125 years

1890 WULFF ANNUAL REPORT 2014


H. WULFF
TH. W

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HISTORY

Story of Wulff

Wulff is celebrating its 125th anniversary on August 23, 2015. In celebration of the historic year, Wulff's story is available decade by decade at: wulffinkulma.wordpress.com.

Wulff's long history is a success story. A conscientious and courteous employee, "a proper young man," Thomas Fredrik Wulff founded Wulff Oy Ab in 1890. In the 1890s, Thomas Wulff worked in his uncle's, Gustaf Wilhelm Edlund's publishing company and bookstore as a librarian. At Edlund's, the young man learned manners, ethics, and fortitude.

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

The company's management and ownership remained in the family from Thomas Wulff to his 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 Beltton Group Plc, the national market leader in office supplies, acquired Wulff Oy Ab.

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 customers.

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

WULFF IN BRIEF

Wulff - The Most Significant Nordic Player in Office Supplies

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

It has always been important for Wulff to serve its customers in the best possible ways and to have a positive impact on its customers' business. Cost savings, and reputation and brand improvement are achieved by bringing customers everyday solutions on how to optimize their office operations and sales.In order to offer its customers current and innovative solutions, Wulff develops its business operations constantly in cooperation with customers.

The 125-year-old Wulff is a well-known and respected brand in Finland. Wulff Group consists of the parent company and 16 subsidiaries. The customers recognize Wulff Group companies by the distinguishable black-and-white brand and each Nordic subsidiary also carries the Wulff name. In addition to Finland, Wulff operates in Sweden, Norway, Denmark, and Estonia.

Wulff's customers are served by almost 300 sales professionals in the 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. That is why Wulff's sales personnel meet their customers usually in their own operating environment. Wulff's sales personnel meet with their customers approximately 200,000 times a year!

Wulff also has a strong online presence. In addition to offering versatile web-services for contract customers, Wulff serves its customers online with a non-exclusive webstore Wulffinkulma.fi. Wulff's stores serve customers in Helsinki, Turku, and Lahti.

GROUP CEO REVIEW

The first choice. Already from 1890.

Serving our customers in the best possible way has been the most important value in our operations at all times. This value has motivated our operations this year, just like in all of our years of operations. We here at Wulff today recognize having done a good job in the same way as our predecessors did 125 years ago – by appreciating our existing, continuous customer relationships and the new customerships we win.

The Net Sales in 2014 were EUR 74.3 million (EUR 83.5 million in 2013) and operating profit 1.1 million euros (EUR -2.7 million in 2013). We succeeded in increasing operating profit by 3.8 million euros. The Net Sales decreased by 9.3 million euros, that is 11.1 % from previous year. The decrease in the Net Sales was impacted by the lowered volume of purchases from our biggest clients and focusing on profitable and developable businesses.

Our recipe for improving our result from the previous year is clear. We have continued our cost saving measures, invested in sales and its development, and listened to our customers. As our customers adapt their operations to the challenging economic situation, it also means that we have to improve our services even more vigorously. Through our different sales divisions, the Wulff Group is a flexible and efficient partner to businesses of all sizes. In 2015, we will focus on still improving our result positively.

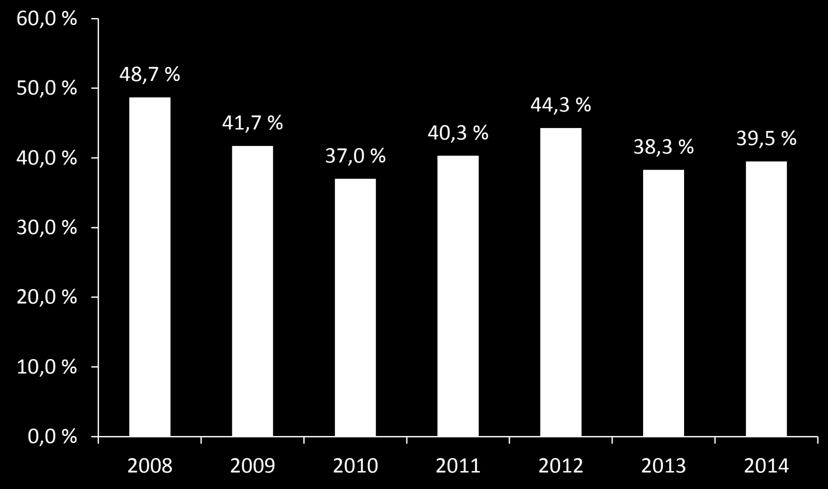
In addition to choosing us for our excellent products and customer service, our customers choose us because they know that we will continuously work together with our clients to improve our cooperation and operation. Few Finnish companies can say that they have survived two world wars, a great depression and numerous economic recessions. Celebrating its 125th anniversary this August, Wulff can.

Domesticity, cost efficiency, sustainable development, encounters. These words represent Wulff's operations well because I know that they are current, timely and important for us and our customers. Now and in the future. Wulff as a company has domestic roots and a strong Finnish presence, operating in Finland with Finnish strength. Our customers receive the most comprehensive selection of office supplies and products: everything from coffee and printing paper to hand creams. A significant amount of our products are domestic and some of our goods and services have been granted the Design From Finland Mark or the Key Flag Symbol. Domesticity and green values have arisen as important criteria next to price and quality. Great! By purchasing from Finnish companies, we can increase Finnish business. On the other hand, the world is possible to save one purchase at a time – by making environmentally friendly choices.

Our most important value has always been customer orientation. Success is built together with customers, personnel, and partners. Even though sales are not recorded with quill pens in order books anymore, I feel as proud as the founder of Wulff, Thomas Wulff, did over 120-years ago about every new customer, contract, and existing customer relationship. Thank you for letting us be your first choice!

I sincerely want to thank all of our customers, cooperation partners, and personnel for 125 great years! It is wonderful to celebrate and work with all of you.

Net Sales and Operating Profit 2008-2014



NET SALES 2014

74,3 million.

OPERATING PROFIT 2014

1,1 million

Heikki Vienola

Wulff Group Plc CEO

VALUES

CUSTOMER ORIENTATION

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

ENTREPRENEURSHIP

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

PERFORMANCE

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

OPERATING ENVIRONMENT

Nordic Operating Environment

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

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

According to Wulff Group's estimates, the office supplies annual market size is approximately EUR 400 million in Finland, EUR 700 million in Sweden, EUR 450 million in Norway and EUR 400 million in Denmark. Scandinavian markets are similar when comparing customer numbers, purchasing behavior and product demand. Markets are notably smaller in Estonia and also the standard of living has an impact on the market. In Estonia Wulff operates in the business and promotional gift market. The office supply market in the Nordic countries has decreased slightly in the past years.

Every new company is a *potential customer.*

Wulff serves businesses and communities of all sizes diversely

Companies and communities use office supplies and services throughout the year. There is a constant demand for basic products, such as paper, files, pens, storage devices, and cleaning products. The demand is determined by the general economic situation. For example, when large companies recruit employees the consumption of office supplies is increased. Demand for business and advertising gifts is affected by the seasonality of the business: the sales tend to focus on the second and last quarter. Although the seasonal impact has slightly evened out in the past few years and gifts are seen as an increasingly important part of company communication and brand marketing, economic uncertainties have affected business and promotional gift purchases. During uncertain economic periods, companies may also minimize attending fairs.

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

Operating Environment in Transition

The market for office supplies has been traditionally very fragmented in the Nordics and Baltics. Entering the market is easy and that is why many small companies are operating in the sector. Several companies enter and leave the market every year. Business has consolidated in the past few years, the last consolidation being the merger of two major international players: Staples (USA) and Office Depot (USA). Wulff estimates that the consolidation development will be intense and the future will be in the hands of bigger players.

Nordic customers value domestic and Nordic services. Wulff's strengths lie in operating both locally and in the Pan-Nordic region with a good understanding of the customers' operating environment and culture. Wulff has significantly strengthened its position in the Scandinavian markets since 2009. Strålfors Supplies (now Wulff Supplies), acquired in 2009, has been a successful investment in serving our Scandinavian and Pan-Nordic customers.

Wulff's competitors consist of unlisted small and medium-sized companies in all market sectors. It has approximately ten significant competitors in Finland. Wulff Oy Ab's Contract Customer concept faces competition from Staples, Lyreco, and Paperipalvelu. In the Scandinavian contract customer market, Wulff Supplies faces competition from Staples and Lyreco. Wulff Liikelahjat Oy's most significant competitors are Logonet Oy and Mastermark Oy. Wulff's direct sales companies compete of the market share with numerous small players.

In addition to office supplies, customers can acquire international fair services from Wulff. The international fair service expert in the Group is Wulff Entre. Fair service sales are seasonal and most of the sales are generated in the first and last quarter of the year. Wulff Entre's competitors in Finland are for example Arvelin International Oy, Factor Nova, Messua and Standi People. In Finland, the customers' choice of a faire service expert is affected above all by the quality of service.

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

Abroad, the choice is often determined by price. In Europe, Wulff Entre competes for customers especially with German and Polish fair service providers.

On the Way to Nordic Market Leadership

Wulff's objective is to grow profitably and become the market leader in the field of office supplies in all Nordic countries. Diversity of the supply sets a good starting point for reaching the objective. Wulff has the possibility to serve companies of all sizes from different business fields cost-efficiently with complimentary service models and diverse sales channels. Diverse service models are a competitive advantage that separates Wulff from other operators in the field.

Economic operating environment

Changes in economic, political, social, and technological environments affect company operations. In 2014, the ongoing tough economic situation affected the market in the office supplies field. The general economic activity level decreased and companies, cities, and municipalities had to adjust their operations. Personnel lay-offs show as a decrease in demand for Wulff's products and services.

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

OPERATING ENVIRONMENT

Wulff Group Plc - the most important Nordic player in office supplies

Wulff Group Plc is an increasingly international listed company as well as the most significant Nordic player in office supplies and an industry pioneer. Wulff sells and markets office supplies, facility management products, business and promotional gifts, IT supplies as well as ergonomics and first aid products. Customers can also acquire international fair services from Wulff. The newest products are LED lights and lighting solutions. In addition to Finland, Wulff operates in Sweden, Norway, Denmark, and Estonia. The customers are attended to personally by approx. 300 business-to-business sales professionals. Customers are also served personally at Wulff's stores in Helsinki, Turku, and Lahti. In addition to versatile customer specific services, the Group serves its customers online with a non-exclusive webstore Wulffinkulma.fi.

Constantly Improving Business

Sustainable Development in Cooperation with Customers

Wulff has been known as the industry pioneer already for 125 years. To be a pioneer, one needs a lot of will, skill, and the right resources – Wulff and its employees have all of it. At Wulff, we know that success is built together with customers. When Wulff's customers succeed, Wulff succeeds also. Therefore, it is important to develop the service and product range in cooperation with customers.

CHOOSE WULFF, CHOOSE FINLAND! WULFF

your domestic partner in office supplies, already from 1890!

Diverse Sales Channels and a Comprehensive Service and Product Range

Customers have wished for more opportunities to centralize all their office supply purchases. In addition, green values are more and more important when choosing partners. Therefore, we have placed added emphasis on developing our operations to make them more customer-oriented and environmentally friendly.

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

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.

OPERATING ENVIRONMENT

Complementary Service Models as a Competitive Advantage and the Most Diverse Sales Channels

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

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

One of today's most important business locations is the internet. Wulff has invested strongly in the development of its web services. Contract Customers are served more widely on the internet with customized solutions.

A significant investment for the future is the non-exclusive webstore Wulffinkulma.fi. The webstore offers everything from coffee to copy paper and hand creams.

DOMESTIC,
cost-efficiency,
SUSTAINABLE DEVELOPMENT,
encounter.

Efficient Distribution Channel for High Quality Services and Products

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

Networking as a Part of Business

InterACTION is a very important office product network for Wulff Group and the leading purchase organization in its field. All member companies are leading companies in their native countries. The members of InterACTION meet regularly to coordinate joint purchases and share knowledge and skills in sales, marketing, and logistics. For example, InterACTION companies exchange information about bestselling products in different countries. Wulff benefits directly from the market and product information it receives. The joint purchasing organization has its own international brand called Q-Connect. The high-quality Q-Connect products are also included in Wulff Group's selection.

IGC (International Advertising Gift Council) is similar to InterACTION and it operates in the business gift industry. Wulff Liikelahjat (before Wulff Ibero Liikelahjat and Wulff KB-tuote) is a member of the organization. Formed in 1954, Ibero Liikelahjat (now Wulff Liikelahjat) has been the only Finnish member in the international business gift organization IGC since the beginning of its operations.

Strategic Development of Business Operations

In spite of the challenging market situation, Wulff managed to improve its result from the previous year. The Group continues to implement measures to improve the profitability of its businesses and optimize its operations. The group will invest in sales and its development. Significant changes to the market situation are not to be expected in 2015. Typically, in the industry the annual profit is made in the last quarter.

As a national market leader and the most significant Nordic player in its field,
Wulff believes that challenges are – above all – a chance to show the customers the strengths of Wulff's services as a cost-effective solution and a service-oriented partner

WULFF'S STRENGTHS

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

WULFF'S IMPORTANT COOPERATION PARTNERS.

Wulff has cooperated with several suppliers already for decades.

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 2015.

INTERNATIONALISATION

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

IN COOPERATION WITH WULFF: PAULIG

The best way to get an idea of how Wulff operates is to hear what a customer has to say about the cooperation. Both Paulig and Wulff are extremely long-lived companies, something that is rather rare these days. The cooperation between these two over 100-year-old companies works well because for both Paulig and Wulff, it has always been important to be the foregoer in their line of business. When a company's operations are centered around a customer and it possesses passionate and skillful personnel, it can only lead to success.

What is cooperation like with Wulff? Paulig's team of assistants explains.

As quality and expertise are important values for the family-owned, international Paulig Group, their choice is Wulff.

When the maintenance of office supplies functions properly, it is easy to focus on the relevant things.

In addition to coffee-loving customers, Paulig and Wulff have a lot other things in common too: both companies realize that quality is always experienced on a personal level. Therefore it is important to invest in the quality of products, continuous development and renewal, and customer encounters. Founded in 1876 and 1890 respectively, both Paulig and Wulff are a part of Finnish cultural history.

The good mood team services over 300 hundred coffee professionals
The energetic group of women gives of a feeling that things are done in the right way at Paulig. As the four-member team of assistants attends to multiple hundreds of Paulig employees traveling domestically and internationally, a bright attitude and brisk steps are a requirement. "The maintenance and service of office supplies should function effortlessly, almost unnoticeably", explains Piia Jokela, management assistant.

WHY THE MINIBAR is perfect solution FOR THE OFFICE

1. Products are easy to find and handily available
2. The maintenance of the MiniBar does not cause stress and trouble for the one responsible for it or the user.
3. Optimal office supply rotation
4. The MiniBar has no room for shelf warmers
5. The MiniBar is flexible: you can include supplies for the canteen or property maintenance
6. Daily products available easily, and always
7. Assigned places for products so that they are easy to find
8. Automatic refill
9. The MiniBar saves you time and trouble, allowing you to focus on the job
10. Small accessories go into recyclable MiniBar boxes

MINIBAR

Say goodbye to messy office shelves!

Saving time also saves euros

It is important that one can focus on right things over the course of busy and eventful days. The team of assistants is responsible for both the big picture and small details, taking care of the operational functionality of the company. If for example a sales manager's tablet needs a new battery or a protective case, it is important to take care of the arising needs immediately – and without taking too much time with it. "It is easy and cost-effective to purchase special products through Wulff", Jokela explains. Saving time also saves euros because the assistants can focus their time on sales support.

In the picture are Paulig's team of assistants and personnel from L&T's office services.

In the picture is Paulig's legendary golden cup. The golden coffee cup is from the 1938 Myrna collection designed by the artist Olga Osolin, and it was especially made for Paulig during the years 1968-2005. The cups have never been for sale, and it has been given as a gift to President Urho Kaleva Kekkonen, for example.

Easy Minibar

At Paulig's Helsinki office in Vuosaari, one can find the most popular office supply solution in Finland: Wuff's MiniBar. Paulig's MiniBar constantly contains approximately 130 products. "We have developed the assortment of products to correspond to Paulig's needs together with Wulff's Tiina Ignatius. In the MiniBar for example, we have gold ribbon in stock. I know that Tiina did her best to find a ribbon that is just the right shade of gold and has a little bit of a rough feel to it. Now we use the ribbon to decorate the packages in which the golden cups are given as gifts", elaborates Eeva Lehtinen who is responsible for the MiniBar at Paulig.

The excellent quality of the office supplies service means high quality products, correct and fast deliveries and flexibility for Paulig. "One of our values is 'grow together'. It means development and growth together with customers, cooperation partners, and our personnel. The world is changing, we too have to change", reflect Suvi Pirhonen and Anri Sandberg, both a part of the team of assistants. "Wulff's deliveries are fast, their products are high-quality and the top-up service really works. A pencil, that breaks constantly or a pen that smudges contracts would not be of high quality. A good price-quality ratio is essential", sums up assistant Katja Narinen.

It goes without saying that at Paulig, the only acceptable smudges are coffee stains.

WULFF IS

- Domestic
- Local and flexible
- Offers also Nordic services
- The most environmentally friendly in the industry
- Continuously working to improve its operations

Do you know what Wulff's third best-selling product smells like?

The right answer: Coffee.

