WULFF GROUP PLC
STOCK EXCHANGE RELEASE August 11, 2010 at 9:00 A.M.

# WULFF GROUP PLC'S INTERIM REPORT FOR JANUARY 1 – JUNE 30, 2010

- Net sales for the first six months increased strongly by 44.8 percentages up to EUR 45.6 million from last year's comparable period (EUR 31.5 million). The sales increase was due to the acquisition of Wulff Supplies Ab which operates in Sweden, Norway and Denmark and since the end of July 2009 is part of Wulff Group. Net sales in April-June totalled EUR 24.0 million with an increase of 62.9 percentages from the comparable period last year (EUR 14.7 million).
- The integration of Wulff Supplies with Wulff Group has been managed with success. The Nordic cooperation and the synergies in e.g. purchases give the customers even more competitive products and services. In the first half of 2010, Wulff Supplies managed to both increase its market share and win new customers.
- In January-June 2010, the EBITDA was EUR 0.06 million which was lower than in the comparable period last year (EUR 0.36 million). In April-June 2010, the EBITDA was EUR 0.00 million (EUR 0.28 million).
- The operating loss was EUR 0.45 million for the first half of 2010 compared to the operating loss of EUR 0.07 million a year ago. In April-June, the operating result was EUR -0.29 million (EUR +0.06 million).
- Loss before taxes totalled EUR 0.24 million (EUR -0.17 million) in January-June and EUR 0.20 million (EUR +0.05 million) in April-June.
- Earnings per share were EUR -0.06 (EUR -0.06) for the six-month period and EUR -0.02 (EUR -0.01) for the second quarter.

## NET SALES

During the whole six-month period, the net sales increased strongly by 44.8 percentages up to EUR 45.6 million from last year's comparable period (EUR 31.5 million). The sales increase was due to the acquisition of Wulff Supplies Ab which operates in Sweden, Norway and Denmark and since the end of July 2009 is part of Wulff Group. Net sales in April-June totalled EUR 24.0 million with an increase of 62.9 percentages from the comparable period last year (EUR 14.7 million).

Wulff Group's CEO Heikki Vienola: "The increase in net sales during the first six months is encouraging. However, our financial result is not satisfying. In order to improve the profitability, more actions will be taken to lower the expenses. With the help of the acquisition of Wulff Supplies and its successful integration we have achieved a position as a significant Nordic player in the industry. Currently, approximately half of our net sales come from our Scandinavian group companies. In Finland we are the domestic market leader. I believe that the improvement of the economic situation will affect our customers' operations and the demand for our services and products."

The Contract Customers Division is a comprehensive partner for customers in the field of office supplies, business and promotional gifts as well as fair and event marketing services. In January-June, the segment's net sales (EUR 37.5 million) increased by EUR 16.3 million i.e. 77 percentages year-on-year (EUR 21.3 million) due to Wulff Supplies which has been consolidated since the beginning of August 2009 and is part of the Contract Customer Division. In April-June, the division's net sales totalled EUR 20.0 million (EUR 9.7 million).

The integration of Wulff Supplies with Wulff Group has been managed with success. The Nordic cooperation and the synergies in purchases for example give the customers even more competitive products and services. In the first half of 2010, Wulff Supplies managed to both increase its market share and win new customers. Wulff Supplies has put strong efforts in the new logistics center located in Ljungby Sweden, the

**Wulff Group Plc**
Manttaalitie 12
FI 01530 Vantaa

tel. +358 9 5259 0050
fax +358 9 3487 3420
info@wulff.fi

transfer of operations to the new premises and other development initiatives. The new logistics center enables Wulff Supplies' future growth and the transfer of the premises went successfully. These initiatives aim to serving the customers even better in the future.

The webstore Wulffinkulma.fi, opened at last yearend to serve all Finnish companies and organizations, is a significant investment in the Group's future operations. The webstore has already brought new customers which will support the Group's growth. To strengthen its status as the industry's e-commerce pioneer, Wulff continues to take strong efforts in the constant development and marketing of the webstore also in the second half of 2010. The webstrore is backed with a 120-year-long industry experience and a product range of nearly 4,000 products.

The Direct Sales Division aims to improve its customers' daily operations with innovative products and the industry's most professional personal, local service. In the first half of the year, the net sales of the Direct Sales Division decreased by 23 percentages from last year's comparable sales of EUR 10.6 million down to EUR 8.2 million this year. Mainly, the decrease is due to the divestment of former group companies Everyman Oy and Officeman Oy which were sold to the minority shareholders in September 2009. In April-June, the division's net sales totalled EUR 4.2 million (EUR 5.2 million). For a sales company, the most important asset is its personnel. Capable persons make the growth possible and one of the most significant challenges for the Direct Sales division is to be able to recruit talented sales professionals. The Group invests in visibility and recruitment marketing in different media and aims to recruit several new direct sales employees in the Nordic countries.

