 745	-197 346
Operating profit/loss		**-1 032 489**	**-1 363 972**
Financial income	7	799 084	873 791
Financial expenses	7	-3 055 807	-226 383
Profit/Loss before extraordinary items and taxes		**-3 289 212**	**-716 564**
Extraordinary income and expenses	8	351 700	1 024 000
Profit/Loss before taxes		**-2 937 512**	**307 436**
Income taxes	9	-40 932	-7 588
Net profit/loss for the period		**-2 978 444**	**299 849**

PARENT COMPANY CASH FLOW STATEMENT

EUR 1000	Jan 1 - Dec 31, 2013	Jan 1 - Dec 31, 2012
Cash flow from operations:		
Payments received from sales	218	477
Payments received from other operating income	9	21
Amounts paid for operating expenses	-920	-719
Cash flow from business operations before financial items and taxes	**-693**	**-221**
Interests and other financial costs paid	-387	-177
Interest received from operations	326	176
Cash flow from operations	**-754**	**-221**
Cash flow from investment activities:		
Investments in intangible and tangible assets	-1	-42
Disposals of intangible and tangible assets	0	0
Acquisition of shares in subsidiaries	-33	-93
Disposal of shares in subsidiaries	0	81
Investments in other shares	0	0
Loans granted	185	0
Loan receivables repaid	645	435
Cash flow from investment activities	**796**	**382**
Cash flow from financial activities:		
Acquisition of treasury shares	0	0
Dividend distribution paid	-522	-457
Dividend income received	404	296
Group contributions received and paid (net)	1 024	3 363
Short-term investments (net)	75	-21
Withdrawals of short-term loans	2 425	0
Withdrawals of long-term loans	0	355
Repayments of short-term loans	-1 000	0
Repayments of long-term loans	-859	-1 428
Cash flow from financial activities	**1 547**	**2 108**
Change in cash and cash equivalents	**1 589**	**2 268**
Cash and cash equivalents on January 1	**79**	**93**
Cash and cash equivalents on December 1	**170**	**79**

PARENT COMPANY BALANCE SHEET

PARENT COMPANY BALANCE SHEET

EUR	Note	Dec 31, 2013	Dec 31, 2012
ASSETS			
FIXED ASSETS			
Intangible assets			
Trademarks	11	2 700 000	2 850 000
Other intangible assets	10	16 307	27 767
Tangible assets			
Land areas	10	587 180	587 180
Machinery and equipment	10	20 962	30 702
Other tangible assets	10	2 296	19 915
Investments			
Shares in Group companies	11	7 729 327	10 222 572
Other shares	12	220 029	220 029
Non-current receivables			
Non-current receivables from Group companies	13	6 808 015	7 575 717
Taxes for other comprehensive income		166 031	0
TOTAL FIXED ASSETS		**18 250 147**	**21 533 881**
CURRENT ASSETS			
Current receivables			
Trade receivables		10 195	0
Receivables from Group companies	13	881 922	1 288 116
Other receivables		8 840	83 305
Prepaid expenses and accrued income	14	30 666	248 980
Current receivables total		931 623	1 620 401
Financial instruments	15	2 698	77 769
Cash and cash equivalents		170 610	79 314
TOTAL CURRENT ASSETS		**1 104 931**	**1 777 485**
TOTAL ASSETS		**19 355 079**	**23 311 366**