Wulff has Paulig's best and most loved coffees in its selection: Juhla Mokka, Presidentti, and the fair trade coffee Paulig Mundo.

Wulff's solutions save you:

- Time
- Trouble
- Money

CORPORATE RESPONSIBILITY

Corporate Responsibility

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

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

Environmental Responsibility

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

Leading by Example

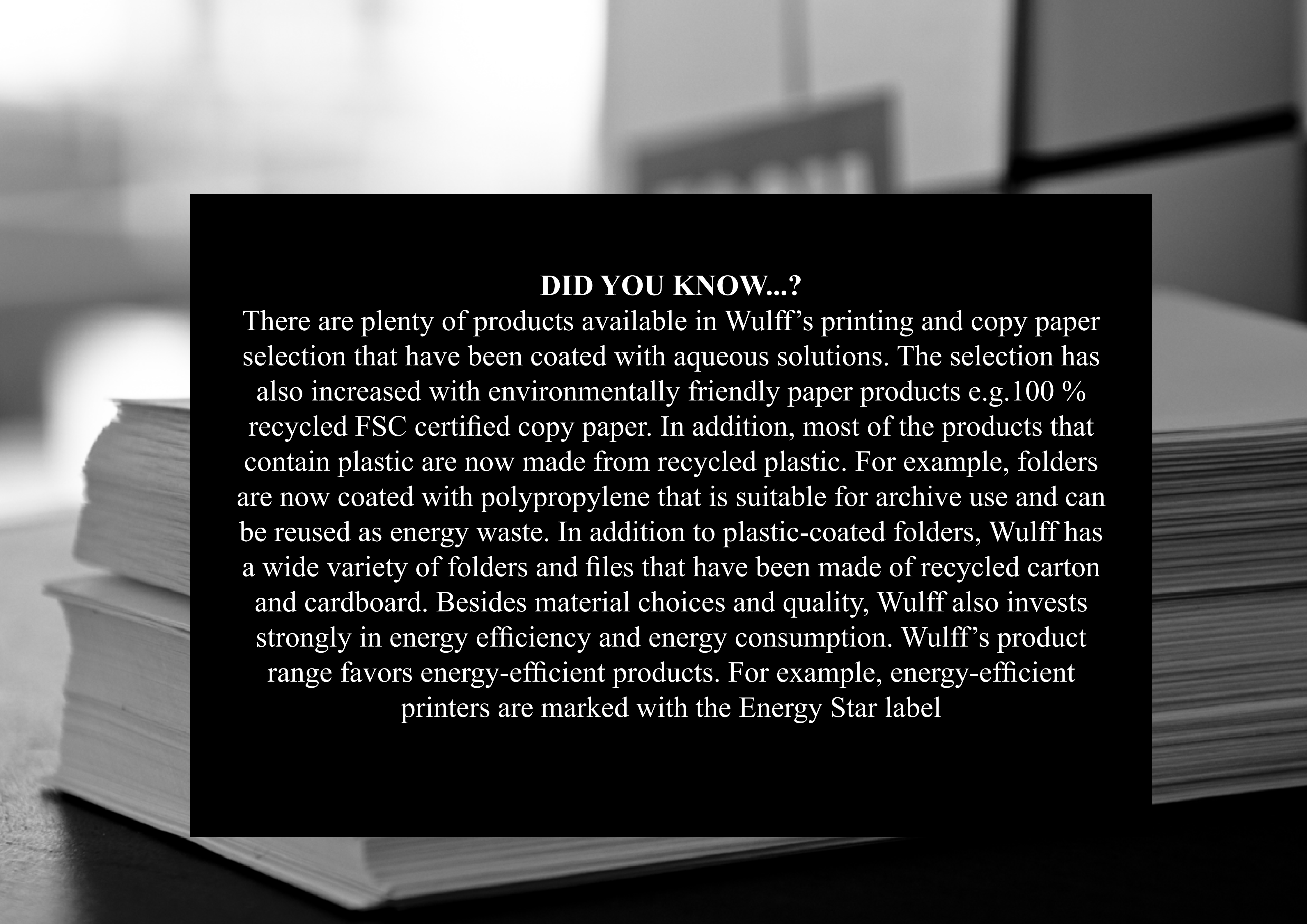
To make our operations more environmentally friendly we put special emphasis on developing our internal processes and setting an example to all our social partners. Active cooperation and mutual commitment ensures a good end result – decreased carbon footprint and the reduction of environmental load.

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

Environmentally Friendly Products

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

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



DID YOU KNOW...?

There are plenty of products available in Wulff's printing and copy paper selection that have been coated with aqueous solutions. The selection has also increased with environmentally friendly paper products e.g.100 % recycled FSC certified copy paper. In addition, most of the products that contain plastic are now made from recycled plastic. For example, folders are now coated with polypropylene that is suitable for archive use and can be reused as energy waste. In addition to plastic-coated folders, Wulff has a wide variety of folders and files that have been made of recycled carton and cardboard. Besides material choices and quality, Wulff also invests strongly in energy efficiency and energy consumption. Wulff's product range favors energy-efficient products. For example, energy-efficient printers are marked with the Energy Star label

CORPORATE RESPONSIBILITY

Environmental Objectives Show in Wulff's Customer Services and Support Activities

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

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

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

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

CO2 Emissions Decrease also in Wulff's Own Operations

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

YOUNG PEOPLE ARE THE FUTURE!

What does the future hold for Finland? We here at Wulff believe that tomorrow's Finland will be more international and greener than the one today. In the future, we will have lots of knowhow in Finland that will hopefully benefit us here as well as abroad. Tomorrow's Finland will be built by today's youth. What kind of Finland do they want to inhabit and what sort of work do they want to do? We believe it is important to include the youth in the future's building process and that is why Wulff has invested strongly in career opportunities for the youth, employment and Trainee programs. It is our mutual responsibility to teach the youth responsibility about themselves and about the environment. This is most efficiently achieved through cooperation.

Societal Responsibility

Responsible Opinion Leader

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

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

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

All the young people that participate in these trainee programs and internships learn special sales organization skills in addition to important work place basic skills. The structure of the internship is planned in a way that half of the work assignments are meant to give the trainee a feeling of success and achievement and the other half teaches new things and develops the trainees' skills and knowhow.

Financial Responsibility

The Group's financial success enables to develop the business in a responsible and sustainable way. Wulff aims to add value for its stakeholders in all its operational countries: customers, suppliers and employees. Wulff creates value for shareholders e.g. through dividends and share value increase. In 2014 Wulff Group Plc paid its shareholders dividends of EUR 0.2 million (EUR 0.1 million). In 2014 the Group paid interests of EUR 0.2 million (EUR 0.1 million) to financial institutions and income taxes of EUR 0.1 million (EUR 0.5 million) to tax authorities in the Group's different operational countries.The Group's value added can be divided to these different stakeholders as shown in the graph attached..

Social Responsibility

Corporate citizenship means in Wulff that every employee assumes overall responsibility. In addition to being responsibility for one's own operations, each employee ensures that their partners and contacts operate according to Wulff's standards.

Personnel in a Key Role

As a sales company, Wulff's key resource is its skilled and committed personnel. Growth is always created by healthy, professional, and motivated personnel. Wulff's personnel are trained actively. On average, there were 10 education and coaching days in 2014 per person.

Wulff invests strongly in the training and coaching of its personnel. In addition to company values, and sales and professional knowhow, training themes for the personnel include professional care for customers and personnel alike and giving feedback actively. The most important goal for these training and education programs is to give the personnel skills that make them better prepared for each customer appointment and to improve everyone's self-management skills. Each Wulff employee's expertise and professionalism is needed to serve our customers in the best possible way.

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

CORPORATE RESPONSIBILITY

Career at Wulff

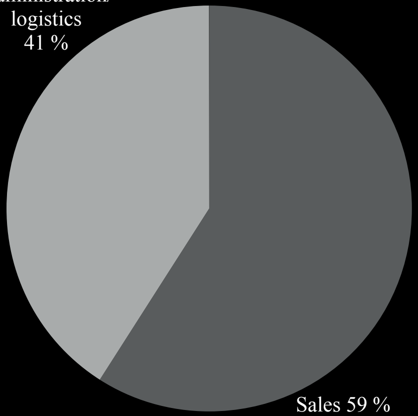
Wulff offers its employees good opportunities to grow and develop at their own work. For example, most of the subsidiaries' Managing Directors have started their careers as sales persons. As a Scandinavian company, Wulff also offers a possibility to create an international career. Wulff is in many ways an equal employer: it employs people of all ages and with different educational and work experience backgrounds. When many companies focus their business operations in the capital city areas in different countries, Wulff can offer vacancies in numerous locations around the operating countries. In order to strengthen the organic sales growth, the Group focuses on the recruitment of the sales personnel. In 2015, Wulff wants to hire new sales representatives in all of its operational countries.

Personnel Structure

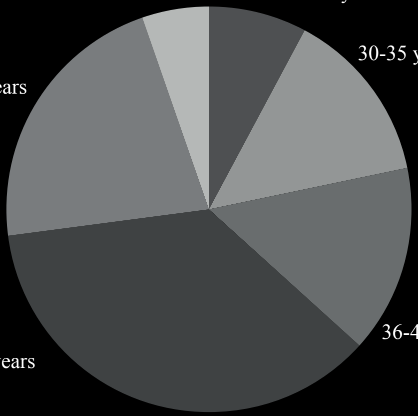
In January-December 2014 the Group's personnel totalled 268 (311) employees on average. At the end of December the Group had 240 (295) employees of which 105 (115) persons were employed in Sweden, Norway, Denmark or Estonia.

The majority, 59 percentages, of the Group's personnel works in sales operations and 41 percentages of the employees work in sales support, logistics and administration. The personnel consists half-and-half of men and women.

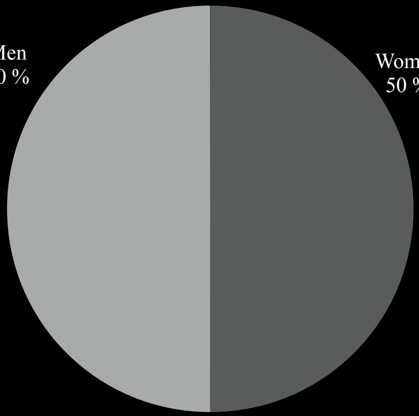
Administration/logistics and sales



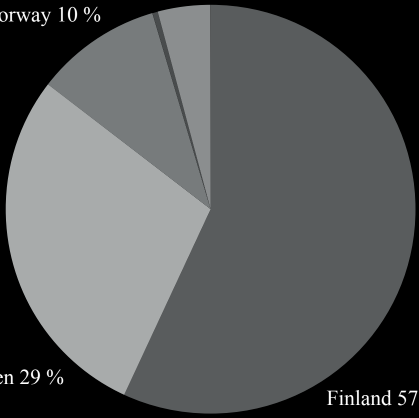
Age



Gender



Personnel by Countries



Concrete Actions for both Personnel and Customers

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

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

Sales Work Holds Opportunities!

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

Are you inspired by sales work or know a sales talent? Wulff is actively searching for new sales talent to grow with the company and become top salespersons. No training or job experience? No worries. Wulff's own orientation and training programs ensures that each salesperson gets comprehensive start-up training as well as self-improving further training. For more information, contact tel. +358 9 5259 0050 or info@wulff.fi.

REVIEW OF THE BOARD OF DIRECTORS

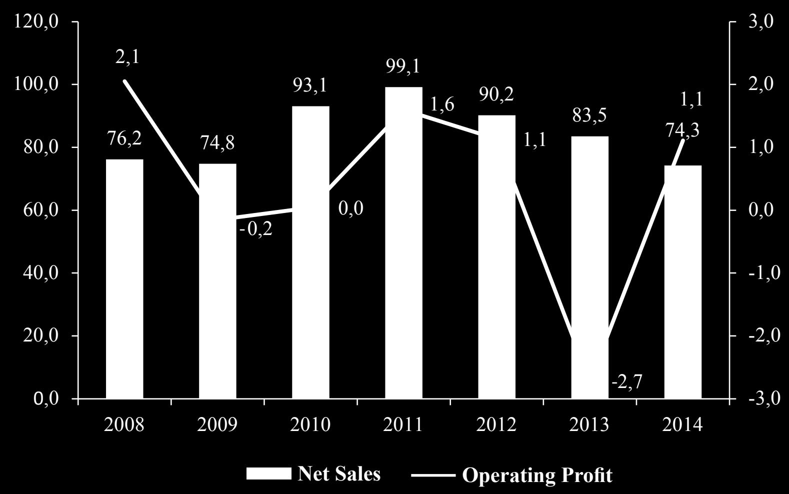
Wulff Group Plc's review of the Board of Directors

Wulff Group Plc improved its results from the previous year; however, the market situation remained difficult

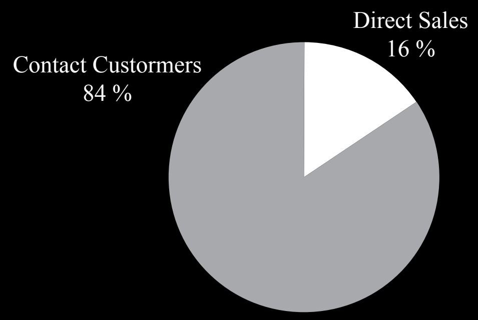
KEY POINTS JANUARY – DECEMBER 2014

- In January-December 2014, net sales totalled EUR 74.3 million (EUR 83.5 million) and EUR 20.5 million (EUR 22.6 million) in the fourth quarter. Net sales decreased by 11.1 percentages in January-December and 9.4 percentages in the fourth quarter.
- In January-December, EBITDA was EUR 2.1 million (EUR 0.0 million) being 2.8 percentages (0.0 %) of net sales. EBITDA included non-recurring income of EUR 1.4 million recognised in the fourth quarter. In the fourth quarter, EBITDA was EUR 2.1 million (EUR 0.33 million) being 10.1 percentages (1.5 %) of net sales.
- In January-December, the operating result (EBIT) amounted to EUR 1.1 (EUR -2.7 million including a non-recurring goodwill impairment of EUR 1.6 million). In the fourth quarter, the operating result (EBIT) was EUR 1.8 million including non-recurring income of EUR 1.4 million (EUR -0.9 million including a non-recurring goodwill impairment of EUR 1.0 million).
- Earnings per share (EPS) was EUR 0.11 (EUR -0.59) in January-December and EUR 0.22 (EUR -0.32) in the fourth quarter.
- The Board of Directors propose to the Annual General Meeting on April 9, 2015 not to pay dividend for the financial year 2014.

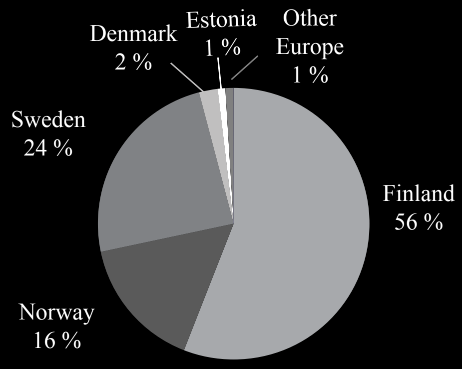
Net Sales and Operating Profit 2008 - 2014



Net sales by operating segments



Net sales by geographical markets



Wulff Group's CEO Heikki Vienola:

"Serving our customers in the best possible way has been the most important value in our operations at all times. This value has motivated our operations this year, just like in all of our years of operations. We here at Wulff today recognize having done a good job in the same way as our predecessors did 125 years ago – by appreciating our existing, continuous customer relationships and the new customerships we win. Our recipe for improving our result from the previous year is clear. We have continued our cost saving measures, invested in sales and its development, and listened to our customers. As our customers adapt their operations to the challenging economic situation, it also means that we have to improve our services even more vigorously. Through our different sales divisions, the Wulff Group is a flexible and efficient partner to businesses of all sizes. In 2015, we will focus on still improving our result positively. The decrease in the 2014 net sales, in comparison to the previous year, was affected by the decline in volumes as contract customers reduced their purchases, and the concentration of the operations of the Groups subsidiaries to profitable and promising business activities."

Group's Net Sales and Result Performance

In January-December 2014 net sales totalled EUR 74.3 million (EUR 83.5 million) and EUR 20.5 million (22.6 million) in the fourth quarter. In January-December EBITDA was EUR 2.1 million (EUR 0.0 million) being 2.8 percentages (0.0 %) of net sales. In the fourth quarter, EBITDA was EUR 2.1 million (EUR 0.33 million) being 10.1 percentages (1.5 %) of net sales. The fourth quarter 2014 EBITDA included a sales profit of EUR 1.3 million relating to the property sale of November 2014 and a sales profit of EUR 0.1 million relating to the sale of a subsidiary in December 2014.

Wulff Group Plc's review of the Board of Directors

In January-December the operating profit (EBIT) amounted to EUR 1.1 (EUR -2.7 million). In the fourth quarter the operating profit (EBIT) was EUR 1.8 million (EUR -0.9 million). The previous year's third quarter was impacted by a non-recurring goodwill impairment of EUR 0.6 million in the Groups promotional gifts business. The previous year's fourth quarter was impacted by a non-recurring goodwill impairment of EUR 1.0 million in the Finnish office supplies business. Typically in the industry and in the Group, the annual profit is made in the last quarter of the year.

