WULFF GROUP PLC
HALF-YEAR FINANCIAL REPORT August 4, 2016 at 9:00 A.M.

WULFF GROUP PLC'S HALF-YEAR FINANCIAL REPORT FOR JANUARY 1 – JUNE 30, 2016

OPERATING PROFIT AND COMPARABLE OPERATING PROFIT IMPROVED DURING THE SECOND QUARTER

JANUARY – JUNE 2016 BRIEFLY

- Net sales totalled EUR 30.1 million (EUR 35.4 million). Net sales decreased by 15.1 percentages from the previous year.
- EBITDA was EUR 0.3 million (EUR 0.6 million). Comparable EBITDA was EUR 0.1 million (EUR 0.8 million).
- Operating profit (EBIT) was EUR 0.1 (EUR -0.4 million). Comparable operating profit (EBIT) amounted to EUR -0.1 million (EUR 0.4 million).
- Earnings per share (EPS) were EUR -0.01 (EUR -0.14).
- Equity-to-assets ratio increased to 48.6 percentages during the first half of the financial year (December 31, 2015: 46.4 %).
- Wulff repeats its guidance: the operating profit for 2016 is estimated to be positive.

APRIL – JUNE 2016 BRIEFLY

- Net sales totalled EUR 14.6 million (EUR 16.3 million). Net sales decreased by 10.3 percentages from the previous year.
- EBITDA was EUR 0.5 million (EUR 0.3 million). Comparable EBITDA was EUR 0.4 million (EUR 0.4 million).
- Operating profit (EBIT) was EUR 0.4 million (EUR -0.6 million). Comparable operating profit (EBIT) was EUR 0.3 million (EUR 0.2 million).
- Earnings per share (EPS) were EUR 0.04 (EUR -0.12).

WULFF GROUP'S CHAIRMAN OF THE BOARD OF DIRECTORS HEIKKI VIENOLA

Wulff Group's Chairman of the Board of Directors Heikki Vienola:

"Our business has developed positively during the second quarter of the financial year. We have invested in our competitiveness and renewed our operations – the increase in our operating profit during the second quarter of the financial year is the result of our customer-oriented and cost-efficient way of operating, even though our net sales decreased in comparison with the first half-year period of 2015. Focusing on our core business field has been the right decision in a tough market situation. We believe that 2016 as a whole will be positive for us. Domesticity, localness, listening to customers, and developing our operations together with our customers are important factors for us in building our future success. Over the remainder of this year, we will especially focus on growing our customer base."

GROUP'S NET SALES AND RESULT PERFORMANCE

In January-June 2016 net sales totalled EUR 30.1 million (EUR 35.4 million), and EUR 14.6 million (EUR 16.3 million in the second quarter. The decrease in net sales compared to the previous year was affected by the general economic situation, the decrease in the products' demand and divesting the unprofitable business gifts business. In January-June 2016 EBITDA was EUR 0.3 million (EUR 0.6 million) being 1.1 percentages (1.8 %) of net sales, and EUR 0.5 million (EUR 0.3 million) in the second quarter. In January-June 2016 the comparable EBITDA amounted to EUR 0.1 million (EUR 0.8 million) and EUR 0.4 million (EUR 0.4 million) in the second quarter. The January-June 2016 EBITDA included a car sales profit of EUR 0.2 million and of EUR 0.1 million in the second quarter that affected comparability. In 2015, the comparability of the second quarter EBITDA was affected by write-downs of inventories and fixed assets of EUR 0.2 million in January-June 2015 and 0.2 million in the second quarter relating to the business gifts business.

In January-June 2016 the operating profit (EBIT) amounted to EUR 0.1 million (EUR -0.4 million) being 0.4 percentages (-1.3 percentages) of net sales, and EUR 0.4 million (EUR -0.6 million) in the second quarter. In January-June 2016 the comparable operating profit (EBIT) amounted to EUR -0.1 million (EUR 0.4 million) and EUR 0.3 million (EUR 0.2 million) in the second quarter. The January-June 2016 operating profit included a car sales profit of EUR 0.2 million and EUR 0.1 million in the second quarter that affected comparability. The comparability of the second quarter 2015 EBIT was affected by write-downs of inventories and fixed assets of EUR 0.2 million and a write-down of goodwill of EUR 0.7 million in

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January-June 2015 and in the second quarter relating to the business gifts business. The comparable operating profit improved by EUR 0.1 million in the second quarter from the previous year. Successful performance increasing measures and cost savings have had a positive effect on profitability. The comparable operating profit was EUR 0.4 million weaker than the previous year due to the decrease in net sales in the first quarter. Typically in the industry and in the Group, the profit and cash flow are generated in the last quarter of the year.