## FINANCIAL PERFORMANCE

In January-June 2010, the EBITDA was EUR 0.06 million i.e. 0.1 percentage of net sales, which was lower than in the comparable period last year (EUR 0.36 million; 1.1 %). In April-June 2010, the EBITDA was EUR 0.00 million (EUR 0.28 million).

The operating loss was EUR 0.45 million for the first half of 2010 compared to the operating loss of EUR 0.07 million a year ago. The operating loss was 1.0 percentage (0.2 %) of net sales. In April-June, the operating result was EUR -0.29 million (EUR +0.06 million). The Group continues to review its cost structure and performance efficiency with a focus on improving the profitability of all its operations.

The financial performance of the Contract Customers Division was not as good as in the comparable period last year, and its six-month operating result was EUR -0.07 million (EUR +0.33 million). For the second quarter, the division's operating result was EUR -0.11 million (EUR +0.19 million). The economic slowdown has impacted especially the demand for business and promotional gifts and thus that business was loss-making in the first half of the year. In 2010, the Group has invested heavily in the launch, development and marketing of the new webstore Wulffinkulma.fi.

The operating loss of the Direct Sales Division in the comparable period (EUR -0.34 million) turned up to an operating profit of EUR 0.11 million this year. The efficiency of the direct sales operations has improved compared to last year and the direct sales companies have invested in recruiting sales personnel and e-marketing. The changes made to the division's internal organization and the management practices in spring 2009 have been managed well which has affected positively the profit of the Finnish direct sales companies. In order to achieve a good profitability level and financial result, the cost efficiency improvement initiatives will continue in all direct sales companies. In Lithuania, the small direct sales operations started last year have been closed in summer 2010.

The financial income and expenses totalled (net) EUR +0.21 million (EUR -0.10 million) including dividend income of EUR 0.12 million, interest expenses of EUR 0.15 million and other financial items (net) EUR +0.23 million. For the second quarter, the net financial income and expenses were EUR +0.09 million (EUR -0.02 million).

Loss before taxes totalled EUR 0.24 million (EUR -0.17 million) in January-June and EUR 0.20 million (EUR +0.05 million) in April-June.

After deducting the minority shareholders' profit share, the net loss attributable to the equity holders of the parent company totalled EUR -0.37 million (EUR -0.37 million) in January-June and EUR -0.13 million (EUR -0.06 million) in April-June.

Earnings per share were EUR -0.06 (EUR -0.06) for the six-month period and EUR -0.02 (EUR -0.01) for the second quarter.

In January-June, the return on investment (ROI) was -0.32 percentage (-0.04 %) and return on equity (ROE) was -1.4 percentage (-1.9 %).

## FINANCING, INVESTMENTS AND FINANCIAL POSITION

The cash flow from operating activities totalled EUR -0.14 million (EUR +0.86 million) in January-June and EUR -0.14 million (EUR +1.08 million) in April-June. In addition to the profitability improvement initiatives, the Group aims to improve the working capital management and increase the cash flow from operating activities.

In January-June 2010, the cash flow used in investing activities amounted to EUR -0.67 million including investments in intangible and tangible assets (EUR 0.61 million), payment of the additional acquisition price debt related to subsidiary Ibero Liikelahjat Oy (EUR 0.19 million) and proceeds from the sale of intangible and tangible assets (EUR +0.12 million). The majority (EUR 0.54 million) of the six-month investments were made during the second quarter when the Group invested in e.g. Wulff Supplies' new logistics center in Ljungby, Sweden.

In the comparable period January-June 2009, the cash flow used in investing activities totalled EUR -0.47 million including investments in intangible and tangible assets (EUR 0.45 million), the acquisitions of subsidiaries (EUR -0.08 million) and proceeds from the sale of intangible and tangible assets (EUR +0.06 million). In April-June 2009, the cash flow used in investing activities was EUR -0.09 million.

During the six-month period, the cash flow used in financing activities totalled EUR -1.17 million (EUR -0.71 million) including withdrawals and repayments of long- and short-term loans net of EUR 0.48 million (EUR 0.41 million), the acquisition of own shares of EUR 0.08 million (EUR 0.04 million) and the net change in short-term investments of EUR 0.26 million (EUR +0.11 million). Dividends of EUR 0.12 million (EUR 0.01 million) were received. The parent company shareholders were paid dividends of EUR 0.33 million (EUR 0.33 million) and the minority shareholders of the subsidiaries were paid dividends of EUR 0.14 million (EUR 0.05 million) in January-June. During the second quarter, the cash flow used in financing activities totalled EUR -1.14 million (EUR -0.39 million).