EUR	Note	Dec 31, 2013	Dec 31, 2012
EQUITY AND LIABILITIES			
SHAREHOLDERS´EQUITY			
Share capital	16	2 650 000	2 650 000
Share premium fund	16	7 889 592	7 889 592
Treasury shares	16	-260 070	-271 070
Invested unrestricted equity fund	16	223 051	223 051
Retained earnings	16	4 947 165	5 180 126
Net profit for the financial year	16	-2 978 444	299 849
TOTAL SHAREHOLDERS´EQUITY	**16**	**12 471 294**	**15 971 548**
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	**17**	**2 587 500**	**3 158 500**
Pension loans	17	86 406	103 690
Total Non-current liabilities		**2 673 906**	**3 262 190**
Current liabilities			
Loans from credit institutions	17	2 295 950	1 141 709
Pension loans	17	17 284	17 284
Trade payables		40 976	47 345
Amounts owed to group companies	18	1 694 724	2 720 775
Other liabilities		74 260	24 808
Accrued liabilities and deferred income	19	86 685	125 707
Total current liabilities		4 209 878	4 077 628
TOTAL LIABILITIES		**6 883 784**	**7 339 818**
TOTAL EQUITY AND LIABILITIES		**19 355 079**	**23 311 366**

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	2013	2012
Rental income	1	2
Gains from disposal of shares in subsidiaries		
Other	8	19
Total	9	42

4. Personnel expenses

EUR 1000	2013	2012
Salaries, wages and fees	435	602
Pension expenses	76	129
Other personnel expenses	13	7
Total	**524**	**738**

Average number of employees in accounting period	9	12
Personnel at the end of period	7	10

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	2013	2012
Rents	39	44
Travel and car expenses	11	14
ICT expenses	43	52
Marketing, PR and entertainment expenses	87	87
Fees to auditors *	7	20
Other	370	703
Total	**557**	**920**

* Fees to auditors total in all group companies:

EUR 1000	2013	2012
Audit	6	7
Tax services	1	3
Other services	0	5
Total	**7**	**15**

Fees to auditors include fees paid to KPMG.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

6. Amortization and depreciation during the financial year

EUR 1000	2013	2012
Amortization of intangible assets:		
Trademarks	-150	-150
Other intangible assets	-12	-11
Total amortization of intangible assets	-162	-161
Depreciation of tangible assets:		
Machinery and equipment	-10	-17
Other tangible assets	-18	-19
Total depreciation of tangible assets	-28	-36
Total amortization and depreciation	-190	-197

7. Financial income and expenses

EUR 1000	2013	2012
Financial income:		
Dividends from group companies	396	276
Dividends from others	7	19
Other interest and financial income from group companies	277	372
Other interest and financial income from others	104	64
Foreign exchange gains	15	143
Total	799	874
Financial expenses:		
Impairment of shares in subsidiaries	-2 526	0
Interest expenses to group companies	-35	-39
Interest expenses to others	-105	-99
Foreign exchange losses	-138	-18
Other financial expenses	-252	-70
Total	-3 056	-226
Financial income and expenses total	**-2 257**	**648**

8. Extraordinary income and expenses

EUR 1000	2013	2012
Extraordinary income: group contributions received	352	1 024
Extraordinary expenses: group contributions granted		
Total	**352**	**1 024**

9. Income taxes

Income taxes in the income statement:

EUR 1000	2013	2012
Income taxes for the period	-206	-8
Change in deferred tax asset	166	0

Income taxes in the balance sheet:

EUR 1000	2013	2012
Current receivables: Corporate tax credits	0	207

10. Intangible and tangible assets

2013	Trademarks	Other intangible assets	**Intangible assets total**	Land	Machinery and equipment	Other tangible assets	**Tangible assets total**
Acquisition cost, Jan 1	3 000	57	**3 057**	587	170	114	**871**
Additions	0	0	**0**	0	0	0	**0**
Acquisition cost, Dec 31	3 000	57	**3 057**	587	170	114	**871**
Accumulated depreciation and impairment, Jan 1	-150	-30	**-180**	0	-139	-94	**-233**
Depreciation during the period	-150	-12	**-162**	0	-10	-18	**-28**
Accumulated depreciation and impairment, Dec 31	-300	-42	**-342**	0	-149	-112	**-261**
Book value, Jan 1	**2 850**	**28**	**2 878**	587	31	20	**638**
Book value, Dec 31	**2 700**	**16**	**2 716**	587	21	2	**610**