In January-December 2014 employee benefit expenses amounted to EUR 15.9 million (EUR 17.8 million) and EUR 4.1 million (EUR 4.8 million) in the fourth quarter. Other operating expenses amounted to EUR 9.4 million (EUR 10.6 million) in January-December and EUR 2.4 million (EUR 2.6 million) in the fourth quarter. Employee benefit and other operating expenses were affected by the cost-saving program performed at the end of 2013. The cost-saving program was continued during the financial year of 2014. To improve its profitability, The Wulff Group continues to examine its cost structure as a part of ongoing reforms.

In January-December the financial income and expenses totalled (net) EUR -0.6 million (EUR -0.7 million) including interest expenses of EUR 0.2 million (EUR 0.2 million) and mainly currency-related other financial items (net) EUR -0.3 million (EUR -0.3 million). In the fourth quarter the financial income and expenses totalled (net) EUR -0.3 million (EUR -0.3 million).

In January-December the result before taxes was EUR 0.5 million (EUR -3.4 million) and EUR 1.5 million (EUR -1.2 million) in the fourth quarter. In January-December the net profit after taxes was EUR 0.6 million (EUR -3.9 million) and EUR 1.5 million (EUR 2.1 million) in the fourth quarter. Earnings per share (EPS) was EUR 0.11 (EUR -0.59) in January-December and EUR 0.22 (EUR -0.32) in the fourth quarter.

Return on Investment (ROI) was 3.5 % (-13.9 %) in 2014. Return on equity (ROE) was 4.4 % (25.6 %) in 2014. Equity ratio was 39.5 % (38.3 %) in 2014.

Contractustomers 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. In January-December the division's net sales totalled EUR 62.5 million (EUR 70.7 million) and the operating result was EUR 0.1 (EUR -1.69 million including a non-recurring goodwill impairment of 1.6 million). In the fourth quarter net sales were EUR 17.3 million (EUR 18.9 million) and the operating result was EUR 0.4 million (EUR -0.88 million including a non-recurring goodwill impairment of EUR 1.0 million).

The general economic situation and the decrease in the products' demand have led to the decrease in net sales. Due to the cost-saving program performed at the end of 2013, the operating profit without goodwill impairment improved by EUR 0.18 million despite of the significant drop in net sales. Traditionally, the Contract Customers Division's result is affected by the cycles of the business and the promotional gift market: the majority of the products are delivered and the majority of the annual profit is generated in the third and the last quarter of the year.

International fair services are a part of Wulff's business. Wulff Entre's investments in sales and its development have resulted in both stronger customer relationships and an increase in clientele in Finland but also in Germany, Sweden, Norway and Russia. In the end of 2014 Wulff Entre succeeded in receiving the biggest single order in Norway in its history. In 2014 Wulff Entre has exported Finnish companies' know-how to more than 30 countries. Wulff Entre is the market leader in its field in Finland and there has been a solid trust in Wulff Entre's ability to find the right international venues for over 90 years.

The office supplies market has declined slightly in Scandinavia and the net sales and profitability of Wulff Supplies decreased in 2014. The position of Wulff Group is strong in the market. Wulff Supplies serves the Group's Scandinavian and Nordic customers.

Wulffinkulma.fi is an open webstore for all companies and communities, and in particular, the webstore serves small and medium-sized companies. The webstore is an important investment in the future for Wulff because purchases of everyday products are done online more and more. Launched in 2010, the webstore has gained a good market position and serves its customers significantly more diversely than its competitors do.

Direct Sales Division

The Direct Sales Division offers its customers new ideas, and the best novelties in the market that make your workdays smoother. Wulff is a desired distribution channel for new products because its personal, local, and nation-wide sales network is the most effective way of launching new products and services to the market. Wulff is known as the industry pioneer and it is a desired partner for national and international suppliers and manufacturers.

In January-December the division's net sales totalled EUR 11.9 million (EUR 12.9 million) and operating profit was EUR 0.2 (EUR -0.1 million). In the fourth quarter net sales totalled EUR 3.3 million (EUR 3.7 million) and the operating result was EUR 0.2 million (EUR 0.1 million).

The Direct Sales Division will continue improving its profitability 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.
The Direct Sales Division offers a large product range of different ergonomics and first aid products and products improving work safety in addition to the traditional office supplies products. The division offers personal service to its clients and the product concept is always built together with the clients to meet their needs.

Wulff is known for being the workplace of successful salesmen. More and more great executive leaders have experience and know-how in sales, and there is growing appreciation of sales skills in our society today. Successful recruiting has a significant effect on the performance of the Direct Sales Division. In 2015, Wulff has the readiness to employ numerous new talents to grow into sales experts. Wulff's own introduction and training programs ensure that not only does every sales person get a comprehensive training and an exciting start to their career, but also further education on how to improve one's own know-how.

REVIEW OF THE BOARD OF DIRECTORS

Wulff Group Plc's review of the Board of Directors

Financing, Investmentsand and Financial Position

In January-December the cash flow from operating activities was EUR -0.2 million (EUR 0.6 million) and EUR 2.5 million (EUR 3.4 million) in the fourth quarter. In this industry it is typical that the result and cash flow are generated in the last quarter.

For its fixed asset investments the Group paid a net of EUR 0.2 million (EUR 0.7 million) in January-December. The sales of available for sale financial assets generated cash flow of EUR 0.1 million, the sale of property EUR 1.5 million and the sale of subsidiary (net of subsidiary's cash at the time of sale) EUR 0.3 million. The Group paid EUR 0.06 million for the acquisition of S Supplies Holding AB's non-controlling interest.

The Group repaid loans of net EUR 0.6 million in January-December (EUR 0.0 million, net) of which EUR 2.4 million (EUR 2.9 million) was repaid during the last quarter. The subsidiaries' non-controlling shareholders were paid dividends of EUR 0.15 million (EUR 0.11 million).

The Group's cash balance increased by EUR 0.7 million in January-December (EUR -0.8 million). The Group's bank and cash funds totalled EUR 1.8 million in the beginning of the year and EUR 2.4 million in the end of the reporting period.

In the end of December 2014 the Group's equity-to-assets ratio was 39.5 percentages (December 31, 2013: 38.3 %). Equity attributable to the equity holders of the parent company increased to EUR 1.95 per share (December 31, 2013: EUR 1.80).

Decisions of Wulff Group PLC's Annual General Meeting

Wulff Group Plc's Annual General Meeting held on April 10, 2014 decided not to pay dividend 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, Tarja Pääkkönen, Sakari Ropponen, Andreas Tallberg, Vesa Tengman and Heikki Vienola were re-elected. 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 Thursday April 9, 2015.

Share and Share Capital

Wulff Group Plc's share is listed on NASDAQ OMX Helsinki in the Small Cap segment under the Industrial Goods and Services sector. The company's trading code is WUF1V. In the end of the reporting period the share was valued at EUR 0.99 (EUR 1.57) and the market capitalization of the outstanding shares totalled EUR 6.5 million (EUR 10.2 million).

In January-December 2014 no own shares were reacquired. In the end of December 2014, the Group held 79,000 (December 31, 2013: 79,000) own shares representing 1.2 percentage (1.2 %) of the total number and voting rights of Wulff shares. According to the Annual General Meeting's authorisation on April 10, 2014, 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, 2015.

The Group has no option schemes in force nor has the group a share reward plan in force. Wulff Group Plc's share capital (2.65 million euros) consists of 6 607 628 shares with one vote each. There have been no changes in share capital in 2013 and 2014. There were no disclosed notifications on changes in major share holdings in 2014.

Personnel

In January-December 2014 the Group's personnel totalled 268 (311) employees on average. At the end of December the Group had 240 (295) employees of which 105 (115) persons were employed in Sweden, Norway, Denmark or Estonia.

The majority, 59 percentages, of the Group's personnel works in sales operations and 41 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 was renewed in 2014 to better equal to the strategy and operations. Group Executive Board members 2014 are:

Arion Ninni, Managing Director, Wulff Entre (since October 2014)
Fikseaunet Trond, Managing Director, Wulff Supplies AB
Rahkonen Elina, CFO (since October 2014)
Törmänen Tarja, Communications and Marketing Director, Wulff Group Plc
Vienola Heikki, CEO, Wulff Group Plc and CEO, Wulff Oy Ab (since September 2014)
Ågerfalk Veijo, Director, Direct Sales Scandinavia

Sami Asikainen, CEO, Wulff Oy Ab (until August 2014), Kati Näätänen, CFO (until February 2014), Topi Ruuska, CEO, Wulff Entre Oy and Wulff Liikelahjat Oy (until June 2014) and Samu Vuorio, CFO (until September 2014) also acted as Group Executive Board members during 2014.

Wulff Group Plc's review of the Board of Directors

Risks and Uncertaintiesin 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 ongoing economic uncertainties impact especially the demand for business and promotional gifts. During uncertain economic periods, corporations may also minimize attending fairs. As the ongoing economic uncertainty continues, the cost saving measures will have an effect on the ordering behaviour of corporate customers.

Half of the Group's net sales come from other than euro-currency countries. Fluctuation of the currencies affect the Group's net result, however the effect of the fluctuation is expected to be moderate.

Events After the Financial Year

The Group has not had such events after the financial year end which would have a material impact on 2014 financial statements.

Board of Directors Proposal For the Annual Result

The Group's parent company Wulff Group Plc's distributable funds totalled EUR 2.6 million. The Group's net result attributable to the parent company shareholders was EUR 0.7 million i.e. EUR 0.11 per share (EUR -0.59 per share). The Board of Directors proposes to the Annual General Meeting being held on April 9th, 2015, that no dividend will be distributed for the financial year 2014 and the financial year's loss will be transferred in the retained earnings in the shareholders' equity.

Market Situtation and Future Outlook

Wulff is the most significant Nordic player in its field. 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, and as a listed company Wulff has a good opportunity to be a more active player than its competitors.

Wulff estimates the office supplies' demand to increase as the economy starts to recover by the end of 2015 at the earliest. Therefore it is important to continue to implement the cost structure and improve efficiency of the operations. Wulff's goal is to further improve profitability of its businesses. Wulff estimates the 2015 operating profit to be positive. Typically in the industry, the annual profit and cash flow are made in the last quarter of the year.

Wulff Group PLC's Financial Reporting and Annual General Meeting

Wulff Group Plc will release the following financial reports in 2015:

Statutory Financial Statements 2014	Week 12/2015
Interim Report, January-March 2015	Thursday May 7, 2015
Interim Report, January-June 2015	Thursday August 6, 2015
Interim Report, January-September 2015	Thursday November 5, 2015

Wulff Group Plc's Annual General Meeting will be held on Thursday April 9, 2015. A separate notice to the Annual Genera Meeting will be published prior to the meeting

STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF CASH FLOW

INCOME STATEMENT

EUR 1000	Note	Jan 1 - Dec 31, 2014	Jan 1 - Dec 31, 2013
Net sales	**2, 4**	**74 262**	**83 543**
Other operating income	5	1 522	110
Materials and services	6	-48 453	-55 190
Employee benefit expenses	7	-15 873	-17 811
Other operating expenses	8	-9 363	-10 649
EBITDA		**2 096**	**3**
Depreciation and amortization	9	-987	-1 104
Impairment	9	0	-1 620
Operating profit (EBIT)		**1 109**	**-2 721**
Financial income	10	41	155
Financial expenses	10	-673	-829
Profit before taxes		**478**	**-3 395**
Income taxes	11	84	-510
Net profit/loss for the period		**562**	**-3 904**
Attributable to:			
Equity holders of the parent company		696	-3 874
Non-controlling interests		-134	-31
Earnings per share for profit attributable to the equity holders of the parent company:			
Earnings per share, EUR (diluted = non-diluted)	12	0,11	-0,59

STATEMENT OF COMPREHENSIVE INCOME

EUR 1000	Note	Jan 1 - Dec 31, 2014	Jan 1 - Dec 31, 2013
Net profit/loss for the period		**562**	**-3 904**
Other comprehensive income which may be reclassified to profit or loss subsequently (net of tax)			
Change in translation differences	11	-239	-258
Fair value changes on available-for-sale investments	11	61	-50
Total other comprehensive income		**-178**	**-308**
Total comprehensive income for the period		**384**	**-4 212**
Total comprehensive income attributable to:			
Equity holders of the parent company		540	-4 148
Non-controlling interests		-156	-64

STATEMENT OF CASH FLOW

EUR 1000	Note	Jan 1 - Dec 31, 2014	Jan 1 - Dec 31, 2013
Cash flow from operating activities:			
Cash received from sales		73 200	85 210
Cash received from other operating income		99	114
Cash paid for operating expenses		-73 256	-84 131
Cash flow from operating activities before financial items and income taxes		43	1 193
Interest paid		-174	-136
Interest received		16	30
Income taxes paid		-90	-520
Cash flow from operating activities		**-205**	**567**
Cash flow from investing activities:			
Proceeds from available for sale financial assets		101	0
Investments in intangible and tangible assets		-295	-828
Proceeds from sales of intangible and tangible assets		1 654	123
Proceeds from sales of subsidiaries	3	253	0
Disposal of other non-current investments		0	11
Loans granted		0	-65
Repayments of loans receivable		4	34
Cash flow from investing activities		**1 717**	**-725**
Cash flow from financing activities:			
Dividends paid	24	-152	-638
Dividends received	10	0	7
Cash paid for changes in non-controlling interest	3	-56	-33
Payments received for changes in non-controlling interest		2	0
Repayments of financial lease liabilities		-8	0
Cash paid for (received from) short-term investments (net)		0	95
Withdrawals and repayments of short-term loans		839	1 357
Withdrawals of long-term loans		0	0
Repayments of long-term loans		-1 390	-1 385
Cash flow from financing activities		**-766**	**-598**
Change in cash and cash equivalents		**746**	**-756**
Cash and cash equivalents at the beginning of the period		1 774	2 749
Translation difference of cash		-98	-219
Cash and cash equivalents at the end of the period	22	2 422	1 774

STATEMENT OF FINANCIAL POSITION

EUR 1000	Note	Dec 31, 2014	Dec 31, 2013
ASSETS			
Non-current assets			
Goodwill	13, 15	7 730	7 845
Intangible assets	13	730	1 180
Property, plant and equipment	13	1 094	1 536
Non-current financial assets			
Long-term receivables from related parties	16, 30	0	25
Long-term receivables from others	16	35	10
Available-for-sale investments	17	140	246
Deferred tax assets	11	1 709	1 737
Total non-current assets		**11 438**	**12 578**
Current assets			
Inventories	18	8 352	9 053
Short-term receivables			
Loan receivables from others	19	16	20
Trade receivables from related parties	20, 30	16	49
Trade receivables from others	20	9 835	9 543
Advance payments		33	57
Other receivables		627	680
Accrued income and expenses	20	2 017	1 400
Financial assets recognised at fair value through profit and loss	21	3	3
Cash and cash equivalents	22	2 422	1 774
Total current assets		**23 321**	**22 578**
TOTAL ASSETS		**34 759**	**35 156**

EUR 1000	Note	Dec 31, 2014	Dec 31, 2013
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		2 166	1 190
Equity attributable to the equity holders of the parent company		12 701	11 725
Non-controlling interests		43	1 137
Total equity	**23, 24, 25**	**12 744**	**12 862**
Non-current liabilities			
Interest-bearing liabilities	26	3 390	4 825
Deferred tax liabilities	11	19	39
Total non-current liabilities		**3 409**	**4 864**
Current liabilities			
Interest-bearing liabilities	26	3 791	2 839
Trade payables		7 536	7 375
Advance payments		2 461	1 580
Other liabilities	28	1 581	1 675
Accrued income and expenses	28	3 238	3 962
Total current liabilities		**18 607**	**17 431**
TOTAL EQUITY AND LIABILITIES		**34 759**	**35 156**

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	Fair value fund	Retained earnings	Total	Non-controlling interest	TOTAL
Equity on Jan 1, 2013		**2 650**	**7 662**	**223**	**-272**	**28**	**-25**	**6 118**	**16 384**	**1 283**	**17 667**
Net profit/loss for the period								-3 874	-3 874	-31	-3 904
Other comprehensive income*:											
Change in translation differences						-225			-225	-34	-258
Fair value changes on available-for-sale investments							-50		-50		-50
Comprehensive income *						-225	-50	-3 874	-4 148	-64	-4 212
Transactions with the shareholders:											
Dividends paid	24							-522	-522	-117	-638
Treasury share disposal	23				12			-12	0		0
Share-based payments	25							11	11	0	11
Transactions with the shareholders total					12			-523	-511	-117	-627
Changes in subsidiary shareholdings:											
Changes in non-controlling interests which did not lead to loss of control	3									35	35
Equity on Dec 31, 2013	**23**	**2 650**	**7 662**	**223**	**-260**	**-196**	**-76**	**1 723**	**11 725**	**1 137**	**12 862**
Equity on Jan 1, 2014		**2 650**	**7 662**	**223**	**-260**	**-196**	**-76**	**1 723**	**11 725**	**1 137**	**12 862**
Net profit/loss for the period								696	696	-134	562
Other comprehensive income*:											
Change in translation differences						-230			-230	-9	-239
Fair value changes on available-for-sale investments							61		61		61
Comprehensive income *						-230	61	696	527	-143	384
Transactions with the shareholders:											
Dividends paid	24									-152	-152
Share-based payments	25							5	5		5
Changes in ownership	3								0	0	0
Transactions with the shareholders total								5	5	-152	-147
Changes in subsidiary shareholdings:											
Changes in non-controlling interests which lead to loss of control								443	443	-499	-56
Changes in non-controlling interests which did not lead to loss of control										-299	-299
								443	443	-798	-355
Equity on Dec 31, 2014	23	2 650	7 662	223	-260	-426	-15	2 867	12 700	43	12 744

* net of tax

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Principles

General Information

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

The Group consists of the parent company Wulff Group Plc and its 16 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 17, 2015. 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, 2014. 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.