In general, the net decrease in cash and cash equivalents was EUR -1.97 million in January-June 2010 compared to a net decrease of EUR -0.31 million a year ago. In April-June, the change in cash and cash equivalents totalled EUR -1.82 million (EUR +0.60 million).

Equity attributable to the equityholders of the parent company totalled EUR 2,55 per share (EUR 2,73). Equity-to-assets ratio (41.5 %) has increased from December 2009 (41.2 %) but was lower than in the comparable period last year (54.9 %) due to the acquisition of Wulff Supplies in the end of July 2009.

## DECISIONS OF THE ANNUAL GENERAL MEETING

Wulff Group Plc's Annual General Meeting held on April 23, 2010 decided to pay a dividend of EUR 0,05 per share and authorised the Board of Directors to decide on the repurchase of the company's own shares. The Annual General Meeting accepted also the Board's proposal concerning the authorisation to perform share issues.

The Annual General Meeting adopted the financial statements for the financial year 2009 and discharged the members of the Board of Directors and CEO from liability.

Due to a change in the legislation, the Annual General Meeting decided to amend the Articles of Association in a way that the invitations to the General Meetings are delivered at least 21 days prior to the General Meeting, but not later than nine days before the General Meeting record date. The amendment of the Articles of Association was entered in the Finnish Trade Register on June 8, 2010 which was announced in a stock exchange release on the same day. The current Articles of Association are available on the Group's website www.wulff-group.com.

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

## SHARES AND SHARE CAPITAL

Based on the authorization of the Annual General Meeting held on April 24, 2009, the acquisition of own shares continued in 2010. In the end of December 2009, the parent company held a total of 69 022 own shares and in the first quarter of 2010, 2 807 own shares were repurchased and 5 000 own shares were allocated to the Group's key person as a part of the share-based incentive plan decided in 2008. In the end of March 2010, the Group held a total of 66 829 own shares (24 956 as of March 31, 2009) representing 1.0 percentage (0.4 %) of the total number and voting rights of Wulff shares. The average price for the own shares repurchased in January-March was EUR 3.25 per share.

Authorized by the Annual General Meeting held on April 23, 2010, 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. The reacquisition of own shares continued in May and in the end of June 2010 the Group held 89 456 own shares (27 648 shares as of June 30, 2009) which represents 1.4 percentage (0.4 %) of the total number and voting rights of Wulff shares. The average price for the own shares repurchased in January-June was EUR 3.28 per share.

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

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

The parent company's share capital (EUR 2.65 million) consists of 6 607 628 shares with one vote each. There have been no changes in share capital in 2009 and 2010. There have been no disclosed notifications on changes in major holdings during 2009 and 2010.

Wulff Group Plc' share is listed on NASDAQ OMX Helsinki in the Small Cap segment under the Consumer Discretionary sector. The company's trading code is WUF1V. In the end of June 2010, the share was valued at EUR 3.20 (EUR 2.27 as of June 30, 2009) and the market capitalization of the outstanding shares totalled EUR 20.9 million (EUR 14.9 million as of June 30, 2009).

## PERSONNEL

During the six-month period, the Group's personnel totalled 372 (393) employees on average. In the end of June 2010, the Group had 383 (373) employees of which 133 (75) persons were employed in Sweden, Norway, Denmark, Estonia and Lithuania.

The majority, approximately 60 percentages of the Group's personnel works in sales operations and 40 percentages work in logistics and administration. Wulff employees equally both genders: in the end of June 2010, men represented 54 percentages and women 46 percentages of the employees.

In order to increase the organic growth, the Group focuses on recruiting sales personnel. The Group continues the close cooperation with the employment authorities and the educational institutions. Along with the web-based recruitment methods, the Group participates different happenings and takes personal contact with potential sales talents. The Group aims to increase strongly its sales personnel in all units still during 2010.

## CHANGE IN ORGANIZATION

In August 2010, organizational changes are made in Contract Customers Division when the management changes in Wulff Oy and its subsidiary Torkkelin Paperi Oy, located in Lahti, Finland. The initiatives aim to utilize the management's competencies even broader, to rationalize the operations and decrease the administrational costs. Juha Broman, who has led Wulff Oy since 2005 and has a three-decade-long experience in the industry, focuses his skills in the development of Torkkelin Paperi's operations. When Juha Broman starts as the managing director of Torkkelin Paperi Oy, Wulff Oy will be led by the new managing director Jani Puroranta, previously Head of Contract Customers Division. Torkkelin Paperi Oy's previous managing director Pekka Lähde continues working as the company's sales director.

## RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The economic downturn in the Nordic countries has clearly affected the demand for office supplies. The general uncertainty may continue the entire year 2010 which will most likely affect the ordering behaviour of some corporate clients also in the coming months. The improvement of the economic situation is expected to affect quickly the demand for office supplies.

The possibly ongoing economic slowdown impacts especially the demand for business and promotional gifts. Although the business gifts are seen increasingly as a part of the corporate communications as a whole and they are utilized also in the off-season, some cost savings may be sought after by decreasing the investments in the brand promotion. In the economic downturn, the corporations also minimize attending fairs and decrease their event marketing activities.

## MARKET SITUATION AND OUTLOOK FOR 2010

Along with the global economic downturn, also the markets for office supplies have decreased notably in the countries where the Group operates. In the Nordic countries last year, the markets for office supplies decreased some 10 percentages and the markets for business and promotional gifts were impacted with a decrease of nearly a third. The Estonian markets for corporate promotional products decreased even more. In 2010, the markets are expected to remain the size as in 2009 or to grow slightly.

**Wulff Group Plc**
Manttaalitie 12
FI 01530 Vantaa

tel. +358 9 5259 0050
fax +358 9 3487 3420
info@wulff.fi

Wulff's mission is to help its corporate customers to succeed in their own business by providing them with leading-edge products and services cost-efficiently in a way best suitable to them. Being the front-runner in its field, Wulff's latest acquisition was Strålfors Supplies Ab (Wulff Supplies since January 1, 2010) in July 2009, which strengthened the Group's position in the Nordic office supply markets and the Group became the most significant Nordic player in office supplies. The industry consolidation continues and the Group expects that the international operators continue increasing their market shares. As a part of this development, internationally operating Staples acquired a Finnish office supply company Oy Lindell Ab in July 2010.

Historically, Wulff Group's business experiences seasonal fluctuation and a significant part of the Group's net sales and profit is generated in the fourth quarter. In 2010, the Group continues to take action for enhancing profitability. The Group focuses on the growth and development of its sales operations. In 2010, the Group expects to win new customers and gain growth in Scandinavia especially along with Wulff Supplies Ab and in Finland with the webstore Wulffinkulma.fi.

The Group expects its net sales to grow remarkably from last year. Wulff is also prepared to carry out new strategic acquisitions. The group management believes that the financial result 2010 will be at last year's level.

## MEETING FOR INVESTORS AND ANALYSTS

Wulff Group Plc arranges a meeting for investors and analysts today at noon (12.00) at restaurant Mamma Rosa, Runeberginkatu 55, Helsinki, Finland.

## FINANCIAL REPORTING IN 2010

The Group will publish the interim report for January-September 2010 on Wednesday November 10, 2010 at 9:00 A.M.

**Wulff Group Plc**
Manttaalitie 12
FI 01530 Vantaa

tel. +358 9 5259 0050
fax +358 9 3487 3420
info@wulff.fi

## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

| **INCOME STATEMENT** | II | II | I-II | I-II | I-IV |
|---|---|---|---|---|---|
| EUR 1000 | 2010 | 2009 | 2010 | 2009 | 2009 |
| **Net sales** | **24 016** | **14 746** | **45 600** | **31 491** | **74 785** |
| Other operating income | 99 | 153 | 265 | 204 | 402 |
| Materials and services | -16 108 | -7 988 | -29 637 | -17 440 | -45 445 |
| Employee benefit expenses | -4 949 | -3 744 | -9 754 | -7 995 | -15 980 |
| Other operating expenses | -3 055 | -2 893 | -6 410 | -5 904 | -12 515 |
| **EBITDA** | **2** | **275** | **63** | **356** | **1 247** |
| Depreciation and amortization | -292 | -211 | -513 | -431 | -940 |
| Impairment | | | | | -460 |
| **Operating profit/loss** | **-289** | **64** | **-450** | **-74** | **-154** |
| Financial income | 122 | 57 | 513 | 108 | 275 |
| Financial expenses | -33 | -76 | -307 | -205 | -481 |
| **Profit/Loss before taxes** | **-200** | **45** | **-244** | **-171** | **-360** |
| Income taxes | 40 | -118 | -6 | -196 | -284 |
| **Net profit/loss for the period** | **-160** | **-74** | **-249** | **-367** | **-644** |
| | | | | | |
| **Attributable to:** | | | | | |
| Equity holders of the parent company | -134 | -55 | -374 | -366 | -782 |
| Minority interest | -27 | -17 | 124 | -1 | 138 |
| | | | | | |
| **Earnings per share for profit attributable to the equity holders of the parent company:** | | | | | |
| Earnings per share, EUR (diluted = non-diluted) | -0,02 | -0,01 | -0,06 | -0,06 | -0,12 |

