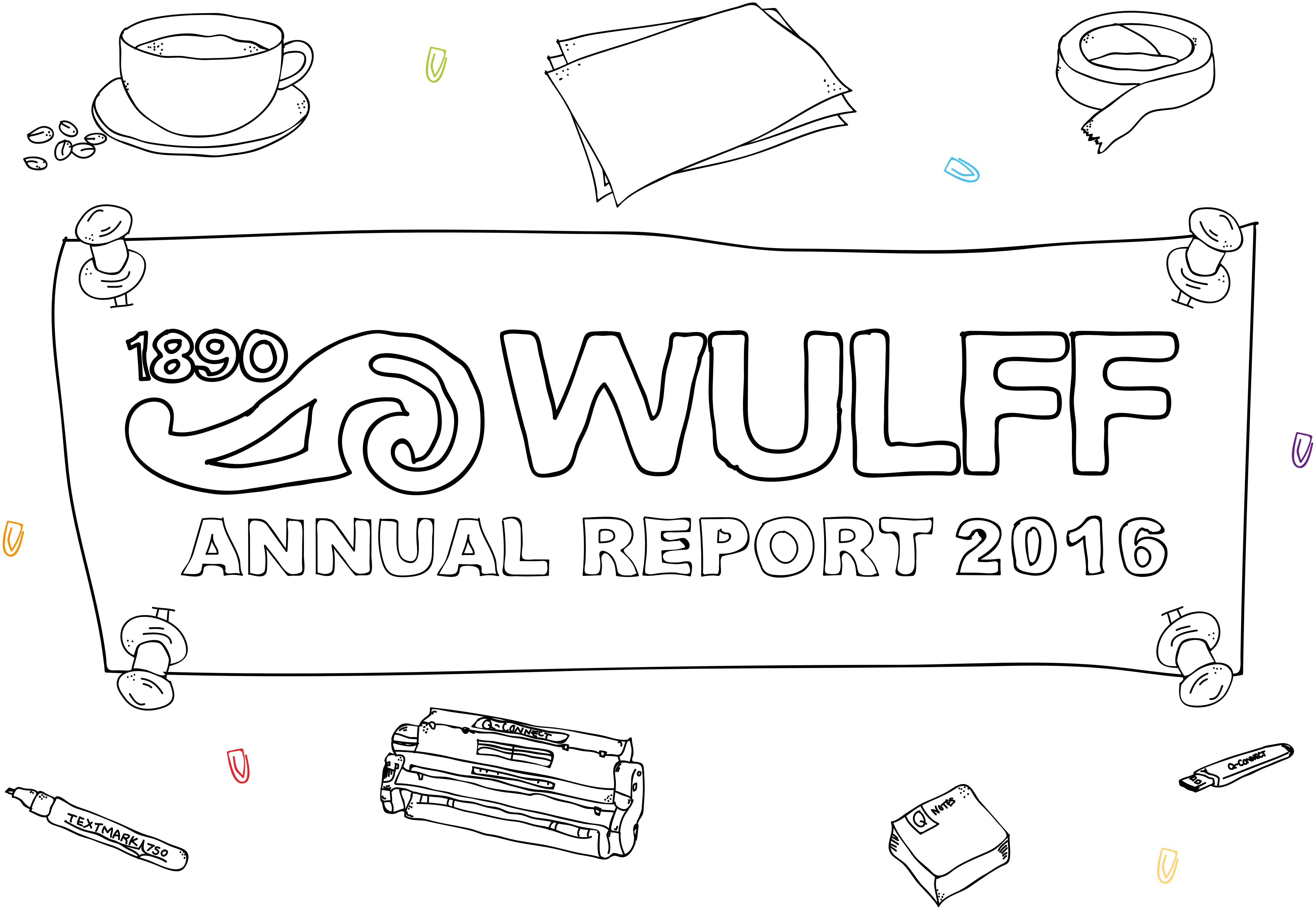
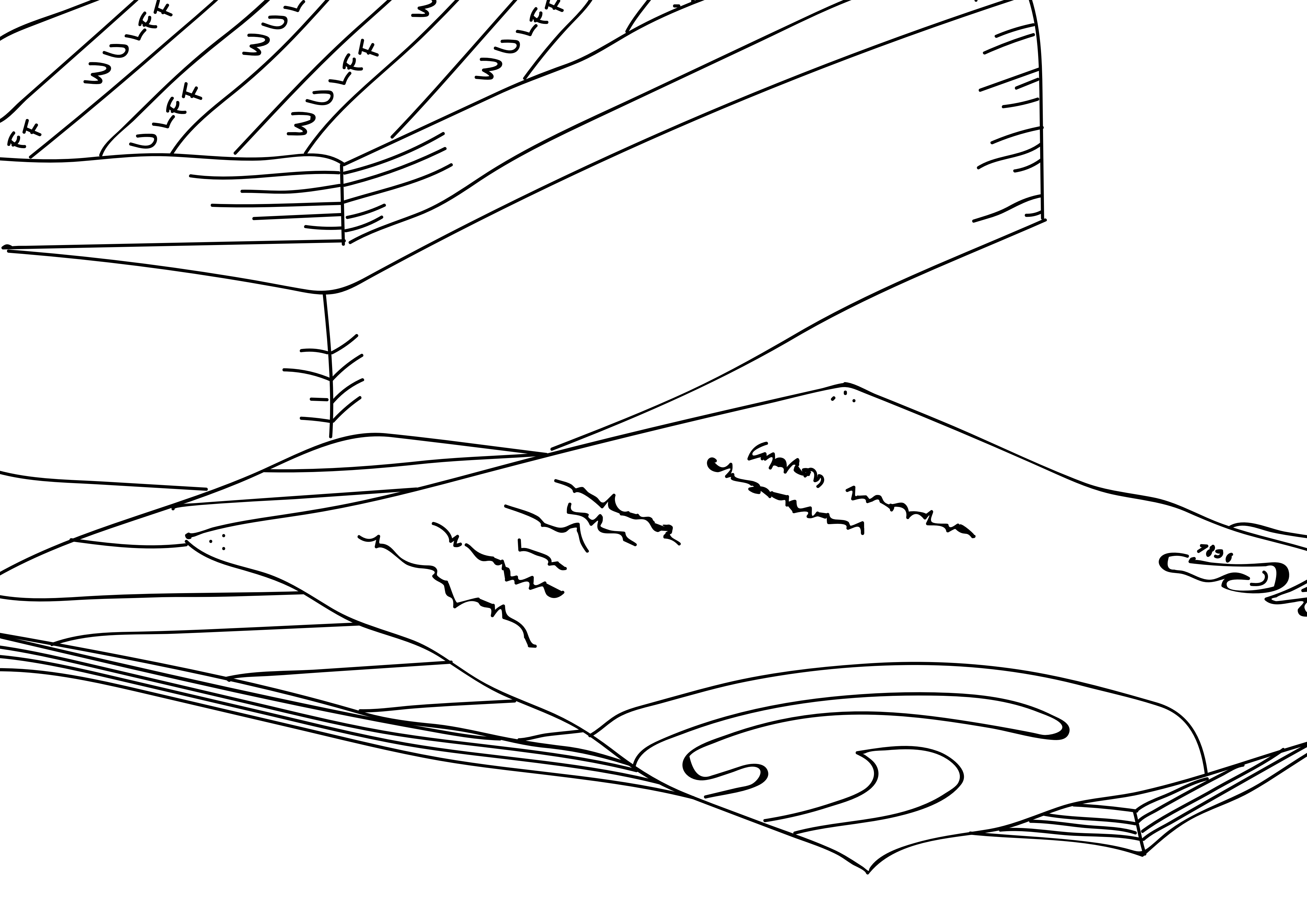
1890 WULFF

ANNUAL REPORT 2016

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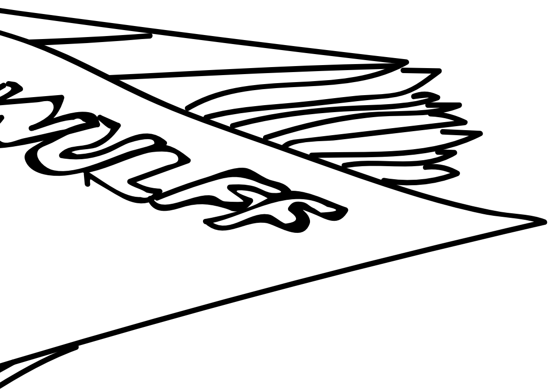


Financial Statements:

WULFF BRIEFLY

Wulff – creating workplaces

Wulff enables working in environments where companies and entrepreneurs operate. Already, people work a lot away from the office: digitalization enables telework and at the same time, mobile work creates new requirements for working environments. How to ensure that people can work effectively, ergonomically, environmentally friendly – and exactly like they want to?

A domestic and Scandinavian pioneer and a success story of over 100 years.

Wulff has the answers and tools.

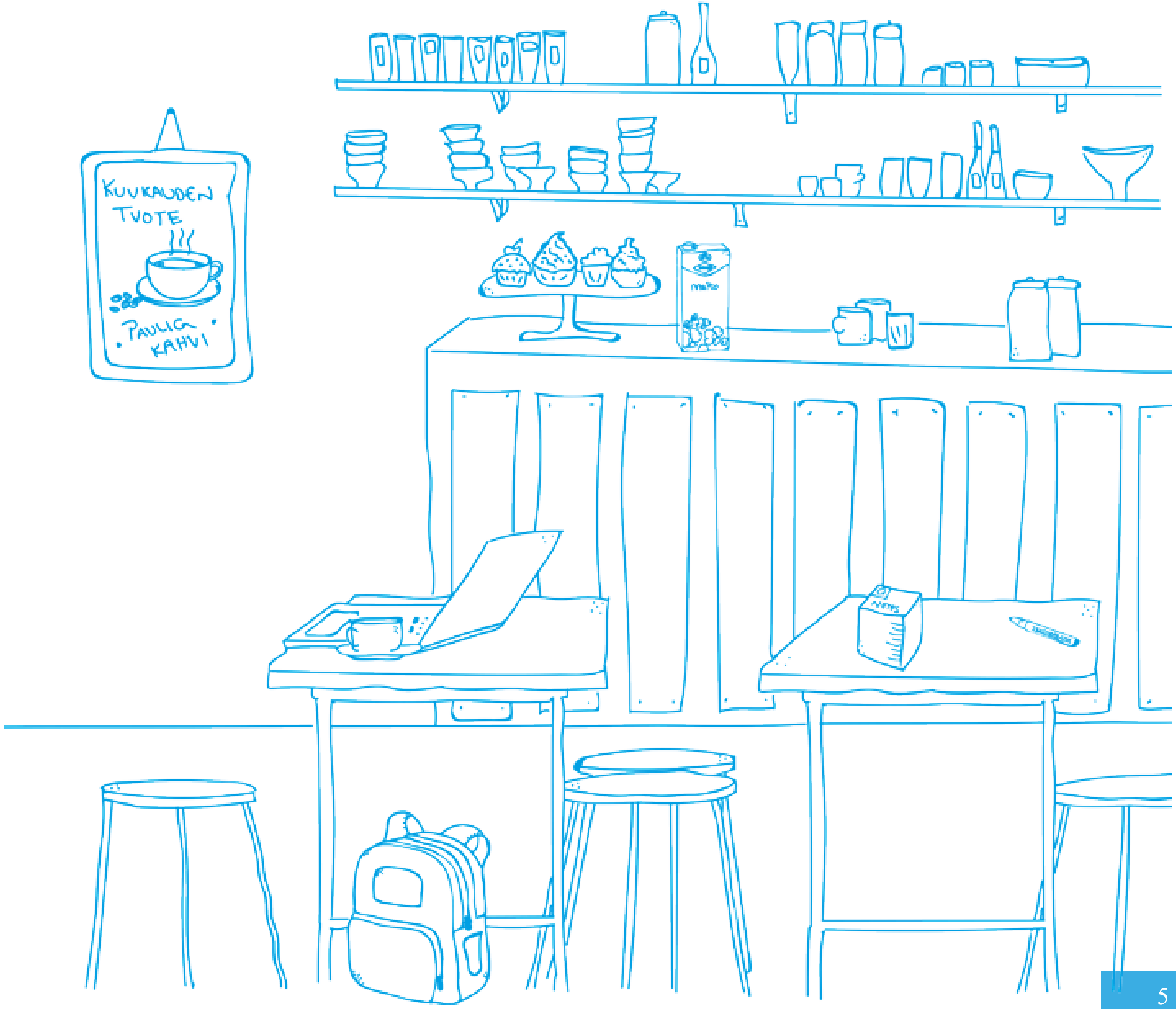
We offer the industry's most comprehensive product and service range that can help you create an office wherever you want it. What would you like? We offer our customers office supplies, facility management products, catering solutions, IT supplies, ergonomics, first aid, LED lighting solutions and innovative products for worksites. Customers can also acquire international exhibition services from Wulff.

You can get to know our products and services at Wulff.fi.

The most well-known and most reliable company in the field.*

*According to Office 2016/Office Product Suppliers - a survey conducted by Taloustutkimus (an independent full service market research company operating in Finland)

At work?
In an office,
on a dock,
in a café,
at an airport?
We create
workplaces
wherever
you are.



WHAT WULFF?

What's the best way to get to know Wulff? Let our customers tell you about their experiences!

The Aava Medical Centre is a happy Wulff Contract Customer. Aava acquires office supplies and facility management products from Wulff for its numerous locations around Finland. Centralized procurement and scalable services are a successful solution for Aava. Read here about Wulff and Aava's cooperation and its benefits!

Wulff's Contract Customer: Aava Medical Centre, Virpi of two roles and single partner strategy

Virpi Hentunen, the Aava Medical Centre CFO and Human Resources Director, is responsible for the financials and personnel of a company with a 50 million turnover and a personnel of over 1 000 health care professionals in 12 different locations.

Hentunen has many responsibilities in a company, whose employees' work consists of customers' welfare and health. Aava offers its customers care that lasts for a lifetime irrespective of time and place. That is a big promise.

How are these promises fulfilled, i.e. how do Virpi and Aava's personnel succeed in their jobs?
The answer is: with the right attitude and working culture. To be more specific, Aava's operations and activities are characterized by the company's philosophy "It can be done".
"When it is clear to everyone why Aava exists, it gives our operations a good framework and objectives. Every employee is committed to our values and knows what is expected of him or her. A common set of values enables us to work in the right way, it allows superiors to make decisions pragmatically and consistently, and at its best, it allows our personnel to be self-managing", Hentunen explains.

Wulff and Aava have a lot in common. The history and service culture of these domestic family companies are alive and well today, especially when digitalization is recognized as a means to contact customers in environments where they naturally are. Both companies Aava's business is health – developing well-being and taking care of people. Wulff makes workplaces and supplies products and tools to enable working in different environments. These two long-established Finnish companies are from different business sectors but at the same time, a large part of their operations are the same. Aava has a wide array of health care professionals, from general medical practitioners and specialists to professionals of general wellbeing and occupational health care, even cataract operations.

Wulff has professionals for comprehensive office supply maintenance, workplace ergonomics, work safety, and solutions for catering supplies, and cleaning and facility management products. In addition, Wulff provides LED lighting solutions and innovative products for worksites. Customers can also acquire international fair services from Wulff. A company's need for office supplies depend on the company and its operations, just like people's needs for taking care of their health are individual.

AAVA AND WULFF, A PARTNERSHIP OF ALMOST 10 YEARS

Aava's MiniBar houses almost 100 different office supplies, IT products, and catering and facility management products. Virpi probably would not be able to name every one of those products, but Wulff's Juha Kovanen probably could, that's how often he reads the reports and thinks how they could develop the selection of products in the MiniBar to correspond to existing needs.

Virpi enjoys her versatile job especially because in this rapidly changing world she has the opportunity to develop and influence the things she cares about most. "Health and wellbeing are megatrends, and I believe that this is an industry that will see increasing demand in the future too. It is great that I can be a part of developing Aava to be the most competitive company in an industry I respect. When professional and dedicated people are good people too, it makes our work meaningful and the working days fun."

"A good and reliable guy", Virpi describes Juha Kovanen, her contact person at Wulff. With two important areas of responsibility, Virpi is relieved that of the subsections is taken care by Juha and Wulff. With a reliable partner you can be sure that the office essentials – everything from coffee to copy paper and hand creams – are always at hand at the office.

"Our slogan 'It can be done' fits well to describe our cooperation with Wulff", summarizes Hentunen Aava's long partnership with Wulff. "Cooperation with Wulff makes our everyday life easier. Our personnel have all the things they need at the office or workplace to perform their job. It is also great that with Juha, we can also develop our operations, measure, monitor, and react", she continues.

VIRPI HENTUNEN

- Virpi Hentunen began working as the CFO of Aava five years ago, and for the last two years, she has worked as the CFO and Human Resources Director.
- Lives in Töölö, Helsinki, which she describes as a lovely place to live in. Virpi has lived abroad multiple times and appreciates that Helsinki and Finland are just the right size.
- Mother of two, already adults.
- Important in life: family, close friends, exercise, and music – especially astanga yoga and a season pass to the concerts of the Helsinki Philharmonic Orchestra.

WHAT WULFF?

Wulff has customized the office supply maintenance for Aava's different locations. Larger offices have Wulff's wholly automated MiniBar service in which a pre-agreed selection of office supplies in always available. Wulff also offers special products and professional experience. For the most part, Virpi does business with her own contact person Juha. For example, at Aava's Kamppi location, the Minibar is the most viable solution because hundreds of health care professionals work there. It would be impossible for one person to take care of the office supply needs of Aava's Kamppi personnel who are spread over nine floors.

Those offices that do not have the MiniBar service are responsible for ordering the required office products themselves. "Wulff's ordering system is easy to use and practical," explains Hentunen. The CFO is also satisfied that Wulff's products are always charged by the agreed price and affordable for Aava. "But I think the biggest savings are made in time management," Hentunen summarizes. "Yes, that's the 'It can be done' motto", agrees Juha Kovanen from Wulff.

Our Contract Customers know that Wulff's Minibar is a perfect ten in the office. Wulff serves companies of different sizes diversely and in different channels. Read more about our sales channels and services at wulff.fi.

MINIBAR

Say goodbye to the mess!

WHY THE MINIBAR is a perfect ten:

1. Products can be found quickly and effortlessly
2. Maintenance will not cause stress for the manager or the user.
3. Optimal circulation of office supplies.
4. The MiniBr does not have space for shelf warmers.
5. The MinBar contains everything you need at the office: e.g. office supplies, facility management products and catering supplies
6. Most used, daily essentials are always at hand.
7. The right products in the right place.
8. Works like its hotel namesake: refills automatically.
9. The MiniBar makes work easier and saves time, i.e. helps to focus on the right things.
10. Small products are stored in recyclable drawers.

Wulff’s solutions **save:**

- Time
- Money
- and the trouble

In the picture: Virpi Hentunen, the Aava Medical Centre CFO and Human Resources Director and Juha Kovanen, Wulff’s Account Director.

REVIEW OF THE CHAIRMAN OF THE BOARD

Wulff – creating workplaces

In a constantly changing operating environment, it is more and more important for companies to develop their operations in the desired direction rapidly reacting. At Wulff, we are ready for change, renewal, and reform. I believe that in the future we will be recognized for creating workplaces. We enable working in environments where companies and entrepreneurs operate. Already, people work a lot away from the traditional office environment. New working environments and mobile work offer Wulff a possibility to grow in a novel market.

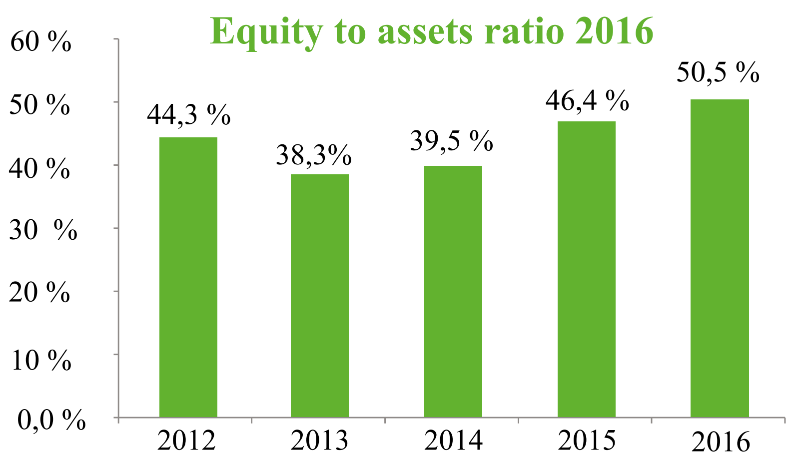
In 2016 we focused on our core business and ensuring its positive development in the future. The development of our net sales and profitability was however less successful than foreseen even though we managed to advance our business activities as planned. In 2016, Wulff Group's net sales totaled 59.3 million euros (68.8 million euros in 2015). Our net sales decreased by -13.8 percent (-7.3 %). The good work in our customer interface and investments in our sales' development have not yet shown as expected in the development of net sales. We will continue improving our profitability by enhancing our operations cost-consciously. During the past year we invested in sales development and new customer acquisition and we will continue these measures in 2017 too.

Wulff as a company has domestic roots and a strong Finnish and Scandinavian presence. Our customers receive the most comprehensive selection of office supplies and facility management products: everything from coffee and printing paper to hand creams, cleaning products, ergonomics, and first aid. 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. We are pleased to note that domesticity and green values have arisen as increasingly important criteria for our customers. As our company's history reaches back over 120 years, it is great to celebrate Finland's 100 years by selling Finnish products, creating jobs and by helping many young Finns take their first steps in their working lives. Building domestic competitiveness is a common interest we all share.

We meet our customers approximately 200 000 times yearly. That is great number of encounters – and opportunities to leave an unforgettable and great mark of Wulff. Every meeting, every encounter, is an opportunity to serve better, sell more and sell more diversely. The most important question we have to think about this year when developing our competitiveness this year is. "What do our customers want to buy from us in the future?" Future successes are made by renewing our operations bravely. In 2017, we will focus on growing together. That means we will all strive to improve and grow personally and together as a company. And above all, it means growth and development by increasing our competitive advantage with our products and services to our customers. Brave renewal, hard work, developing our operations in cooperation with our customers and global economic recovery give us a solid starting point for a better result in 2017.

I am happy that as the Chairman of the Board I am able to enjoy meeting Wulff's personnel, customers, and cooperation partners. Cooperation, know-how and trust are easy to understand and appreciate when you get the chance to see and experience them concretely.

Let's meet, create new ideas, and renew in 2017!



OPERATING PROFIT 2016
0.6 million

NET SALES 2016
59.3 million

Heikki Vienola
Chairman of the Board

Thank you – this year again I have had the pleasure of meeting personally many important people. Wulff's personnel, customers, and cooperation partners. Tomorrow's success stories are built today together with every one of you.

OPERATING ENVIROMENT

Wulff has a strong and solid position particularly as a supplier of office products. The company is also increasingly known for providing versatile facility management products, whose share in all of the sold products has continuously grown. This change in Wulff's business also depicts a change in the whole industry. As the proportion of office work is constantly growing, what we perceive office work to be is also changing. Today, in increasing amounts, people work away from the office in different environments

Wulff is a desired distributor for product manufacturers and suppliers because its sales channels reach companies of all sizes effectively.