New and amended standards applied in financial year ended

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 2014:

- 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 had no material impact on Wulff Group Plc'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 had no material impact on Wulff Group Plc'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 expanded the notes the Group provides for its interests in other entities.
- IAS 28 Investments in Associates and Joint Ventures (revised 2011) (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 had no significant impact on Wulff Group Plc'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 amendments had no significant impact on Wulff Group Plc's consolidated financial statements.
- Amendments to IAS 36 Impairment of Assets (effective for financial years beginning on or after 1 January 2014): The objective of the amendments is to clarify that the scope of the disclosures of information about the recoverable amount of assets, where that amount is based on fair value less costs of disposal, is limited to impaired assets. The amended standard had no significant impact on Wulff Group Plc's consolidated financial statements.
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement (effective for financial years beginning on or after 1 January 2014): The amendments made to IAS 39 provide an exception to the requirement to discontinue hedge accounting in certain circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The amendments had no impact on Wulff Group Plc's consolidated financial statements.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

Adoption of new and amended standards and interpretations applicable in future financial years

- The Group 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.
- * = not yet endorsed for use by the European Union as of 31 December 2014.
- Amendments to IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions* (effective for financial years beginning on or after 1 July 2014): The amendments clarify the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits. The amendments are not assessed to have an impact on the Group's consolidated financial statements.
- Annual Improvements to IFRSs (2011-2013 cycle* and 2010-2012 cycle*, December 2013) (effective for financial years beginning on or after 1 July 2014): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in total four (2011-2013 cycle) and seven (2010-2012 cycle) standards. Their impacts vary standard by standard but are not significant.
- Amendment to IAS 1 Presentation of Financial Statements: Disclosure Initiative* (effective for financial years beginning on or after 1 January 2016). The amendments are designed to encourage companies to apply judgement in determining what information to disclose in the financial statements. For example, the amendments clarify the application of the materiality concept and judgement when determining where and in what order information is presented in the financial disclosures. The interpretation had no significant impact on the Group's consolidated financial statements.
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation* (effective for financial years beginning on or after 1 January 2016): The amendments clarify IAS 16 and IAS 38 that revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in limited circumstances to amortise intangible assets. The amendments will have no impact on the Group's consolidated financial statements.
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture - Bearer Plants* (effective for financial years beginning on or after 1 January 2016): These amendments require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment and included in the scope of IAS 16, instead of IAS 41. These amendments will have no impact on the Group's consolidated financial statements.
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective for financial years beginning on or after 1 January 2016): The amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments are not assessed to have an impact on the Group's consolidated financial statements.
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures: Investment Entities: Applying the Consolidation Exception* (the amendments can be applied immediately; mandatory for financial years beginning on or after 1 January 2016): The narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 clarify the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. The amendments will not have an impact on the Group's consolidated financial statements.
- Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (effective for financial years beginning on or after 1 January 2016): The amendments add new guidance to IFRS 11 on how to account for the acquisition of an interest in a joint operation that constitutes a business, i.e. business combination accounting is required to be applied. The amendments are not assessed to have an impact on the Group's consolidated financial statements.
- Amendments to IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements* (effective for financial years beginning on or after 1 January 2016): The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments will not have an impact on the Group's consolidated financial statements.
- New IFRS 14 Regulatory Deferral Accounts* (effective for financial years beginning on or after 1 January 2016): IFRS 14 is first specific IFRS guidance on accounting for the effects of rate regulation. It is an interim standard. IFRS 14 allows first-time adopters of IFRS, whose activities are subject to rate-regulation, to continue using previous GAAP ("grandfathering") while the IASB completes its comprehensive project in this area. IFRS 14 is an optional standard. The new standard will not have an impact on the Group's consolidated financial statements.
- Annual Improvements to IFRSs, 2012-2014 cycle*) (effective for financial years beginning on or after 1 January 2016): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in four standards. Their impacts vary standard by standard but are not significant.
- New IFRS 15 Revenue from Contracts with Customers* (effective for financial years beginning on or after 1 January 2017): IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. Under IFRS 15 an entity shall recognise revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group is currently assessing the impact of IFRS 15.
- New IFRS 9 Financial Instruments* (effective for financial years beginning on or after 1 January 2018): IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Group is assessing the impact of IFRS 9.

NOTES OF 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.

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.

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.

Wulff Entre 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. 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

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 2013-2014.

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 29. 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.

Inventories

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

Employee Benefits

Pension Obligations

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

Share-based Payments

The Group has applied IFRS 2 to the share-based incentive scheme for the Group's key personnel. The Group has not had a share based reward plan in force during 2014. In February 2011, a share reward plan for years 2011-2013 was approved and the scheme is described in Note 25. Any benefits granted in the scheme are measured at fair value at the grant date and recognised as personnel expenses evenly over the plan's duration period. Cash-settled payments are recognised as liabilities, and the change in fair value is expensed accordingly. The fair value of equity-settled payments is recognised as an expense and an increase in shareholders' equity.

Income Taxes

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

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

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

Financial Assets and Liabilities

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

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

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

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

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

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

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, 2014.

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 23.

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 25.

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 24.

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.

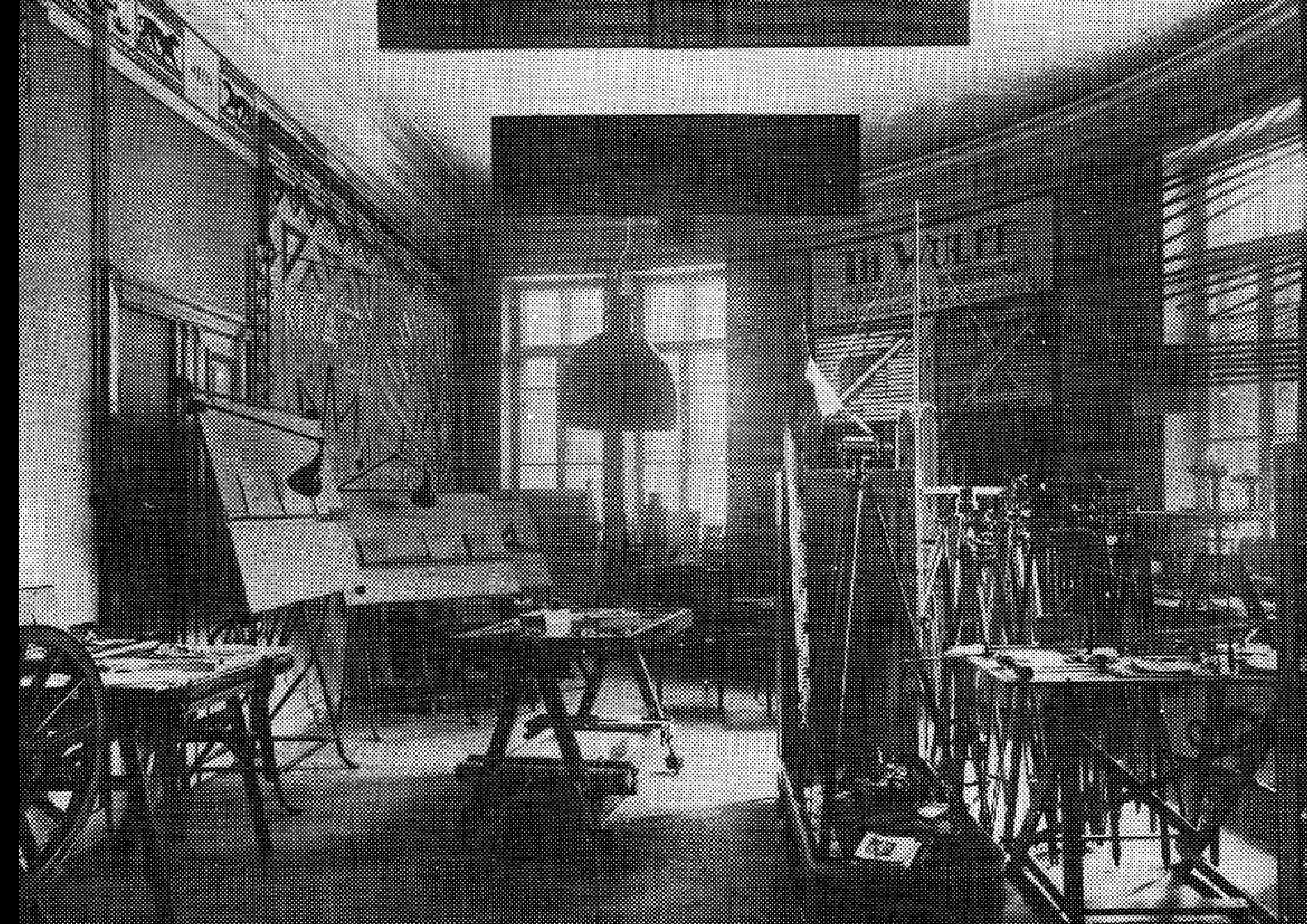
NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

Going Concern

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

Events After the Balance Sheet Date

There have been no material events after the end of the financial year January 1 – December 31, 2014.



NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

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 17 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 6 subsidiaries as shown in Note 30. Subsidiary Looks Finland Ltd formerly part of Direct Sales division was sold to a minority shareholder on 19th December 2014. 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.

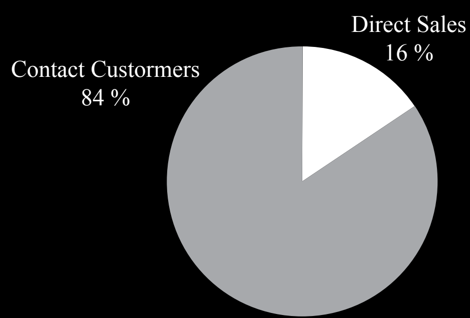
The segments' performance is reviewed and the Group Executive Board's and the Board of Directors' decision-making related to resource allocation is based on the segments' operating result (IFRS). Inter-segment transactions are market-priced. Intra-segment transactions are eliminated from the segment's 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

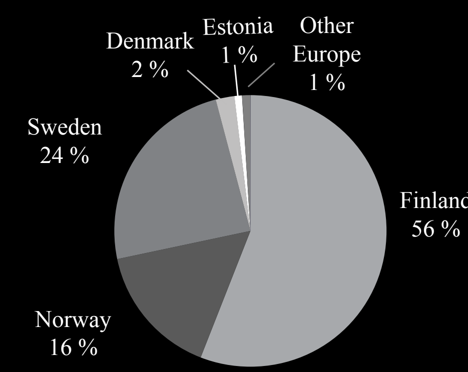
EUR 1000	2014	2013
Contract Customers Division		
Sales to external customers	62 399	71 120
Intragroup sales to other segments	87	-451
Total Contract Customers Division	**62 486**	**70 669**
Direct Sales Division		
Sales to external customers	11 737	12 279
Intragroup sales to other segments	152	614
Total Direct Sales Division	**11 889**	**12 892**
Group Services		
Sales to external customers	126	145
Intragroup sales to other segments	398	515
Total Group Services	**524**	**659**
Intragroup eliminations between segments	-637	-677
Total net sales	**74 262**	**83 543**

Revenue from any individual customer did not exceed 10 percent share of the consolidated revenue in 2013 or 2014.

Net sales by operating segments



Net sales by geographical markets



NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

Result by operating segments 2014

	Contract Customers	Direct Sales	Group services and non-allocated items	Eliminations	Group
Net sales	62 486	11 889	524	-637	74 262
Expenses	-61 817	-11 622	636	637	-72 166
EBITDA	669	267	1 160	0	2 096
Depreciations	-584	-107	-296		-987
Goodwill impairment	0				0
Operating profit (EBIT)	**85**	**160**	**864**	**0**	**1 109**
Financial income (non-allocated)					41
Financial expenses (non-allocated)					-673
Profit before taxes	**85**	**160**	**864**	**0**	**478**

Result by operating segments 2013

EUR 1000	Contract Custom-ers	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	0	-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**

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	2014		2013	
Finland	42 905	58 %	45 692	55 %
Norway	24 561	33 %	27 663	33 %
Sweden	11 482	15 %	16 910	20 %
Denmark	1 217	2 %	1 478	2 %
Estonia	648	1 %	688	1 %
Net sales between countries	-6 550	-9 %	-8 887	-11 %
Net sales total	**74 262**	**100 %**	**83 543**	**100 %**

External net sales by customers' locations

EUR 1000	2014		2013	
Finland	41 485	56 %	44 512	53 %
Norway	11 648	16 %	17 204	21 %
Sweden	17 963	24 %	18 334	22 %
Denmark	1 657	2 %	1 865	2 %
Estonia	661	1 %	677	1 %
Other European countries	725	1 %	851	1 %
Other countries	123	0 %	100	0 %
Net sales total	**74 262**	**100 %**	**83 543**	**100 %**

Non-current assets by group companies' locations

EUR 1000	2014		2013	
Finland	7 472	77 %	8 027	76 %
Sweden	1 991	21 %	2 277	22 %
Norway	202	2 %	250	2 %
Estonia	5	0 %	6	0 %
Total non-current assets	**9 670**	**100 %**	**10 561**	**100 %**

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

3. Business combinations

Business combinations

In 2013 and 2014 the Group did not have business combinations.

Changes in shares of non-controlling interests which did not lead to change in control

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.

In 2014, the Group's ownership in Wulff Supplies AB, Wulff Supplies AS and Wulff Supplies A/S rose from 83 percentages to 85 percentages when Wulff Group Plc acquired the shares (2%) from an employee leaving Wulff Supplies.

In 2014, the Group sold in total of 40 percentages share of Wulff Liikelahjat Oy to non-controlling interest shareholders and owns 60 precent of the subsidiary.

Mergers

In 2013, Wulff Novelties Oy merged with Wulff Oy and KB-Tuote Oy merged with Wulff Liikelahjat Oy. In 2014 there were no mergers in the Group.

Sold shares of subsidiries which lead to loss of control

In December 2014 the Group sold 75 percentages share of Looks Finland Oy's shares to a minority shareholder and the Group lost control of the company. After the sale the Group owns 0 percentages of the company. The sales price was 986 thousand euros. At the time of the sale Looks Finland Oy's net assets were EUR 1.2 million of which parent's share was 896.5 thousand euros. The sale generated 90 thousand euros of profit in the Group which is presented in the item Other operating income in the profit and loss statement. As a result of the sale the non-controlling interest decreased by 299 thousand euros.

4. Net sales

EUR 1000	2014	2013
Sales of products and related services	67 599	75 834
Sales of fair services (including income based on percentage-of-completion method)	6 663	7 709
Total	**74 262**	**83 543**

5. Other operating income

EUR 1000	2014	2013
Sales gains from tangible assets*	1 464	55
Rental income	17	10
Other	41	45
Total	**1 522**	**110**

* Includes sales profit of 1.272 KEUR from sale of real estate.

6. Materials and services

EUR 1000	2014	2013
Materials, supplies and products		
Purchases during the financial year	47 825	54 160
Change in inventories	213	584
External services	415	446
Total	**48 453**	**55 190**

7. Employee benefits

EUR 1000	2014	2013
Salaries and fees	12 423	14 049
Pension expenses (defined contribution plans)	1 827	1 957
Other personnel expenses	1 619	1 800
Share-based payments (share rewards settled in shares)	5	6
Total	**15 873**	**17 812**

Average number of employees in accounting period	268	311
Personnel at the end of period	240	295

Information about the management's employment benefits and loans is presented in Note 30 Related party information. Details about loans to related parties is presented under Shares and shareholders.