| **STATEMENT OF COMPREHENSIVE INCOME** | II | II | I-II | I-II | I-IV |
|---|---|---|---|---|---|
| EUR 1000 | 2010 | 2009 | 2010 | 2009 | 2009 |
| **Net profit/loss for the period** | **-160** | **-74** | **-249** | **-367** | **-644** |
| **Other comprehensive income, net of tax** | | | | | |
| Change in translation differences | -289 | -15 | -60 | -55 | 39 |
| Fair value changes on available-for-sale investments | 6 | 36 | -14 | 50 | -4 |
| **Total other comprehensive income** | **-283** | **21** | **-74** | **-5** | **35** |
| **Total comprehensive income for the period** | **-443** | **-53** | **-324** | **-372** | **-609** |
| | | | | | |
| **Total comprehensive income attributable to:** | | | | | |
| Equity holders of the parent company | -391 | -49 | -467 | -405 | -797 |
| Minority interest | -53 | -2 | 143 | 33 | 188 |

**Wulff Group Plc**
Manttaalitie 12
FI 01530 Vantaa

tel. +358 9 5259 0050
fax +358 9 3487 3420
info@wulff.fi

| STATEMENT OF FINANCIAL POSITION<br>EUR 1000 | June 30<br>2010 | June 30<br>2009 | Dec 31<br>2009 |
|---|---|---|---|
| **ASSETS** | | | |
| | | | |
| **Non-current assets** | | | |
| Goodwill | 10 858 | 8 356 | 10 658 |
| Other intangible assets | 1 163 | 604 | 1 257 |
| Property, plant and equipment | 2 079 | 2 255 | 1 952 |
| Non-current financial assets | | | |
| Interest-bearing financial assets | 75 | | |
| Non-interest-bearing financial assets | 321 | 409 | 337 |
| Deferred tax assets | 1 169 | 533 | 1 066 |
| **Total non-current assets** | **15 664** | **12 159** | **15 274** |
| | | | |
| **Current assets** | | | |
| Inventories | 12 027 | 10 220 | 11 793 |
| Current receivables | | | |
| Interest-bearing receivables | 7 | | |
| Non-interest-bearing receivables | 13 955 | 10 442 | 13 246 |
| Financial assets recognised at fair value through profit and loss | 221 | 156 | 58 |
| Cash and cash equivalents | 3 364 | 4 315 | 5 337 |
| **Total current assets** | **29 573** | **25 134** | **30 434** |
| | | | |
| **TOTAL ASSETS** | **45 238** | **37 293** | **45 708** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| | | | |
| **Equity** | | | |
| Equity attributable to the equity holders of the parent company: | | | |
| Share capital | 2 650 | 2 650 | 2 650 |
| Share premium fund | 7 662 | 7 662 | 7 662 |
| Invested unrestricted equity fund | 223 | 223 | 223 |
| Retained earnings | 6 082 | 7 428 | 6 944 |
| Minority interest | 1 354 | 1 090 | 1 364 |
| **Total equity** | **17 971** | **19 053** | **18 843** |
| | | | |
| **Non-current liabilities** | | | |
| Interest-bearing liabilities | 7 932 | 6 306 | 8 266 |
| Deferred tax liabilities | 142 | | 298 |
| **Total non-current liabilities** | **8 074** | **6 306** | **8 564** |
| | | | |
| **Current liabilities** | | | |
| Interest-bearing liabilities | 2 156 | 1 375 | 2 305 |
| Non-interest-bearing liabilities | 17 037 | 10 559 | 15 996 |
| **Total current liabilities** | **19 192** | **11 934** | **18 301** |
| | | | |
| **TOTAL EQUITY AND LIABILITIES** | **45 238** | **37 293** | **45 708** |