2012	Other intangible assets	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**
Disposals			**0**	0	0	0	**0**
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**
Disposals	0		**0**				**0**
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**

11. Shares in group companies

EUR 1000	2013	2012
Acquisition cost, Jan 1	11 260	11 260
Additions	33	0
Disposals		
Acquisition cost, Dec 31	11 293	11 260
Accumulated depreciation and impairment, Jan 1	-1 038	-1 038
Impairment during the period	-2 526	0
Accumulated depreciation and impairment, Dec 31	-3 564	-1 038
Book value, Jan 1	**10 222**	**10 222**
Book value, Dec 31	**7 729**	**10 222**

In results of impairment tests parent company booked EUR 0.6 million in the Group's business gifts' goodwill in September and EUR 1.0 million in the Finnish office supplies business in December.

12. Other shares

EUR 1000	2013	2012
Acquisition cost, Jan 1	220	220
Additions	0	0
Acquisition cost, Dec 31	220	220
Book value, Jan 1	**220**	**220**
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.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

13. Receivables from group companies

EUR 1000	2013	2012
Non-current:		
Capital loans	2 849	2 690
Other loans	3 959	4 886
Non-current receivables total	6 808	7 576
Current:		
Other receivables	882	1 288
Current receivables total	882	1 288
Receivables from group companies total	**7 690**	**8 864**

14. Prepaid expenses and accrued income

EUR 1000	2013	2012
Corporate tax credits	0	207
Accruals for employee benefits	6	12
Other accruals	25	30
Total	**31**	**249**

15. Financial instruments

EUR 1000	2013	2012
Carrying amount, Jan 1	77	56
Additions during the financial year	23	104
Disposals during the financial year	-97	-83
Carrying amount, Dec 31	**3**	**77**

16. Equity

EUR 1000	2013	2012
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	7 890	7 890
Share premium fund as of Dec 31	**7 890**	**7 890**
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	-272	-283
Acquisitions of treasury shares	12	11
Treasury shares as of Dec 31	**-260**	**-272**
Retained earnings from previous financial years as of Jan 1	**5 534**	**5 691**
Dividend distribution	-522	-457
Retained earnings from previous financial years as of Dec 31	5 012	5 234
Net profit for the financial year	- 2 978	300
Retained earnings total as of Dec 31	**2 033**	**5 534**
Equity total as of Dec 31	**12 536**	**16 025**

Distributable funds in euros as of Dec 31	**2013**	**2012**
Invested unrestricted equity fund	223 051	223 051
Treasury shares	-260 070	-271 070
Retained earnings from previous financial years	4 947 165	5 180 126
Net profit for the financial year	-2 978 444	299 849
Distributable funds total	**1 931 703**	**5 431 957**

17. Interest-bearing liabilities

Payment schedule for the loans

EUR 1000	Book value Dec 31, 2013	Payment schedule (years): 2014	2015	2016	2017	2018	Later
Non-current							
Loans from financial institutions	2 587		871	871	781	64	0
Pension loans	87		17	17	17	17	18
Total	**2 674**		**888**	**888**	**798**	**81**	**18**
Current							
Loans from financial institutions	2 296	2 296					
Pension loans	17	17					
Total	**2 313**	**2 313**					

18. Amounts owed to group companies

EUR 1000	2013	2012
Trade payables	21	24
Accrued income and expenses	4	29
Other short-term liabilities	1 670	2 692
Total	1 695	2 745

19. Accrued liabilities and deferred income

EUR 1000	2013	2012
Accruals for employee benefits	71	91
Interest accruals	16	18
Other accruals	0	17
Total	**87**	**126**

20. Commitments

EUR 1000	2013	2012
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	6 702	4 018
Other listed shares pledged as security for group companies' liabilities (shares in fair value)	125	187
Mortgages and guarantees on behalf of subsidiaries		
Guarantees for the loans of subsidiaries	2 437	3 102
Pledges and guarantees given for the group companies' off-balance sheet commitments (rents, customs etc)	1 580	1 743
Guarantees given on behalf of third parties	0	114
Minimum future operating lease payments, total	1 761	2 218
of which will be payable:		
in less than one year	470	488
between 1-5 years	1 292	1 730
after 5 years	0	0

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 (700 thousand euros and Wulff Oy Ab (3500 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.