8. Other operating expenses

EUR 1000	2014	2013
Rents	1 849	1 915
Travel and car expenses	2 090	2 332
ICT expenses	929	1 074
External logistics expenses	1 353	1 426
Marketing, PR and entertainment expenses	346	570
Credit losses and bad debt allowances of sales receivables	44	116
Fees to auditors *	118	168
Other	2 634	3 048
Total	**9 363**	**10 649**

* Fees to auditors total in all group companies:

Approved audit firm KPMG Oy Ab

EUR 1000	2014	2013
Audit	40	47
Tax services	0	1
Other services	31	24
Total	**71**	**72**

Other approved audit firms

EUR 1000	2014	2013
Audit	8	8
Tax services	1	2
Other services	13	86
Total	**22**	**96**

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

9. Amortization, depreciation and impairment

EUR 1000	2014	2013
Amortization and depreciation during the period:		
Amortization of intangible assets:		
Customer relationships	-72	-77
Other intangible assets	-381	-394
Total amortization of intangible assets	-453	-471
Depreciation of tangible assets:		
Machinery and equipment	-527	-611
Other tangible assets	-7	-22
Total depreciation of tangible assets	-534	-633
Total amortization and depreciation	-987	-1 104
Impairment during the period:		
Impairment of goodwill	0	-1 620
Total amortization, depreciation and impairment	**-987**	**-2 724**

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

10. Financial income and expenses

EUR 1000	2014	2013
Financial income:		
Interest income	17	30
Dividend income	23	7
Foreign exchange gains and other financial income	2	118
Financial income total	**42**	**155**
Financial expenses:		
Interest expenses	221	202
Foreign exchange losses and other financial expenses	452	627
Financial expenses total	**673**	**829**

11. Income taxes

Income taxes in the income statement

EUR 1000	2014	2013
Income taxes for the financial year	-8	-119
Income taxes for the previous years	-2	-207
Deferred taxes:		
Change in deferred tax assets	72	-244
Change in deferred tax liabilities	22	60
Total	**84**	**-510**

Income tax reconciliation

EUR 1000	2014	2013
Income taxes according to the Finnish tax rate (2012-2013: 24,5%)	-96	832
Different tax rates abroad	12	-11
Non-deductible expenses and tax-free income	314	-423
Tax impact from the current year's losses for which no defta benefit is recognized	-86	-238
Income taxes for previous years, allowances of corporate tax credits	-2	-207
Changes in deferred tax assets and liabilities recognized in previous years	-13	-2
Impact of the tax rate changes on deferred tax assets and liabilities	0	-435
Group consolidation and eliminations	-45	-27
Income taxes in the income statement	84	-510

* 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, 2014

EUR 1000	Pre-tax	Taxes	Net of tax
Translation differences	-239	0	-239
Fair value changes on available-for-sale investments	76	-15	61
Total other comprehensive income	-163	-15	-178

Taxes for other comprehensive income, 2013

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

Changes in deferred taxes 2014

EUR 1000	Jan 1, 2014	Income statement	Equity	Translation differences	Other changes	Dec 31, 2014
Deferred tax assets:						
Confirmed losses	1 039	49		-59		1 029
Provisions	8	0		-1		7
Pension liabilities	0	0		0		0
Depreciation differences	665	28		0		693
Group consolidation and eliminations	5	-5		0		0
Sales of subsidiary	0	0		0	-24	-24
Other temporary differences	20	0	-15	0		5
Deferred tax assets total	1 736	72	-15	-60	-24	1 709
Deferred tax liabilities:						
Depreciation differences and other untaxed reserves	7	-4	0	1		4
Fair value changes in net assets acquired	19	-19		0		0
Other temporary differences	13	1		1		15
Deferred tax liabilities total	39	-22	0	2		19
Deferred tax assets, net	1 698	94	-15	-62		1 691

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
Pension liabilities	0	0		0	0
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		-2	7
Fair value changes in net assets acquired	36	-17		0	19
Other temporary differences	47	-33		-1	13
Deferred tax liabilities total	102	-60	0	-2	39
Deferred tax assets, net	1 870	-183	28	-18	1 698

For the Group companies' previous years' confirmed taxable losses, a deferred tax asset of 1.029 thousand euros has been booked, of which 98 thousand euros will fall due in 5 years, 748 thousand euros in 5-10 years and 183 thousand euros can be utilized indefinitely. As of December 31, 2014, the Group had confirmed tax losses carried forward of 2.210 thousand euros (Dec 31, 2013: 2.391 thousand euros) for which the deferred tax asset of 452 thousand euros (Dec 31, 2013: 523 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, 2014 includes deferred tax assets of 484 thousand euros (Dec 31, 2013: 893 thousand euros) in group companies which made a loss in 2014. The recognition of these assets is based on profit estimates, which indicate that the realization of these deferred tax assets is probable. The Finnish companies' deferred tax assets from previous years' confirmed losses, which can be used in 10 years, can be utilized against the company's own future profits and also against group contributions granted by other Finnish group companies where the Group's ownership is 90 percentages at minimum.

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

12. Earnings per share

	2014	2013
Profit for the period attributable to the equity holders of the parent company, EUR 1000	696	-3 874
/ Weighted average number of shares; diluted = non-diluted (1,000 shares)	6 529	6 526
Earnings per share (EPS); Diluted = non-diluted, EUR	0,11	-0,59

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13. Goodwill, Intangible and Tangible Assets

2014	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	**11 318**	632	2 740	0	**14 690**	228	0	6 109	190	**6 527**
Additions	**0**	0	45	0	**45**	0	0	443	0	**443**
Disposals	**0**	0	-204	0	**-204**	-228	0	-676	0	**-904**
Reclassifications between accounts	**0**	0	0	0	**0**	0	0	0	0	**0**
Translation differences	**-114**	-13	-2	0	**-129**	0	0	-28	1	**-27**
Acquisition cost, Dec 31	**11 204**	619	2 579	0	**14 402**	0	0	5 849	191	**6 040**
Accumulated depreciation and impairment, Jan 1	**-3 474**	-547	-1 647	0	**-5 668**	0	0	-4 845	-156	**-5 001**
Disposals	**0**	0	183	0	**183**	0	0	571	0	**571**
Reclassifications between accounts	**0**	0	0	0	**0**	0	0	0	0	**0**
Depreciation during the period	**0**	-72	-381	0	**-454**	0	0	-528	-7	**-535**
Impairment during the period	**0**	0	0	0	**0**	0	0	0	0	**0**
Translation differences	**1**	0	-2	0	**-1**	0	0	10	3	**12**
Accumulated depreciation and impairment, Dec 31	**-3 474**	-619	-1 848	0	**-5 940**	0	0	-4 793	-160	**-4 953**
Book value, Jan 1	**7 844**	**85**	**1 093**	**0**	**9 022**	**228**	**0**	**1 264**	**40**	**1 535**
Book value, Dec 31	**7 730**	**0**	**731**	**0**	**8 462**	**0**	**0**	**1 056**	**31**	**1 087**

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**

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

14. Subsidiaries and shares of non controlling interests

The table below describes the group structure as at 31 December 2014.

	Number of subsidiaries fully owned	
Field of business	**2014**	**2013**
Office supplies	2	2
Exhibition services	1	1
Business and promotional gifts	0	1
Group services	1	1

The specification of the group companies is presented in note 31.

Specification of shares of non controlling interests in the group

		Non controlling interest shareholders' share of voting right		Non controlling shareholders' share of profit/ loss		Non controlling shareholders' share of equity	
	Kotimaa	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Wulff Liikelahjat Oy	**Finland**	40 %	0 %	40 %	0 %	40 %	0 %
KB Eesti	**Estonia**	40 %	40 %	40 %	40 %	40 %	40 %
Naxor Holding Oy	**Finland**	25 %	25 %	25 %	25 %	25 %	25 %
S Supplies Holding AB	**Sweden**	15 %	17 %	15 %	17 %	15 %	17 %
Wulff Supplies AB	**Sweden**	15 %	17 %	15 %	17 %	15 %	17 %
Wulff Supplies AS	**Norway**	15 %	17 %	15 %	17 %	15 %	17 %
Wulff Supplies A/S	**Denmark**	15 %	17 %	15 %	17 %	15 %	17 %
Wulff Beltton AB	**Sweden**	25 %	25 %	25 %	25 %	25 %	25 %
Beltton AS	**Norway**	20 %	20 %	20 %	20 %	20 %	20 %
Office Solutions Svenska AB	**Sweden**	25 %	25 %	25 %	25 %	25 %	25 %
Wulff Direct AS	**Norway**	32 %	32 %	32 %	32 %	32 %	32 %

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

The summary of financial infromation of subsidiaries with non controlling interest shareholding

	Wulff Liikelahjat Oy		KB Eesti		Naxor Holding Oy		S Supplies Holding AB		Wulff Beltton AB		Beltton AS		Wulff Direct AS	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Short term assets	836	834	106	107	104	79	91	130	1 344	1 841	196	130	175	355
Long term assets	631	620	5	6	1 321	1 330	3 718	3 964	130	189	228	126	86	134
Short term liabilities	671	647	85	81	17	20	1	1	848	703	167	138	117	184
Long term liabilities	2 177	1 883	0	0	1 250	1 250	2 129	2 709	0	0	413	446	61	165
Net sales	3 190	4 402	648	688	0	0	0	0	3 314	3 682	888	295	629	1 016
Expenses	-3 495	-4 887	-693	-706	34	0	407	463	-3 347	-3 701	-734	-279	-679	-1 041
Net profit/loss	-305	-485	-45	-18	34	0	407	463	-33	-19	154	16	-50	-25
Profit/loss attributable to equity holders of the company	-183	-485	-27	-11	26	0	346	384	-25	-14	123	13	-34	-17
Profit/loss attributable to non controlling interests	-122	0	-18	-7	9	0	61	79	-8	-5	31	3	-16	-8
Total comprehensive income	-305	-485	-45	-18	34	0	407	463	-33	-19	154	16	-50	-25
Total comprehensive income attributable to equity holders of the company	-183	-485	-27	-11	26	0	346	384	-25	-14	123	13	-34	-17
Total comprehensive income attributable to non controlling interests	-122	0	-18	-7	9	0	61	79	-8	-5	31	3	-16	-8
Dividends paid to non controlling interests	0	0	0	0	4	13	0	55	148	34	0	0	0	0

In March 2014, the Group acquired an additional 2 % share of the share capital of S Supplies Holding AB, and now the Group owns 85 % of the company's share capital. The sales price was 56 thousand euros. The book value of S Supplies Holding AB's net assets (without goodwill) was 2,795 thousand euros. As a result of the acquisition, the share of non-controlling interest decreased by 56 thousand euros.

In January 2014, the Group sold 20 % share of the share capital of Wulff Liikelahjat Oy. The sales price was 1 thousand euros. The net book value of Wulff Liikelahjat Oy was 1,151 thousand euros negative. As a result of the transaction a profit of 231 thousand was recognised in retained earnings and the share of non-controlling interest decreased accordingly.

In May 2014, The Group sold 20 % share of the share capital of Wulff Liikelahjat Oy. After the sale the Group owns 60 % of the company. The net book value of Wulff Liikelahjat Oy was 1,076 thousand negative. As a result of the transaction a profit of 212 thousand was recognised in retained earnings and the share of non-controlling interest decreased accordingly.

Thre are no significant restrictions in group's possibility of control subsidiaries' assets.

In December 2014 the Group sold 75 percentages share of Looks Finland Oy's shares to a minority shareholder and the Group lost control of the company. After the sale the Group owns 0 percentages of the company. The sales price was 986 thousand euros. At the time of the sale Looks Finland Oy's net assets were EUR 1.2 million of which parent's share was 896.5 thousand euros. The sale generated 90 thousand euros of profit in the Group which is presented in the item Other operating income in the profit and loss statement. As a result of the sale the non-controlling interest decreased by 299 thousand euros.

15. Goodwill allocation and impairment test

EUR 1000	2014	2013
Contract Customers division:		
Office supplies / Finland (Wulff Oy Ab, Torkkelin Paperi Oy)	3 500	3 500
Office supplies / Scandinavia (Wulff Supplies AB)	1 707	1 810
Fair services / Finland (Wulff Entre Oy)	1 671	1 671
Business gifts / Finland (Wulff Liikelahjat Oy)	700	700
Contract Customers division total	7 578	7 682
Direct Sales division:		
Direct Sales / Norway (Wulff Direct AS)	152	164
Direct Sales division total	152	164
Goodwill total	**7 730**	**7 845**

Consolidated goodwill is not amortized systematically but their book values are tested for possible impairment at least annually and additionally when the management has noted signs of possible impairment, e.g. due to decreased profitability performance. Wulff Group tests its goodwill values separately for each cash-generating unit. Changes in goodwill during the financial period are presented in Note 13 where all intangible assets are presented.

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

The discount factor in the impairment tests is based on weighted average cost of capital (WACC) before taxes which was 10.8 percentages (31.12.2013: 12.2%). 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 3.5 million arising from the acquisition of Wulff Oy Ab and Torkkelin Paperi Oy. The assets tested totalled approximately EUR 6.5 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. If the net sales and profitability stayed on the current level eternally or the discount factor was 12.6 percentages, the assets' values should be re-estimated and some writedown would be booked, if necessary, to make the asset values correspond with the recoverable cash flows.

Goodwill for the Scandinavian office supplies business was EUR 1.7 million arising from the acquisition of Wulff Supplies AB. The assets tested totalled approximately EUR 4.0 million and the discounted value-in-use is approximately EUR 5.7 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. If the discount factor was 15.3 % and other factors the same, 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 Wulff Entre Oy operating in fair services totalled EUR 1.7 million and the discounted value-in-use is approximately EUR 7.1 million. Even if there was only zero-growth in the estimate years after the budget year 2015 and the discount factor was 14 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 14 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 0.7 million. The assets tested totalled approximately EUR 1.7 million and the discounted value-in-use is approximately EUR 1.7 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. A negative change in any of the factors (profitability, discount factor) would cause an impairment in goodwill.

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 0.2 million and the discounted value-in-use for the Group's ownership share was approximately EUR 1 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 tboth the Net Sales and profitability remained the current level and the discount factor was 15 percent, no impairment would be should be booked for the assets.

16. Non-current receivables

Long-term receivables from related parties

EUR 1000	2014	2013
Carrying amount, Jan 1	0	33
Additions during the financial year	0	0
Disposals during the financial year	0	-33
Carrying amount, Dec 31	**0**	**0**

The related party transactions are presented in Note 29.

17. Available-for-sale investments

EUR 1000	2014	2013
Carrying amount, Jan 1	246	327
Additions during the financial year		
Disposals during the financial year	-182	-19
Change in fair value reported in the Statement of Comprehensive Income	76	-62
Carrying amount, Dec 31	**140**	**246**

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.

18. Inventories

EUR 1000	2014	2013
Products	8 229	8 915
Work in process	4	31
Prepayments for inventories	118	108
Total	**8 352**	**9 053**

In 2014, an expense of 0.5 million euros was booked from the inventories (0.5 million euros).

19. Current loan receivables

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

Loan receivables from related parties

EUR 1000	2014	2013
Carrying amount, Jan 1.	0	0
Additions		
Disposals	0	0
Transfer from non-current loan receivables		
Carrying amount, Dec 31.	**0**	**0**

Loan receivables from others

EUR 1000	2014	2013
Carrying amount, Jan 1.	20	16
Additions	0	4
Disposals	-4	0
Impairment	0	0
Carrying amount, Dec 31.	**16**	**20**

20. Short-term non-interest-bearing receivables

Trade receivables

EUR 1000	2014	2013
Trade receivables from related parties	16	49
Trade receivables from others	9 835	9 543
Trade receivables total	9 851	9 592

Aging analysis of sales receivables

EUR 1000	2014		2013	
Not due (value not impaired)	7 936	81 %	7 727	81 %
Due (value not impaired):				
Less than 1 month	1 466	15 %	1 590	17 %
More than 1 month - less than 3 months	242	2 %	178	2 %
More than 3 months - less than 6 months	202	2 %	53	1 %
More than 6 months	4	0 %	44	0 %
Total	9 851	100 %	9 592	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	2014	2013
Valued added tax receivables	53	42
Other receivables	575	694
Other receivables total	628	736

Accrued income and expenses

EUR 1000	2014	2013
Income tax receivable	123	160
Corporate tax credits	0	0
Accruals for employee benefits (e.g. pension expense accruals)	13	64
Sales accruals of partial recognition based on percentage-of-completion method	1 203	433
Sales accruals of other businesses	5	0
Other accruals	672	743
Accruals total	2 016	1 400

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

EUR 1000	2014	2013
Carrying amount, Jan 1	3	77
Additions during the financial year	0	23
Disposals during the financial year	0	-97
Carrying amount, Dec 31	**3**	**3**

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, 2014 (EUR 1000)	Total	Level 1	Level 2	Level 3
Available-for-sale financial assets	140	19		121
Financial assets recognised at fair value through profit and loss (held-for-trading)	3	3		
Total	**143**	**22**	**0**	**121**

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**

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.

22. Cash and cash equivalents

EUR 1000	2014	2013
Cash and bank	2 422	1 774
Total	**2 422**	**1 774**

23. 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 2013 and 2014. There were no disclosed notifications on changes in major share holdings in 2014.

	Share total	Treasury shares	Outstanding shares
Jan 1, 2013	6 607 628	-85 000	6 522 628
Acquisitions of own shares		0	0
Allocations of own shares to key personnel		6 000	6 000
Dec 31, 2013	6 607 628	-79 000	6 528 628
Acquisitions of own shares		0	0
Allocations of own shares to key personnel		0	0
Dec 31, 2014	6 607 628	-79 000	6 528 628

Treasury shares

Authorized by the Annual General Meeting held on April 10, 2014, 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 2014, 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 (79,000 as of December 31, 2013) representing 1.2 percentage (1.2 %) 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 25.

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.

24. Dividend distribution

The Group's parent company Wulff Group Plc's distributable funds totalled EUR 2.62 million. The Board of Directors proposes to the Annual General Meeting that no dividend will be distributed for the financial year 2014 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, 2014	Dec 31, 2013
Fund for invested non-restricted equity	223 051	223 051
Treasury shares	-260 070	-260 070
Retained earnings from previous years	1 968 721	4 947 165
Net result for the period	688 222	-2 978 444
Distributable funds total	2 619 924	1 931 703
- dividend distribution total	0	0
Funds left in retained earnings	2 619 924	1 931 703

	Dec 31, 2014	Dec 31, 2013
Shares total	6 607 628	6 607 628
- Treasury shares held	-79 000	-79 000
Shares which are paid dividend	6 528 628	6 528 628
x Dividend per share (EUR)	0	0
Dividends total (EUR)	0	0

25. Share-based payments

The Group does not have any option schemes currently in force nor a share reward plan.