| STATEMENT OF CASH FLOW<br>EUR 1000 | II<br>2010 | II<br>2009 | I-II<br>2010 | I-II<br>2009 | I-IV<br>2009 |
|---|---|---|---|---|---|
| **Cash flow from operating activities:** | | | | | |
| Cash received from sales | 23 073 | 15 012 | 44 898 | 32 384 | 73 880 |
| Cash received from other operating income | 64 | 70 | 202 | 95 | 320 |
| Cash paid for operating expenses | -23 121 | -13 798 | -44 937 | -31 382 | -72 348 |
| Cash flow from operating activities before financial items and income taxes | 16 | 1 284 | 163 | 1 097 | 1 852 |
| Interest paid | -79 | -193 | -160 | -238 | -408 |
| Interest received | 13 | 35 | 19 | 60 | 151 |
| Income taxes paid | -88 | -48 | -157 | -61 | -125 |
| **Cash flow from operating activities** | -138 | 1 078 | -135 | 858 | 1 470 |
| **Cash flow from investing activities:** | | | | | |
| Investments in intangible and tangible assets | -423 | -130 | -610 | -450 | -810 |
| Proceeds from sales of intangible and tangible assets | 64 | 42 | 122 | 60 | 173 |
| Acquisition of subsidiaries, net of cash | -185 | | -185 | -76 | -2 293 |
| Sale of subsidiaries, net of cash | | | | | 426 |
| Repayments of loans receivable | 4 | | 4 | | |
| **Cash flow from investing activities** | -539 | -88 | -669 | -466 | -2 504 |
| **Cash flow from financing activities:** | | | | | |
| Acquisition of own shares | -75 | -2 | -84 | -35 | -126 |
| Dividends paid | -429 | -323 | -469 | -380 | -422 |
| Dividends received | 21 | 8 | 123 | 8 | 8 |
| Cash paid for (received from) short-term investments (net) | -62 | 248 | -256 | 107 | -216 |
| Withdrawals of long- and short-term loans | 6 | | 616 | | 3 494 |
| Repayments of long- and short-term loans | -600 | -325 | -1 100 | -405 | -995 |
| **Cash flow from financing activities** | -1 139 | -394 | -1 169 | -705 | 1 743 |
| **Change in cash and cash equivalents** | -1 816 | 596 | -1 974 | -313 | 709 |
| **Cash and cash equivalents at the beginning of the period** | 5 180 | 3 719 | 5 337 | 4 628 | 4 628 |
| **Cash and cash equivalents at the end of the period** | 3 364 | 4 315 | 3 364 | 4 315 | 5 337 |

**Wulff Group Plc**
Manttaalitie 12
FI 01530 Vantaa

tel. +358 9 5259 0050
fax +358 9 3487 3420
info@wulff.fi

## STATEMENT OF CHANGES IN EQUITY

EUR 1000

| | Equity attributable to equity holders of the parent company | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share capital | Share premium fund | Fund for invested non-restricted equity | Retained earnings | Total | Minority interest | TOTAL |
| **Equity on Jan 1, 2009** | **2 650** | **7 662** | **223** | **8 196** | **18 731** | **1 137** | **19 868** |
| Comprehensive income * | | | | -405 | **-405** | 33 | **-372** |
| Dividends paid | | | | -329 | **-329** | -80 | **-409** |
| Treasury share acquisition | | | | -35 | **-35** | | **-35** |
| **Equity on June 30, 2009** | **2 650** | **7 662** | **223** | **7 428** | **17 963** | **1 090** | **19 053** |
| | | | | | | | |
| **Equity on Jan 1, 2009** | **2 650** | **7 662** | **223** | **8 196** | **18 731** | **1 137** | **19 868** |
| Comprehensive income * | | | | -797 | **-797** | 188 | **-609** |
| Dividends paid | | | | -329 | **-329** | -93 | **-422** |
| Treasury share acquisition | | | | -126 | **-126** | | **-126** |
| Divestment of subsidiaries | | | | | | -258 | **-258** |
| Changes in ownership | | | | | | 389 | **389** |
| **Equity on Dec 31, 2009** | **2 650** | **7 662** | **223** | **6 944** | **17 479** | **1 364** | **18 843** |
| | | | | | | | |
| **Equity on Jan 1, 2010** | **2 650** | **7 662** | **223** | **6 944** | **17 479** | **1 364** | **18 843** |
| Comprehensive income * | | | | -467 | **-467** | 143 | **-324** |
| Dividends paid | | | | -327 | **-327** | -142 | **-469** |
| Treasury share acquisition | | | | -84 | **-84** | | **-84** |
| Share-based payments | | | | 16 | **16** | | **16** |
| Changes in ownership | | | | | | -11 | **-11** |
| **Equity on June 30, 2010** | **2 650** | **7 662** | **223** | **6 082** | **16 617** | **1 354** | **17 971** |