LÄTKÄSSÄ WULFFIIN 2013 – WORLD CHAMPIONSHIP ICE HOCKEY AND EXPO EVENT!

On Wednesday, May 8th Wulff offered its Wip customers a great ice hockey and fair event! The invitees got to explore and familiarize themselves with the current novelties on the fields of office and workplace supplies, corporate and advertising gifts, ergonomics, first aid and international fair events.

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, 2013, 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 . On December 31, 2013 the equity ratio was 38.3 % (44.3 %). On December 31, 2013 the interest-bearing debt/EBITDA ratio (requirement max. 3.5) was breached due the loss in 2013. During the end of 2013 the group management negotiated with the banks which will require a non-recurring waiver fee from the company

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.

RISK MANAGEMENT

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 CO2 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 CO2 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

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.

Tarja Pääkkönen, s. 1962
Board Member

Responsibilities:
Sales and marketing

Substantial education, experience and positions of trust
- Doctor of Science in Technology (Corporate strategies) and Master of Science in Technology (Construction)
- Wulff Group's Board Member since 1999
- Partner of Boardman Oy since 2010 and Board Member since 2011
- Member of Itella's Executive Board and Director of Sales and Marketing 2005-2010
- Nokia Oyj: Member of Nokia Mobile Phones Executive Board as well as several global Director positions in Europe, USA and Asia 1994-2004
- SATO Oy:n Board Member since 2013
- OLVI Oy:n Board Member since 2010
- Panostaja/Flexim Security Oy:n Board Member since 2011
- Idean Oy:n Board Member since 2011
- Spinverse Oy:n Board Member since 2011
- Marimekko Oy:n Board Member 2006 – 2011
- Wulff ownership as of December 31, 2013: 0 shares

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

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 %).

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

Samu Vuorio, s. 1974
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 Tech., studies for MSc (Econ.)
- Wulff Group's CFO and Secretary of the Board of Directors since February 2014
- Itella Logistics Oy CFO 2010-2013
- Itella Corporation / Logististics division Business Controller 2001-2009
- Elisa Corporation, Project Manager in R&D 1999-2001
- 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.

SHARES AND SHAREHOLDERS

Share Capital

The parent company's share capital (EUR 2.65 million) consists of 6,607,628 shares with one vote each and with no par value. There have been no changes in share capital in 2012 and 2013.

Authorizations of the Board of Directors

The Annual General Meeting on April 10, 2013 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 10, 2013 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

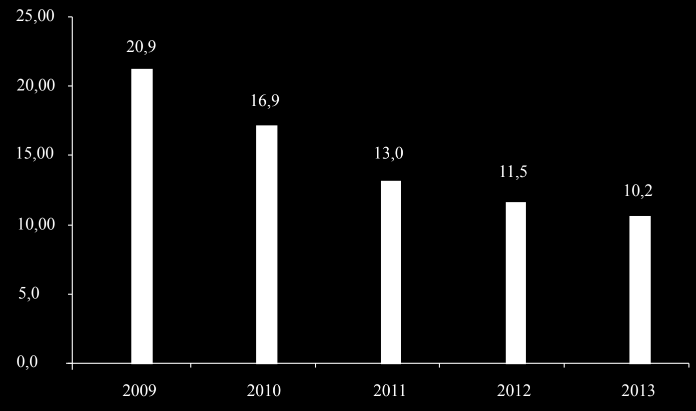
In 2013, no own shares were reacquired. As a part of the Group's share-based incentive scheme, Wulff Group granted 6.000 own shares to a key person in May 2013. In the end of 2013, the Group held 79.000 (December, 2012: 85.000) own shares representing 1.2 percentage (1.3 %) of the total number and voting rights of Wulff shares. According to the Annual General Meeting's authorisation on April 10, 2013, 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, 2014.