In January-June 2016 employee benefit expenses amounted to EUR 6.8 million (EUR 7.2 million), and EUR 3.4 million (EUR 3.5 million) in the second quarter. Other operating expenses amounted to EUR 3.8 million (EUR 4.2 million) in January-June 2016, and EUR 1.9 million (EUR 1.9 million) in the second quarter. Employee benefit and other operating expenses were still affected by the implemented successful cost-saving measures. To improve its profitability, Wulff Group continues to examine its cost structure as part of ongoing reforms.

In January-June 2016 the financial income and expenses totalled (net) EUR -0.2 million (EUR -0.03 million) including interest expenses of EUR 0.1 million (EUR 0.1 million) and mainly currency-related other financial items (net) EUR -0.1 million (EUR 0.07 million). In the second quarter, the financial income and expenses (net) totalled EUR -0.1 million (EUR -0.03 million).

In January-June 2016 the result before taxes was EUR -0.04 million (EUR -0.5 million), and EUR 0.3 million (EUR -0.7 million) in the second quarter. In January-June 2016 the net profit was EUR -0.1 million (EUR -0.9 million), and EUR 0.3 million (EUR -0.7 million) in the second quarter. Earnings per share (EPS) were EUR -0.01 (EUR -0.14) in January-June 2016, and EUR 0.04 (EUR -0.12) in the second quarter.

CONTRACT CUSTOMERS DIVISION

The Contract Customers Division is the customer's comprehensive partner in the field of office supplies, IT supplies and international fair services. Wulff Group sold its promotional gifts business that was previously part of the contract customers division to IDÉ House of Brands Finland Oy in May 2015. As a result of the sale, non-recurring write-downs of EUR -0.9 million were recognised in the second quarter 2015.

In January-June 2016 the division's net sales totalled EUR 25.2 million (EUR 30.2 million), and EUR 12.1 million (EUR 13.7 million) in the second quarter. Due to the general economic situation, the decrease in the products' demand, and the divestment of the unprofitable business gifts business, net sales declined by EUR 5.1 million in January-June 2016 and EUR 1.6 million in the second quarter 2016.

In January-June 2016 the operating profit (EBIT) was EUR 0.1 million (EUR -0.4 million), and EUR 0.5 million (EUR -0.6 million) in the second quarter. The comparability of the Contract Customer Division's 2015 operating profit was affected by a goodwill write-down of EUR 0.7 million and inventory and fixed assets write-downs of EUR 0.2 million recognised in the second quarter. In January-June 2016 the comparable operating profit (EBIT) was EUR 0.1 million (EUR 0.5 million), amounting to a decrease of EUR 0.4 million from the previous year. In the second quarter 2016, the comparable operating profit (EBIT) was EUR 0.5 million (EUR 0.3 million), amounting to an increase of EUR 0.2 million from the previous year. Focusing on the core business field has been the right decision. By continuously developing the business to be more cost-efficient and renewing our services together with our customers, it is possible to offer customers state-of-the-art services and new, interesting products and solutions in a commercially sound manner for all.

Wulff is the market leader in its core business field. The small stationary store founded in 1890 has grown, developed, and renewed itself together with its customers. In addition to traditional office supplies, companies buy for example facility management products and cafeteria supplies through timesaving channels. Wulff's third best-selling product is coffee, which is a good indicator of the evolution in purchasing. Wulff's MiniBar, a refill and shelving service, is a popular solution to the maintenance of office supplies. Already, Finnish companies have hundreds of MiniBars in use and the number is constantly growing.

The office supplies market has declined slightly in Scandinavia. The net sales of Wulff Supplies, which serves customers in Sweden, Norway, and Denmark, decreased but its profitability improved in January-June 2016. The position of the Wulff Group is strong in the Scandinavian market. Wulff Supplies serves the Group's Scandinavian and Nordic customers.

The Group's non-exclusive domestic webstore, Wulff.fi, serves customers significantly more diversely than its competitors do. In particular, the webstore serves small and medium-sized companies and the webstore is constantly developed by Wulff.

International fair services are part of Wulff's business. Wulff Entre's investments in sales and its development have resulted in both stronger customer relationships and an increase in clientele in Finland but also in Germany, Sweden, Norway, and Russia. In 2016, Wulff Entre will export Finnish companies' expertise to more than 30 countries. Wulff Entre is the market leader in its field in Finland and there has been a solid trust in Wulff Entre's ability to find the right international venues for over 90 years.

DIRECT SALES DIVISION

The Direct Sales Division's aim is to help its customers by offering the best novelties and ideas in the market and the most professional, personal, and local service and sales network. In January-June 2016 the division's net sales totalled EUR 4.9 million (EUR 5.2 million), and EUR 2.5 million (EUR 2.5 million) in the second quarter. The operating profit was EUR 0.2 million (EUR 0.1 million). The half-year financial period did not include items affecting the comparability. The division's operations have been enhanced according to strategy and its profitability increased slightly in January-June 2016.