An evolving operating environment

In Wulff's operating environment there is competition in the production and sales of facility management products, office and IT supplies, promotional products, ergonomics, and first aid products. Wulff's operating environment is broader than the traditional field of office supplies since the Group also offers international exhibition services and LED lighting solutions.

Wulff's main operating areas are Finland, Sweden, Norway, and Denmark. In Finland, the Group is the industry market leader and strong innovator. For the Scandinavian market leadership Wulff faces competition 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 effectively.
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. In the past years, the market for office and IT supplies has decreased in the Nordic countries.

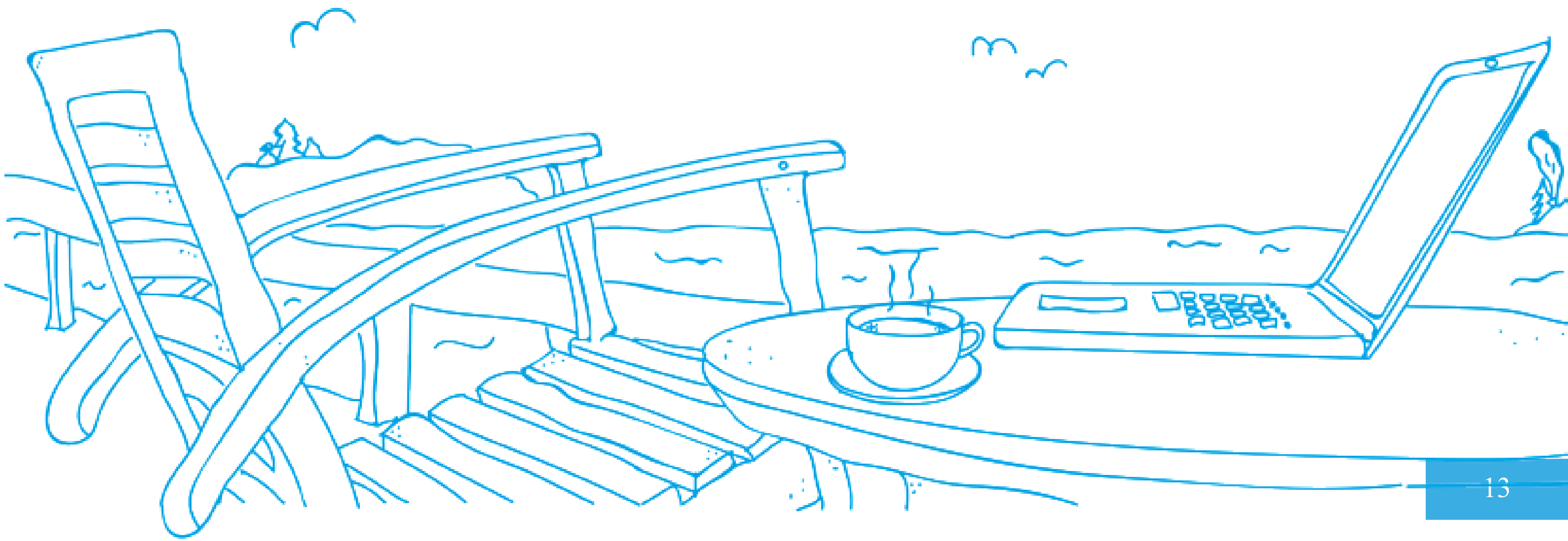
Wulff's customers are businesses and organizations of all sizes

Companies and organizations use the products Wulff markets throughout the year. The demand for example for ink and toners, paper, coffee, storage devices, and cleaning products is constant and not seasonal. The demand is determined by the general economic situation. For example, when large companies recruit employees, consumption increases. Some products have a long lifetime, for example ergonomic products last a long time in use and their purchases are made after careful consideration. For business and advertising gifts however, sales is seasonal and it tends to focus on the second and last quarter of the year. Although the seasonal impact has slightly evened out in the past few years and gifts are seen as an increasingly important part of companies' marketing communications, economic uncertainties have affected promotional gift purchases. During uncertain economic periods, companies may also minimize attending fairs.

Wulff's products are used by companies and organizations throughout the year.

Each new Nordic company is a potential new customer for Wulff. To serve all its customers equally well Wulff develops 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 customer and direct sales services, cooperation with resellers and consumer sales, comprehensive web services and a webstore as well as the opportunity to visit a street-level store.

Wulff and its operating environment develop constantly: traditional office work has fragmented into various new environments. Where do you work?



OPERATING ENVIROMENT

Success in a fragmented operating environment

The market for office supplies has been traditionally very fragmented. Entering the market is easy and that is why many small companies are operating in the field. Several companies enter and leave the market every year. In recent years, the industry has also seen a few takeovers.

Wulff believes that the future of the industry will be in the hands of companies like itself and bigger players. Wulff estimates that the consolidation development will be intense and company takeovers will continue in the future. One of Wulff's strengths is its size. The company is large enough to be a significant player and a cost-efficient cooperation partner for its customers. At the same time, it is small enough to be agile and quick to react to the changing operating environment. Wulff's domesticity is also pleasing factor for customers and domestic business is supported willingly. Local service and market know-how is also beneficial in developing working solutions.

Wulff believes that the future of the industry will be in the hands of companies like itself and bigger players.

Wulff's position in the Scandinavian market has significantly strengthened in the last decade. Especially the acquisition in 2009 to grow the Contract Customer division has been successful. In cooperation with Wulff Supplies (Strålfors Supplies (now Wulff Supplies), acquired in 2009) the Group has had success in serving its Scandinavian and Pan-Nordic customers.

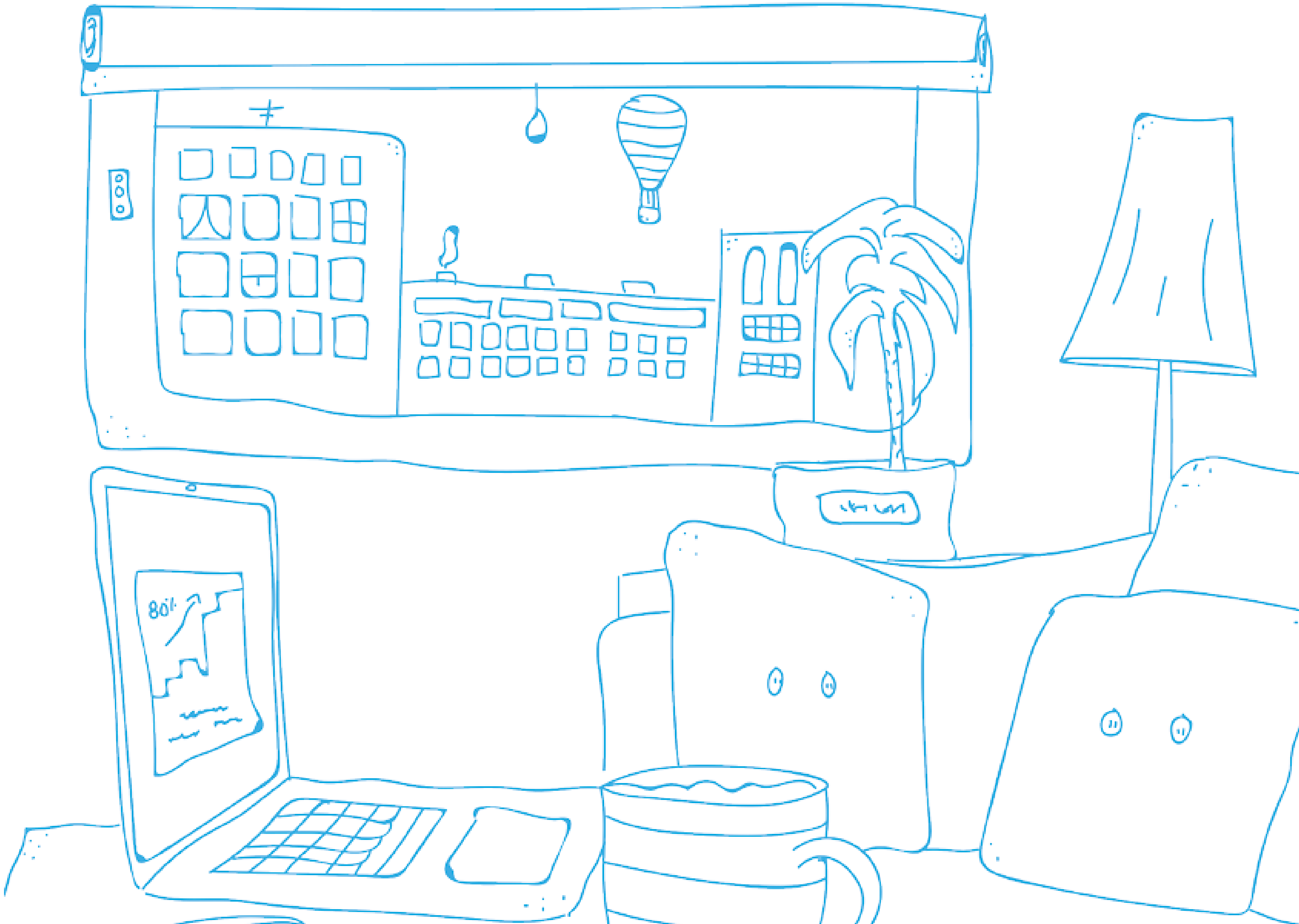
Wulff's competitors consist of unlisted small and medium-sized companies in all market sectors. The Group has approximately ten significant competitors in Finland. Wulff Oy Ab's Contract Customer concept faces competition from Staples (before Oy Lindell Ab), Lyreco (before Officeday Finland Oy), and Paperipalvelu. In the Scandinavian contract customer market, Wulff Supplies faces competition from Staples and Lyreco. Wulff's direct sales companies compete of the market share with for example Canncolor Group and Oy Rahmqvist Ab.

The international exhibition 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 Ständi Oy, Louder Oy, Eastway Sound and Lighting Oy, and Arvelin International Oy.

Wulff's objective is to renew the industry and grow profitably to be the industry leader in all of the Nordic countries.

Towards market leadership in the Nordics

Wulff's objective is to renew the industry and grow profitably to be the industry leader in all of the Nordic countries. Complimentary and versatile service models and professional personnel form a good basis for meeting the objective. Wulff's extensive and constantly developing product and service range enables the company to serve businesses of all sizes and from all business sectors cost-efficiently. Domesticity, cost-efficiency, sustainable development and serving customers through the sales channels they want to be served in are Wulff's competitive advantages.



BUSINESS

Wulff – creating workplaces

Wulff enables working in environments where companies and entrepreneurs operate. Already, people work a lot away from the office: digitalization enables telework and at the same time, mobile work creates new requirements for working environments. How to ensure that people can work effectively, ergonomically, environmentally friendly – and exactly like they want to?

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Wulff is the most significant Nordic player in its field. Its objective is to act as a reformer and pioneer and offer its customers the most extensive range of products, services, and solutions.

Domesticity, cost-efficiency, sustainable development, encounter.

Continuously developing business

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

Being a pioneer requires will, skill, and the right resources – Wulff and its personnel have all of it. Success is built together with customers. When Wulff's customers succeed, Wulff succeeds too.

Wulff's products and services solve many everyday problems, enable people to work where they want to and make working itself easier and better. What kind of products and services will people buy from Wulff in the future? Working in traditional offices will reduce in the future, and at the same time what we think of as office work will increase. Populations are constantly growing older and working at an older age. Knowledge work will strain the body and mind differently than physical work. In addition to functional aspects, people attach bigger meanings to products and services: they want them to do good. For example, environmental friendliness, sustainable development, and ethicalness are qualities that influence decisions to purchase more and more. Wulff takes this into account when developing new products and services

Diverse sales channels and a comprehensive service and product range

Customers have wished for more opportunities to centralize all their office supply and facility management product purchases. In addition, green values are more and more important when choosing a cooperation partner in the Nordics. Therefore, Wulff has placed added emphasis on developing its operations in diverse sales channels and making them even more 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 cost savings and efficiency in procurement. Wulff offers its customers the opportunity to do business in the most convenient channel for them, whether it is a customer-specific service model, personal meetings, an online webstore or a street-level store.

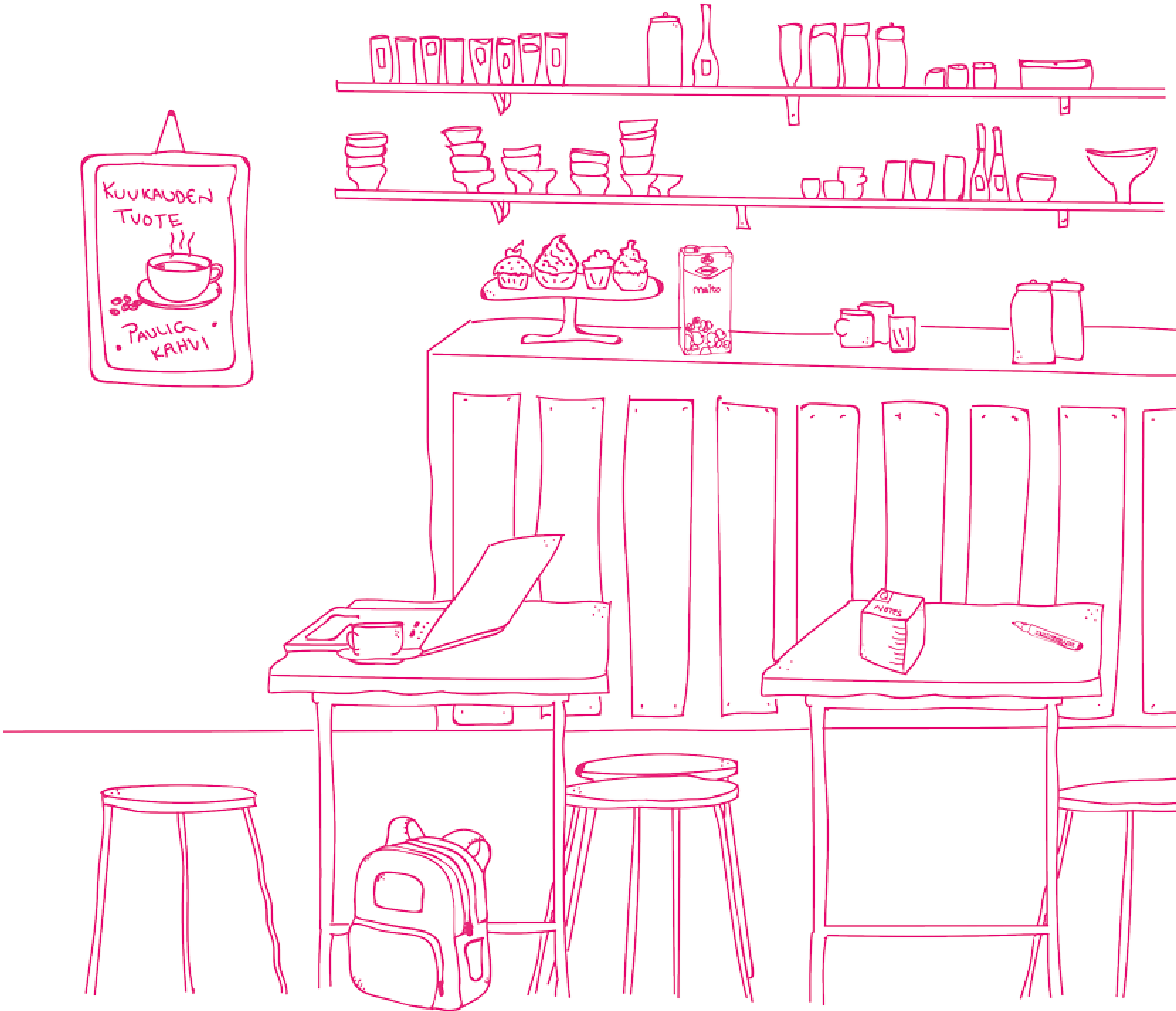
Wulff – a pioneer and an innovator in its field.

In addition to Finland, Wulff operates in Sweden, Norway, and Denmark. The customers are attended to personally by approx. 200 business-to-business sales professionals and also at Wulff's stores in Helsinki, Turku and Lahti. In addition to versatile customer specific services, the Group serves its customers online with the webstore Wulff.fi.

Complementary service models

The Contract Customer concept makes it easier for customers to make regular purchases, while Direct Sales offers 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 customer relationships.

100,000 customers, 200,000 customer encounters. Every year.



BUSINESS

One of today's most important business locations is the internet. Contract Customers are served more widely on the internet with customized solutions and the use of web services is constantly growing. Especially micro, small, and medium companies are served online with the webstore Wulff.fi that has reached new customers continuously. Possibilities brought about by digitalization are in an important role when we develop tomorrow's operations.

Efficient distribution channel for high quality services and products

Wulff Group is a significant player for its partners. The Group is a desired distribution channel for suppliers' new products and solutions. Through the nationwide organizations, for example novelties can be launched to the customers quickly and with personal customer service. 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 being used to develop Wulff's own operations, the feedback is used by Wulff's suppliers: usually the best ideas for product development and new products come from customers.

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

Networking is a part of business

InterACTION is a very important 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

High-quality Q-Connect products are an important part of Wulff's product range. These products offer the best quality-price ratio and are only available from the Group in its operating countries.

Strategic development of business operations

In 2016 the Group focused on its core business and ensuring its positive development in the future. The development of net sales and profitability was however less successful than foreseen even though the Group managed to advance its business activities as planned. In 2017, we will focus on growing together. That means we will all strive to improve and grow personally and together as a company. And above all, it means growth and development by increasing our competitive advantage with our products and services to our customers.

Brave renewal, hard work, developing our operations in cooperation with our customers and global economic recovery give us a solid starting point for a better result in 2017.

WULFF SERVES CUSTOMERS WITH MULTIPLE

Wulff's sales channels: all of what Wulff offers for its customers

1. **WULFF CARE -SOLUTIONS:**
   expert first aid, products and training.

2. **WULFF ENTRE:**
   international exhibition and event services.

3. **WULFF ERGONOMICS:**
   comprehensive solutions and services for workplace ergonomics.

4. **WULFF INNOVATIONS:**
   innovative products for companies and new ideas to help everyday life.

5. **WULFF CONSUMER SALES AND RESALE:**
   office products facility management products for centralized consumer sales and independent resellers.

6. **WULFF LED –SOLUTIONS:**
   energy-efficient and environmentally-friendly lighting solutions for offices, worksites, industry and housing cooperatives.

7. **WULFF-STORES (Helsinki, Turku, Lahti):**
   office supply and facility management product stores serving especially small and medium-sized companies.

8. **WULFF NAXOR:**
   professional solutions for post-treatment of paper and unique products for worksites and real estates.

9. **WULFF CONTRACT CUSTOMERS:**
   office supplies and facility management products quickly and cost-effectively to companies and corporations through contract services.

10. **WULFF UNIBIND & THEMAGICTOUCH (industry):**
    market's best presentation and imaging solutions.

11. **WULFFINKULMA.FI:**
    a webstore for office supplies and facility management products, especially geared towards micro, small, and medium-sized companies.

CORPORATE RESPONSIBILITY

Wulff – the greener partner

For more and more customers, environmental friendliness is an increasingly important factor when making purchase decisions. You can find an environmentally-friendly option for the majority of Wulff's products. Wulff's Green products are environmentally and budget-friendly – an eco-action does not have to be expensive. When you choose an eco-labelled product, you are making a decision for the nature and the environment!

RECYCLING OFFICE SUPPLIES IS EASY WITH WULFF'S EKO-BAG!

With the Wulff Eko Bag recycling bag, customers can recycle products made from different materials. When the bag is full, order a pick-up from Posti and the products will be delivered to a recycling station for reuse. The Wulff Eko Bag is a free service!

Responsible Wulff

Wulff promotes responsible conduct in cooperation with all its stakeholders. Environmental responsibility is taken into account 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. Our personnel has been trained and educated by the standards of environmental management. Sustainable development operations are also encouraged through various campaigns. The Group's offices pay particular attention to recycling and sorting.

Concrete actions for personnel and customers

Wulff actively reduces the emissions, consumption, and waste generated by its operations. We believe that it is also important to encourage our customers to operate in the most environmentally friendly way possible. Wulff also constantly provides its customers with information about the products' environmental friendliness, its recycling alternatives, and solutions. Recycling options for customers have been increased for example by launching recycling boxes for various uses. With the help of returnable recycling boxes, the 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 Posti and the products are delivered to recycling centers. With the Wulff Eko Bag customers can recycle office supplies made from different materials. When the boxes and the bag are full, customers can order a pickup from Posti who will deliver the items to recycling station for reuse.

Corporate Responsibility

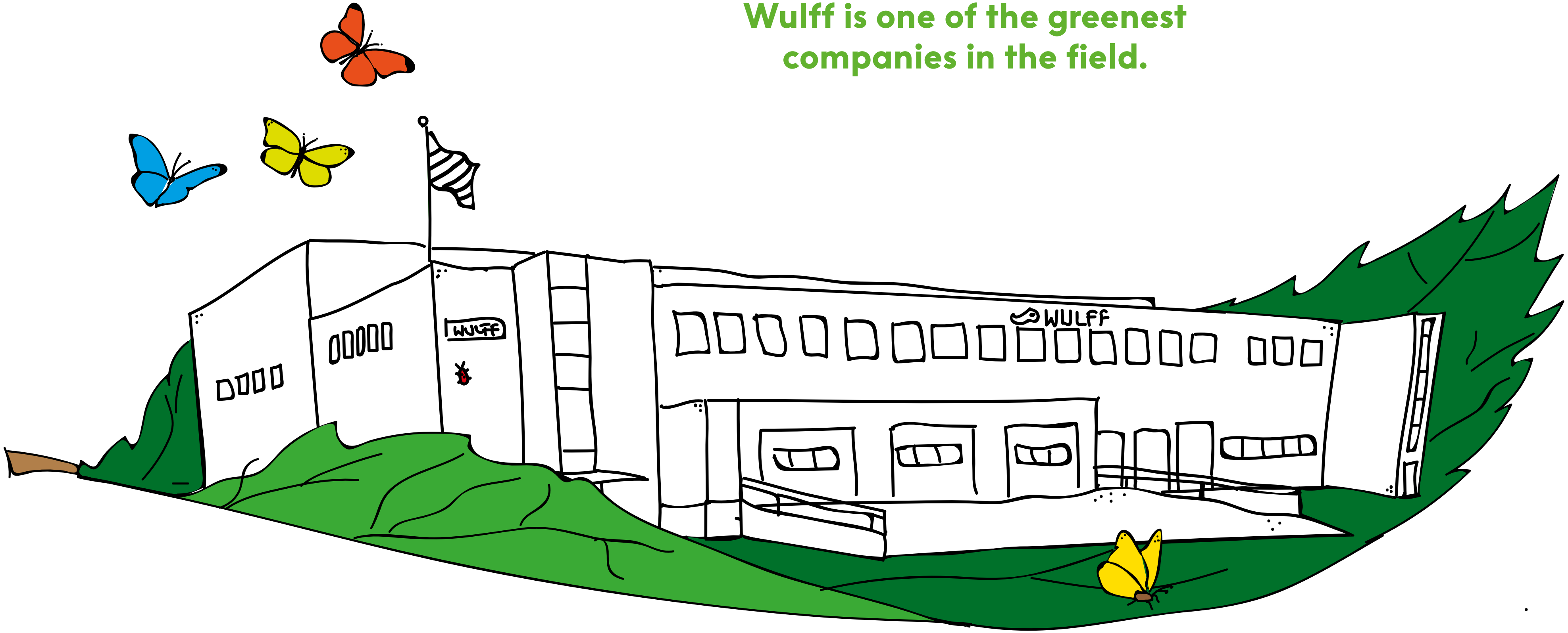
Wulff has always been the pioneer in its field and wants to be one also in corporate responsibility matters. Customers are at the heart of Wulff's responsible business. For its customers, Wulff provides services and products that are made as responsibly as possible: according to ethical and sustainable 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, societal responsibility, responsible financial management, and consideration of important environmental issues in all its operations

Environmental Responsibility

It is increasingly important for companies to operate in an environmentally sensitive manner because green values are increasingly important for customers too. Wulff is one of the most environmentally friendly companies in its field. For Wulff, environmental responsibility means responsibility for the state of the environment and how we affect it with our operations and with the products and services we sell. Wulff aims to offer its customers advanced, environmentally friendly solutions and to burden the environment as little as possible. Customers are at 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 importance 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.