* net of tax


**Wulff Group Plc**
Manttaalitie 12
FI 01530 Vantaa

tel. +358 9 5259 0050
fax +358 9 3487 3420
info@wulff.fi

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

| SEGMENT INFORMATION<br>EUR 1000 | II<br>2010 | II<br>2009 | I-II<br>2010 | I-II<br>2009 | I-IV<br>2009 |
|---|---|---|---|---|---|
| **Net sales by operating segments** | | | | | |
| Contract Customers Division | 19 952 | 9 720 | 37 549 | 21 274 | 57 346 |
| Direct Sales Division | 4 154 | 5 197 | 8 196 | 10 633 | 17 985 |
| Group Services | 363 | 602 | 716 | 1 009 | 986 |
| Intragroup eliminations between segments | -454 | -773 | -862 | -1 425 | -1 531 |
| **TOTAL NET SALES** | **24 016** | **14 746** | **45 600** | **31 491** | **74 785** |
| **Operating profit/loss by operating segments** | | | | | |
| Contract Customers Division | -105 | 190 | -66 | 334 | 658 |
| Direct Sales Division | -12 | -85 | 111 | -344 | 28 |
| Group Services and non-allocated items | -172 | -40 | -495 | -64 | -840 |
| **TOTAL OPERATING PROFIT/LOSS** | **-289** | **65** | **-450** | **-74** | **-154** |

| KEY FIGURES | II<br>2010 | II<br>2009 | I-II<br>2010 | I-II<br>2009 | I-IV<br>2009 |
|---|---|---|---|---|---|
| Net sales | 24 016 | 14 746 | 45 600 | 31 491 | 74 785 |
| Increase/Decrease in net sales, % | 62,9 % | -28,8 % | 44,8 % | -21,0 % | -1,8 % |
| EBITDA | 2 | 275 | 63 | 356 | 1 247 |
| EBITDA margin, % | 0,0 % | 1,9 % | 0,1 % | 1,1 % | 1,7 % |
| Operating profit/loss | -289 | 64 | -450 | -74 | -154 |
| Operating profit/loss margin, % | -1,2 % | 0,4 % | -1,0 % | -0,2 % | -0,2 % |
| Profit/Loss before taxes | -200 | 45 | -244 | -171 | -360 |
| Profit/Loss before taxes margin, % | -0,8 % | 0,3 % | -0,5 % | -0,5 % | -0,5 % |
| Net profit/loss for the period attributable to equity holders of the parent company | -134 | -55 | -374 | -366 | -782 |
| Net profit/loss for the period, % | -0,6 % | -0,4 % | -0,8 % | -1,2 % | -1,0 % |
| Earnings per share, EUR (diluted = non-diluted) | -0,02 | -0,01 | -0,06 | -0,06 | -0,12 |
| Return on equity (ROE), % | -0,9 % | -0,4 % | -1,4 % | -1,9 % | -3,3 % |
| Return on investment (ROI), % | -0,36 % | 0,46 % | -0,32 % | -0,04 % | 0,19 % |
| Equity-to-assets ratio at the end of period, % | 41,5 % | 54,9 % | 41,5 % | 54,9 % | 41,2 % |
| Debt-to-equity ratio at the end of period, % | 37,0 % | 17,7 % | 37,0 % | 17,7 % | 27,8 % |
| Equity per share at the end of period, EUR * | 2,55 | 2,73 | 2,55 | 2,73 | 2,67 |
| Investments in non-current assets | 423 | 121 | 610 | 483 | 915 |
| Investments in fixed assets, % of net sales | 1,8 % | 0,8 % | 1,3 % | 1,5 % | 1,2 % |

**Wulff Group Plc**
Manttaalitie 12
FI 01530 Vantaa

tel. +358 9 5259 0050
fax +358 9 3487 3420
info@wulff.fi

| | | | | | |
|---|---|---|---|---|---|
| Treasury shares held by the Group at the end of period | 89 456 | 27 648 | 89 456 | 27 648 | 69 022 |
| Treasury shares, % of total share capital and votes | 1,4 % | 0,4 % | 1,4 % | 0,4 % | 1,0 % |
| Number of total issued shares at the end of period | 6607628 | 6607628 | 6607628 | 6607628 | 6607628 |
| Personnel on average during the period | 372 | 393 | 372 | 393 | 392 |
| Personnel at the end of period | 383 | 373 | 383 | 373 | 372 |