26. Long-term and short-term financial liabilities

Payment schedule for the financial liabilities

EUR 1000	Book value Dec 31, 2014	Payment schedule (years): 2016	2017	2018	2019	Later
Long-term financial liabilities						
Finance lease liabilities	161	41	44	76		
Loans from financial institutions	1 717	1 081	636	0	0	0
Pension loans	1 512	436	359	359	359	0
Total	**3 390**	**1 558**	**1 039**	**434**	**359**	**0**
Short-term financial liabilities						
Finance lease liabilities	39	39				
Credit facility	2 341	2 341				
Loans from financial institutions	975	975				
Pension loans	436	436				
Total	**3 791**	**3 791**				

Interest-bearing financial liabilities by currencies Dec 31, 2014

EUR 1000	Total	EUR	SEK	NOK
Long-term				
Finance lease liabilities	161	161		
Loans from financial institutions	1 717	1 717	0	0
Pension loans	1 512	1 512		
Total	**3 390**	**3 390**	**0**	**0**
Short-term				
Short-term repayments of the long-term financial liabilities				
Finance lease liabilities	39	39		
Credit facility	2 341	2 341		
Loans from financial institutions	975	920	0	55
Pension loans	436	436		
Total	**3 791**	**3 736**	**0**	**55**

Interest-bearing financial liabilities by currencies Dec 31, 2013

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

The Group’s bank loans are based on variable interest rates and their fair values correspond to their carrying amounts in the balance sheet. The bank loans’ average interest rate based on short market interest rates, was approximately 2,0% at the end of 2014 (Dec 31, 2013: 1,4%).

For the pension premium loans, an amount of EUR 672 thousand is based on fixed interest rate of 3.5% p.a. The pension premium loans of EUR 1.3 million are based on variable interest rates. The variable-rated pension premium loans of EUR 1.1 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 0.15 million on December 31, 2014 and it is based on a one-year pension premium interest rate which was 1.0% on December 31, 2014. 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.

Payment schedule for the finance lease liabilities

Future minimum lease payments

EUR 1000	2014	2013
Not lates than one year	39	0
Later than one and not later than five years	161	0
Later than five years	0	0
Total	**200**	**0**
Future financial costs	-33	0
Present value of minimum lease payments	**167**	**0**

Present value of minimum lease payments

Not lates than one year	26	0
Later than one and not later than five years	141	0
Later than five years	0	0
Total	**167**	**0**

Fair values of the financial liabilities measured at amortised cost
This fair value hierarchy presents the valuation methods for different financial instruments:

December 31, 2014 (EUR 1000)	Total	Level 1	Level 2	Level 3
Finance lease liabilities	200			200
Credit facility	2 341			2 341
Loans from financial institutions	2 692			2 692
Pension loans	1 948			1 948
Total	**7 181**	**0**	**0**	**7 181**

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

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.

27. 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 26 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 and fixed 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 26 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, 2014 unused credit limits totalled 2.3 million euros in Finland. Wulff Supplies subsidiaries' bank accounts were added to Finnish Cash Pool in August 2014. Due to the change all the bank accounts and credit limits of Wulff Supplies subsidiaries in Sweden, Norway and Denmark were transferred to the Finnish Cash Pool. The maturity of loans is presented in Note 26.

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. At the end of financial year end 2014 there were no covenant breaches.

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 20 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

28. Short-term non-interest-bearing liabilities

Other current liabilities

EUR 1000	2014	2013
Value added tax liabilities	822	1 099
Other current liabilities	759	2 156
Other current liabilities total	1 581	3 255

Accrued income and expenses

EUR 1000	2014	2013
Accruals for employee benefits	2 556	2 869
Income tax liabilities	0	1
Interest accruals	42	29
Sales accruals	5	178
Other accruals	635	887
Accrued income and expenses total	3 238	3 964

29. Commitments

EUR 1000	2014	2013
Mortgages and guarantees on own behalf		
Business mortgage for the Group's loan liabilities	10 850	7 550
Business mortgages, free	900	500
Real estate pledge for the Group's loan liabilities	0	900
Subsidiary shares pledged as security for group companies' liabilities	7 103	6 702
Other listed shares pledged as security for group companies' liabilities	19	125
Current receivables pledged as security for group companies' liabilities	0	239
Pledges and guarantees given for the group companies' off-balance sheet commitments	170	183
Guarantees given on behalf of third parties	131	0
Minimum future operating lease payments, total	4 346	4 648
of which will be payable:		
in less than one year	1 556	1 764
between 1-5 years	2 654	2 884
after 5 years	136	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 Wulff Entre 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.

30. Related party information

Summary of top management's employment benefits

EUR 1000	2014	2013
Board members' salaries and fees		
Erkki Kariola	0	5
Ari Pikkarainen	12	12
Tarja Pääkkönen	12	8
Sakari Ropponen	12	12
Andreas Tallberg, Chairman of the Board	12	12
Vesa Tengman	12	12
Heikki Vienola, Group CEO	48	50
Group management board's additional pension benefits		
Heikki Vienola, Group CEO	1	1
Board members' benefits total	109	112
Group management board's basic salaries and fringe benefits	656	899
Group management board's bonuses	8	53
Group management board's additional pension benefits	71	44
Group management board's share rewards	0	0
Group management board's benefits total *	735	996
Top management's employee benefits total	**844**	**1 108**

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 2013 and 2014, 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 2014, the CEO Heikki Vienola was paid a salary of 50 thousand euros (2013: 50 thousand euros) and extra pension of 1 thousand euros (2013: 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 2014, the Group Executive Board consisted of Heikki Vienola, Ninni Arion (since October 2014), Sami Asikainen (until August 2014), Trond Fikseaunet, Kati Näätänen (until February 2014), Elina Rahkonen (since October 2014), Topi Ruuska (until June 2014), Tarja Törmänen, Samu Vuorio (until September) 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

Business transactions with related parties

EUR 1000	2014	2013
Sales to related parties		
Sales of products	151	242
Sales of services	0	5
Real estate sold to related party	1 500	0
Purchases from related parties		
Purchases of products	0	56
Purchases of services	20	0
Trade receivables from related parties	16	49
Long-term interest-bearing receivables from related parties	0	0
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, 2014 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	60	60
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	85	85
Wulff Supplies AB	Contract Customers	85	0
Subsidiaries in Norway:			
Beltton AS	Direct Sales	80	60
Wulff Direct AS	Direct Sales	68	0
Wulff Supplies AS	Contract Customers	85	0
Subsidiary in Denmark:			
Wulff Supplies A/S	Contract Customers	85	0
Subsidiary in Estonia:			
KB Eesti Oü	Contract Customers	60	0

QUARTERLY KEY FIGURES

EUR 1000	Q4/14	Q3/14	Q2/14	Q1/14	Q4/13	Q3/13	Q2/13	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12
Net sales	20 471	16 502	17 515	19 775	22 585	17 474	20 743	22 742	25 105	19 768	22 039	23 326
EBITDA	2 067	-92	-167	289	328	-246	-486	407	959	470	364	476
% of net sales	10,1 %	-0,6 %	-1,0 %	1,5 %	1,5 %	-1,4 %	-2,3 %	1,8 %	3,8 %	2,4 %	1,7 %	2,0 %
Operating profit/loss	1 831	-335	-418	31	-930	-1 141	-769	120	637	174	106	216
% of net sales	8,9 %	-2,0 %	-2,4 %	0,2 %	-4,1 %	-6,5 %	-3,7 %	0,5 %	2,5 %	0,9 %	0,5 %	0,9 %
Profit/Loss before taxes	1 517	-412	-574	-53	-1 242	-1 212	-1 005	64	525	184	58	223
% of net sales	7,4 %	-2,5 %	-3,3 %	-0,3 %	-5,5 %	-6,9 %	-4,8 %	0,3 %	2,1 %	0,9 %	0,3 %	1,0 %
Net profit/loss for the financial year attributable to the shareholders of the parent company	1 420	-312	-425	13	-2 113	-1 030	-760	29	369	150	25	174
% of net sales	6,9 %	-1,9 %	-2,4 %	0,1 %	-9,4 %	-5,9 %	-3,7 %	0,1 %	1,5 %	0,8 %	0,1 %	0,7 %
Number of personnel at the end of period	240	283	269	295	295	311	315	325	345	321	330	326

KEY FIGURES 2010-2014

EUR 1000	2014	2013	2012	2011	2010
Net sales	74 262	83 543	90 238	99 129	93 107
Change in net sales %	-11,1 %	-7,4 %	-9,0 %	6,5 %	24,5 %
Earnings before taxes, depreciation and amortization (EBITDA)	2 096	3	2 269	2 689	1 575
% of net sales	2,8 %	0,0 %	2,5 %	2,7 %	1,7 %
Operating profit/loss	1 109	-2 721	1 132	1 595	43
% of net sales	1,5 %	-3,3 %	1,3 %	1,6 %	0,0 %
Profit/Loss before taxes	478	-3 395	990	1 139	223
% of net sales	0,6 %	-4,1 %	1,1 %	1,1 %	0,2 %
Net profit/loss for the financial year attributable for the equity holders of the parent company	696	-3 874	717	634	-623
% of net sales	0,9 %	-4,6 %	0,8 %	0,6 %	-0,7 %
Cash flow from operations	-205	567	3 297	1 031	1 528
Return on equity (ROE) %	4,40 %	-25,58 %	5,11 %	4,82 %	-2,38 %
Return on investment (ROI) %	3,50 %	-13,92 %	4,67 %	5,45 %	1,75 %
Equity ratio %	39,5 %	38,3 %	44,3 %	40,3 %	37,0 %
Gearing %	36,9 %	45,4 %	27,6 %	40,3 %	34,9 %
Balance sheet total	34 759	35 156	41 513	44 505	46 025
Gross investments in fixed assets	488	778	972	1 167	1 619
% of net sales	0,7 %	0,9 %	1,1 %	1,2 %	1,7 %
Average number of personnel during the financial year	268	311	343	365	384
Number of personnel at the end of financial year	240	295	326	359	370

SHARE-RELATED KEY FIGURES

	2014	2013	2012	2011	2010
Earnings per share (EPS), EUR	0,11	-0,59	0,11	0,10	-0,10
Equity per share, EUR	1,95	1,80	2,51	2,45	2,41
Dividend per share, EUR *	0,00	0,00	0,08	0,07	0,05
Payout ratio %	0 %	0 %	73 %	70 %	-50 %
Effective dividend yield %	-	-	4,5 %	3,5 %	1,9 %
Price/Earnings (P/E)	9,2	-2,6	16,1	20,5	-27,2
P/BV	0,50	0,87	0,70	0,81	1,08
EBITDA / share, EUR	0,32	0,00	0,35	0,41	0,24
Cash flow from operations / share, EUR	-0,03	0,09	0,51	0,16	0,23
Share prices:					
Lowest share price, EUR	0,96	1,44	1,77	1,84	2,43
Highest share price, EUR	1,60	1,98	2,29	2,74	3,70
Average share price, EUR	1,29	1,70	1,99	2,22	3,03
Closing share price, EUR	0,99	1,57	1,77	1,99	2,60
Market value as of Dec 31, MEUR	6,4	10,2	11,5	13,0	16,9
Number of outstanding shares on average during the financial year	6 528 628	6 526 458	6 522 041	6 516 534	6 524 780
Number of outstanding shares at the end of the financial year	6 528 628	6 528 628	6 522 628	6 517 628	6 508 592
Number of shares traded	315 822	186 292	161 675	652 535	261 633
% of average number of shares	4,8 %	2,9 %	2,5 %	10,0 %	4,0 %
Shares traded, EUR	349 233	315 822	320 958	1 451 322	793 852

* The Board of Directors’ dividend proposal to the Annual General Meeting to be held on April 9, 2015.

CALCULATION OF KEY FIGURES

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

PARENT COMPANY'S INCOME STATEMENT AND PARENT COMPANY CASH FLOW STATEMENT

PARENT COMPANY'S INCOME STATEMENT

EUR	Note	Jan 1 - Dec 31, 2014	Jan 1 - Dec 31, 2013
Net sales	**2**	**194 585,60**	**228 476,45**
Other operating income	3	2 043 064,89	9 114,50
Personnel expenses	4	-376 090,86	-523 615,01
Other operating expenses	5	-397 820,75	-556 719,33
Depreciation and amortization according to plan	6	-172 986,97	-189 745,30
Operating profit/loss		**1 290 751,91**	**-1 032 488,69**
Financial income	7	443 005,23	799 084,31
Financial expenses	7	-1 022 959,63	-3 055 807,25
Profit/Loss before extraordinary items and taxes		710 797,51	-3 289 211,63
Extraordinary income and expenses	8	0,00	351 700,00
Profit/Loss before taxes		**710 797,51**	**-2 937 511,63**
Income taxes	9	-22 575,94	-40 931,98
Net profit/loss for the period		**688 221,57**	**-2 978 443,61**

PARENT COMPANY CASH FLOW STATEMENT

EUR 1000	Jan 1 - Dec 31, 2014	Jan 1 - Dec 31, 2013
Cash flow from operations:		
Payments received from sales	119	218
Payments received from other operating income	146	9
Amounts paid for operating expenses	-954	-917
Cash flow from business operations before financial items and taxes	**-689**	**-690**
Interests and other financial costs paid	-300	-387
Interest received from operations	278	326
Dividend received from operations	165	0
Cash flow from operations	**-547**	**-751**
Cash flow from investment activities:		
Investments in intangible and tangible assets	0	-1
Disposals of intangible and tangible assets	1 500	0
Acquisition of shares in subsidiaries	-56	-33
Disposal of shares in subsidiaries	988	0
Investments in other shares	101	0
Loans granted	-400	185
Loan receivables repaid	**580**	**645**
Cash flow from investment activities	**2 713**	**796**
Cash flow from financial activities:		
Acquisition of treasury shares	0	0
Dividend distribution paid	0	-522
Dividend income received	0	404
Group contributions received and paid (net)	352	1 024
Short-term investments (net)	0	75
Group balance accounts (net)	-600	-1 498
Withdrawals of short-term loans	916	2 425
Withdrawals of long-term loans	0	0
Repayments of short-term loans	-155	-1 000
Repayments of long-term loans	-888	-859
Cash flow from financial activities	**-376**	**49**
Change in cash and cash equivalents	**1 790**	**94**
Cash and cash equivalents on January 1	**173**	**79**
Cash and cash equivalents on December 1	**1 964**	**173**

PARENT COMPANY BALANCE SHEET

EUR	Note	Dec 31, 2014	Dec 31, 2013
ASSETS			
FIXED ASSETS			
Intangible assets			
Trademarks	11	2 550 000,00	2 700 000,00
Other intangible assets	10	6 279,46	16 307,26
Tangible assets			
Land areas	10	0,00	587 180,00
Machinery and equipment	10	10 299,66	20 962,49
Other tangible assets	10	0,00	2 296,34
Investments			
Shares in Group companies	11	7 231 600,52	7 729 326,68
Other shares	12	38 521,01	220 028,70
Non-current receivables			
Non-current receivables from Group companies	13	6 605 732,68	6 808 014,59
Deferred tax receivables		143 455,46	166 031,37
TOTAL FIXED ASSETS		16 585 888,79	18 250 147,43
CURRENT ASSETS			
Current receivables			
Trade receivables		389,10	10 194,80
Receivables from Group companies	13	1 055 873,35	881 921,71
Other receivables		6 150,95	8 840,20
Prepaid expenses and accrued income	14	10 782,52	30 666,04
Current receivables total		**1 073 195,92**	**931 622,75**
Financial instruments	15	2 698,24	2 698,24
Cash and cash equivalents		1 960 916,15	170 610,22
TOTAL CURRENT ASSETS		**3 036 810,31**	**1 104 931,21**
TOTAL ASSETS		**19 622 699,10**	**19 355 078,64**

EUR	Note	Dec 31, 2014	Dec 31, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS´EQUITY			
Share capital	16	2 650 000,00	2 650 000,00
Share premium fund	16	7 889 591,50	7 889 591,50
Treasury shares	16	-260 070,00	-260 070,00
Invested unrestricted equity fund	16	223 051,20	223 051,20
Retained earnings	16	1 968 721,57	4 947 165,18
Net profit for the financial year	16	688 221,60	-2 978 443,61
TOTAL SHAREHOLDERS´EQUITY	16	13 159 515,87	12 471 294,27
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	17	1 716 500,00	2 587 500,00
Pension loans	17	69 122,00	86 406,00
Total Non-current liabilities		**1 785 622,00**	**2 673 906,00**
Current liabilities			
Loans from credit institutions	17	3 212 082,86	2 295 950,03
Pension loans	17	17 284,00	17 284,00
Trade payables		13 018,65	40 975,64
Amounts owed to group companies	**18**	**1 377 638,74**	**1 694 723,90**
Other liabilities		20 277,65	74 259,96
Accrued liabilities and deferred income	19	37 259,33	86 684,84
Total current liabilities		4 677 561,23	4 209 878,37
TOTAL LIABILITIES		**6 463 183,23**	**6 883 784,37**
TOTAL EQUITY AND LIABILITIES		**19 622 699,10**	**19 355 078,64**

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	2014	2013
Rental income	12	1
Gains from disposal of property	913	0
Gains from disposal of shares in subsidiaries	984	0
Other	134	8
Total	**2 043**	**42**

4. Personnel expenses

EUR 1000	2014	2013
Salaries, wages and fees	312	435
Pension expenses	56	76
Other personnel expenses	8	13
Total	**376**	**651**

Average number of employees in accounting period	8	10
Personnel at the end of period	3	13

Information about the management's employment benefits and loans is presented in Note 30 of the Consolidated Financial Statements. Information about loans to related parties is presented under Shares and shareholders.