Wulff is one of the greenest companies in the field.



CORPORATE RESPONSIBILITY

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. We are constantly developing our operations to relieve environmental pressures. Active cooperation and mutual commitment ensures a good end result – a decreased carbon footprint and the reduction of environmental stress.

Environmental issues are important to Wulff. Wulff promotes sustainable development in all of its businesses and helps its customers to develop their operations too. The office holds a safe and controlled facility and office waste management and recycling spot and personnel is instructed and encouraged to have a positive attitude towards the environment. Based on the current market situation, we choose products and services that have been made with environmentally friendly materials and production methods. In addition, Wulff takes into account the principles of sustainable development when selecting suppliers and cooperation partners. 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.

RETURNABLE RECYCLING BOXES

With the help of returnable recycling boxes, the recycling and returning of toner color cartridges, soft drink bottles, batteries and waste from electric and electronic equipment (WEEE) is managed quickly and easily.

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 always have information about certified environment labels as well as comprehensive environment and recycling information. The objective of environment labels is to improve knowledge about the product's environmental impact and to guide purchasing behavior.

Environmental objectives show in Wulff's 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 environmental friendliness of packaging materials and shipping methods.
Wulff 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. The environmental calculator calculates the carbon footprint and explains how much CO2 should be compensated. Customer-specific CO2 emission reports have been a part of our reporting for a long time already. All of the packaging materials used in Wulff's deliveries are recyclable or reusable as an energy source. Cardboard boxes, packaging tape and bands, stretches and platform hoods as well as filling paper have 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.

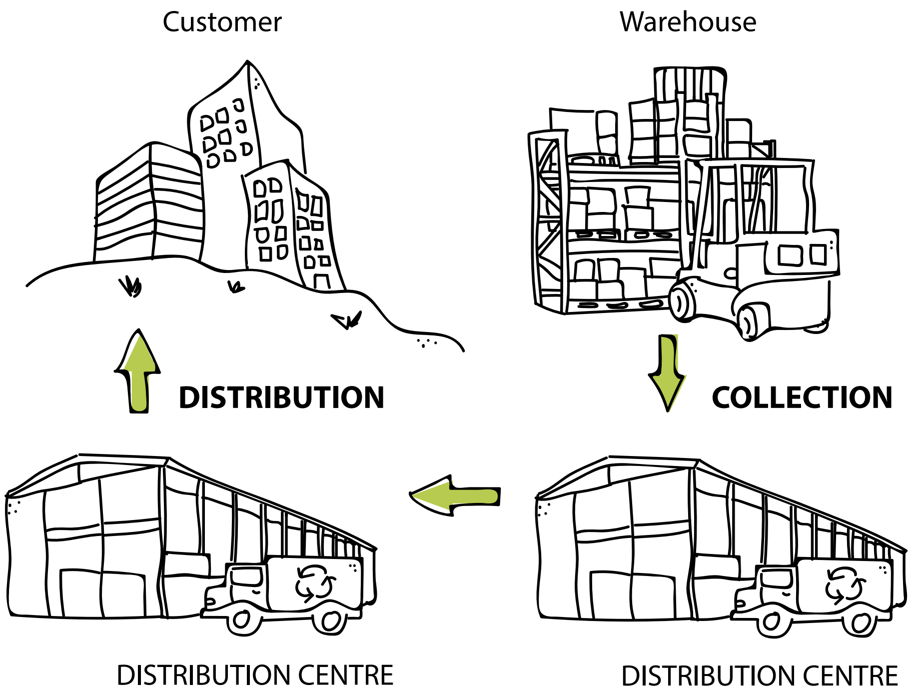
Wulff's recycling boxes are a free service!

In Finland carbon neutral shipping is carried out by the Posti Green service. The reduction and calculation of CO2 emissions is handled by Posti's environment program and the leftover emissions are compensated by financing environment projects in countries that do not have an emission ceiling. All of the environment projects funded by Posti have the Gold Standard certificate.

CO2 emissions decrease also in Wulff's own operations

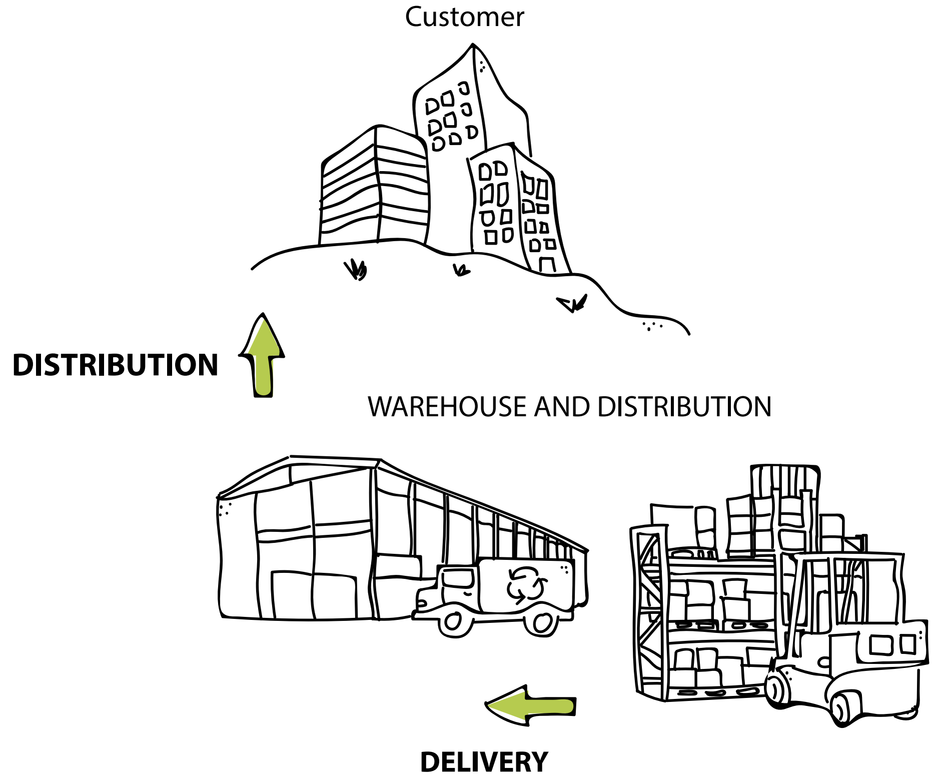
A large part of the carbon footprint is created by motoring. Wulff Group's car policy requires old cars to be replaced with ones that burden the environment as little as possible. A number of the vehicles are traded each year, so the number of the more eco-friendly vehicles is increasing constantly. Wulff has reduced the emission limits of new cars every year. By taking care of the environments wellbeing we will create good operational preconditions for people and our company in the future too.

COMMON MODEL



WULFF'S MODEL

With Wulff's logistics model, the products' journey to the customer is shorter.



CORPORATE RESPONSIBILITY

Social responsibility

A responsible player

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. In sales work, it is beneficial to have commercial education and work experience, but not necessary. The right attitude is the most important thing: a 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.

Wulff feels it can have a positive effect on young people's employment. Wulff's traineeship programs are popular.

Financial Responsibility

The Group's financial success enables Wulff to develop its business operations in a responsible and sustainable way. In all of its operating countries, Wulff aims to add value for its stakeholders: customers, suppliers, and employees. For its shareholders, Wulff creates value e.g. through dividends and share value increase. Wulff's goal is to pay its shareholders dividends of 50 % of the net result. The Board of Directors has proposed to the Annual General Meeting that a dividend of 0,10 eur / share be paid.

Social Responsibility

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

Personnel have 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 9 education and coaching days in 2016 per person.

Young people are the future

What will Finland be like in the future? 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 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 live in and what sort of work do they want to do? We believe it is important to include the youth equally in the future's building process and that is why Wulff has invested strongly in career opportunities for the youth, and employment and Trainee programs. It is our mutual responsibility to teach the youth responsibility about themselves and about the environment. This is most efficiently achieved through cooperation.

Wulff 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 recreational events and campaigns as well as offering various 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. While many companies focus their business operations in the capital city area in different countries, Wulff can offer vacancies in numerous locations around its operating countries. In order to strengthen organic sales growth, the Group focuses on the recruitment of the sales personnel. In 2016, Wulff wants to hire new sales representatives in all of its operational countries.

Personnel structure

In 2016, the Group employed approximately 214 (233) persons. At the end of the financial year, 203 (226) were employed by the Group, of which 74 (89) worked in Sweden, Norway, or Denmark. The majority, approximately 59 percent, of the Group's personnel works in sales operations and 41 percent of the employees work in sales support, logistics and administration. The personnel consists 51 percent of women and 49 percent of men.

Sales/administration and logistics

In Wulf Group everyone's objective is to serve our customers in the best possible way. Approximately 59 percent of the personnel work in sales and about 41 percent in sales support: administration and logistics.

Age

The Wulff Group employs both young people who are just beginning their careers and those who already possess lots of experience. Wulff is both a traditional and a dynamic organization, and for that reason it attracts different kinds of people.

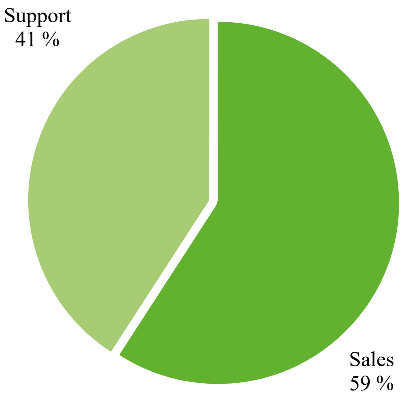
Gender

The Wulff Group is an equal employer. 49 percent of its personnel are men and 51 percent are women. People with different educational and work experience backgrounds work in sales, administration, and logistics. At Wulff, everyone receives training for their job and the most important thing is the right attitude and willingness to learn.

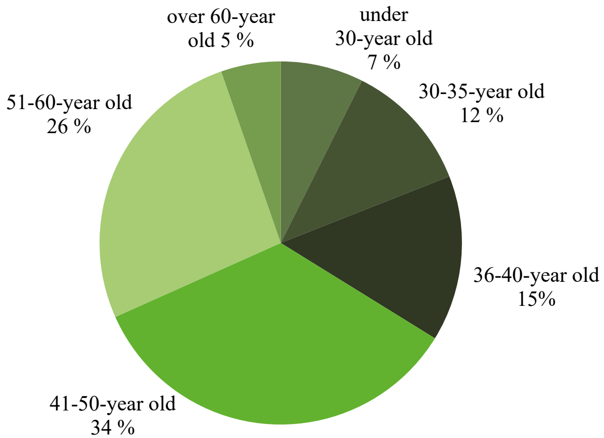
Personnel by Countries

Of the Group's personnel, over half work in Finland this year, approximately 26 percent in Sweden, and 10 percent in Norway. Under a tenth is employed in Denmark. The Group is continuously on the lookout for new sales talent in all of its operating countries.

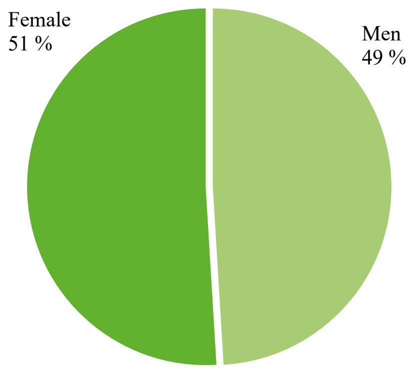
Sales/administration and logistics



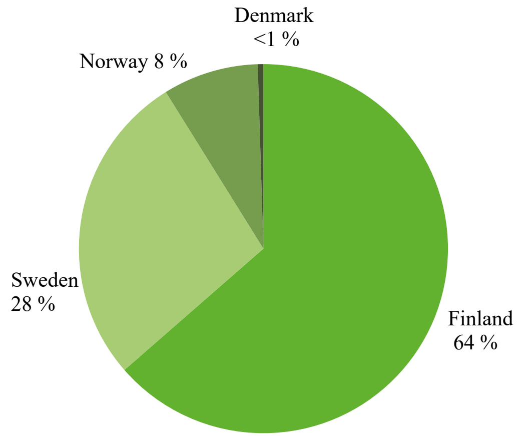
Age



Gender



Personnel by countries



REVIEW OF THE BOARD OF DIRECTORS

Net sales and comparable operating profit declined, dividend per share remains at the same level

WULFF GROUP: KEY POINTS JANUARY – DECEMBER 2016

- In 2016, net sales totalled EUR 59.3 million (EUR 68.8 million). Net sales decreased by -13.8 percent (-7.3 %).
- In 2016, EBITDA was EUR 1.0 million (EUR 2.0 million). In 2016, EBITDA included a sale of company cars of EUR 0.2 million affecting the comparability. In 2015, EBITDA included write downs of inventories and fixed assets of EUR 0.2 million affecting the comparability.
- In 2016, comparable EBITDA was EUR 0.8 million (EUR 2.2 million).
- In 2016, the operating profit (EBIT) amounted to EUR 0.6 million (EUR 0.5 million). In 2016, EBIT included a sale of company cars of EUR 0.2 million affecting the comparability. In 2015, EBIT included write downs of EUR 1.0 million regarding goodwill impairment and inventory and fixed assets write downs affecting the comparability.
- In 2016, the comparable operating profit (EBIT) amounted to EUR 0.4 million (EUR 1.5 million).
- Earnings per share (EPS) was EUR 0.05 (EUR -0.03) in 2016.
- Equity-to-assets ratio increased to 50.5 percent (31.12.2015: 46.4 %).
- Group CEO Topi Ruuska's employment ended on September 2016. Wulff Group Plc's Board of Directors named CFO Elina Rahkonen as an interim CEO.
- The Board of Directors proposes to the Annual General Meeting to be held on April 6, 2017 that a dividend of EUR 0.10 per share will be paid.
- Wulff estimates the comparable operating profit to increase in 2017.

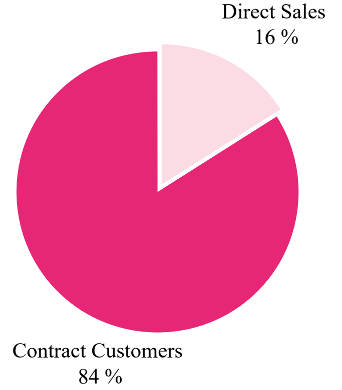
	1-12/2016	1-12/2015	10-12/2016	10-12/2015
Net sales, EUR million	59,3	68,8	15,8	18,6
EBITDA, EUR million	1,0	2,0	0,3	0,8
Comparable EBITDA, EUR million	0,8	2,2	0,3	0,8
Operating profit (EBIT), EUR million	0,6	0,5	0,2	0,5
Comparable operating profit (EBIT), EUR million	0,4	1,5	0,2	0,7
EPS, EUR	0,05	-0,03	0,04	0,08

Wulff Group's Chairman of the Board of Directors:

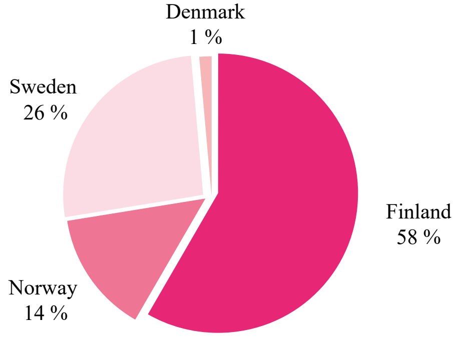
In a constantly changing operating environment, it is more and more important for companies to develop their operations in the desired direction rapidly reacting. At Wulff, we are ready for change, renewal, and reform. I believe that in the future we will be recognized for creating workplaces. We enable working in environments where companies and entrepreneurs operate. Already, people work a lot away from the traditional office environment. New working environments and mobile work offer Wulff a possibility to grow in a novel market.

In 2016 we focused on our core business and ensuring its positive development in the future. The development of our net sales and profitability was however less successful than foreseen even though we managed to advance our business activities as planned. In 2017, we will focus on growing together. That means we will all strive to improve and grow personally and together as a company. And above all, it means growth and development by increasing our competitive advantage with our products and services to our customers. Brave renewal, hard work, developing our operations in cooperation with our customers and global economic recovery give us a solid starting point for a better result in 2017.

Net Sales by Operating Segments



Net Sales by Operating Countries



Group's Net Sales and Result Performance

In 2016 net sales totalled EUR 59.3 million (EUR 68.8 million). Net sales decreased by -13.8 percent (-7.3 %). The decrease in net sales without the effect of sold businesses was -11.5 percent. In the last quarter net sales totalled EUR 15.8 million (EUR 18.6 million) and decreased by -14.9 percent (-9.2 %). The last quarter's net sales decrease was -13.7 percent without the effect of sold businesses. The good work in our customer interface and investments in our sales' development have not yet shown as expected in the development of net sales. In Finland, the office supplies industry has begun to show signs of stimulation.

Reconciliation of comparable EBITDA and operating profit

EUR million	1-12/2016	1-12/2015	10-12/2016	10-12/2015
EBITDA (IFRS)	**1.0**	**2.0**	**0.3**	**0.8**
Sale of company cars	-0.2	0.0	0.0	0.0
Business gifts businesses inventory write downs	0.0	+0.2	0.0	0.0
Comparable EBITDA	**0.8**	**2.2**	**0.3**	**0.8**
Operating profit (EBIT)	**0.6**	**0.5**	**0.2**	**0.5**
Sale of company cars	-0.2	0.0	0.0	0.0
Business gifts businesses inventory write downs	0.0	+0.2	0.0	0.0
Goodwill impairment	0.0	+1.0	0.0	+0.1
Comparable operating profit (EBIT)	**0.4**	**1.5**	**0.2**	**0.7**

In 2016, Wulff Group's EBITDA was EUR 1.0 million (EUR 2.0 million) being 1.7 percent (2.9 %) of net sales. In 2016, EBITDA included a sale of company cars of EUR 0.2 million affecting the comparability. In 2015, EBITDA included write downs of inventories and fixed assets from business gifts business of EUR 0.2 million. In 2016, comparable EBITDA was EUR 0.8 million (EUR 2.2 million) being 1.4 percent (3.2 %) of net sales.

In the fourth quarter, Wulff Group's EBITDA was EUR 0.3 million (EUR 0.8 million) being 1.9 percent (4.3 %) of net sales. EBITDA did not include items affecting the comparability in 2016 and 2015.

In 2016, the operating profit (EBIT) amounted to EUR 0.6 (EUR 0.5 million) being 1.0 percent (0.7 %) of net sales. In 2016, EBIT included EUR 0.2 million of sale of company cars affecting the comparability. In 2015, EBIT included a write of goodwill, inventories and fixed assets of EUR 1.0 million affecting the comparability. In 2016, the comparable operating profit was EUR 0.4 million (EUR 1.5 million) being 0.7 percent (2.2 %) of net sales. The comparable operating profit declined by EUR 1.1 million, half of which was created during the first half year period and half in the second half year period 2016. The development of the comparable operating profit was affected by the drop in net sales and investments in new customer acquisition. The Group will continue to invest in sales development, new customer acquisition and improving the efficiency of the business.

In the fourth quarter Wulff Group's operating profit (EBIT) was EUR 0.2 million (EUR 0.5 million) being 1.3 percent (2.8 %) of net sales. The 2016 fourth quarter operating profit (EBIT) did not include items affecting the comparability. The 2015 fourth quarter operating profit included impairment of goodwill of EUR 0.1 million. In the fourth quarter the comparable operating profit (EBIT) was EUR 0.2 million (EUR 0.7 million) being 1.3 percent (3.6 %) of net sales. Typically in the industry and in the Group, the annual profit is made in the last quarter of the year.

In 2016 Wulff Group's employee benefit expenses amounted to EUR 12.6 million, being 21.2 percent of net sales, and in 2015 EUR 13.5 million, being 19.6 percent of net sales. Employee benefit expenses amounted to EUR 3.2 million in the fourth quarter 2016, being 20.1 percent of net sales, and EUR 3.6 million in the fourth quarter 2015, being 19.3 percent of net sales. Other operating expenses amounted to EUR 7.4 million in 2016, being 12.5 percent of net sales, and EUR 8.0 million in 2015, being 11.7 percent of net sales. Other operating expenses were EUR 1.9 million in fourth quarter 2016, being 12.1 percent of net sales, and EUR 2.1 million in the fourth quarter 2015, being 11.1 percent of net sales. Employee benefit and other operating expenses were affected by divesting unprofitable businesses and improving efficiency of the operations. In 2017, Wulff Group continues to examine its cost structure to improve its profitability as part of ongoing reforms.

In 2016, the financial income and expenses totalled (net) EUR -0.2 million (EUR -0.2 million) including interest expenses of EUR 0.2 million (EUR 0.2 million) and mainly currency-related other financial items (net) EUR -0.0 million (EUR -0.0 million). In the fourth quarter the financial income and expenses totalled (net) EUR 0.0 million (EUR 0.0 million).

In 2016, the result before taxes was EUR 0.4 million (EUR 0.4 million). In 2015 the net profit after taxes was EUR 0.3 million (EUR -0.2 million). The net profit after taxes was EUR 0.2 million (EUR 0.5 million) in the fourth quarter.

Wulff Group's earnings per share (EPS) was EUR 0.05 (EUR -0.03) in 2016. Earnings per share (EPS) was EUR 0.04 (EUR 0.08) in the fourth quarter.

REVIEW OF THE BOARD OF DIRECTORS

Contract Customer Division

The Wulff Group's Contract Customers Division is the customer's comprehensive partner in the field of office supplies, IT supplies, coffee, property and other facility management products in the Nordics as well as in international fair services. In 2016, the division's net sales totalled EUR 49.9 million (EUR 59.3 million) and the operating profit was EUR 0.8 (EUR 0.9 million). In 2015, the operating profit (EBIT) included EUR 0.7 million goodwill impairment and EUR 0.2 million write downs of inventories and fixed assets relating to business gifts.