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 2013, one key person earned 6,000 shares which were handed over on May 13, 2013. More information on share-based payments is presented in Note 24 of the consolidated financial statements.

Market Value of Shares



SHARES 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 2013, a total of 186,292 (161,675) Wulff shares were traded which represents 2.9 percentages (2.5 %) of the total number of shares. The trading was worth of EUR 315,822 (EUR 320,958). In 2013, the highest share price was EUR 1.98 (EUR 2.29) and the lowest price was EUR 1.44 per share (EUR 1.77). In the end of 2013, the share was valued at EUR 1.57 (EUR 1.77) and the market capitalization of the outstanding shares totalled EUR 10.2 million (EUR 11.5 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 proposes to the Annual General Meeting that no dividend will be distributed for the financial year 2013 and the financial year's loss will be transferred in the retained earnings in the shareholders' equity.

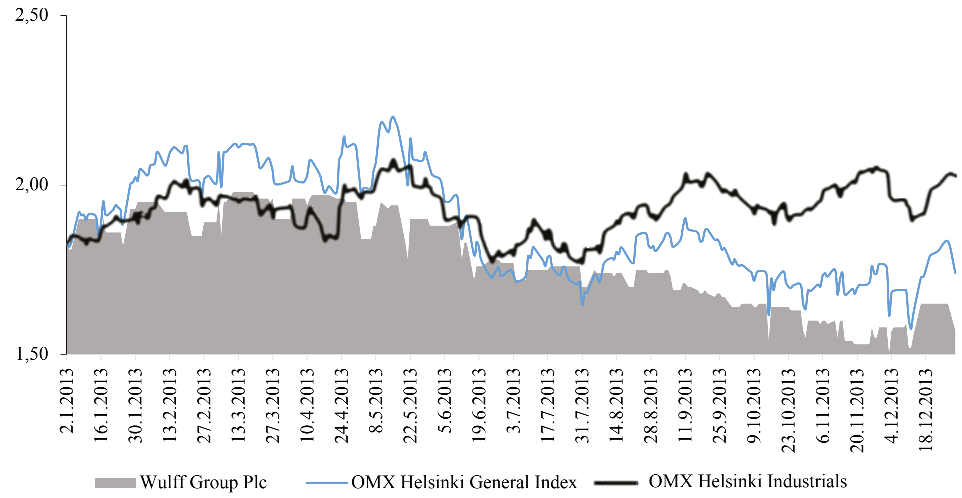
Shareholders and Ownership Structure

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. There were no disclosed notifications on changes in major share holdings in 2013.

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



SHARE AND SHAREHOLDERS

Major shareholders as of December 31, 2013

		Number of shares	% of shares
1	**Vienola Heikki***	**2 595 200**	**39,28 %**
	Vienola Heikki	2 533 500	38,34 %
	Vienola Jussi	16 200	0,25 %
	Vienola Kristina	16 200	0,25 %
	BVI-tuote Oy	28 500	0,43 %
	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**	**326 534**	**4,94 %**
	Nordea Nordic Small Cap equity fund	296 128	4,48 %
	Nordea Bank Finland Plc	30 406	0,46 %
6	**The Local Government Pensions Institution**	**120 400**	**1,82 %**
7	**Progift Oy**	**100 000**	**1,51 %**
8	**Keskinäinen Kiinteistö Oy Vanha Talvitie 12***	**89 000**	**1,35 %**
9	**Wulff-Yhtiöt Oyj**	**79 000**	**1,20 %**
10	**Ågerfalk Veijo**	**67 000**	**1,01 %**
	Ågerfalk Veijo	65 000	0,98 %
	Ågerfalk Christine	1 000	0,02 %
	Ågerfalk Adam	1 000	0,02 %
11	**Laakkonen Mikko**	**64 185**	**0,97 %**
12	**Mandatum henkivakuutusosakeyhtiö**	**61 562**	**0,93 %**
13	**Sundholm Göran**	**50 000**	**0,76 %**
14	**Cardia Invest Oy Ab**	**23 800**	**0,36 %**
15	**Von Fiandt Johan**	**20 000**	**0,30 %**
	15 major shareholders total	**5 979 806**	**90,50 %**
	Other shareholders total	**627 822**	**9,50 %**
	Number of shares total	**6 607 628**	**100,00 %**
	- Own shares	**-79 000**	
	Outstanding shares total	**6 528 628**	