5. Other operating expenses

EUR 1000	2014	2013
Rents	34	39
Travel and car expenses	5	11
ICT expenses	38	43
Marketing, PR and entertainment expenses	26	87
Fees to auditors *	11	7
Other	284	370
Total	**398**	**654**

* Fees to auditors total in all group companies:

EUR 1000	2014	2013
Audit	11	6
Tax services	0	1
Other services	0	0
Total	11	7

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

6. Amortization and depreciation during the financial year

EUR 1000	2014	2013
Amortization of intangible assets:		
Trademarks	-150	-150
Other intangible assets	-10	-11
Total amortization of intangible assets	-160	-161
Depreciation of tangible assets:		
Machinery and equipment	-11	-11
Other tangible assets	-2	-18
Total depreciation of tangible assets	-13	-29
Total amortization and depreciation	**-173**	**-190**

7. Financial income and expenses

EUR 1000	2014	2013
Financial income:		
Dividends from group companies	165	396
Dividends from others	0	7
Other interest and financial income from group companies	232	277
Other interest and financial income from others	25	104
Foreign exchange gains	21	15
Total	443	799
Financial expenses:		
Impairment of shares in subsidiaries	-550	-2 526
Interest expenses to group companies	-24	-35
Interest expenses to others	-138	-105
Foreign exchange losses	-173	-138
Other financial expenses	-138	-252
Total	-1 023	-3 056
Financial income and expenses total	**-580**	**-2 257**

8. Extraordinary income and expenses

EUR 1000	2014	2013
Extraordinary income: group contributions received	0	352
Extraordinary expenses: group contributions granted		
Total	**0**	**352**

9. Income taxes

Income taxes in the income statement:

EUR 1000	2014	2013
Income taxes for the period	0	-206
Change in deferred tax asset	-23	166

Income taxes in the balance sheet:

EUR 1000	2014	2013
Current receivables: Corporate tax credits	0	0
Deferred tax receivables	143	166

10. Intangible and tangible assets

2014	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	164	114	865
Additions	0	0	0	0	0	0	0
Disposals	0	0	0	-587	0	0	-587
Reclassifications between accounts	0	0	0	0	0	0	0
Translation differences	0	0	0	0	0	0	0
Acquisition cost, Dec 31	3 000	57	3 057	0	164	114	278
Accumulated depreciation and impairment, Jan 1	-300	-41	-341	0	-143	-112	-255
Disposals	0	0	0	0	0	0	0
Reclassifications between accounts	0	0	0	0	0	0	0
Depreciation during the period	-150	-10	-160	0	-11	-2	-13
Impairment during the period	0	0	0	0	0	0	0
Translation differences	0	0	0	0	0	0	0
Accumulated depreciation and impairment, Dec 31	-450	-51	-501	0	-154	-114	-268
Book value, Jan 1	2 700	16	2 718	587	21	2	610
Book value, Dec 31	2 550	6	2 556	0	10	0	10

2013	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	57	3 057	587	163	114	864
Additions	0	0	0	0	1	0	1
Disposals			0	0	0	0	0
Reclassifications between accounts	0	0	0	0	0	0	0
Translation differences	0	0	0	0	0	0	0
Acquisition cost, Dec 31	3 000	57	3 057	587	164	114	865
Accumulated depreciation and impairment, Jan 1	-150	-30	-180	0	-133	-94	-227
Disposals	0		0				0
Reclassifications between accounts	0	0	0	0	0	0	0
Depreciation during the period	-150	-11	-161	0	-11	-18	-29
Impairment during the period	0	0	0	0	0	0	0
Translation differences	0	0	0	0	0	0	0
Accumulated depreciation and impairment, Dec 31	-300	-41	-341	0	-143	-112	-255
Book value, Jan 1	**2 850**	**28**	**2 878**	**587**	**30**	**20**	**638**
Book value, Dec 31	**2 700**	**16**	**2 716**	**587**	**21**	**2**	**609**

11. Shares in group companies

EUR 1000	2014	2013
Acquisition cost, Jan 1	11 293	11 260
Additions	56	33
Disposals	-4	
Acquisition cost, Dec 31	11 345	11 293
Accumulated depreciation and impairment, Jan 1	-3 564	-1 038
Impairment during the period	-550	-2 526
Accumulated depreciation and impairment, Dec 31	-4 114	-1 038
Book value, Jan 1	**7 729**	**10 222**
Book value, Dec 31	**7 231**	**10 255**

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	2014	2013
Acquisition cost, Jan 1	220	220
Additions	-181	0
Acquisition cost, Dec 31	39	220
Book value, Jan 1	**220**	**220**
Book value, Dec 31	**39**	**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	2014	2013
Non-current:		
Capital loans	3 227	2 849
Other loans	3 379	3 959
Non-current receivables total	6 606	6 808
Current:		
Other receivables	1 056	882
Current receivables total	1 056	882
Receivables from group companies total	**7 662**	**7 690**

14. Prepaid expenses and accrued income

EUR 1000	2014	2013
Corporate tax credits	0	0
Accruals for employee benefits	3	6
Other accruals	8	25
Total	**11**	**31**

15. Financial instruments

EUR 1000	2014	2013
Carrying amount, Jan 1	3	77
Additions during the financial year	0	23
Disposals during the financial year	0	-97
Carrying amount, Dec 31	**3**	**3**

16. Equity

EUR 1000	2014	2013
Share capital as of Jan 1	2 650	2 650
Share capital as of Dec 31	2 650	2 650
Share premium fund as of Jan 1	7 889	7 889
Share premium fund as of Dec 31	**7 889**	**7 889**
Invested unrestricted equity fund as of Jan 1	223	223
Invested unrestricted equity fund as of Dec 31	**223**	**223**
Treasury shares as of Jan 1	-260	-260
Acquisitions of treasury shares	0	0
Treasury shares as of Dec 31	**-260**	**-260**
Retained earnings from previous financial years as of Jan 1	1 969	5 469
Dividend distribution	0	-522
Retained earnings from previous financial years as of Dec 31	1 969	4 947
Net profit for the financial year	688	-2 978
Retained earnings total as of Dec 31	**2 657**	**1 969**
Equity total as of Dec 31	**13 159**	**12 471**

Distributable funds in euros as of Dec 31	**2014**	**2013**
Invested unrestricted equity fund	223 051,20	223 051,20
Treasury shares	-260 070,00	-260 070,00
Retained earnings from previous financial years	1 968 721,57	4 947 165,18
Net profit for the financial year	688 221,60	##########
Distributable funds total	**2 619 924,37**	**1 931 702,77**

17. Interest-bearing liabilities

Payment schedule for the loans

EUR 1000	Book value Dec 31, 2014	Payment schedule (years): 2015	2016	2017	2018	2019	Later
Non-current							
Loans from financial institutions	1 716		1 081	635	0	0	0
Pension loans	69		17	17	17	17	1
Total	1 785		1 098	652	17	17	1
Current							
Loans from financial institutions	871	871					
Pension loans	17	17					
Total	888	888					

18. Amounts owed to group companies

EUR 1000	2014	2013
Accounts payable	0	21
Accrued liabilities	24	4
Other short-term liabilities	1 354	1 670
Total	**1 378**	**1 695**

19. Accrued liabilities and deferred income

EUR 1000	2014	2013
Accruals for employee benefits	24	71
Interest accruals	13	16
Other accruals	0	0
Total	**37**	**87**

20. Commitments

EUR 1000	2014	2013
Mortgages and guarantees on own behalf		
Real estate pledge for own and subsidiaries' pension loans	0	900
Subsidiary shares pledged as security for own liabilities	7 103	6 702
Other listed shares pledged as security for group companies' liabilities (shares in fair value)	19	125
Mortgages and guarantees on behalf of subsidiaries		
Guarantees for the loans of subsidiaries	4 407	2 437
Pledges and guarantees given for the group companies' off-balance sheet commitments (rents, customs etc)	1 175	1 580
Guarantees given on behalf of third parties	131	0
Minimum future operating lease payments, total	0	0
of which will be payable:		
in less than one year	470	470
between 1-5 years	822	1 292
after 5 years	0	0

Subsidiary shares pledged as security for group's liabilities are presented as book values and they consist of Wulff Entre Oy (2 502 thousand euros), Wulff Liikelahjat Oy (150 thousand euros, Wulff Oy Ab (3 500 thousand euros) ja S Supplies Holding AB (951 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 20 of the Consolidated Financial Statements.

Personnel

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


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RISK MANAGEMENT

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 26 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 26 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, 2014, unused credit limits totalled 2.3 million euros in Finland. The bank accounts of Wulff Supplies entities were transferred into the Cash Pool arrangement in Finland during 2014. The maturity of loans is presented in Note 26.

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, 2014 the covenants were reached successfully.

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 20 of the consolidated financial statements.

Capital Management

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

IT Risks

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

RISK MANAGEMENT

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 Wulff Entre 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 Posti 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 Wulff Liikelahjat Oy sees to the recovery of packages supplied to domestic markets as provided in legislation. Wulff Liikelahjat Oy is also a member of the Environmental Register of Packaging, PYR Ltd. In addition, Wulff Liikelahjat Oy is a member of international business and advertising gifts community, IGC Organization. IGC'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, s. 1963
Chairman of the Board

Vastuualueet:
strategia, yritysjärjestelyt

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, 2014: 0 shares

Sakari Ropponen, s. 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, 2014: Sakari Ropponen and his related parties owned 10,000 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)
- 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's Board member 2006 - 2011
- Wulff ownership as of December 31, 2014: 0 shares

Vesa Tengman, s. 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, 2014: 0 shares

Ari Pikkarainen, s.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 2010-2014
- 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, 2014: Ari Pikkarainen and his related parties owned 1,172,025 Wulff shares representing 17.7 percent of the company's shares and votes.

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, 2014: Heikki Vienola and his related parties owned 2,705,550 Wulff shares representing 40.95 percent of the company's shares and votes.

BOARD AND MANAGEMENT

Group Executive Board

Ninni Arion, s. 1978
Wulff Entre Oy's CEO, Executive Board Member

Substantial education and experience and other significant positions:

- M.Sc. Econ.
- Member of the Executive Board since Oct 2014
- CEO of Wulff Entre Ltd since Aug 2014
- Sales Director, VP, Wulff Entre Ltd 2011-2014
- Senior Sales Manager, VP Business Development 2011
- Sales Manager, Entre Marketing Oy 2007-2011
- Marketing Manager Exhibitions, North American sales, Easy Doing Oy / Salli Systems 2004-2007
- Sales Expomark / KP-Media Oy 2001-2004

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

Responsibilities:
Finance, Acquisitions

Substantial education, experience and positions of trust:

- Master of Science in Economics
- Wulff Group's Board Member since 1999
- Wulff Group CEO since 1999
- Vinstock Oy's Managing Director 1984-2004, Beltton Oy's Managing Director 1990-2004
- Arena Center Oy's Board Member since 1994
- Wulff ownership as of December 31, 2014: Heikki Vienola and his related parties owned 2,705,550 Wulff shares representing 40.95 percent of the company's shares and votes.

Veijo Ågerfalk, s. 1959
Suoramyynti Skandinavia, johtoryhmän jäsen

Vastuualueet:
suoramyynti Skandinavia

Keskeinen koulutus, kokemus ja samanaikaiset luottamustoimet:

- Wulff-Yhtiöt Oyj:n johtoryhmän jäsen vuodesta 2004
- Suoramyynti Skandinavian johtaja vuodesta 2012
- Beltton Svenska AB:n toimitusjohtaja vuodesta 1998
- Beltton Svenska AB:n Country Manager 1993-1998
- Liftpoolen AB:n toimitusjohtaja ja osakas 1990-1993
- Wulffin omistus 31.12.2014: Veijo Ågerfalkin ja hänen lähipiirinsä omistuksessa oli yhteensä 67 000 Wulffin osaketta eli 1,0 prosenttia yhtiön osakkeista ja äänistä.

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

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, 2014: 0 shares o

Elina Rahkonen, s. 1979
Wulff Group Plc Chief Financial Officer (CFO), Executive Board Member

Responsibilities:
Finance and Investor Relations and their development, Secretary of the Board

Substantial education, experience and positions of trust:

- Master of Science in Economics
- Wulff Group's CFO and Secretary of the Board of Directors since 2014
- Deloitte Oy Auditor (Manager, KHT Auditor) 2011-2014
- Suomen Asiakastieto Oy Financial Controller 2008-2011
- Ernst & Young Auditor 2007-2008
- Other duties in financial administration 2002-2007
- Wulff ownership as of December 31, 2014: 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, 2014: 100 Wulff shares (0.0 %)

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 2013 and 2014.

Authorizations of the Board of Directors

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

The Annual General Meeting on April 10, 2014 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, 2014 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.

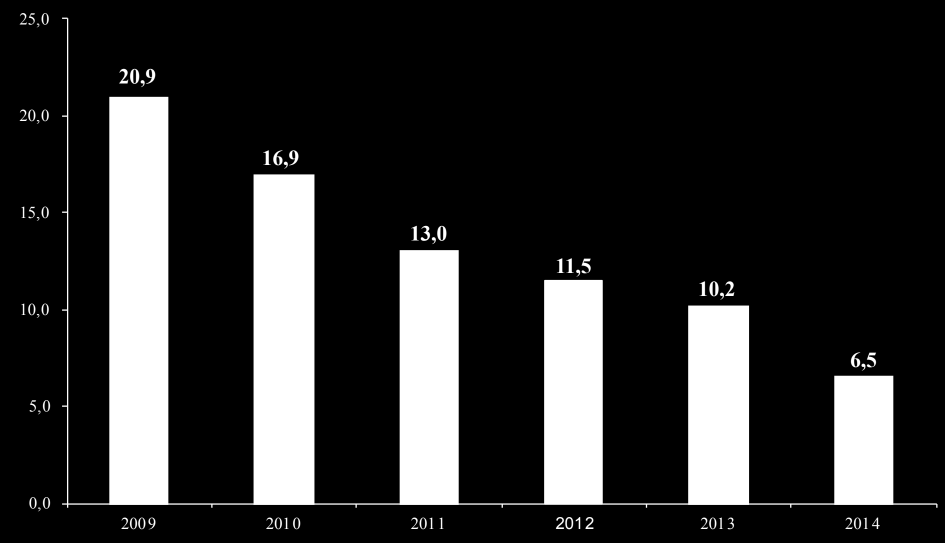
The authorization entitles the Board of Directors to deviate from the pre-emptive rights of shareholders (directed acquisition) in accordance with the law. The company can acquire treasury shares to carry out acquisitions or other business-related arrangements, to improve the company's capital structure, 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 2014, no own shares were reacquired. In the end of 2014, the Group held 79.000 (December, 2013: 79.000) own shares representing 1.2 percentage (1.2 %) of the total number and voting rights of Wulff shares. According to the Annual General Meeting's authorisation on April 10, 2014, 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, 2015.

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.

Market Value of Shares 31.12.2014



Share-based Payments

The Group does not have any option schemes currently in force. Wulff Group has no share reward plan in force at the moment. 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.

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 2014, a total of 315,822 (186,292) Wulff shares were traded which represents 4.8 percentages (2.9 %) of the total number of shares. The trading was worth of EUR 349,233 (EUR 315,822). In 2014, the highest share price was EUR 1.60 (EUR 1.98) and the lowest price was EUR 0.96 per share (EUR 1.44). In the end of 2014, the share was valued at EUR 0.99 (EUR 1.57) and the market capitalization of the outstanding shares totalled EUR 6.5 million (EUR 10.2 million) as shown in the graph attached.

Dividend Policy

Wulff Group Plc follows an active dividend policy. The goal is to distribute around 50 percent of the period's net profit in dividend. The Board of Directors of Wulff-Group has decided to propose the Annual General Meeting on April 9, 2015 that no dividend is paid for the financial year 2014.

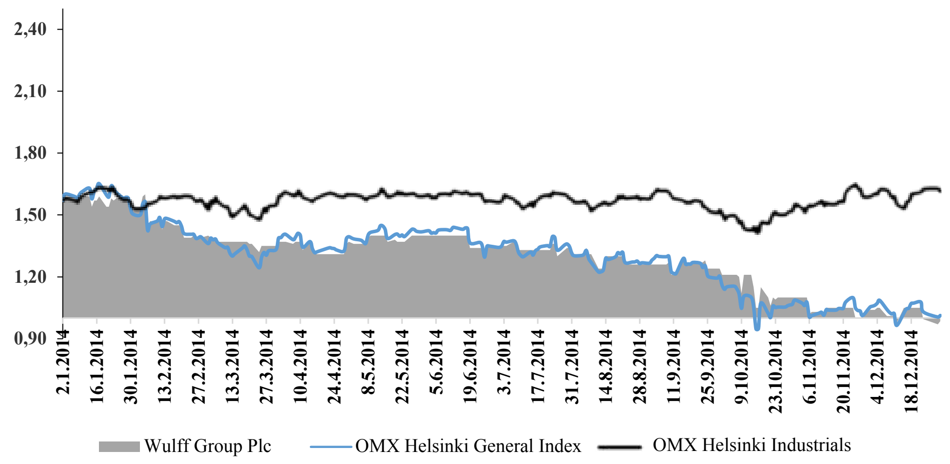
Shareholders and Ownership Structure

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 2014.