In the fourth quarter net sales were EUR 13.2 million (EUR 16.3 million) and the operating profit was EUR 0.3 million (EUR 0.8 million).

The general economic situation and the decrease in the products' demand have led to the decrease in net sales. In addition, the divesting of unprofitable business gifts operations has decreased net sales. Focusing on profitable customers, systematically executed cost saving measures and enhancing efficiency of operations have improved the profitability in the Contract Customers Division.

An increasing number of Finnish companies require additional growth outside of the domestic market. The most important first step to exporting is participation in the right international trade shows. The Group's global exhibition specialist is Wulff Entre who has exported Finnish companies' expertise abroad for almost a hundred years. Wulff Entre is the market leader in Finland and it has invested in acquiring international clientele as well. In 2016, Wulff Entre managed almost 100 exhibition projects and produced approximately 500 stands in 28 different countries. There is solid trust in Wulff Entre's ability to find the right international venues: it has hundreds of customers from different business fields.

2016 was both good and challenging for Wulff Entre. The business sectors traditionally strong for Wulff Entre hosted fewer big exhibitions in 2016. However, Wulff Entre succeeded in winning customers and maintaining a good level of profitability also in new customers. In 2017, Wulff Entre will seek growth in the domestic market and abroad.

The office supplies market has declined slightly in Scandinavia. The net sales of companies belonging to the Finnish and Scandinavian Contract Customers Division continued to decline. This was affected by the general economic situation: when large companies employ less people, there is less demand for office supplies. Wulff's position is strong in all of its operating countries. Customers value locality and knowledge of the customers' working and operating environments.

Companies of all sizes acquire office supplies from the web. Therefore Wulff will strongly invest in the development of its digital services in 2017. The non-exclusive webstore Wulffinkulma.fi will be renewed in early 2017 to serve customers even more diversely. The webstore serves especially small and medium-sized enterprises.

Direct Sales Division

Wulff's Direct Sales Division offers its customers new ideas, the best novelties in the market and an easier everyday life. In addition to innovative office supplies, the Direct Sales Division offers customers a large product range of different ergonomics and first aid products and products improving work safety. Wulff is a desired distributor for new products because the Direct Sales Division effectively covers the whole of Scandinavia and serves customers personally and locally. As a pioneer in the industry, Wulff is appreciated by domestic and international suppliers.

In 2016 the division's net sales totalled EUR 9.4 million (EUR 9.4 million) and the operating profit was EUR 0.3 (EUR -0.0 million). In the fourth quarter net sales totalled EUR 2.6 million (EUR 2.3 million) and the operating profit was EUR 0.0 million (EUR -0.1 million). In 2015, the fourth quarter operating result included a goodwill impairment of EUR 0.1 million. In 2016, the fourth quarter did not include items affecting comparability.

Successful recruiting and the number of sales representatives have a significant effect on the performance of the Direct Sales Division. In 2016, fewer sales people worked in the Direct Sales Division than compared to the previous year. Recruiting did not succeed as planned. In 2017 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.

The Direct Sales Division actively looks for new products and solutions to enhance customers' everyday life. The best novelties are the easiest to present to the customers personally. Wulff will continue to investment in the development of its product and service range also in 2017. The Direct Sales Division will continue improving its profitability by group-level competitive tendering and cooperation in purchases.

Financing, Investments and Financial Position

In 2016 the cash flow from operating activities was EUR 0.7 million (EUR 1.7 million) and EUR 1.7 million (EUR 2.0 million) in the fourth quarter. In this industry it is typical that the result and cash flow accumulate in the last quarter. For its fixed asset investments the Group paid a net of EUR 0.0 million (EUR 0.0 million) in January-December.

The Group repaid loans of net EUR 1.4 million in January-December 2016 (EUR 2.9 million, net) of which EUR 1.8 million (EUR 1.4 million) was repaid during the last quarter. The shareholders were paid dividends of EUR 0.7 million (EUR 0.01 million).

REVIEW OF THE BOARD OF DIRECTORS

The Group's cash balance decreased by EUR 0.8 million in January-December (EUR 1.2 million). The Group's bank and cash funds totalled EUR 1.2 million in the beginning of the year and EUR 0.4 million in the end of the reporting period. In the end of December 2016 the Group's equity-to-assets ratio was 50.5 percentages (December 31, 2015: 46.4 %). Equity attributable to the equity holders of the parent company was EUR 1.78 per share (December 31, 2015: EUR 1.84).

Decisions of Wulff Groups's Annual General Meeting

Wulff Group Plc's Annual General Meeting held on April 7, 2016 decided to pay dividend per share of EUR 0.10. In addition the Annual General Meeting authorised the Board of Directors to decide on the repurchase of the company's own shares and to decide on a share issue and the special entitlement of the shares. Johanna Marin, Ari Pikkarainen, Andreas Tallberg and Heikki Vienola were re-elected board members. The constitutive meeting of Wulff Group Plc's Board of Directors, held after the Annual General Meeting, elected Heikki Vienola as the Chairman of the Board. Also the other proposals to the Annual General Meeting were accepted as such.

Shares 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 1.37 (EUR 1.34) and the market capitalization of the outstanding shares totalled EUR 8.9 million (EUR 8.7 million).

In 2016 no own shares were reacquired. In the end of December 2016, the Group held 79,000 (December 31, 2015: 79,000) own shares representing 1.2 percent (1.2 %) of the total number and voting rights of Wulff shares. According to the Annual General Meeting's authorisation on April 7, 2016, 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, 2017.

Personnel

In January-December 2016 the Group's personnel totalled 214 (233) employees on average. At the end of December the Group had 203 (226) employees of which 74 (89) persons were employed in Sweden, Norway or Denmark.

The majority, 59 percent of the Group's personnel works in sales operations and 41 percent of the employees work in sales support, logistics and administration. The personnel consists 51 percent of women and 49 percent of men.

Group Executive Management Team

During the financial year 2016 the Group Executive Management consisted of:

Arion Ninni, managing director, Wulff Entre Oy
Fikseaunet Trond, managing director, Wulff Supplies AB
Rahkonen Elina, CFO (and interim CEO starting October 2016)
Törmänen Tarja, communications and marketing director
Ågerfalk Veijo, managing director, Direct Sales Scandinavia
Ruuska Topi, Group CEO, until September 2016

Risks and Uncertainties in The Near Future

The demand for office supplies is still affected by the organizations' personnel lay-offs and cost-saving initiatives made during the economic downturn. The personnel lay-offs and cost-saving initiatives carried out in different organizations during the economic downturn affect the purchasing behaviour of our corporate customers. As economic uncertainty continues, the cost-saving measures continue to affect the purchasing behaviour of our corporate customers. The decreased amount of internationalization funding and the changes in the key for granting it by the Ministry of Employment and The Economy affect the companies' chances to attend international fairs.

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 And Uncertainties in The Near Future

Kimmo Laaksonen was appointed as Wulff Group Plc's Group CEO and as a managing director for the group's biggest subsidiary Wulff Ltd starting on March 13, 2017. Laaksonen also acts as chairman of the Group Executive Board.

After the end of the financial year on 31.1.2017, the Group decided on a financial arrangement that will see the available limit rise from 4.1 million euros to 4.6 million euros and repayments of long-term debts decrease from 0.9 million euros to 0.5 million euros as the loan period increases in 2017.

REVIEW OF THE BOARD OF DIRECTORS

The aforementioned agreement was signed and is binding in February 2017.

The Group has not had any other events after the financial year which would have a material impact on 2016 financial statements.

Board of Director's 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 0.3 million, i.e. EUR 0.05 per share (EUR -0.03 per share). The Board of Directors proposes to the Annual General Meeting to be held on April 6th, 2017 that a dividend of EUR 0.10 per share will be paid for the financial year 2016 that is EUR 0.65 million and the remaining distributable funds will be transferred in retained earnings in the shareholders' equity.

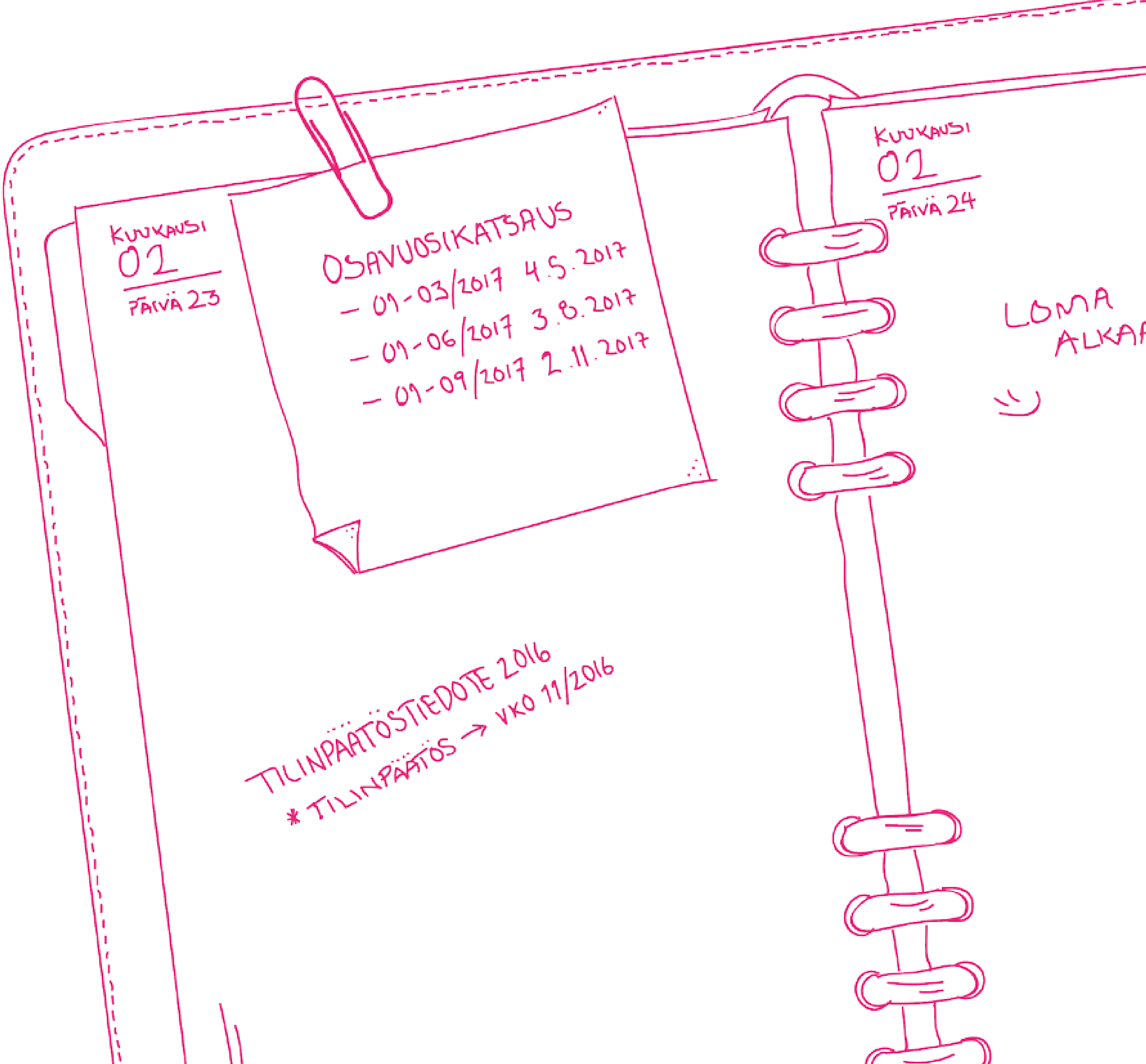
The Group's liquidity is in good standing and based on Board of Directors' view the dividend does not compromise Group's liquidity.

Specification of the parent company's distributable funds is presented in the parent company's note 15.

Market Situation 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 suited to them. The Group is prepared to carry out new strategic acquisitions and as a listed company Wulff has a great opportunity to be a more active player than its competitors.

The possible economic recovery will affect Wulff's business positively. Wulff estimates the market situation to remain unchanged. Wulff's goal is to continue to improve the profitability of its business operations. Wulff estimates the comparable operating profit for 2017 to increase. In the industry, it is typical that the result and cash flow are generated in the last quarter.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STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF CASH FLOW

INCOME STATEMENT EUR 1000	Note	Jan 1 - Dec 31, 2016	Jan 1 - Dec 31, 2015
Net Sales	**2, 4**	**59 304**	**68 820**
Other operating income	5	437	407
Materials and services	6	-38 781	-45 656
Employee benefit expenses	7	-12 553	-13 506
Other operating expenses	8	-7 409	-8 046
EBITDA		**998**	**2 019**
Depreciation and amortization	9	-415	-656
Impairment	9	0	-859
Operating profit (EBIT)		**583**	**505**
Financial income	10	21	83
Financial expenses	10	-253	-234
Profit before taxes		**351**	**354**
Income taxes	11	-39	-559
Net profit/loss for the period		**312**	**-205**
Attributable to:			
Equity holders of the parent company		302	-195
Non-controlling interests		11	-10
Earnings per share for profit attributable to the equity holders of the parent company:			
Earnings per share, EUR (diluted = non-diluted)	12	0,05	-0,03

STATEMENT OF COMPREHENSIVE INCOME EUR 1000	Note	Jan 1 - Dec 31, 2016	Jan 1 - Dec 31, 2015
Net profit/loss for the period		**312**	**-205**
Other comprehensive income which may be reclassified to profit or loss subsequently (net of tax)			
Change in translation differences	11	-47	23
Fair value changes on available-for-sale investments	11	0	15
Total other comprehensive income		**-47**	**38**
Total comprehensive income for the period		**265**	**-167**
Total comprehensive income attributable to:			
Equity holders of the parent company		265	-153
Non-controlling interests		0	-14

STATEMENT OF CASH FLOW EUR 1000	Note	Jan 1 - Dec 31, 2016	Jan 1 - Dec 31, 2015
Cash flow from operating activities:			
Cash received from sales		60 371	71 128
Cash received from other operating income		242	391
Cash paid for operating expenses		-59 834	-69 723
Cash flow from operating activities before financial items and income taxes		779	1 796
Interest paid		-112	-187
Interest received		24	33
Income taxes paid		-12	51
Cash flow from operating activities		**679**	**1 693**
Cash flow from investing activities:			
Proceeds from available for sale financial assets		0	20
Investments in intangible and tangible assets		-319	-143
Proceeds from sales of intangible and tangible assets		356	161
Proceeds from sales of subsidiaries	3	0	0
Sale of business		536	106
Proceeds fro sales of other long-term financial assets		77	0
Repayments of loans receivable		6	-3
Cash flow from investing activities		**656**	**141**
Cash flow from financing activities:			
Dividends paid	24	-742	-5
Dividends received	10	8	0
Cash paid for changes in non-controlling interest	3	0	-2
Payments received for changes in non-controlling interest		1	0
Repayments of financial lease liabilities		-60	-71
Cash paid for (received from) short-term investments (net)		0	0
Withdrawals and repayments of short-term loans		-278	-1 865
Withdrawals of long-term loans		0	3 062
Repayments of long-term loans		-1 074	-4 133
Cash flow from financing activities		**-2 145**	**-3 012**
Change in cash and cash equivalents		**-810**	**-1 176**
Cash and cash equivalents at the beginning of the period		1 201	2 422
Translation difference of cash		28	-45
Cash and cash equivalents at the end of the period	22	419	1 201

STATEMENT OF FINANCIAL POSITION

EUR 1000	Note	Dec 31, 2016	Dec 31, 2015
ASSETS			
Non-current assets			
Goodwill	12, 15	6 850	6 916
Intangible assets	12	437	441
Property, plant and equipment	12	472	453
Non-current financial assets			
Long-term receivables from related parties	16, 30	0	0
Long-term receivables from others	16	35	35
Available-for-sale investments	17	57	121
Deferred tax assets	11	1 243	1 214
Total non-current assets		**9 093**	**9 180**
Current assets			
Inventories	18	7 297	7 631
Short-term receivables			
Loan receivables from others	19	13	20
Trade receivables from related parties	20, 30	0	0
Trade receivables from others	20	6 908	8 278
Advance payments		4	10
Other receivables		106	479
Accrued income and expenses	20	1 592	1 367
Financial assets recognised at fair value through profit and loss	21	0	0
Cash and cash equivalents	22	419	1 201
Non-current assets held for sale		0	347
Total current assets		**16 338**	**19 334**
TOTAL ASSETS		**25 432**	**28 514**

EUR 1000	Note	Dec 31, 2016	Dec 31, 2015
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company:			
Share capital		2 650	2 650
Share premium fund		7 662	7 662
Invested unrestricted equity fund		223	223
Retained earnings		1 082	1 466
Equity attributable to the equity holders of the parent company		11 617	12 002
Non-controlling interests		485	577
Total equity	23, 24, 25	**12 102**	**12 579**
Non-current liabilities			
Interest-bearing liabilities	26	1 638	2 824
Deferred tax liabilities	11	45	37
Total non-current liabilities		**1 683**	**2 861**
Current liabilities			
Interest-bearing liabilities	26	1 196	1 421
Trade payables		5 277	5 999
Advance payments		1 447	1 410
Other liabilities	28	1 478	1 552
Accrued income and expenses	28	2 249	2 692
Total current liabilities		**11 646**	**13 074**
TOTAL EQUITY AND LIABILITIES		**25 432**	**28 514**

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, 2015	**23**	**2 650**	**7 662**	**223**	**-260**	**-426**	**-15**	**2 867**	**12 700**	**43**	**12 744**
Net profit/loss for the period								-195	**-195**	-10	**-205**
Other comprehensive income:											
Change in translation differences						26			**26**	-3	**23**
Fair value changes on available-for-sale investments							15		**15**		**15**
Comprehensive income						26	15	-195	**-153**	-13	**-167**
Transactions with the shareholders:											
Dividends paid									**0**	-5	**-5**
Share-based payments								7	**7**		**7**
Transactions with the shareholders total								7	**7**	-5	2
Changes in subsidiary shareholdings:											
Changes in non-controlling interests which lead to loss of control								-553	**-553**	553	**0**
Changes in subsidiary shareholdings total:								**-553**	**-553**	**553**	**0**
Equity on Dec 31, 2015	**23**	**2 650**	**7 662**	**223**	**-260**	**-400**	**0**	**2 127**	**12 002**	**577**	**12 579**
Equity on Jan 1, 2016		**2 650**	**7 662**	**223**	**-260**	**-400**	**0**	**2 127**	**12 002**	**577**	**12 579**
Net profit/loss for the period								302	**302**	11	**313**
Other comprehensive income:											
Change in translation differences						-36			**-36**	-11	**-47**
Comprehensive income						**-36**	**0**	**302**	**266**	**0**	**266**
Transactions with the shareholders:											
Dividends paid								-653	**-653**	-90	**-742**
Transactions with the shareholders total								**-653**	**-653**	**-90**	**-742**
Changes in subsidiary shareholdings:											
Changes in non-controlling interests which lead to loss of control								4	**4**	-4	**0**
								4	**4**	**-4**	**0**
Equity on Dec 31, 2016		**2 650**	**7 662**	**223**	**-260**	**-436**	**0**	**1 781**	**11 619**	**483**	**12 102**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Principles

General Information about the Group

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 Manttaalitie12, 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 and Denmark. 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, the Contract Customers division and the Direct Sales division, 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 managed based on the operating segments of these different service concepts, the Contract Customers division and the Direct Sales division, which have been described in more detail in Note 2 'Segment information'.

The Board of Directors of Wulff Group Plc has approved these financial statements for publication at its meeting on March 14, 2017. 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 the IAS and IFRS standards as well as the SIC and IFRIC interpretations in effect on December 31, 2016. 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 adopted any new, revised or amended standards or interpretations that are not yet effective. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation, which supplement the IFRS regulations.

In compliance with the 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 judgements when preparing the consolidated financial statements. Although these estimates and judgements are based on the management's best knowledge when preparing the financial statements, the final outcome may differ from the estimated values presented in the financial statements. Information about the assessments and judgments that the management have made 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 euros.

Items affecting comparability

Items affecting comparability are exceptional transactions that are not related to normal business operations. The most relevant items affecting comparability are capital gains and losses and additional write-downs or possible reversals of write-downs. The Group's management exercises its discretion when taking decisions regarding the classification of items affecting comparability.

New and amended standards applied in financial year ended

Wulff Group has applied as from 1 January 2016 the following new and amended standards that have come into effect:

- 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 cycle contains amendments to four 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 clarify the guidance in IAS 1 in relation to applying the materiality concept, disaggregating line items in the balance sheet and in the statement of profit or loss, presenting subtotals and to the structure and accounting policies in the financial statement. The amendments have had a minor impact on presentation in 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 state that revenue-based methods of depreciation cannot be used for property, plant and equipment and may only be used in limited circumstances to amortise intangible assets if revenue and the consumption of the economic benefits of the intangible assets are highly correlated. The amendments have had no impact on consolidated financial statements.

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

Wulff 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 2016.

- IFRS 15 Revenue from Contracts with Customers (effective for financial years beginning on or after 1 January 2018): The new standard replaces current IAS 18 and IAS 11 -standards and related interpretations. In IFRS 15 a five-step model is applied to determine when to recognise revenue, and at what amount. Revenue is recognised when (or as) a company transfers control of goods or services to a customer either over time or at a point in time. The standard introduces also extensive new disclosure requirements. The impacts of IFRS 15 on consolidated financial statements have been assessed as follows:
  - Sale of office supplies is the main operation in the Group. Based on the analysis made by the management it has been stated that IFRS 15 does not change revenue recognized on office supplies sales.
  - In addition to the main operation the Group produces fair services. The Group adopts IFRS 15 starting on January 1, 2018 and due to that the Group stops recognising revenue for fair services based on percentage of completion method. As the Group adopts IFRS 15 revenue will be recognized as the fair event occurs. The estimated effect on profit is minor.
- Amendments to IFRS 15 - Clarifications to IFRS 15 Revenue from Contracts with Customers* (effective for financial years beginning on or after 1 January 2018). The amendments include clarifications and further examples on how to apply certain aspects of the five-step recognition model. The impact assessment of the clarifications has been included in the IFRS 15 impact assessment described above.
- IFRS 9 Financial Instruments* (effective for financial years beginning on or after 1 January 2018): IFRS 9 replaces the existing guidance in IAS 39. The new standard 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 impacts of IFRS 9 on consolidated financial statements have been assessed and impacts are assessed not to be significant.
- IFRS 16 Leases* (effective for financial years beginning on or after 1 January 2019): The new standard replaces the current IAS 17 –standard and related interpretations. IFRS 16 requires the lessees to recognise the lease agreements on the balance sheet as a right-of-use assets and lease liabilities. The accounting model is similar to current finance lease accounting according to IAS 17. There are two exceptions available, these relate to either short term contacts in which the lease term is 12 months or less, or to low value items i.e. assets of value USD 5 000 or less. The lessor accounting remains mostly similar to current IAS 17 accounting. The preliminary impact assessment of the standard has been started in the group. The Group shall prepare a more detailed analysis on the impacts during the financial year 2017. The Group has not yet decided on the time of adoption.
- Amendments to IAS 7 Statement of Cash Flows- Disclosure Initiative* (effective for financial years beginning on or after 1 January 2017). The changes were made to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments have an impact on the disclosures in consolidated financial statements.
- Amendments to IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses *(effective for financial years beginning on or after 1 January 2017). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments have no impact on consolidated financial statements.
- Amendments to IFRS 2 Sharebased payments - Clarification and Measurement of Sharebased Payment Transactions * (effective for financial years beginning on or after 1 January 2018). The amendments clarify the accounting for certain types of arrangements. Three accounting areas are covered: measurement of cash-settled share-based payments; classification of share-based payments settled net of tax withholdings; and accounting for a modification of a share-based payment from cash-settled to equity-settled. The amendments have no impact on consolidated financial statements.
- IFRIC 22 Interpretation Foreign Currency Transactions and Advance Consideration* (effective for financial years beginning on or after 1 January 2018). When foreign currency consideration is paid or received in advance of the item it relates to – which may be an asset, an expense or income – IAS 21 The Effects of Changes in Foreign Exchange Rates is not clear on how to determine the transaction date for translating the related item. The interpretation clarifies that the transaction date is the date on which the company initially recognises the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date. The group is currently assessing the impacts of the interpretation.