* 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, 2013

Owner groups	Number of shareholders	%	Number of shares	%
Companies	37	6,09 %	408 092	6,18 %
Financial and insurance institutions	7	1,15 %	770 190	11,66 %
Public entities	3	0,49 %	920 400	13,93 %
Non-profit organisations	2	0,33 %	110	0,00 %
Private persons	540	88,82 %	4 402 759	66,63 %
Foreign shareholders	15	2,47 %	70 650	1,07 %
Nominee-registered shareholders	4	0,66 %	35 427	0,54 %
Total	**608**	**100,00 %**	**6 607 628**	**100,00 %**

Shareholders by the number of shares owned December 31, 2013

Number of shares	Number of shareholders	%	Number of shares	%
1-500	360	59,60 %	80 447	1,22 %
501-1000	97	16,06 %	80 436	1,22 %
1 001-10 000	119	19,70 %	361 400	5,47 %
10 001-100 000	20	3,31 %	752 392	11,39 %
100 001-	8	1,32 %	5 332 953	80,71 %
Total	**604**	**100,00 %**	**6 607 628**	**100,00 %**

CO-OPERATION SINCE 1960!

The co-operation between Wulff and its longest time partner Textmark from Japan has been going on for 50 years already! The spokesman of Textmark, Mr. T. Hirazuka, came for his first visit to Wulff on March 6th 2014. Pictured celebrating the encounter from the left on - the CEO Mr. Heikki Vienola, Mr. T. Hirazuka and Wulff Oy Ab Managing Director Mr. Sami Asikainen.

SIGNATURES AND THE AUDITOR'S NOTE

Signatures of the CEO and Board of Directors

Vantaa, March 18, 2014

Andreas Tallberg
Andreas Tallberg
hallituksen puheenjohtaja

Heikki Vienola
Heikki Vienola
konsernijohtaja

Tarja Pääkkömem
Tarja Pääkkönen

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, 2014

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 2013. 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 2014.

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.

WULFFINKULMA STORE OPENED IN KONALA, HELSINKI!

Wulff opened a new store at Ristipellontie 23 in Konala, Helsinki on August 28th 2013. The store amazed its customers from the opening day on with both large selection and face-to-face professional service that has become our trademark. A Sales Manager of the time, corresponding the Wulff Stores in Helsinki and Turku, Katja Anttila was enlightened of the comments thrown around that day: “How marvelous you no longer need to go to the city center for the ink cartridges and folders”, “This Shop-in-Shop by Brother is a genius idea: now I can get all my it-supplies in one place” and “Amazing, plenty of free parking space!”

The store hours are from 8:30 to 16:00 on weekdays.

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 10, 2013. The Annual General Meeting adopted the financial statements for the financial year 2012 and discharged the members of the Board of Directors and CEO from liability. The AGM decided to pay a dividend of EUR 0.08 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 Ari Pikkarainen, Sakari Ropponen, Andreas Tallberg and Heikki Vienola were re-elected. The new elected board member was Tarja Pääkkönen (born 1962), who is a partner at Boardman Oy and holds multiple board member positions in several companies. The Board of Directors' organising meeting held after the Annual General Meeting elected Andreas Tallberg as the new Chairman of the Board.