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 2014



SHARE AND SHAREHOLDERS

Major shareholders as of December 31, 2014

		Number of shares	% of shares
1	**Vienola Heikki***	**2 705 550**	**40,95 %**
	Vienola Heikki	2 533 500	38,34 %
	Vienola Jussi	16 200	0,25 %
	Vienola Kristina	16 200	0,25 %
	Reserve Capital Finland Oy	91 600	1,39 %
	BVI-tuote Oy	47 250	0,72 %
	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**	**328 534**	**4,97 %**
	Nordea Nordic Small Cap equity fund	296 128	4,48 %
	Nordea Bank Finland Plc	32 406	0,49 %
6	**The Local Government Pensions Institution**	**120 400**	**1,82 %**
7	**Progift Oy**	**93 627**	**1,42 %**
8	**Wulff-Yhtiöt Oyj**	**79 000**	**1,20 %**
9	**Ågerfalk Veijo**	**67 000**	**1,01 %**
10	**Laakkonen Mikko**	**64 185**	**0,97 %**
11	**Mandatum henkivakuutusosakeyhtiö**	**54 177**	**0,82 %**
12	**Sundholm Göran**	**50 000**	**0,76 %**
13	**Aalto Lasse**	**27 239**	**0,41 %**
14	**Cardia Invest Oy**	**23 800**	**0,36 %**
15	**AA-Pintarakennus Oy**	**20 500**	**0,31 %**
	15 major shareholders total	6 017 137	91,06 %
	Other shareholders total	**590 491**	**8,94 %**
	Number of shares total	6 607 628	100,00 %
	- Own shares	-79 000	
	Outstanding shares total	6 528 628	

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, 2014

Owner groups	Number of shareholders	%	Number of shares	%
Companies	36	6,41 %	411 605	6,23 %
Financial and insurance institutions	5	0,89 %	762 805	11,54 %
Public entities	3	0,53 %	920 400	13,93 %
Non-profit organisations	2	0,36 %	110	0,00 %
Private persons	499	88,79 %	4 404 299	66,65 %
Foreign shareholders	11	1,96 %	5 350	0,08 %
Nominee-registered shareholders	6	1,07 %	103 059	1,56 %
Total	**562**	**100,00 %**	**6 607 628**	**100,00 %**

Shareholders by the number of shares owned December 31, 2014

Number of shares	Number of shareholders	%	Number of shares	%
1-500	347	61,74 %	73 903	1,12 %
501-1000	80	14,23 %	67 276	1,02 %
1 001-10 000	107	19,04 %	359 695	5,44 %
10 001-100 000	20	3,56 %	773 801	11,71 %
100 001-	8	1,42 %	5 332 953	80,71 %
Total	**562**	**100,00 %**	**6 607 628**	**100,00 %**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WULFF

SIGNATURES AND THE AUDITOR’S NOTE

Signatures of the CEO and Board of Directors

Vantaa, March, 17, 2015

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

Helsinki, March 17, 2015

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 2014. 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.

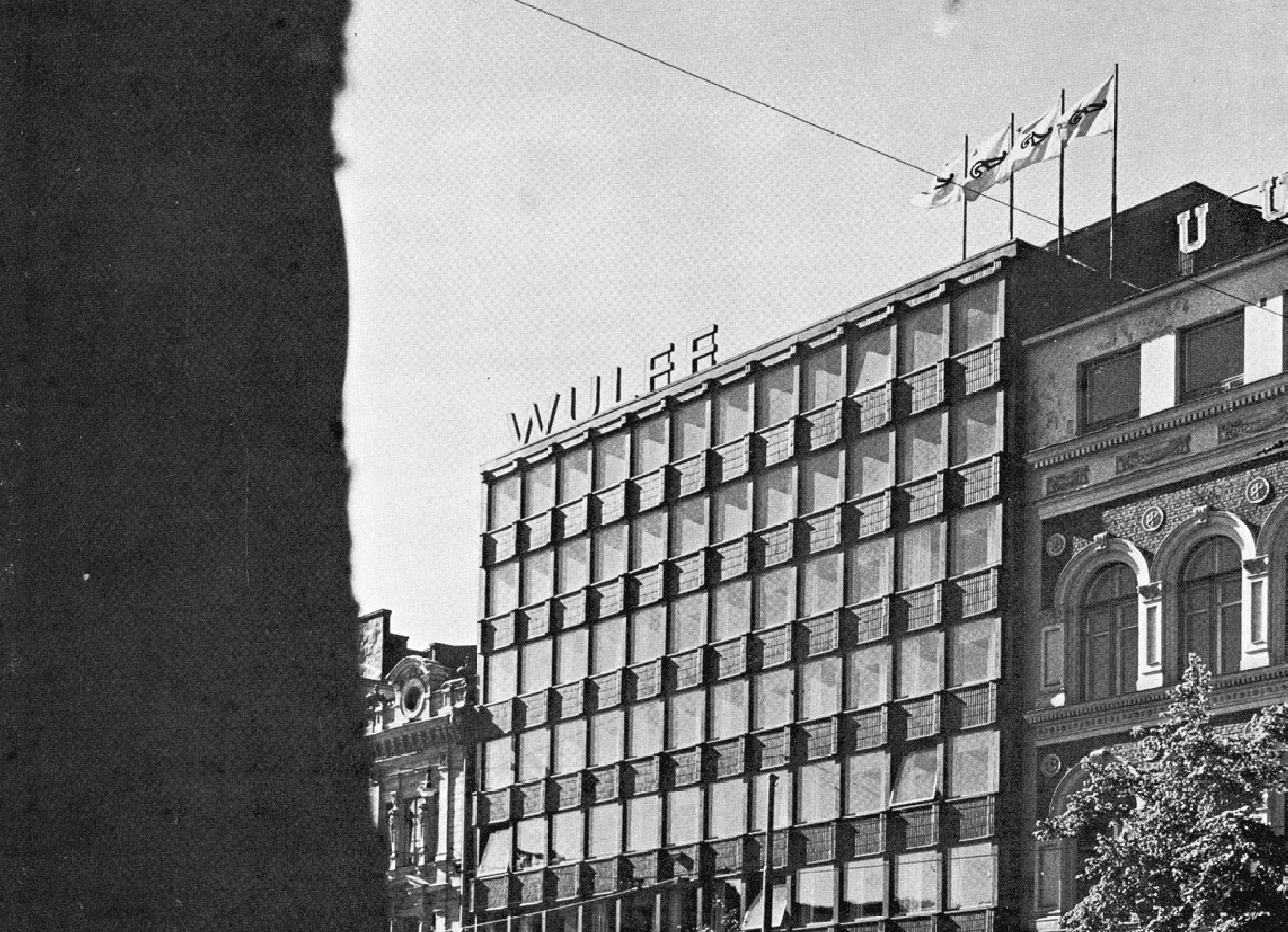
Opinion on the company's financial statements and the report of the Board of Directors

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, 17 March 2015
KPMG OY AB

Minna Riihimäki
Authorized Public Accountant

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


WULFF

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 24-27.

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, 2014. The Annual General Meeting adopted the financial statements for the financial year 2013 and discharged the members of the Board of Directors and CEO from liability. The AGM decided not to pay dividend 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, Tarja Pääkkönen, Andreas Tallberg, Vesa Tengman and Heikki Vienola were re-elected. The organising meeting of Wulff Group Plc's Board of Directors, held after the Annual General Meeting, decided that the new Chairman of the Board is Andreas Tallberg.

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

Wulff Group Plc's Annual General Meeting 2015 will be held on April 9, 2015.

Board of Directors

The Board is responsible for the administration and the proper organisation of the operations of the Company. The board supervises and controls the operative management of the Company, appoints and dismisses the managing director, approves the strategic goals and the risk management principles for the Company and ensures the proper operation of the management system.
The Annual General Meeting elects three to six members to the Board of Directors and at most as many deputy members. The Board's term ends at the termination of the first Annual General Meeting following the election. In the organising meeting held after the AGM, the Board elects a Chairperson among its members. Should the Chairperson be disqualified or prevented from attending to his/her duties, a Deputy Chairperson is elected among Board Members for the duration of the meeting.

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

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

CORPORATE GOVERNANCE STATEMENT

Wulff Group's Annual General Meeting held on April 10, 2014 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. 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 15 times in 2014 (11 times in 2013). The average meeting attendance was 98 percent (98 % in 2013). At its organisation meeting the Board approved the charter and action plan for 2014 and evaluated the independence of its members. According to the meeting plan for 2015, the Board of Directors will convene 11 times.

The Board carries out annual assessments of its operations and working styles based on a self-evaluation form. In 2014, the assessment was carried out in writing at year end. Based on the assessment, Board work was successful.

More information on Board Members and their Wulff shareholdings is presented on page 78.

CEO

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

The Managing Director may undertake acts which, considering the scope and nature of the operations of the Company, are unusual or extensive, only with the authorisation of the Board.

The CEO of the parent company Wulff Group Plc acts also as the Group's CEO and as the Chairman of the Group Executive Board.

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

Group Executive Board

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

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

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

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

More information on Group Executive Board Members and their Wulff shareholdings is presented on page 78.

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 2014, the CEO Heikki Vienola was paid a salary of 50 thousand euros (2013: 50 thousand euros) and extra pension of 1 thousand euros (2013: 1 thousand euros). The CEO's benefits include statutory pension. The pension age has not been determined. The period of notice is three months, as determined in the employment contract. No separate compensation for the period of notice is included in the contract.

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

The Group CEO determines the contractual terms, salaries and possible other benefits and incentives of the Executive Board Members. The remuneration of the Group Executive Board is presented in the attached table in chapter 3.5 including the compensation of each member for the time they have been in the Group Executive Board. In 2014, the Group Executive Board consisted of Heikki Vienola, Ninni Arion (since October 2014), Sami Asikainen (until August 2014), Trond Fikseaunet (from March 2011), Kati Näätänen (until February 2014), Elina Rahkonen (starting October 2014), Topi Ruuska (until June 2014), Tarja Törmänen, Samu Vuorio (until September 2014) and Veijo Ågerfalk.

CORPORATE GOVERNANCE STATEMENT

In 2013, the Group Executive Board consisted of Heikki Vienola, Sami Asikainen, Trond Fikseaunet, Kati Näätänen, Topi Ruuska, Tarja Törmänen and Veijo Ågerfalk.

The Group does not have any option schemes currently in force, nor a share reward plan. 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 72-75 of the Annual Report 2014.

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

External Audit

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

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

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

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

The Annual General Meeting decides on the auditors' fees and the expense compensation principles. Based on the Board's decision, auditors can be paid reasonable fees for non-recurring other service assignments. The auditors of all Wulff group companies were paid total fees of 119 thousand euros in 2014:

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

CORPORATE GOVERNANCE STATEMENT

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 Elina Rahkonen'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 2015

Wulff Group Plc's Annual General Meeting will be arranged on Thursday April 9, 2015 at noon (12.00) at Radisson Blu Seaside Hotel, Ruoholahdenranta 3, Helsinki, Finland.

Shareholders are entitled to attend the meeting if they have been registered as shareholders in the Company's shareholder list maintained by Euroclear Finland Ltd no later than on Thursday March 26, 2015 and have registered as attendants to the Annual General Meeting no later than on Tuesday April 7, 2015. Registration for the Annual General Meeting can be made to the company:
- by e-mail to investors@wulff.fi
- by telephone to +358 9 5259 0050
- by fax to +358 9 3487 3420
- with a letter to Wulff Group Plc, Annual General Meeting, Manttaalitie 12, FI-01530 Vantaa, Finland.

Each holder of nominee registered shares, who is registered on Thursday March 26, 2015 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 Thursday April 2, 2015 by 10.00 A.M. The shareholder who wishes to participate in the Annual General Meeting shall contact the company no later than Tuesday April 7, 2015. A holder of nominee registered shares is advised to request without delay necessary instructions regarding the registration in the shareholders' register, the issuing of proxy documents and registration for the Annual General Meeting from his/her custodian bank. The custodian bank of an account operator must announce the holder of nominee registered shares wishing to participate in the Annual General Meeting to be temporarily registered into the shareholders' register no later than on the above-mentioned date.

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

Dividend for 2014

The Board of Directors of Wulff Group Plc proposes to the Annual General Meeting that no dividend is paid for the financial year 2014.

Financial Reporting 2015

Wulff Group Plc will release the following financial reports in 2015:

Interim Report, January-March 2015	Thursday May 7, 2015
Interim Report, January-June 2015	Thursday August 6, 2015
Interim Report, January-September 2015	Thursday November 5, 2015

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

Contact Information for Ordering the Annual Report

Wulff Group Plc
Manttaalitie 12, FI-01530 Vantaa, Finland
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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.

Responsible Person for Investor Relations

Chief Financial Officer (CFO)
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STOCK EXCHANGE RELEASES 2014

6.2.2014	Wulff Group Plc's financial statements for January 1 – December 31, 2013
18.3.2014	Wulff Group Plc's annual report, financial statements and corporate governance statement 2013 published
18.3.2014	Notice to convene the annual general meeting of Wulff Group Plc
10.4.2014	Decisions of Wulff Group's Annual General Meeting on April 10, 2014
10.4.2014	Wulff Group continues to buy back its own shares
8.5.2014	Wulff Group Plc's interim report for January 1 – March 31, 2014
17.6.2014	Change in Wulff Group's executive board
7.8.2014	Wulff Group Plc's interim report for Jan 1 – June 30, 2014
18.8.2014	Change in Wulff Group's executive board
25.9.2014	Wulff Group Plc's new chief financial officer and new members in the group executive board
6.11.2014	Wulff Group Plc's interim report for January 1 – September 30, 2014: Net sales decreased but operating loss decreased due to cost saving measures
19.12.2014	Wulff Group Plc's financial reporting and annual general meeting 2015
19.12.2014	Wulff Group Plc has sold its subsidiary Looks Finland Oy


WULFF

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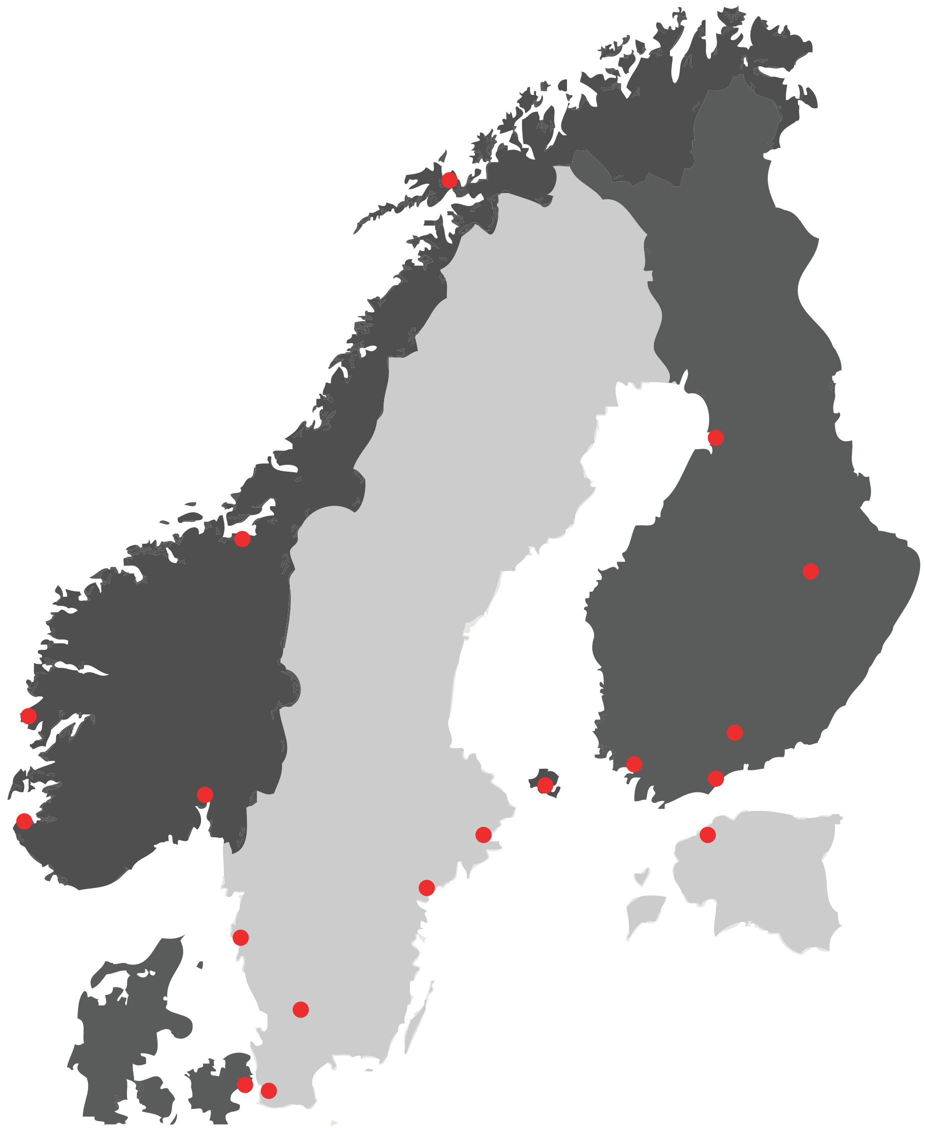

WULFF GROUP PLC

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