* Equity attributable to the equity holders of the parent company / Number of shares excluding the acquired own shares

| **QUARTERLY KEY FIGURES** | II 2010 | I 2010 | IV 2009 | III 2009 | II 2009 | I 2009 |
|---|---|---|---|---|---|---|
| Net sales, EUR 1000 | 24 016 | 21 584 | 25 724 | 17 570 | 14 746 | 16 745 |
| EBITDA, EUR 1000 | 2 | 61 | 824 | 66 | 275 | 82 |
| Operating profit/loss, EUR 1000 | -289 | -160 | 349 | -428 | 64 | -139 |
| Profit/Loss before taxes, EUR 1000 | -200 | -43 | 300 | -488 | 45 | -217 |
| Net profit/loss for the period, EUR 1000 | -134 | -240 | 165 | -581 | -55 | -311 |
| Earnings per share, EUR (diluted = non-diluted) | -0,02 | -0,04 | 0,02 | -0,09 | -0,01 | -0,05 |

| **RELATED PARTY TRANSACTIONS** EUR 1000 | II 2010 | II 2009 | I-II 2010 | I-II 2009 | I-IV 2009 |
|---|---|---|---|---|---|
| Purchases from related parties | 0 | 0 | 0 | 0 | 0 |
| Loan receivables from related parties (management of subsidiaries) at the end of period | 558 | 571 | 558 | 571 | 562 |

| **COMMITMENTS** EUR 1000 | June 30 2010 | Dec 31 2009 |
|---|---|---|
| Mortgages and guarantees on own behalf | 0 | 0 |
| Business mortgage for the Group's loan liabilities | 6 850 | 6 850 |
| Real estate pledge for the Group's loan liabilities | 900 | 900 |
| Shares and other assets pledged as security for group companies' liabilities | 3 634 | 3 634 |
| Pledges and guarantees given for the group companies' off-balance sheet commitments | 227 | 226 |
| Guarantees given on behalf of third parties | 280 | 280 |
| Minimum future operating lease payments | 7 209 | 4 397 |

**Wulff Group Plc**
Manttaalitie 12
FI 01530 Vantaa

tel. +358 9 5259 0050
fax +358 9 3487 3420
info@wulff.fi

**Accounting principles applied in the condensed consolidated financial statements**

These condensed consolidated financial statements are unaudited. This interim report has been prepared in accordance with IAS 34 following the valuation and accounting methods guided by IFRS principles. The accounting principles used in the preparation of this interim report are consistent with those adopted in the preparation of the Annual Report 2009 taking into account also the new, revised and amended standards and interpretations. Adoption of the amended standards IFRS 3 (Business Combinations) and IAS 27 (Consolidated and Separate Financial Statements) impacted the accounting of minority interests and the amendments will affect the future business combinations significantly. Adopting the amendments in IFRS 2 and IAS 39 as well as the new interpretations IFRIC 17 and IFRIC 18 did not have a material impact on the information presented in this interim report.

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.

In the financial statement 2009, the errors concerning previous years were corrected in the equity as of January 1, 2009, which has been taken into account accordingly in the comparable equity and key figures of 2009 presented in this interim condensed consolidated financial statement.

The Group's ownership in Wulff Supplies Ab increased by one percentage in the end of June 2010 when the parent company acquired the shares of an employee leaving Wulff Supplies. As the acquisition price was based the share of the equity, the transaction did not impact the Group's financial result. After the review period in August, the parent company sold the one-percentage ownership to Wulff Supplies Ab's new key employee, which will not impact the Group's financial result.

Closing of the small direct sales operations in Lithuania during the summer 2010 does not have a material impact on the Group's net sales, financial performance or financial status and thus it is not presented separately as discontinued operations based on IFRS 5.

The TyEL pension premium loans withdrawn in summer 2009 have a bank guarantee which margin is linked to the covenants regarding the equity ratio and the interest-bearing debt/operating profit ratio. In 2009, the covenant was 35 % for the equity ratio and 5 for the interest-bearing debts/operating profit ratio. Based on the adopted financial statements 2009, the covenant for the interest-bearing debt/operating profit ratio was violated but the breakage has been agreed with the bank with no consequences for the Group.

The Group has no knowledge of any significant events after the end of the interim period that would have had a material impact on this interim report in any other way that has been already discussed in the interim review by the Board of Directors.

In Vantaa on August 10, 2010

WULFF GROUP PLC
BOARD OF DIRECTORS

Further information:
CEO Heikki Vienola
tel. +358 9 5259 0050 or mobile: +358 50 65 110
e-mail: heikki.vienola@wulff.fi

DISTRIBUTION
NASDAQ OMX Helsinki Oy
Key media
www.wulff-group.com