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 Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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

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'.

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 2016.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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, 2016.

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.

Accordingly EBITDA is a net amount of operating profit added by depreciation and impairment.

Statement of Cash Flow

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

Key Figures

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

Going Concern

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

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 15 group companies belong to these operating segments based on their different services, marketing strategies and distribution channels. Contract Customers division consists of 7 subsidiaries and Direct Sales division consists of 5 subsidiaries as shown in Note 31. Additionally the Group's parent company Wulff Group Plc, its subsidiary with leasing operations, Wulff Leasing Oy and Wulff Liikelaskenta Oy with financial services 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 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.

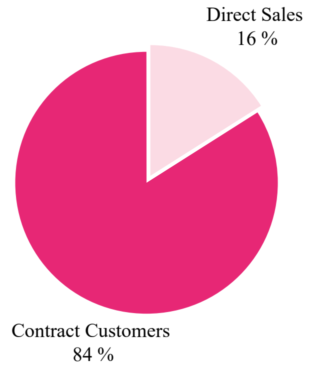
The segments' performance is reviewed and the Group Executive Board's and the Board of Directors' decision-making related to resource allocation is based on the segments' operating result (IFRS). Inter-segment transactions are market-priced. Intra-segment transactions are eliminated from the segment's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

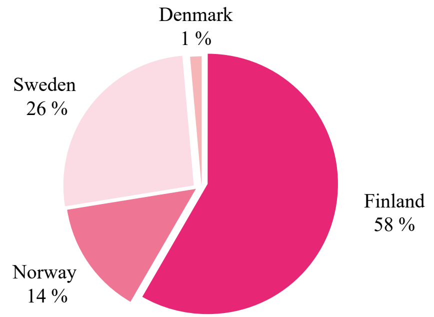
EUR 1000	2016	2015
Contract Customers Division		
Sales to external customers	49 903	59 262
Intragroup sales to other segments	40	43
Total Contract Customers Division	**49 943**	**59 305**
Direct Sales Division		
Sales to external customers	9 388	9 404
Intragroup sales to other segments	36	32
Total Direct Sales Division	**9 424**	**9 436**
Group Services		
Sales to external customers	12	154
Intragroup sales to other segments	358	361
Total Group Services	**370**	**515**
Intragroup eliminations between segments	**-434**	**-436**
Total net sales	**59 304**	**68 820**

Revenue from any individual customer did not exceed 10 percent share of the consolidated revenue in 2016 or 2015.

Net Sales by Operating Segments



Net Sales by Operating Countries



NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

Result by operating segments 2016

	Contract Customers	Direct Sales	Group services and non-allocated items	Elimi-nations	Group
Net sales	49 944	9 425	370	-434	59 304
Expenses	-48 936	-9 142	-726	498	-58 306
EBITDA	1 007	283	-356	64	998
Depreciations	-255	-33	-71	-56	-415
Goodwill impairment	0				0
Operating profit (EBIT)	**752**	**250**	**-427**	**8**	**583**
Financial income (non-allocated)					15
Financial expenses (non-allocated)					-247
Profit before taxes	**752**	**250**	**-427**	**8**	**351**

Result by operating segments 2015

EUR 1000	Contract Customers	Direct Sales	Group services and non-allocated items	Elimi-nations	Group
Net sales	59 305	9 436	515	-436	68 820
Expenses	-57 395	-9 261	-503	358	-66 801
EBITDA	1 910	175	12	-78	2 019
Depreciations	-335	-67	-348	94	-656
Goodwill impairment	-700	-143		-16	-859
Operating profit (EBIT)	**875**	**-35**	**-336**	**0**	**505**
Financial income (non-allocated)					83
Financial expenses (non-allocated)					-234
Profit before taxes	**875**	**-35**	**-336**	**0**	**354**

Geographical information

Wulff Group companies are located in the Nordic 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

1000 euroa	2016		2015	
Finland	34 684	58 %	40 736	59 %
Sweden	20 443	34 %	22 483	33 %
Norway	8 468	14 %	9 964	14 %
Denmark	465	1 %	935	1 %
Estonia	0	0 %	621	1 %
Net sales between countries	-4 756	-8 %	-5 919	-9 %
Net sales total	**59 304**	**100 %**	**68 820**	**100 %**

External net sales by customers' locations

1000 euroa	2016		2015	
Finland	33 103	56 %	39 151	57 %
Norway	9 072	15 %	10 631	15 %
Sweden	15 825	27 %	16 452	24 %
Denmark	832	1 %	1 320	2 %
Estonia	16	0 %	628	1 %
Other European countries	318	1 %	423	1 %
Other countries	139	0 %	214	0 %
Net sales total	**59 304**	**100 %**	**68 820**	**100 %**

Non-current assets by group companies' locations

1000 euroa	2016		2015	
Finland	5 876	76 %	5 966	76 %
Sweden	1 855	24 %	1 842	24 %
Norway	27	0 %	2	0 %
Estonia	0	0 %	0	0 %
Total non-current assets	**7 758**	**100 %**	**7 810**	**100 %**

3. Business combinations

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

In May 2015, the Group acquired 40 % share of share capital of Wulff Liikelahjat Oy, and now the Group owns 100 % of the company's shares. The share price was EUR 2 thousand. Wulff Liikelahjat Oy's net assets were EUR 1.383 thousand negative. As a result of the acquisition the non-controlling interest increased by EUR 553 thousand and retained earnings decreased by EUR 553 thousand.

The sale of business

In May 2015 the Group sold the business and promotional gifts business owned by the subsidiary Wulff Liikelahjat Oy for the sale price of EUR 0.8 million. The book value of the sold assets were EUR 0.8 million. As a result of the sale the Group recognised non-recurring inventory and fixed assets write-downs of EUR 0.2 million and non-recurring goodwill write down of EUR 0.7 million.

4. Net sales

EUR 1000	2016	2015
Sales of products and related services	52 228	59 261
Sales of fair services (including income based on percentage-of-completion method)	7 076	9 559
Total	**59 304**	**68 820**

5. Other operating income

EUR 1000	2016	2015
Sales gains from tangible assets	280	9
Rental income	89	126
Other	68	273
Total	**437**	**407**

6. Materials and services

EUR 1000	2016	2015
Materials, supplies and products		
Purchases during the financial year	38 266	44 462
Change in inventories	334	923
External services	181	271
Total	**38 781**	**45 656**

7. Employee benefits

EUR 1000	2016	2015
Salaries and fees	9 687	10 563
Pension expenses (defined contribution plans)	1 548	1 577
Other personnel expenses	1 318	1 359
Share-based payments (share rewards settled in shares)	0	7
Total	**12 553**	**13 506**
Average number of employees in accounting period	207	233
Personnel at the end of period	203	226

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.

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8. Other operating expenses

EUR 1000	2016	2015
Rents	1 479	1 608
Travel and car expenses	1 704	1 734
ICT expenses	736	784
External logistics expenses	1 070	1 291
Marketing, PR and entertainment expenses	414	353
Credit losses and bad debt allowances of sales receivables	46	56
Fees to auditors *	68	123
Other	1 892	2 097
Total	**7 409**	**8 046**

* Fees to auditors total in all group companies:
Approved audit firm KPMG Oy Ab

EUR 1000	2016	2015
Audit	48	61
Tax services	0	0
Other services	13	18
Total	**61**	**79**

Other approved audit firms

EUR 1000	2016	2015
Audit	5	8
Tax services	0	0
Other services	2	36
Total	**7**	**44**

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

9. Amortization, depreciation and impairment

EUR 1000	2016	2015
Amortization and depreciation during the period:		
Amortization of intangible assets:		
Other intangible assets	205	257
Total amortization of intangible assets	**205**	**257**
Depreciation of tangible assets:		
Machinery and equipment	210	396
Other tangible assets	0	3
Total depreciation of tangible assets	**210**	**399**
Total amortization and depreciation	**415**	**656**
Impairment during the period:		
Impairment of goodwill	0	843
Other impairment	0	16
Total amortization, depreciation and impairment	**415**	**1 515**

10. Financial income and expenses

EUR 1000	2016	2015
Financial income:		
Interest income	9	20
Dividend income	8	0
Foreign exchange gains and other financial income	4	64
Financial income total	**21**	**83**
Financial expenses:		
Interest expenses	112	151
Foreign exchange losses and other financial expenses	141	83
Financial expenses total	**253**	**234**

11. Income taxes

Income taxes in the income statement

EUR 1000	2016	2015
Income taxes for the financial year	-49	-65
Deferred taxes:		
Change in deferred tax assets	19	-476
Change in deferred tax liabilities	-9	-18
Total	**-39**	**-559**

Income tax reconciliation

EUR 1000	2016	2015
Income taxes according to the Finnish tax rate (2015-2016: 20,0%)	-55	-70
Different tax rates abroad	15	1
Non-deductible expenses and tax-free income	-29	-45
Tax impact from the current year's losses for which no defta benefit is recognized	-43	-206
Changes in deferred tax assets and liabilities recognized in previous years	0	-432
Impact of the tax rate changes on deferred tax assets and liabilities	0	-57
Group consolidation and eliminations	73	229
Other	0	22
Income taxes in the income statement	**-39**	**-559**

* 2015: Tax rate change in Norway since January 1, 2016.

Taxes for other comprehensive income, 2016

EUR 1000	Pre-tax	Tax	Net of tax
Translation differences	-47	0	-47
Fair value changes on available-for-sale investments	0	0	0
Total other comprehensive income	**-47**	**0**	**-47**

Taxes for other comprehensive income, 2015

EUR 1000	Pre-tax	Tax	Net of tax
Translation differences	23	0	23
Fair value changes on available-for-sale investments	18	-4	15
Total other comprehensive income	**41**	**-4**	**38**

Changes in deferred taxes 2016

EUR 1000	Jan1, 2016	Income statement	Equity	Translation differencest	Other changes	Dec 31, 2016
Deferred tax assets:						
Confirmed losses	506	49				555
Provisions	7					7
Depreciation differences	706	-30				676
Other temporary differences	-6				11	5
Deferred tax assets total	**1 214**	**19**	**0**	**0**	**11**	**1 243**
Deferred tax liabilities:						
Other temporary differences	37	8				45
Deferred tax liabilities total	**37**	**8**	**0**	**0**	**0**	**45**
Deferred tax assets, net	**1 177**	**11**	**0**	**0**	**11**	**1 198**

Changes in deferred taxes 2015

EUR 1000	Jan 1, 2015	Income statement	Equity	Translation differencest	Other changes	Dec 31, 2015
Deferred tax assets:						
Confirmed losses	1 029	-479		-44		506
Provisions	7					7
Depreciation differences	693	13				706
Other temporary differences	-19	-7	-4		24	-6
Deferred tax assets total	**1 709**	**-473**	**-4**	**-44**	**24**	**1 214**
Deferred tax liabilities:						
Depreciation differences and other untaxed reserves	4	-4				0
Other temporary differences	15	23				37
Deferred tax liabilities total	**19**	**18**	**0**	**0**		**37**
Deferred tax assets, net	**1 691**	**-491**	**-4**	**-44**	**24**	**1 177**

For the Group companies' previous years' confirmed taxable losses, a deferred tax asset of 555 thousand euros has been booked, of which 166 thousand euros will fall due in 5 years and 263 thousand euros can be utilized indefinitely. As of December 31, 2016, the Group had confirmed tax losses carried forward of 2.735 thousand euros (Dec 31, 2015: 2.529 thousand euros) for which the deferred tax asset of 550 thousand euros (Dec 31, 2015: 442 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, 2016 includes deferred tax assets of 110 thousand euros (Dec 31, 2015: 257 thousand euros) in group companies which made a loss in 2016. 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. Goodwill, intanginble and tangible assets

2016	Goodwill	Customer relationships	Other intangible assets	Advance payments	Intangible assets total	Koneet ja kalusto	Muut aineelliset hyödykkeet	Aineelliset hyödykkeet yhteensä
Acquisition cost, Jan 1	**11 241**	**619**	**2 494**	**0**	**14 354**	**4 270**	**151**	**4 420**
Additions	0		146	103	**249**	64	0	**64**
Disposals	0		-48	0	**-48**	-660	0	**-660**
Translation differences	-1		-50	1	**-50**	-1	0	**-1**
Acquisition cost, Dec 31	**11 240**	**619**	**2 542**	**104**	**14 505**	**3 673**	**151**	**3 822**
Accumulated depreciation and impairment, Jan 1	**-4 325**	**-619**	**-2 052**	**0**	**-6 995**	**-3 846**	**-122**	**-3 968**
Disposals	0		0	0	**0**	827	0	**827**
Depreciation during the period	0		-205	0	**-205**	-210	0	**-210**
Impairment during the period	0		0	0	**0**	-2	0	**-2**
Translation differences	-65		50	0	**-15**	0	3	**3**
Accumulated depreciation and impairment, Dec 31	**-4 390**	**-619**	**-2 207**	**0**	**-7 215**	**-3 231**	**-119**	**-3 351**
Book value, Jan 1	**6 916**	**0**	**441**	**0**	**7 358**	**424**	**29**	**541**
Book value, Dec 31	**6 850**	**0**	**334**	**104**	**7 289**	**442**	**32**	**472**

2015	Goodwill	Customer relationships	Other intangible assets	Advance payments	Intangible assets total	Koneet ja kalusto	Muut aineelliset hyödykkeet	Aineelliset hyödykkeet yhteensä
Acquisition cost, Jan 1	**11 204**	**619**	**2 579**	**0**	**14 402**	**5 849**	**191**	**6 040**
Additions	0		22	0	**22**	260	0	**260**
Disposals	0		-107	0	**-107**	-674	-40	**-674**
Reclassifications between accounts	0		0	0	**0**	-1 164	0	**-1 164**
Translation differences	37		0	0	**37**	-1	0	**-1**
Acquisition cost, Dec 31	**11 241**	**619**	**2 494**	**0**	**14 354**	**4 270**	**151**	**5 365**
Accumulated depreciation and impairment, Jan 1	**-3 474**	**-619**	**-1 848**	**0**	**-5 940**	**-4 793**	**-160**	**-4 953**
Disposals	0		53	0	**53**	530	39	**530**
Reclassifications between accounts	0		0	0	**0**	817	0	**817**
Depreciation during the period	0		-257	0	**-257**	-401	-2	**-403**
Impairment during the period	-843		0	0	**-843**	0	0	**0**
Translation differences	-8		0	0	**-8**	1	1	**2**
Accumulated depreciation and impairment, Dec 31	**-4 325**	**-619**	**-2 052**	**0**	**-6 995**	**-3 846**	**-122**	**-4 824**
Book value, Jan 1	**7 730**	**0**	**731**	**0**	**8 461**	**1 056**	**31**	**1 087**
Book value, Dec 31	**6 916**	**0**	**441**	**0**	**7 358**	**424**	**29**	**541**

The Group decided to sell the cars owned by group services unit in the beginning of financial year 2016. In 2016 the Group entered into agreement to sell the cars and the Group considered highly likely that the sell will be executed during financial year 2016. The Group reclassified group services unit's cars as assets held for sale which were valued as book value of EUR 347 thousand as at 31 December 2015.

13. Earnings per share

	2016	2015
Profit for the period attributable to the equity holders of the parent company, EUR 1000	302	-195
/ Weighted average number of shares; diluted = non-diluted (1,000 shares)	6 529	6 529
Earnings per share (EPS); Diluted = non-diluted, EUR	0,05	-0,03

14. Subsidiaries and shares of non controlling interests

The table below describes the group structure as at 31 December 2016.

	Number of subsidiaries fully owned	
Field of business	**2016**	**2015**
Office supplies	2	2
Exhibition services	1	1
Group services	2	1

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

Specification of shares of significant 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**	
	Home country	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
S Supplies Holding AB	**Sweden**	15 %	15 %	15 %	15 %	15 %	15 %
Wulff Beltton AB	**Sweden**	25 %	25 %	25 %	25 %	25 %	25 %

14. Subsidiaries and shares of non controlling interests (continues)

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

	S Supplies Holding AB		Wulff Beltton AB	
	2016	2015	2016	2015
Short term assets	74	93	1 223	1 402
Long term assets	3 656	3 800	62	83
Short term liabilities	0	1	788	792
Long term liabilities	2 094	2 176	0	0
Net sales/income	111	0	2 923	2 803
Expenses	0	-79	-2 808	-2 753
Net profit/loss	111	-79	115	51
Profit/loss attributable to equity holders of the company	94	-67	86	38
Profit/loss attributable to non controlling interests	17	-12	29	13
Total comprehensive income	111	-79	115	51
Total comprehensive income attributable to equity holders of the company	94	-67	86	38
Total comprehensive income attributable to non controlling interests	17	-12	29	13
Dividends paid to non controlling interests	19	0	71	0

Changes in non controlling interests

In May 2015, the Group acquired 40 % share of share capital of Wulff Liikelahjat Oy, and now the Group owns 100 % of the company's shares. The share price was EUR 2 thousand. Wulff Liikelahjat Oy's net assets were EUR 1,383 thousand negative. As a result of the acquisition the non-controlling interest increased by EUR 553 thousand and retained earnings decreased by EUR 553 thousand.

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

15. Goodwill allocation and impairment test

EUR 1000	2016	2015
Contract Customers division:		
Office supplies / Finland (Wulff Oy Ab, Torkkelin Paperi Oy)	3 500	3 500
Office supplies / Scandinavia (Wulff Supplies AB)	1 679	1 745
Fair services / Finland (Entre Marketing Oy)	1 671	1 671
Business gifts / Finland (Ibero Liikelahjat Oy, KB-Tuote Oy)	0	0
Contract Customers division total	**6 850**	**6 916**
Goodwill total	**6 850**	**6 916**

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 10.9 percentages (31.12.2015: 9.1%). 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 6.9 million. The discounted value-in-use is approximately EUR 12.1 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.

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 5.9 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.

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 5.8 million.

Sensitivity analysis in impairment testing

The key assumptions used in determining value in use are defined by the Group Management. The most important assumptions are:
- discount rate; and
- average EBITDA margin (EBITDA/Net Sales).

Sensitivity analyses have been made on the assumption that the average EBITDA margin will decrease or that the discount rate will increase. The table on the next page presents a change in the key assumption which (with other assumptions remaining unchanged) would cause the recoverable amount to equal the carrying amount).

Office Supplies, Finland	Used value	Change
Discount rate	10.9 %	increase of 8.6 percentages
Average EBITDA	4.1 %	decrease of 1.3 percentages

Office Supplies, Scandinavia	Used value	Change
Discount rate	10.9 %	increase of 5.1 percentages
Average EBITDA	2.3 %	decrease of 0.5 percentages

Fair services	Used value	Change
Discount rate	10.9 %	increase of 39.1 percentages
Average EBITDA	6.7 %	decrease of 3.6 percentages

16. Non-current receivables

Long-term receivables from others

EUR 1000	2016	2015
Quaranty deposits, Carrying amount, Jan 1	35	35
Quaranty deposits, Carrying amount, Dec 31	35	35

The related party transactions are presented in Note 29.

17. Available-for-sale investments

EUR 1000	2016	2015
Carrying amount, Jan 1	**121**	**140**
Additions during the financial year	0	0
Disposals during the financial year	-64	-34
Change in fair value reported in the Statement of Comprehensive Income	0	15
Carrying amount, Dec 31	**57**	**121**

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.

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18. Inventories

EUR 1000	2016	2015
Products	7 176	7 492
Work in process	12	9
Prepayments for inventories	109	130
Total	**7 297**	**7 631**

In 2016, an expense of 0.6 million euros was booked from the inventories (0.8 million euros).

19. Current loan receivables

Loan receivables from others

EUR 1000	2016	2015
Carrying amount, Jan 1.	**20**	**16**
Additions	0	4
Disposals	-7	0
Impairment	0	0
Carrying amount, Dec 31.	**13**	**20**

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

20. Short-term non-interest-bearing receivables

Trade receivables

EUR 1000	2016	2015
Trade receivables from related parties	0	0
Trade receivables from others	6 908	8 278
Trade receivables total	**6 908**	**8 278**

Aging analysis of sales receivables

EUR 1000	2016		2015	
Not due (value not impaired)	5 998	87 %	6 602	80 %
Due (value not impaired):				
Less than 1 month	857	12 %	1 132	14 %
More than 1 month - less than 3 months	42	1 %	271	3 %
More than 3 months - less than 6 months	11	0 %	137	2 %
Yli 6 kuukautta	0	0 %	136	2 %
Total	**6 908**	**100 %**	**8 278**	**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	2016	2015
Valued added tax receivables	20	39
Other receivables	86	440
Other receivables total	**106**	**479**

Accrued income and expenses

EUR 1000	2016	2015
Income tax receivable	176	76
Corporate tax credits	0	0
Accruals for employee benefits (e.g. pension expense accruals)	150	37
Sales accruals of partial recognition based on percentage-of-completion method	396	539
Sales accruals of other businesses	129	2
Other accruals	741	713
Accruals total	**1 592**	**1 367**

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

Fair value hierarchy of the financial assets measured at fair value

Available-for-sale investments measured at fair value are presented in Note 17. This fair value hierarchy presents the valuation methods for different financial instruments:

December 31, 2016 (EUR 1000)	Total	Level 1	Level 2	Level 3
Available-for-sale financial assets				57
Total				**57**

December 31, 2015 (EUR 1000)	Total	Level 1	Level 2	Level 3
Available-for-sale financial assets				121
Total				**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	2016	2015
Cash and bank	419	1 201
Total	**419**	**1 201**

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23. Notes on equity

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 2015 and 2016. There were no disclosed notifications on changes in major share holdings in 2016.

	Share total	Treasury shares	Outstanding shares
Jan 1, 2016	**6 607 628**	**-79 000**	**6 528 628**
Acquisitions of own shares			
Allocations of own shares to key personnel			
Dec 31, 2016	**6 607 628**	**-79 000**	**6 528 628**

Treasury shares

Authorized by the Annual General Meeting held on April 7, 2016, 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 2016, no own shares were reacquired. In the end of the reporting period, the Group held a total of 79,000 own shares (79,000 as of December 31, 2015) 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 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 2.6 million. The Board of Directors proposes to the Annual General Meeting that dividend of 0,10 euros per share will be distributed for the financial year 2016 totalling EUR 0.63 million. After the dividend the parent company's distributable funds will be EUR 2.0 million.