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 2014 will be held on April 10, 2014.

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
- assesses the auditor's independence and additional auditing services.

CORPORATE GOVERNANCE STATEMENT

Wulff Group's Annual General Meeting held on April 10, 2013 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 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 Tarja Pääkkönen, 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 11 times in 2012 (12 times in 2012). The average meeting attendance was 98 percent (92 % in 2012). At its organisation meeting the Board approved the charter and action plan for 2013 and evaluated the independence of its members. According to the meeting plan for 2014, the Board of Directors will convene 12 times.

The Board carries out annual assessments of its operations and working styles based on a self-evaluation form. In 2013, 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 pages 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 pages 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 2013, the CEO Heikki Vienola was paid a salary of 50 thousand euros (2012: 50 thousand euros) and extra pension of 1 thousand euros (2012: 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. 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 2013, the Group Executive Board consisted of Heikki Vienola, Sami Asikainen, Trond Fikseaunet, Kati Näätänen (Samu Vuorio since February 2014), Topi Ruuska, 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 2013, one key person earned 6,000 shares which were handed over on May 13, 2013. 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 68-71 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..

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.

CORPORATE GOVERNANCE STATEMENT

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 72 thousand euros in 2013.

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 2014

Wulff Group Plc's Annual General Meeting will be arranged on Wednesday April 10, 2014 at noon (12.00) at Radisson Blu Seaside Hotel, Ruoholahdenranta 3, Helsinki, Finland.

The right to attend at the Annual General Meeting is afforded to a shareholder who has been entered as a shareholder in the list of shareholders kept by Euroclear Finland Ltd by Monday March 31, 2014. A shareholder, whose shares are registered on his/her personal Finnish book-entry account, is registered in the shareholder register of the company.

A shareholder who wishes to participate in the Annual General Meeting shall register for the meeting no later than on Monday April 7, 2014 by 10.00 AM either by:
- email to: investors@wulff.fi
- telephone to: +358 9 5259 0050
- telefax to: +358 9 3487 3420
- mail to: Wulff Group Plc, Annual General Meeting, Manttaalitie 12, 01530 Vantaa, Finland

Each holder of nominee registered shares, who is registered on Monday March 31, 2014 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 Monday April 7, 2014 by 10.00 AM. 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.fi.

Dividend for 2013

The Board of Directors proposes to the Annual General Meeting that no dividend would be paid for the financial year 2013.

Financial Reporting 2014

Wulff Group Plc will release the following financial reports in 2014:

Interim Report, January-March 2013	Thursday May 8, 2013
Interim Report, January-June 2013	Thursday August 7, 2013
Interim Report, January-September 2013	Thursday November 6, 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

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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

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

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STOCK EXCHANGE RELEASES 2013

Stock Exchange Releases 2013

5.2.2013	Wulff Group plc's financial statements for January 1 – December 31, 2012
18.3.2013	Wulff Group plc's annual report, financial statements and Corporate governance statement 2012 published
18.3.2013	Notice to convene the annual general meeting of Wulff Group plc
10.4.2013	Decisions of Wulff Group's annual general meeting on April 10, 2013
10.4.2013	Wulff Group continues to buy back its own shares
8.5.2013	Wulff Group plc's interim report for January 1 – March 31, 2013
8.5.2013	Allocation of Wulff Group plc's own shares
17.6.2013	Wulff adjusts its estimate 2013
6.8.2013	Wulff Group plc's interim report for January 1 – June 30, 2013
24.9.2013	Wulff's operating result 2013 will be negative
18.10.2013	Wulff starts co-operational negotiations for cost savings
5.11.2013	Wulff group plc's interim report for January 1 – September 30, 2013
7.11.2013	Wulff's co-operational negotiations ended
17.12.2013	Wulff Group plc's financial reporting and annual general meeting


WULFF

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