Parent company's distributable funds:

EUR	31.12.2016	31.12.2015
Fund for invested non-restricted equity	223 051	223 051
Treasury shares	-260 070	-260 070
Retained earnings from previous years	2 516 654	2 656 943
Net result for the period	131 254	512 573
Distributable funds total	**2 610 889**	**3 132 497**
- dividend distribution total	-652 863	-652 863
Funds left in retained earnings	**1 958 026**	**2 479 635**

EUR	31.12.2016	31.12.2015
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)	0,10	0,10
Dividends total (EUR)	**652 863**	**652 863**

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 interest-bearing financial liabilities

Maturity analysis for the financial liabilities	Book value	Payment schedule (years):				
1000 euroa	31.12.2016	2018	2019	2020	2021	2022 ->
Long-term financial liabilities						
Finance lease liabilities	112	60	52			
Loans from financial institutions	1 257	626	168	168	168	127
Pension loans	269	135	134			
Total	**1 638**	**821**	**354**	**168**	**168**	**127**
Short-term financial liabilities						
Finance lease liabilities	64					
Credit facility	210					
Loans from financial institutions	788					
Pension loans	134					
Total	**1 196**					

Interest-bearing financial liabilities by currencies Dec 31, 2016				
EUR 1000	Yhteensä	EUR	SEK	NOK
Long-term				
Finance lease liabilities	112	112		
Loans from financial institutions	1 257	1 257		
Pension loans	269	269		
Total	**1 638**	**1 638**	**0**	**0**
Short-term repayments of the long-term financial liabilities				
Finance lease liabilities	64	64		
Credit facility	210	210		
Loans from financial institutions	788	788		
Pension loans	134	134		
Total	**1 196**	**1 196**	**0**	**0**

Interest-bearing financial liabilities by currencies Dec 31, 2015				
EUR 1000	Total	EUR	SEK	NOK
Long term:				
Finance lease liabilities	176	176		
Loans from financial institutions	2 245	2 245		
Pension loans	402	402		
Total	**2 824**	**2 824**	**0**	**0**
Short-term repayments of the long-term financial liabilities				
Finance lease liabilities	60	60		
Credit facility	488	488		
Loans from financial institutions	662	662		
Pension loans	211	211		
Total	**1 421**	**1 421**	**0**	**0**

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 2,2% at the end of 2016 (Dec 31, 2015: 2,4%).

For the pension premium loans, an amount of EUR 0.4 million is based on fixed interest rate of 3.5% p.a. The pension premium loans raised in summer 2009 have a repayment time of 10 years and the pension premium loan raised in 2011 has a repayment time of 5 years. All pension premium loans' repayments will be made every six months as fixed installments.

26. Long-term and short-term financial liabilities (continues)

Payment schedule for the finance lease liabilities

Future minimum lease payments

EUR 1000	2016	2015
Not lates than one year	64	60
Later than one and not later than five years	112	176
Later than five years	0	0
Total	**176**	**236**
Future financial costs	-14	-27
Present value of minimum lease payments	**162**	**209**

Present value of minimum lease payments	2016	2015
Not lates than one year	54	47
Later than one and not later than five years	107	162
Later than five years	0	0
Total	**162**	**209**

Fair values of the financial liabilities measured at amortised cost

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

December 31, 2016 (EUR 1000)	**Total**	Level 1	Level 2	Level 3
Finance lease liabilities	**176**			176
Credit facility	**210**			210
Loans from financial institutions	**2 045**			2 045
Pension loans	**403**			403
Total	**2 834**	**0**	**0**	**2 834**

December 31, 2015 (EUR 1000)	**Total**	Level 1	Level 2	Level 3
Finance lease liabilities	**236**			236
Credit facility	**488**			488
Loans from financial institutions	**2 907**			2 907
Pension loans	**613**			613
Total	**4 246**	**0**	**0**	**4 246**

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, 2016 unused credit limits totalled 3.9 million euros in Finland. 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 2016 there were no covenant breaches.

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

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	2016	2015
Value added tax liabilities	455	787
Other current liabilities	1 023	764
Other current liabilities total	**1 478**	**1 551**

Accrued income and expenses

EUR 1000	2016	2015
Accruals for employee benefits	1 767	2 168
Income tax liabilities	54	34
Interest accruals	2	19
Sales accruals	3	7
Other accruals	423	464
Accrued income and expenses total	**2 249**	**2 692**

29. Commitments

EUR 1000	2016	2015
Mortgages and guarantees on own behalf		
Business mortgage for the Group's loan liabilities	10 850	10 850
Business mortgages, free	900	900
Subsidiary shares pledged as security for group companies' liabilities	6 953	6 953
Pledges and guarantees given for the group companies' off-balance sheet commitments	150	143
Minimum future operating lease payments, total of which will be payable:	3 048	2 949
in less than one year	1 168	1 439
between 1-5 years	1 685	1 491
after 5 years	195	19

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 (0 thousand euros) and Wulff Oy Ab (3,500 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 2017 at the earliest. The rents expensed during the financial year are presented in Note 8.

30. Related party information

The Group's related party consists of key members of management. The key members of management consist of parent company's board of directors and group executive board. The Group's parent company and subsidiaries are presented in the note 31.

Summary of top management's employment benefits

EUR 1000	2016	2015
Group management board's basic salaries and fringe benefits	712	551
Group management board's bonuses	0	0
Group management board's additional pension benefits	0	57
Group management board's share rewards	70	0
Group management board's benefits total	0	0
Top management's employee benefits total	**782**	**608**

Summary of top management's employment benefits

EUR 1000	2016	2015
Board members' salaries and fees		
Johanna Marin 10/2015-	15	3
Ari Pikkarainen	15	14
Tarja Pääkkönen -4/2015	0	5
Sakari Ropponen -7/2015	0	9
Andreas Tallberg, Chairman of the Board -8/2015, Board Member 9/2015-	15	14
Vesa Tengman, board member -8/2015	0	5
Heikki Vienola, Group CEO -8/2015, Chairman of the Board 9/2015-	18	50
Board members' additional pension benefits		
Heikki Vienola, Group CEO -8/2015, Chairman of the Board 9/2015-	0	1
Board members' benefits total	**63**	**101**
Group management board's basic salaries and fringe benefits	712	551
Group management board's bonuses	0	0
Group management board's additional pension benefits	70	57
Group management board's share rewards	0	0
Board members' benefits total	**782**	**608**
Top management's employee benefits total	**845**	**709**

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 2015 and 2016 a monthly fee of EUR 1,250 was paid to the Chairman and those other Board Members who are not employed by the Company.

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.

Topi Ruuska was appointed as a new Group CEO in the beginning of September, 2015 and his employment ended on September 30, 2016. The Board named CFO Elina Rahkonen as an interim CEO. The recruitment process of a permanent CEO is going on.

CEO Topi Ruuska's remuneration consisted of salaries paid in cash. He did not have fringe benefits. In 2016, Topi Ruuska was paid a salary of 155 thousand euros (2015: 68 thousand euros). Ruuska's benefits include statutory pension. The pension age has not been determined. The period of notice was six months, as determined in the employment contract. A separate compensation of 12 month's salary for the period of notice was included in the contract.

The remuneration of interim CEO Elina Rahkonen consists of salaries paid in cash. She has a phone benefit. In 2016, Rahkonen was paid a salary of 107 thousand euros. The benefits also include a statutory pension. The pension age has not been determined. The period of notice is six months.

The remuneration of Heikki Vienola, who acted as CEO in 2015, consisted of salaries paid in cash. He did not have fringe benefits. In 2015, Heikki Vienola was paid a salary of 50 thousand euros and an additional pension of thousand euros. Heikki Vienola acted as CEO until end of August 2015, after which he has acted as the Chairman of the Board of Directors.

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 2016, the Group Executive Board consisted of Ninni Arion, Trond Fikseaunet, Elina Rahkonen, Topi Ruuska (until September 2016), Tarja Törmänen and Veijo Ågerfalk.

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

Business transactions with related parties

EUR 1000	2016	2015
Sales to related parties		
Sales of products	44	110
Purchases from related parties		
Purchases of products*	88	102

*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, 2016 the Group had any loan receivable from a company under influence of a related party.

31. 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 Liikelaskenta Oy	Contract Customers	100 %	100 %
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 %	75 %
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 %	0 %
Wulff Supplies AS	Contract Customers	85 %	0 %
Subsidiary in Denmark:			
Wulff Supplies A/S	Contract Customers	85 %	0 %

QUARTERLY KEY FIGURES

EUR 1000	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14
Net sales	15 811	13 408	14 595	15 490	18 585	14 796	16 265	19 174	20 471	16 502	17 515	19 775
EBITDA	308	365	519	-194	807	579	252	381	2 067	-92	-167	289
% of net sales	1,9 %	2,7 %	3,6 %	-1,3 %	4,3 %	3,9 %	1,5 %	2,0 %	10,1 %	-0,6 %	-1,0 %	1,5 %
Operating profit/loss	207	270	419	-312	521	429	-631	185	1 831	-335	-418	31
% of net sales	1,3 %	2,0 %	2,9 %	-2,0 %	2,8 %	2,9 %	-3,9 %	1,0 %	8,9 %	-2,0 %	-2,4 %	0,2 %
Profit/Loss before taxes	198	200	318	-365	558	272	-656	180	1 517	-412	-574	-53
% of net sales	1,3 %	1,5 %	2,2 %	-2,4 %	3,0 %	1,8 %	-4,0 %	0,9 %	7,4 %	-2,5 %	-3,3 %	-0,3 %
Net profit/loss for the financial year attributable to the shareholders of the parent company	231	158	280	-362	520	172	-796	-90	1 420	-312	-425	13
% of net sales	1,5 %	1,2 %	1,9 %	-2,3 %	2,8 %	1,2 %	-4,9 %	-0,5 %	6,9 %	-1,9 %	-2,4 %	0,1 %
Number of personnel at the end of period	203	211	216	218	226	232	233	261	240	283	269	295

KEY FIGURES 2012-2016

EUR 1000	2016	2015	2014	2013	2012
Net sales	59 304	68 820	74 262	83 543	90 238
Change in net sales %	-13,8 %	-7,3 %	-11,1 %	-7,4 %	-9,0 %
Earnings before taxes, depreciation and amortization (EBITDA)	998	2 019	2 096	3	2 269
% of net sales	1,7 %	2,9 %	2,8 %	0,0 %	2,5 %
Operating profit/loss	583	505	1 109	-2 721	1 132
% of net sales	1,0 %	0,7 %	1,5 %	-3,3 %	1,3 %
Profit/Loss before taxes	351	354	478	-3 395	990
% of net sales	0,6 %	0,5 %	0,6 %	-4,1 %	1,1 %
Net profit/loss for the financial year attributable for the equity holders of the parent company	302	-195	696	-3 874	717
% of net sales	0,5 %	-0,3 %	0,9 %	-4,6 %	0,8 %
Cash flow from operations	679	1 693	-205	567	3 297
Return on equity (ROE) %	2,50 %	-1,60 %	4,40 %	-25,58 %	5,11 %
Return on investment (ROI) %	2,90 %	2,70 %	3,50 %	-13,92 %	4,67 %
Equity ratio %	50,5 %	46,4 %	39,5 %	38,3 %	44,3 %
Gearing %	19,6 %	23,8 %	36,9 %	45,4 %	27,6 %
Balance sheet total	25 432	28 514	34 759	35 156	41 513
Gross investments in fixed assets	319	161	488	778	972
% of net sales	0,5 %	0,2 %	0,7 %	0,9 %	1,1 %
Average number of personnel during the financial year	214	233	268	311	343
Number of personnel at the end of financial year	203	226	240	295	326

SHARE-RELATED KEY FIGURES

	2016	2015	2014	2013	2012
Earnings per share (EPS), EUR	0,05	-0,03	0,11	-0,59	0,11
Equity per share, EUR	1,78	1,84	1,95	1,80	2,51
Dividend per share, EUR *	0,10	0,10	0,00	0,00	0,08
Payout ratio %	200 %	333 %	0 %	0 %	73 %
Effective dividend yield %	7,3 %	7,5 %	-	-	4,5 %
Price/Earnings (P/E)	29,6	-44,9	9,2	-2,6	16,1
P/BV	0,77	0,73	0,50	0,87	0,70
EBITDA / share, EUR	0,15	0,31	0,32	0,00	0,35
Cash flow from operations / share, EUR	0,10	0,26	-0,03	0,09	0,51
Share prices:					
Lowest share price, EUR	1,18	1,02	0,96	1,44	1,77
Highest share price, EUR	1,75	1,66	1,60	1,98	2,29
Average share price, EUR	1,43	1,30	1,29	1,70	1,99
Closing share price, EUR	1,37	1,34	0,99	1,57	1,77
Market value as of Dec 31, MEUR	8,9	8,7	6,4	10,2	11,5
Number of outstanding shares on average during the financial year	6 528 628	6 528 628	6 528 628	6 526 458	6 522 041
Number of outstanding shares at the end of the financial year	6 528 628	6 528 628	6 528 628	6 528 628	6 522 628
Number of shares traded	578 681	414 221	315 822	186 292	161 675
% of average number of shares	8,9 %	6,3 %	4,8 %	2,9 %	2,5 %
Shares traded, EUR	827 073	539 868	349 233	315 822	320 958

* The Board of Directors' dividend proposal to the Annual General Meeting to be held on April 6, 2017.

CALCULATION OF KEY FIGURES

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

PARENT COMPANY'S INCOME STATEMENT AND CASH FLOW STATEMENT

PARENT COMPANY'S INCOME STATEMENT

EUR 1000	Note	Jan 1 - Dec 31, 2016	Jan 1 - Dec 31, 2015
Net sales	**2**	**274 283,90**	**195 483,00**
Other operating income	3	143 340,90	288 501,61
Personnel expenses	4	-346 599,34	-337 698,59
Other operating expenses	5	-537 795,99	-505 197,09
Depreciation and amortization according to plan	6	-154 553,27	-160 218,86
Operating profit/loss		**-621 323,80**	**-519 129,93**
Financial income	7	387 505,73	673 833,04
Financial expenses	7	-221 422,47	-658 190,50
Profit/Loss before appropriations		**-455 240,54**	**-503 487,39**
Appropriations	8	577 000,00	1 153 832,00
Profit/Loss before taxes		**121 759,46**	**650 344,61**
Income taxes	9	9 494,90	-137 771,26
Net profit/loss for the period		**131 254,36**	**512 573,35**

PARENT COMPANY CASH FLOW STATEMENT

EUR 1000	Jan 1 - Dec 31, 2016	Jan 1 - Dec 31, 2015
Cash flow from operations:		
Payments received from sales	263	233
Payments received from other operating income	289	289
Amounts paid for operating expenses	-784	-835
Cash flow from business operations before financial items and taxes	**-233**	**-314**
Interests and other financial costs paid	-137	-231
Interest received from operations	206	254
Dividend received from operations	181	419
Cash flow from operations	**18**	**129**
Cash flow from investment activities:		
Investments in intangible and tangible assets	-2	0
Acquisition of shares in subsidiaries	0	-2
Sale of other long-term investments	0	20
Loans granted	-130	-700
Loan receivables repaid	133	0
Cash flow from investment activities	**1**	**-682**
Cash flow from financial activities:		
Dividend distribution paid	-653	0
Group contributions received and paid (net)	1 154	0
Short-term investments (net)	0	0
Group balance accounts (net)	707	477
Withdrawals of short-term loans	0	22
Repayments of short-term loans	-278	-1 853
Withdrawals of long-term loans	0	3 062
Repayments of long-term loans	-1 079	-2 760
Cash flow from financial activities	**-149**	**-1 052**
Change in cash and cash equivalents	**-130**	**-1 605**
Cash and cash equivalents on January 1	359	1 964
Cash and cash equivalents on December 1	229	359

PARENT COMPANY BALANCE SHEET

EUR	Note	Dec 31, 2016	Dec 31, 2015
ASSETS			
FIXED ASSETS			
Intangible assets			
Trademarks	11	2 250 000,00	2 400 000,00
Other intangible assets	10	637,46	1 693,94
Tangible assets			
Land areas	10	0,00	0,00
Machinery and equipment	10	2 672,13	4 666,32
Other tangible assets	10	0,00	0,00
Investments			
Shares in Group companies	11	7 083 600,52	7 083 600,52
Other shares	12	0,00	0,00
Non-current receivables			
Non-current receivables from Group companies	13	7 048 832,25	7 036 732,30
Deferred tax receivables		15 179,10	5 684,20
TOTAL FIXED ASSETS		**16 400 921,46**	**16 532 377,28**
CURRENT ASSETS			
Current receivables			
Trade receivables		66 340,00	54 684,00
Receivables from Group companies	13	2 110 686,54	2 585 100,12
Other receivables		0,00	15 481,62
Prepaid expenses and accrued income	14	15 761,31	50 742,01
Current receivables total		2 192 787,85	2 706 007,75
Financial instruments	15	0,00	0,00
Cash and cash equivalents		229 509,22	359 270,93
TOTAL CURRENT ASSETS		**2 422 297,07**	**3 065 278,68**
TOTAL ASSETS		**18 823 218,53**	**19 597 655,96**

EUR	Note	Dec 31, 2016	Dec 31, 2015
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	2 516 653,72	2 656 943,17
Net profit for the financial year	16	131 254,36	512 573,35
TOTAL SHAREHOLDERS´EQUITY	16	**13 150 480,78**	**13 672 089,22**
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	17	1 256 583,66	2 244 917,00
Pension loans	17	34 554,00	51 838,00
Total Non-current liabilities		1 291 137,66	2 296 755,00
Current liabilities			
Loans from credit institutions	17	998 240,86	1 149 959,53
Pension loans	17	17 284,00	17 284,00
Trade payables		49 061,06	50 722,21
Amounts owed to group companies	18	3 254 871,77	2 316 937,13
Other liabilities		13 409,75	25 792,99
Accrued liabilities and deferred income	19	48 732,65	68 115,88
Total current liabilities		4 381 600,09	3 628 811,74
TOTAL LIABILITIES		**5 672 737,75**	**5 925 566,74**
TOTAL EQUITY AND LIABILITIES		**18 823 218,53**	**19 597 655,96**

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	2016	2015
Rental income	84	121
Other	59	167
Total	**143**	**289**

4. Personnel expenses

EUR 1000	2016	2015
Salaries, wages and fees	284	278
Pension expenses	52	52
Other personnel expenses	10	8
Total	**347**	**338**

Average number of employees in accounting period	2	3
Personnel at the end of period	1	4

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	2016	2015
Rents	178	136
Travel and car expenses	18	2
ICT expenses	31	41
Marketing, PR and entertainment expenses	25	27
Fees to auditors *	13	12
Other	273	287
Total	**538**	**505**

* Fees to auditors total in all group companies:

EUR 1000	2016	2015
Audit	13	11
Tax services	0	0
Other services	0	1
Total	**13**	**12**

Fees to auditors include fees paid to KPMG.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

6. Amortization and depreciation during the financial year

EUR 1000	2016	2015
Amortization of intangible assets:		
Trademarks	150	150
Other intangible assets	1	5
Total amortization of intangible assets	**151**	**155**
Depreciation of tangible assets:		
Machinery and equipment	3	5
Total depreciation of tangible assets	**3**	**5**
Total amortization and depreciation	**155**	**160**

7. Financial income and expenses

EUR 1000	2016	2015
Financial income:		
Dividends from group companies	181	419
Other interest and financial income from group companies	157	196
Other interest and financial income from others	23	11
Foreign exchange gains	26	47
Total	388	673
Financial expenses:		
Impairment of shares in subsidiaries	0	-150
Interest expenses to group companies	-21	-20
Interest expenses to others	-83	-107
Foreign exchange losses	-85	-23
Other financial expenses	-33	-358
Total	-221	-658
Financial income and expenses total	**166**	**15**

8. Appropriations

EUR 1000	2016	2015
Appropriations: group contributions received	577	1 154
Total	**577**	**1 154**

9. Income taxes

Income taxes in the income statement:

EUR 1000	2016	2015
Change in deferred tax asset	9	-138
Total	**9**	**-138**

Income taxes in the balance sheet:

EUR 1000	2016	2015
Deferred tax receivables	**15**	**6**

10. Intangible and tangible assets

2016	Trade-marks	Other intangible assetst	Intangible assets total	Machinery and equipment	Tangible assets total
Acquisition cost, Jan 1	**3 000**	**57**	**3 057**	**164**	**164**
Additions			**0**	2	**2**
Acquisition cost, Dec 31	**3 000**	**57**	**3 057**	**166**	**166**
Accumulated depreciation and impairment, Jan 1	**-600**	**-55**	**-655**	**-159**	**-159**
Depreciation during the period	-150	-1	**-151**	-3	**-3**
Accumulated depreciation and impairment, Dec 31	**-750**	**-56**	**-806**	**-162**	**-162**
Book value, Jan 1	**2 400**	**2**	**2 402**	**5**	**5**
Book value, Dec 31	**2 250**	**1**	**2 251**	**3**	**3**

2015	Trade-marks	Other intangible assetst	Intangible assets total	Machinery and equipment	Tangible assets total
Acquisition cost, Jan 1	**3 000**	**57**	**3 057**	**164**	**164**
Acquisition cost, Dec 31	**3 000**	**57**	**3 057**	**164**	**164**
Accumulated depreciation and impairment, Jan 1	**-450**	**-51**	**-501**	**-154**	**-154**
Depreciation during the period	-150	-4	**-154**	-5	**-5**
Accumulated depreciation and impairment, Dec 31	**-600**	**-55**	**-655**	**-159**	**-159**
Book value, Jan 1	**2 550**	**6**	**2 556**	**10**	**10**
Book value, Dec 31	**2 400**	**2**	**2 402**	**5**	**5**

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

11. Shares in group companies

EUR 1000	2016	2015
Acquisition cost, Jan 1	**11 347**	**11 345**
Additions		2
Acquisition cost, Dec 31	**11 347**	**11 347**
Accumulated depreciation and impairment, Jan 1	**-4 264**	**-4 114**
Impairment during the period	0	-150
Accumulated depreciation and impairment, Dec 31	**-4 264**	**-4 264**
Book value, Jan 1	**7 083**	**7 231**
Book value, Dec 31	**7 083**	**7 083**

In results of impairment tests parent company booked EUR 0.2 million in the Group's business gifts' shares.

12. Receivables from group companies

EUR 1000	2016	2015
Non-current:		
Capital loans	3 755	3 610
Other loans	3 293	3 426
Non-current receivables total	**7 048**	**7 036**
Current:		
Trade receivables	51	0
Other receivables	1 483	2 585
Accrued income and expenses	577	0
Current receivables total	**2 111**	**2 585**
Receivables from group companies total	**9 159**	**9 621**

13. Prepaid expenses and accrued income

EUR 1000	2016	2015
Accruals for employee benefits	0	19
Other accruals	16	32
Total	**16**	**51**

14. Financial instruments

EUR 1000	2016	2015
Carrying amount, Jan 1	0	3
Disposals during the financial year	0	-3
Carrying amount, Dec 31	**0**	**0**

15. Equity

EUR 1000	2016	2015
Share capital	2 650	2 650
Share premium fund	7 889	7 889
Invested unrestricted equity fund	223	223
Treasury shares	-260	-260
Retained earnings from previous financial years as of Jan 1	**3 170**	**2 657**
Dividend distribution	-653	0
Retained earnings from previous financial years as of Dec 31	**2 517**	**2 657**
Net profit for the financial year	131	513
Retained earnings total as of Dec 31	**2 648**	**3 170**
Equity total as of Dec 31	**13 150**	**12 984**

Distributable funds in euros as of Dec 31	2016	2015
Invested unrestricted equity fund	223 051,20	223 051,20
Treasury shares	-260 070,00	-260 070,00
Retained earnings from previous financial years	2 516 653,52	2 656 943,17
Net profit for the financial year	131 254,36	512 573,35
Distributable funds total	**2 610 889,08**	**3 132 497,72**

16. Interest-bearing liabilities

Payment schedule for the loans

EUR 1000	Book value Dec 31, 2016	Payment schedule (years): 2017	2018	2019	2020	2021	Myöhemmin
Non-current							
Loans from financial institutions	2 045	788	625	168	168	168	126
Pension loans	52	17	17	17			
Total	**2 097**	**806**	**643**	**186**	**168**	**168**	**126**
Current							
Loans from financial institutions	788	788					
Pension loans	17	17					
Total	**806**	**806**					

17. Amounts owed to group companies

EUR 1000	2016	2015
Accounts payable	22	14
Other short-term liabilities	3 233	2 303
Total	**3 255**	**2 317**

18. Accrued liabilities and deferred income

EUR 1000	2016	2015
Accruals for employee benefits	26	56
Interest accruals	9	12
Other accruals	15	0
Total	**49**	**68**

20. Commitments

EUR 1000	2016	2015
Mortgages and guarantees on own behalf:		
Subsidiary shares pledged as security for own liabilities	6 953	6 953
Own business mortgages given as quarantee for own liabilities	5 600	5 600
Mortgages and guarantees on behalf of subsidiaries:		
Guarantees for the loans of subsidiaries	352	546
Pledges and guarantees given for the group companies' off-balance sheet commitments (rents, customs etc)	753	838
Guarantees given on behalf of third parties of which will be payable:		
in less than one year	359	478
between 1-5 years	0	358
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 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.

Goals and Principles of Risk Management

Wulff Group follows the risk management policy devised by the Board of Directors that 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 realisation of risk management policies is 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 that are detected.

Strategic Risks

The most significant strategic risks arise from the uncertainties related to business acquisitions that 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 economic uncertainty may still persist, which will most likely affect the ordering behaviour of some corporate clients. 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 affiliates. The subsidiaries manage their customers' credit analyses and active credit control independently. Together with the subsidiaries' 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 regularly monitors the realisation of 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.

RISK MANAGEMENT

Personnel

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

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 by 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 the 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, 2016, unused credit limits totalled 3.9 million euros in Finland. 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, 2016 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 affiliates. The subsidiaries manage their customers' credit analyses and active credit control independently. Together with the subsidiaries' 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 realisation of 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. The Group's companies operate with their own cash flows and if necessary, they are funded also with Group's internal financing. The Group emphasises the subsidiaries' independence in the management of operating cash flow and working capital. The Group Finance controls the group companies' working capital management centrally. The Group Finance takes care of the external loan financing and agrees on the loans' repayment schedules with the financiers centrally.

IT Risks

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

Asset Risks

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

Environmental Risks

The Group also takes into account environmental risks and emphasizes environmental-friendliness in its operations. The Group's subsidiary Wulff Oy Ab has been granted the ISO 14001 environmental certificate. Wulff provides customers with information about recycling andrecycling solutions for office and IT supplies and sees to the recycling of its customers' used ink cartridges. In addition, the Group promotes a positive attitude to environmental matters and their development among its personnel. Wulff Entre Oy and Wulff Oy Ab have also been granted the ISO 9001 certificate.

When selecting suppliers, Wulff Oy Ab favors companies committed to sustainable development. The company chooses products to that use environmentally friendly raw materials and production methods. In addition, the Wulff.fi webstore provides a wide range of green office products that are produced in an environmentally friendly way. Recycled and rapidly renewable materials are preferred in the material choices and CO2 emissions caused by the transportation of productsare minimized. All of the packaging materials used in Wulff Oy Ab's product 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 use of low emission, renewable energy, carbon dioxide emission will be reduced. From the customers' point of view, the deliveries are completely carbon neutral because the remaining emissions are compensated by funding certified Gold Standard climate projects

Wulff Supplies, who operates in Sweden, Norway and Denmark, has developed a Supplies Control concept. The concept contains all environmental processes and future guidelines. The concept was introduced in 2009 and it has been developed in collaboration with customers, employees, and suppliers. With the help of the concept, Wulff Supplies is actively working 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 use of materials, which means more efficient utilization of materials and energy. 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 all of its operating countries

The Finnish Packaging Recycling RINKI 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.

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

Heikki Vienola, b. 1960
Chairman of the Board since 9/2015

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 1999-2015
- 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, 2016: Heikki Vienola and his related parties owned 2,608,550 Wulff shares representing 39.5 percent of the company's shares and votes.

Andreas Tallberg, b. 1963
Chairman of the Board until 8/2015, Board Member since 9/2015

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 Board Member since 2010
- G.W. Sohlberg Oy's Managing Director since 2007
- Detection Technology Oy's Chairman of the Board since 2006
- Glaston Oyj's Chairman of the Board since 2007
- GWS Assets Oy's Chairman of the Board since 2007
- StaffPoint Holding Oyj's Chairman of the Board since 2008
- Toolmasters Oy's Board Member since 2011
- TG Granit Oy's Chairman of the Board since 2013
- Handelsbanken Finland Ab's Board Member since 2008
- Wulff ownership as of December 31, 2016: 0 shares

Ari Pikkarainen, b.1958
Board Member

Responsibilities:
Sales and its development

Substantial education, experience and positions of trust:
- Wulff Group's Board Member since 1999
- Alekstra Oy's Board Member 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, 2016: Ari Pikkarainen and his related parties owned 1,171,825 Wulff shares representing 17.7 percent of the company's shares and votes.

Johanna Marin, s. 1973
Board Member

Responsibilities:
Management, Human Capital Management

Substantial education, experience and positions of trust:
- Master of Administrative Sciences, Master of Arts (Education), Doctoral studies in Economics (Management and Organisation)
- Folmer Management Oy´s Partner and Investment Director since 2007
- Folmer Management Oy´s Chairman of the Board since 2007
- Jatkopolut Oy´s Board member since 2014
- Umacon Oy:n Board member since 2013
- Blue Import Bim Oy´s Board member since 2013
- Selka-line Oy´s Board member since 2012
- Folmer Management I Oy´s Board member since 2012
- Riihimäen Metallikaluste Oy´s Board member since 2011
- Canorama Oy´s Board member since 2011
- Mercuri Urval Oy´s Senior Consultant 2005-2007
- Nokia Oyj´s positions, e.g. Business Human Resources Development Manager 2001-2005
- Wulff ownership as of December 31, 2016: 0 shares

BOARD AND MANAGEMENT

Group Executive Board

Ninni Arion, b. 1978

Vastuualueet:
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
- Wulff ownership as of December 31, 2016: 6000 shares

Elina Rahkonen, b. 1979
Wulff Group Plc Chief Financial Officer (CFO), Executive Board Member, Wulff Group Plc's Interim CEO since 10/2016.

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

Substantial education, experience and positions of trust:

- M.Sc. Econ.
- Wulff Group's CFO and Secretary of the Board of Directors since 2014
- Deloitte Oy Auditor (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, 2016: 0 shares

Tarja Törmänen, b. 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 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, 2016: 100 Wulff shares (0.0 %)

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

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

Substantial education, experience and positions of trust:

- Wulff Group Executive Board Member since 2011
- Wulff Supplies AB's Managing Director since 2009
- Strålfors, various positions 1998-2009, Member of Management Group, and Scandinavian Director in Supplies business area, 2006-2009
- Strålfors Norway, Managing Director, 2002-2006
- 3M, Sales and Marketing Manager, 1986-1998
- Wulff ownership as of December 31, 2016: 0 shares

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

Responsibilities:
Direct Sales Scandinavia and its development

Substantial education, experience and positions of trust:

- Executive Board Member since 2004
- Executive Vice President and Head of Direct Sales Scandinavia since 2012
- Managing Director of Beltton Svenska AB since 1998
- Country Manager of Beltton Svenska 1993-1998
- Managing Director and Partner of Liftpoolen AB 1990-1993
- Wulff ownership as of December 31, 2016: Veijo Ågerfalk and his related parties owned 67,000 Wulff shares representing 1.0 percent of the company's shares and votes.

SHARES AND SHAREHOLDERS

Share Capital

The parent company's share capital (EUR 2.65 million) consists of 6,607,628 shares with one vote each and with no par value. There have been no changes in share capital in 2015 and 2016.

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 7, 2016 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 7, 2016 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.

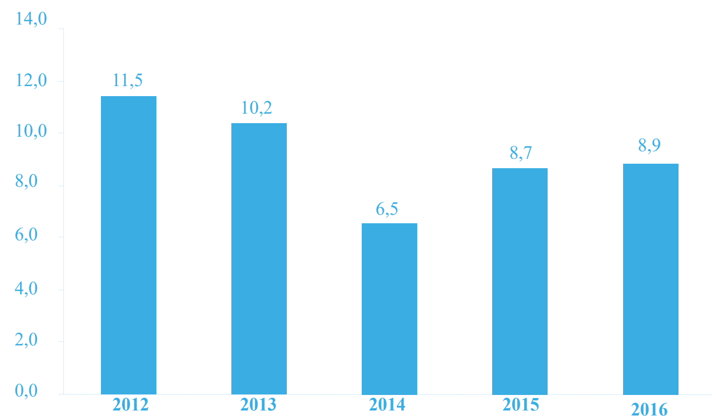
The authorization entitles the Board of Directors to deviate from the pre-emptive rights of shareholders (directed acquisition) in accordance with the law. The company can acquire treasury shares to carry out acquisitions or other business-related arrangements, to improve the company's capital structure, 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 2016, no own shares were reacquired. In the end of 2016, the Group held 79.000 (December, 2015: 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 7, 2016, 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, 2017.

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.



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 shares were listed on NASDAQ OMX Helsinki in the Small Cap segment under the Consumer Discretionary sector. In February 2012, the sector changed to the Industrials sector. Wulff shares' 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 2016, a total of 578,681 (414,221) Wulff shares were traded which represents 8.9 percentages (6.3 %) of the total number of shares. The trading was worth of EUR 827,073 (EUR 539,868). In 2016, the highest share price was EUR 1.75 (EUR 1.66) and the lowest price was EUR 1.18 per share (EUR 1.02). In the end of 2016, the share was valued at EUR 1.37 (EUR 1.34) and the market capitalization of the outstanding shares totalled EUR 8.9 million (EUR 8.7 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 to the Annual General Meeting on April 6, 2017 that dividend of EUR 0.10 per share be paid for the financial year 2016 representing EUR 0.65 million. Rest of the distributable funds shall remain in the shareholders' equity.

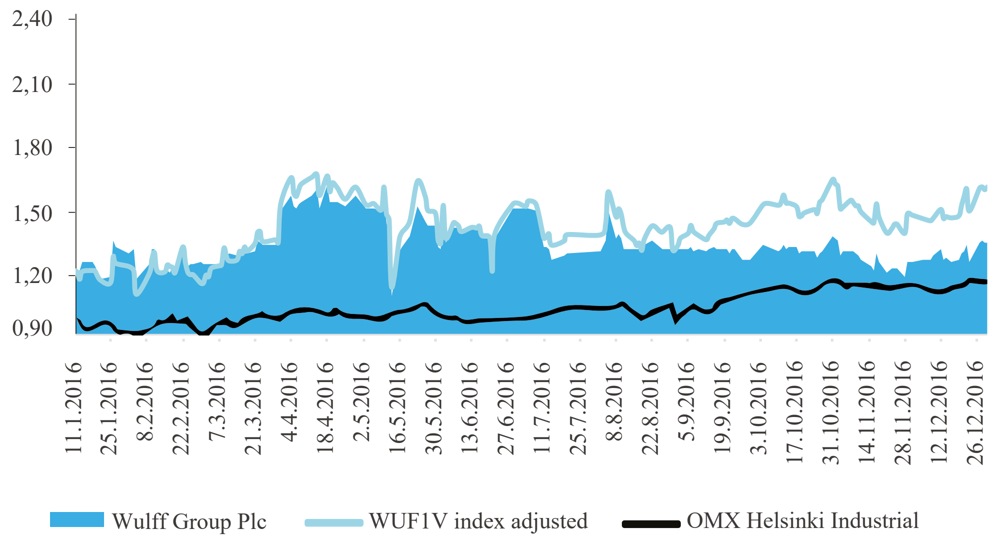
Shareholders and Ownership Structure

Wulff Group Plc's shares are registered in the book-entry securities system maintained by Euroclear Finland Ltd. The most significant shareholders and the ownership structure are presented in the graphs attached. There were no disclosed notifications on changes in major share holdings in 2016.

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.

Share Price Performance 2016



SHARES AND SHAREHOLDERS

	Major shareholders as of December 31, 2016	Number of shares	% of shares
1	**Vienola Heikki***	**2 608 550**	**39,48 %**
	Vienola Heikki	2 533 500	38,34 %
	Vienola Jussi	16 200	0,25 %
	Vienola Kristina	16 200	0,25 %
	Reserve Capital Finland Oy	28 100	0,43 %
	BVI-tuote Oy	14 550	0,22 %
2	**Pikkarainen Ari**	**1 171 825**	**17,73 %**
	Pikkarainen Ari	1 171 825	17,73 %
3	**LähiTapiola**	**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**	**330 761**	**5,01 %**
	Nordea Nordic Small Cap equity fund	296 128	4,48 %
	Nordea Bank Finland Plc	34 633	0,52 %
6	**The Local Government Pensions Institution**	**120 400**	**1,82 %**
7	**Progift Oy**	**59 437**	**0,90 %**
8	**Wulff Group Plc**	**79 000**	**1,20 %**
9	**Ågerfalk Veijo**	**67 000**	**1,01 %**
	Ågerfalk Veijo	65 000	0,98 %
	Ågerfalk Christine	1 000	0,02 %
	Ågerfalk Adam	1 000	0,02 %
10	**Laakkonen Mikko**	**64 185**	**0,97 %**
11	**Luoma Marko**	**56 147**	**0,85 %**
12	**Sundholm Göran**	**50 000**	**0,76 %**
13	**Tervonen Heikki**	**34 678**	**0,52 %**
14	**Sjöblom Katri**	**29 130**	**0,44 %**
15	**Aalto Lasse**	**27 239**	**0,41 %**
	15 biggest shareholders total	**5 909 452**	**89,43 %**
	Other shareholders total	**698 176**	**10,57 %**
	Total shares	**6 607 628**	**100,00 %**
	- Own shares	**-79 000**	
	Shares outstanding total	**6 528 628**	

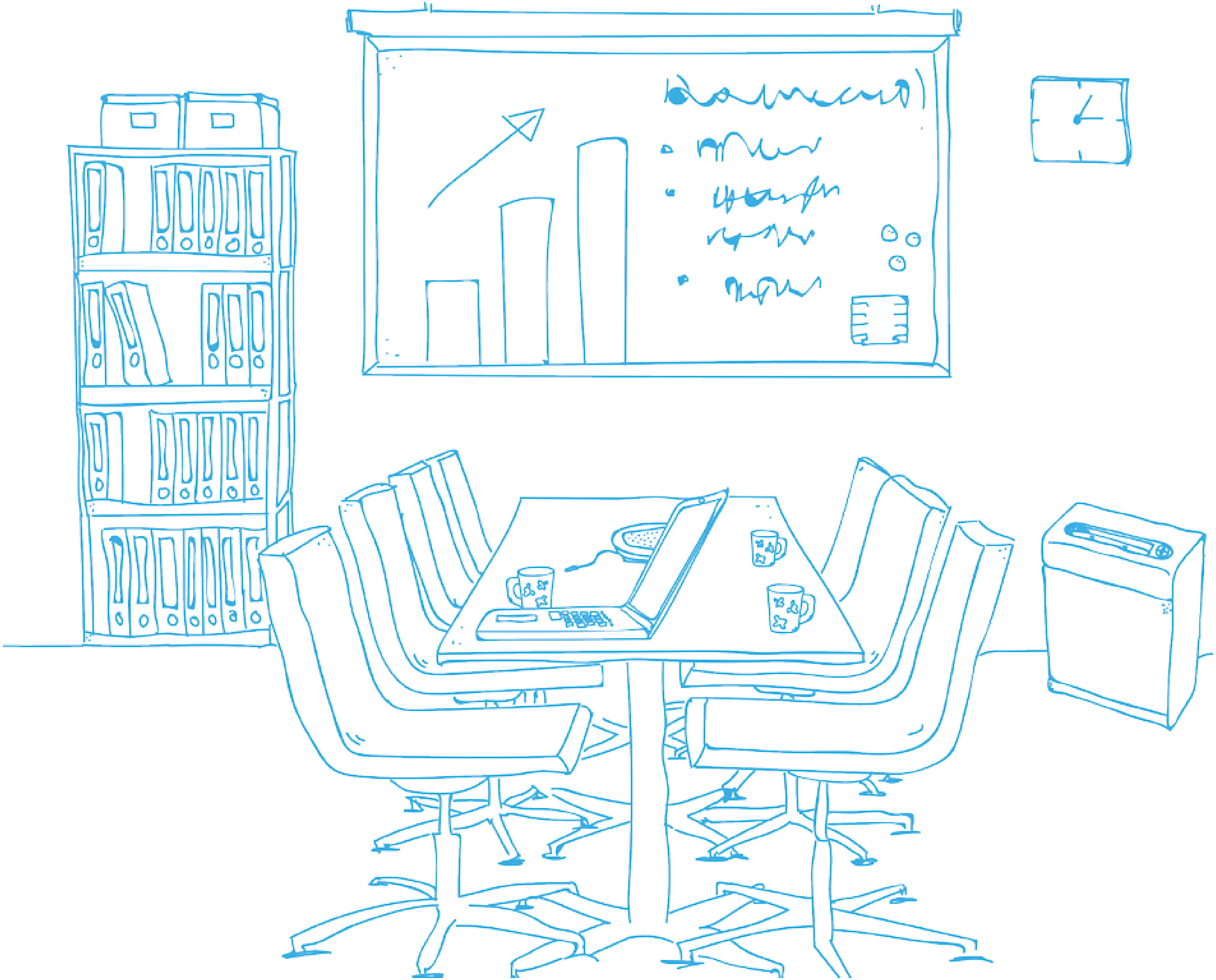
The shareholders information is based on the shareholders' register maintained by Euroclear Finland Ltd. Shareholders are grouped according to the direct holdings of individual shareholders, individuals under their guardianship and the shares held by associations where they exercise authority and stated 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, 2016

Owner groups	Number of shareholders	%	Number of shares	%
Companies	34	5,34 %	266 721	4,04 %
Financial and insurance institutions	9	1,41 %	713 028	10,79 %
Public entities	3	0,47 %	920 400	13,93 %
Non-profit organisations	2	0,31 %	110	0,00 %
Private persons	572	89,80 %	4 596 675	69,57 %
Foreign shareholders	11	1,73 %	4 351	0,07 %
Nominee-registered shareholders	6	0,94 %	106 343	1,61 %
Total	**637**	**100,00 %**	**6 607 628**	**100,00 %**

Shareholders by the number of shares owned December 31, 2016

Number of shares	Number of shareholdersl	%	Number of shares	%
1-500	397	62,92 %	74 804	1,13 %
501-1000	90	14,26 %	76 213	1,15 %
1 001-10 000	112	17,75 %	365 404	5,53 %
10 001-100 000	24	3,80 %	758 254	11,48 %
100 001-	8	1,27 %	5 332 953	80,71 %
Total	**631**	**100,00 %**	**6 607 628**	**100,00 %**



SIGNATURES AND AUDITOR'S NOTE

CEO'S and Board Members' Signatures

In Vantaa on March 8, 2017

Heikki Vienola
Heikki Vienola
Chairman of the Board of Directors

Elina Rahkonen
Elina Rahkonen
CEO

Johanna Marin
Johanna Marin

Ari Pikkarainen
Ari Pikkarainen

Andreas Tallberg
Andreas Tallberg

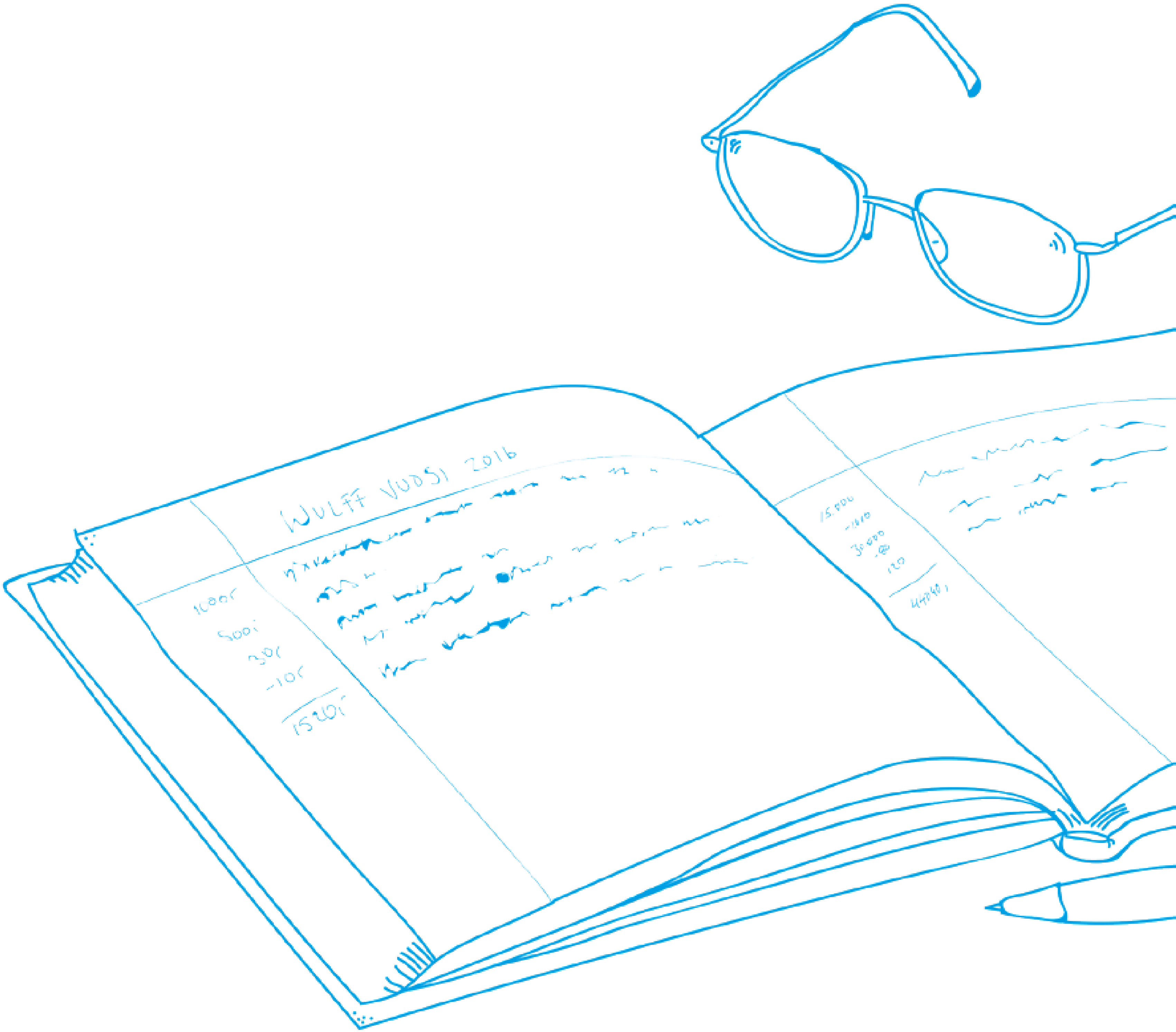
Auditor's Note

Auditor's report for the audit performed has been given.

In Helsinki on March 14, 2017

KPMG Ltd

Minna Riihimäki
Minna Riihimäki
APA


WULFF VUOSI 2016

AUDITOR’S REPORT

To the Annual General Meeting of Wulff Group Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wulff Group Plc (business identity code 1454963-5) for the year ended 31 December 2016. The financial statements comprise the consolidated statement of financial position statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company’s balance sheet, income statement, statement of cash flows and notes.

In our opinion

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

- the financial statements give a true and fair view of the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Valuation of inventories (Refer to notes 1 and 18 of the consolidated financial statements)

- The inventory balance in the consolidated statement of financial position amounted to EUR 7.3 million.
- Inventories are measured at the lower of cost and net realisable value in the financial statements.
- The Group's business and the nature of industry in which the Group operates require maintaining a certain level of inventories and product range. As seasons change this may result in slow-moving items. This also increases the risk that the carrying amounts of inventory items exceed their net realizable values.

- We tested manual and automatic controls designed to ensure the accuracy of inventory pricing.
- During the financial year we tested inventory valuation using data analyses. We analysed inventories by means of exception reports. In the analyses we compared inventory turnover rates of items to the targets set by management and found out drivers for exceptionally low turnover rates. We also analysed any negative margins and underlying factors.
- As part of our year-end audit procedures we tested the adequacy of the write-downs recognised, for example by comparing to the targets set by the company.
- We also attended inventory counts.

Impairment of goodwill (Refer to notes 1 and 15 to the consolidated financial statements)

- The goodwill balance in the consolidated statement of financial position was carried at EUR 6.9 million, which represents 57 per cent of the consolidated equity
- Goodwill is not amortised, but is tested at least annually for impairment. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.
- Determination of the key assumptions in future cash flow forecasts underlying the impairment tests requires management make judgements over certain key inputs, for example discount rate, growth rates and profitability levels.

- We assessed the allocation basis, i.e. the allocation of goodwill to the tested cash-generating units complies with the allocations principles defined by the company.
- We evaluated the reliability of the Group's budgeting procedures and assessed the historical accuracy of forecasts by comparing the actual results for the year 2016 with the forecasts made in previous years.
- We involved our own valuation specialist when assessing the assumptions used in determining the discount rate to market and industry information.
- Furthermore, we considered the accuracy of sensitivity analysis and the appropriateness of the notes in respect of impairment testing.

Valuation of the Subsidiary Shares and Long-term Receivables – Basis for Preparation of the Consolidated Financial Statements and the Notes to the Parent Company Financial Statements 11 and 12

- The equity of the parent company is € 13,2 million as at 31 December 2016, of which the distributable equity amounts to € 2,6 million.
- A significant portion of the parent company's assets consist of investments in the subsidiaries. The subsidiary shares and long –term loan receivables amount to € 14,2 million as at 31 December 2016. The measurement of these investments has a material impact when calculating the parent company's distributable equity.
- According to the Finnish Bookkeeping Act, if the fair value of the long –term investment is evaluated to be permanently lower than the book value, the difference must be written down.
- In testing the goodwill, management prepares annually impairment tests also for the subsidiary shares and long-term receivables.
- Determination of the key assumptions in future cash flow forecasts underlying the impairment tests requires management to make judgements over certain key inputs, for example discount rate, growth rates and profitability levels.

- We evaluated the reliability of the Group's budgeting procedures and assessed the historical accuracy of forecasts by comparing the actual results for the year 2016 with the forecasts made in previous years.
- We involved our own valuation specialist when assessing the assumptions used in determining the discount rate to market and industry information.

AUDITOR’S REPORT

Responsibilities of the Board of Directors and the CEO for the Financial Statements

The Board of Directors and the CEO 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, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the CEO are responsible for assessing the parent company’s and the group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 parent company’s or the group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors’ and the CEO’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company’s or the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion..

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Other Information

The Board of Directors and the CEO are responsible for the other information. The other information comprises information included in the report of the Board of Directors and in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the report of the Board of Directors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 14 March 2017
KPMG OY AB
(signed)
Minna Riihimäki
Authorised Public Accountant, KHT

CORPORATE GOVERNANCE STATEMENT

Wulff Group Plc is an increasingly international listed company and the most significant Nordic player in office supplies. Wulff sells and markets office supplies, IT supplies and ergonomics. Its service range also includes international fair services. In addition to Finland, Wulff operates in Sweden, Norway and Denmark. 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 the 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 power is 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 a notice at Wulff's corporate website. The notice and instructions for participating in the meeting are published as 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 Annual 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 7, 2016. The Annual General Meeting adopted the financial statements for the financial year 2015 and discharged the members of the Board of Directors and CEO from liability. The AGM decided to pay a dividend of EUR 0.10 per share and authorised the Board of Directors to decide on the repurchase of the Company's own shares. The Annual General Meeting also accepted the Board's proposal concerning the authorisation to perform share issues.

The current Board members Ari Pikkarainen, Johanna Marin, Andreas Tallberg 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 Heikki Vienola.

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 for 2017 will be held on April 6, 2017.

Board of Directors

The Board is responsible for the administration and the proper organisation of the operations of the Company. The Board supervises and controls the operative management of the Company, appoints and dismisses the managing director, approves the strategic goals and the risk management principles for the Company and ensures the proper operation of the management system.

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

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

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

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

Wulff Group's Annual General Meeting held on April 7, 2016 elected four members to the Board of Directors. The Board of Directors consists of the Company's major shareholders and outside experts. The Board must have sufficient expertise in at least the following areas: economy and finance, management, marketing and sales. Each Board Member acts as an expert in his or her field on the Board. The Finnish Corporate Governance code recommends that both genders are represented. Elected by the Annual General Meeting in 2016, Wulff Group Plc's Board of Directors consists of both genders. In the election of the Board Members, attention has been paid to that the persons elected have adequate and versatile expertise and the 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 Andreas Tallberg and Johanna Marin. Heikki Vienola and Ari Pikkarainen are major shareholders of the Group. Additionally Heikki Vienola was employed by the Group as the Group CEO until August 2015 and the Chairman of the Group Executive Board until September 2015.

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 14 times in 2016 (16 times in 2015). The average meeting attendance was 98 percent (99 % in 2015). At its organising meeting the Board approved the charter and action plan for 2016 and evaluated the independence of its members. According to the meeting plan for 2017, the Board of Directors will convene 10 times.
The Board carries out annual assessments of its operations and working styles based on a self-evaluation form. In 2016, the assessment was carried out in writing at the end of the year. 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 CEO 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 also acts as the Group's CEO and as the Chairman of the Group Executive Board.

Heikki Vienola, M.Sc. (Econ.), acted as the CEO of Wulff Group Plc from 1999 until August 2015 and the Chairman of the Group Executive Board until September 2015. He was nominated the Chairman of the Board of Directors beginning September 2015. Topi Ruuska was nominated as the CEO of Wulff Group Plc beginning September 2015. Topi Ruuska was nominated as the Chairman of the Group Executive Board beginning October 2015. Topi Ruuska's employment ended on September 2016. Wulff Group Plc's Board of Directors named CFO Elina Rahkonen as Wulff Group Plc's interim CEO beginning in October 2016.

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.

CORPORATE GOVERNANCE STATEMENT

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 1,250 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. Topi Ruuska was named Group CEO in September 2015 and his employment ended on September 2016. The Board named CFO Elina Rahkonen as Wulff Group Plc's interim CEO starting October 2016.

The remuneration of CEO Topi Ruuska, who has acted as the Group CEO since September 2015, consisted of salaries paid in cash and fringe benefits. In 2016, CEO Topi Ruuska was paid a salary and fringe benefits of the amount of 155 thousand euros. The CEO's other benefits include a statutory pension. A pension age has not been determined. The period of notice is six months. In the contract, there is a severance pay and compensation in the lie of notice equivalent of a 12 month's salary.

The remuneration of Interim CEO Elina Rahkonen consisted of salaries paid in cash and fringe benefits. In 2016, Elina Rahkonen was paid a salary and fringe benefits of the amount of 107 thousand euros. Rahkonen's other benefits include a statutory pension. A pension age has not been determined. The period of notice is six months.

Remuneration of CEO Heikki Vienola, who acted as the Group CEO until August 2015, consisted of salaries paid in cash. He did not have fringe benefits. In 2015, CEO Heikki Vienola was paid a salary of 50 thousand euros and an extra pension of 1 thousand euros. The CEO's benefits included a statutory pension. The pension age was not determined. The period of notice was three months, as determined in the employment contract. No separate compensation for the period of notice was 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 2016, the Group Executive Board consisted of Ninni Arion, Trond Fikseaunet, Elina Rahkonen, Topi Ruuska (until September 2016), Tarja Törmänen and Veijo Ågerfalk.

In 2015, the Group Executive Board consisted of Heikki Vienola, Ninni Arion, Trond Fikseaunet, Elina Rahkonen, Topi Ruuska (starting September 2015), Tarja Törmänen and Veijo Ågerfalk.

In addition to the Group Executive Board members, some of the Managing Directors of the Group's subsidiaries are covered by the incentive scheme. Mutual standard terms of notice and other possible reimbursements have been specified in the contracts for Managing Directors.

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

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 realisation of risk management policies is controlled with internal audits 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 a 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 2016.

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

External Audit

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

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

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

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 68 thousand euros in 2016.

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 applicable EU regulations, especially the Market Abuse Regulation (596/2014, “MAR”), and any regulation and guidance given by the European Securities Markets Authority (“ESMA”). Further, the company observes Finnish legislation, especially the Securities Markets Act (746/2012, as amended) and the Finnish Penal Code (39/1889, as amended), including the insider and other guidelines of Nasdaq Helsinki Ltd and the standards and guidance of the Finnish Financial Supervisory Authority (“FIN-FSA”) and other authorities.

Managers, as defined by MAR, include the members of the Board of Directors and Group Management Board members. MAR requires that each manager and his/her closely associated persons notify the company and FIN-FSA of their transactions in the financial instruments of or linked to the company conducted on his/her own account. The notifications shall be made promptly and no later than three business days after the date of transaction (T+3). Wulff will issue stock exchange releases to disclose information on transactions by managers and their closely associated persons, as specified in MAR.

Since 3 July 2016, Wulff no longer maintains a list of permanent insiders. Instead, all persons involved with insider projects will be listed as project-specific insiders. Project-specific lists will be established and maintained for each project or event constituting inside information, based on a separate decision. All persons working for Wulff, representatives of external entities, shareholders and authorities who have information concerning an insider project or have access to project-specific inside information, as well as persons who are working for the implementation of an insider project, will be entered in a project-specific insider list.

Preparation of periodic disclosure (annual and half year financial statements, interim reports, financial statements bulletins) or regular access to unpublished financial information is not regarded as an insider project. However, due to the sensitive nature of unpublished information on the company’s financial results, the persons determined by the company, based on their position or access rights, to have authorised access to unpublished financial result information are added to a list of Financial Information Recipients.

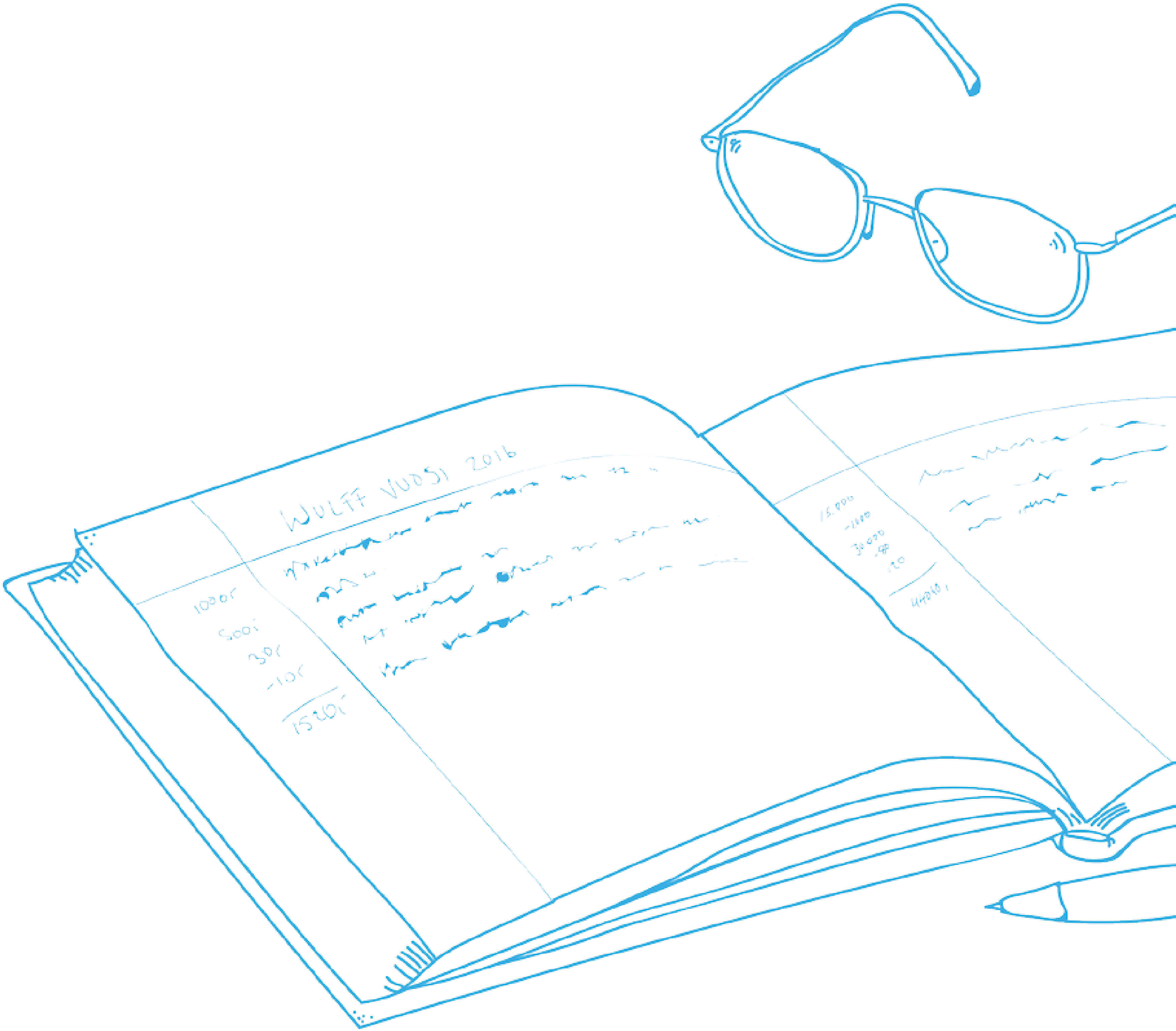
Wulff applies an absolute trading prohibition (a ‘closed window’ principle) during a period beginning 30 calendar days before the announcement of each of the periodic financial reports and the year-end report (the financial statements bulletin) and ending at the end of the trading day following the day of publication of such a report. At the minimum, a closed period commences at the end of the reporting period in question. The closed window principle applies to the managers (as defined by MAR) as well as the Financial Information Recipients. The person in charge of Wulff’s insider register is CFO Elina Rahkonen.

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 at the Group’s investor page ‘Board and corporate governance’ (http://www.wulff.fi/en/wulff-group+plc/investors/board+and+corporate+governance/).

Before the end of the year, the investor calendar with dates for the Group’s financial reporting during the next calendar year is published in a stock exchange release and on the Group’s web site.



WULFF VUOSI 2016

INFORMATION FOR SHAREHOLDERS

Annual General Meeting 2017

Wulff Group Plc's Annual General Meeting will be held on Thursday April 6, 2017 at noon (12.00) at Pörssitalo, Fabianinkatu 14, 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 Monday March 27, 2017 and have registered as attendants to the Annual General Meeting no later than on Monday April 3, 2017.

Registration for the Annual General Meeting can be made to the company:
- by e-mail to investors@wulff.fi
- by telephone to +358 300 870 414
- 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 Monday March 27, 2017 in the shareholders' register of the Company held by Euroclear Finland Ltd. has the right to participate in the Annual General Meeting. A holder of nominee registered shares wishing to participate in the Annual General Meeting shall be temporarily registered into the shareholders' register of the company kept by Euroclear Finland Ltd at the latest on Monday April 3, 2017 by 10.00 A.M. The shareholder who wishes to participate in the Annual General Meeting shall contact the company no later than Monday April 3, 2017. 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 at the Group's website at www.wulff-group.com.

Dividend for 2016

The Board of Directors of Wulff Group Plc proposes to the Annual General Meeting that a dividend of EUR 0.10 per share is paid for the financial year 2016. The dividend approved by the Annual General Meeting will be paid to shareholders who have been registered in the Company's shareholder list maintained by Euroclear Finland Ltd on the record date of the dividend payment, Monday April 10, 2017. The Board proposes to the Annual General Meeting that the dividend be paid on Wednesday April 19, 2017.

Financial Reporting 2017

Wulff Group Plc will release the following financial reports in 2017:

Interim Report, January-March	2017	Thursday May	4, 2017
Interim Report, January-June	2017	Thursday August	3, 2017
Interim Report, January-September	2017	Thursday November	2, 2017

Wulff Group Plc's financial reports are published in Finnish and English and they are also available 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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email: investors@wulff.fi

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

Contact Person for Investor Relations

Chairman of the Board of Directors
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STOCK EXCHANGE RELEASES 2016

Wulff Group Plc announced the following releases during the financial year 2016

February 2, 2016	Wulff Group Plc's Financial statements bulletin 2015
March 15, 2016	Wulff Group Plc's annual report, financial statements and corporate governance statements 2015 announced
March 15, 2016	Wulff Group Plc's notice to the AGM
April 7, 2016	Wulff Group Plc's Annual General Meeting's decisions
April 7, 2016	Wulff Group Plc's own shares
April 18, 2016	Change in Wulff Group Plc's executive board
May 6, 2016	Wulff Group Plc's interim report Q1 2016
August 4, 2016	Wulff Group Plc's interim report Q2 2016
September 28, 2016	Change in Wulff Group Plc's executive board
November 3, 2016	Wulff Group Plc's interim report Q3 2016
December 15, 2016	Wulff Group Plc's financial releases and AGM 2017

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Group’s employees can be reached at: firstname.surname@wulff.fi.

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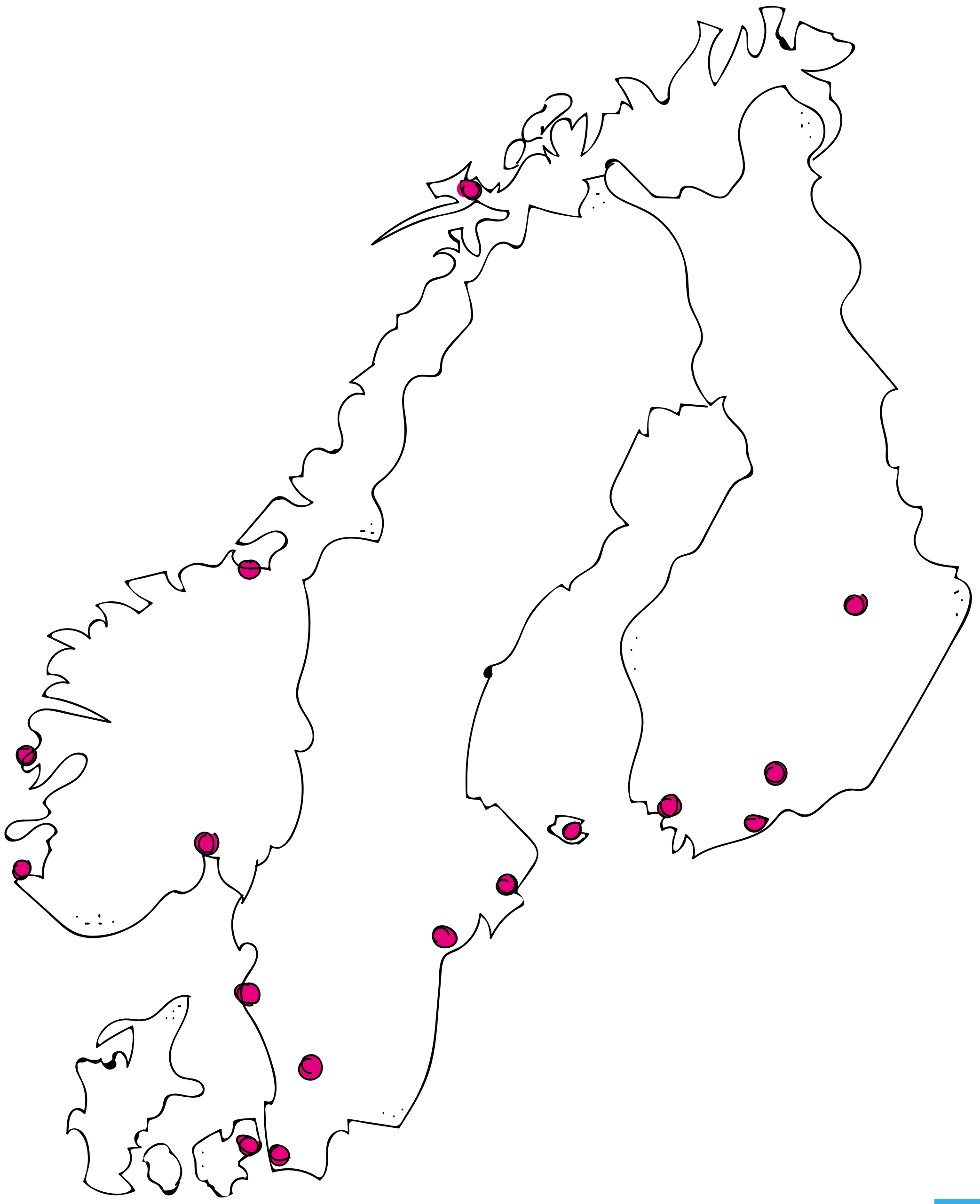

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