The Direct Sales Division will continue improving its profitability by concentrating on profitable product and service fields, by practicing efficient cost control, and by optimizing the operations' efficiency. During the half-year financial period, the Scandinavian Direct Sales Division was reformed to better respond to the current market situation. Focusing on profitable product and service fields means strong investment in the development of the chosen product and service ranges. In direct sales, personal contact with the customer is emphasized and Wulff stands out amongst its competitors with its domesticity and locality.

The Direct Sales Division offers customers a large product range of different ergonomics and first aid products and products improving work safety in addition to innovative office supplies. Scandinavian companies are increasingly investing in ergonomics and first aid products due to the constantly aging workforce. Office work will account for an ever-increasing part of all labour and that is why companies are also proactively investing in good workplace ergonomics. With good workplace ergonomics, it is possible to achieve significant savings due to the diminution of sick leaves. The division offers a personal service to its clients where the product concept is always built together with the clients to meet their needs.

Wulff is known for being the workplace of successful salespersons. More and more great executive leaders have experience and expertise in sales, and there is growing appreciation of sales skills in our society today. Successful recruiting and number of sales representatives have a significant effect on the performance of the Direct Sales Division. In 2016, Wulff has the readiness to employ numerous new talents to grow into sales experts and new sales talents are now being recruited for fall 2016 start-offs. 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.

FINANCING, INVESTMENTS AND FINANCIAL POSITION

In January-June 2016 the cash flow from operating activities was EUR -0.1 million (EUR -0.04 million), and EUR 0.6 million (EUR 1.3 million) in the second quarter. In this industry, it is typical that the result and cash flow are generated in the last quarter.

In January-June 2016 the cash flow from car sales amounted to EUR 0.3 million and from sale of business EUR 0.5 million. The cash flow from investing amounted to EUR 0.9 million (EUR 0.1 million).

In January-June 2016 a dividend of EUR 0.7 million was paid of which EUR 0.6 million was paid to the owners of the parent company and EUR 0.1 million was paid to minority shareholders of the Group. In January-June 2015 a dividend of EUR 0.01 million was paid to minority shareholders of the Group. In January-June 2016 long-term loans were repaid of EUR 0.4 million (EUR 0.8 million) and short-term loans (credit limit) of EUR 0.2 million (EUR 1.0 million). The cash flow from financing amounted to -1.4 million (EUR -1.8 million) in January-June 2016.

The Group's cash balance decreased by EUR 0.6 million in January-June 2016 (EUR -1.7 million). The Group's bank and cash funds totalled EUR 1.2 million in the beginning of the year and EUR 0.6 million at the end of the reporting period. At the end of June 2016, the Group's equity-to-assets ratio was 48.6 percentages (December 31, 2015: 46.4 %). Equity attributable to the equity holders of the parent company was EUR 1.73 per share (December 31, 2015: EUR 1.84).

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. At the end of the reporting period, the share was valued at EUR 1.59 (EUR 1.44) and the market capitalization of the outstanding shares totalled EUR 10.4 million (EUR 9.4 million).

In January-June 2016 no own shares were reacquired. At the end of June 2016, the Group held 79,000 (June 30, 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. Wulff Group Plc's annual general meeting held on April 7, 2016, decided to pay dividend of EUR 0.10 per share.

PERSONNEL

In January-June 2016 the Group's personnel totalled 221 (236) employees on average. At the end of June, the Group had 216 (233) employees of which 80 (96) persons were employed in Sweden, Norway, Denmark or Estonia.

The majority, 58 percentages, of the Group's personnel works in sales operations and 42 percentages of the employees work in sales support, logistics and administration. 50 percentages of the personnel are women and 50 percentages are men.

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The demand for office supplies is strongly affected by the general economic development. During the economic downturn, organizations' personnel lay-offs and cost-saving initiatives affect the purchasing behaviour of corporate customers. As the ongoing economic uncertainty continues, the cost saving measures will have an effect on the ordering behaviour of corporate customers. The decrease and changes in the allocation criteria of the internationalization subsidies granted by the Ministry of Employment and the Economy affect companies' chances of taking part in 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 AFTER THE REPORTING PERIOD

The Group has not had any significant events after the reporting period.

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 suitable to them. The markets have been consolidating in the past few years and the Nordic markets are expected to consolidate in the future as well. Wulff is prepared to carry out new strategic acquisitions and as a listed company, Wulff is in a good position to be a more active player than its competitors.

Wulff does not believe the demand for office supplies to increase quickly. As the uncertainty continues, it is important to continue to go through the cost structure and enhance the company's operations. Wulff's goal is to continue to improve the profitability of its business operations. Wulff estimates the 2016 result to be positive. In the industry, it is typical that the result and cash flow are generated in the last quarter.

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WULFF GROUP PLC'S FINANCIAL REPORTING

Wulff Group Plc will release the following financial reports in 2016:

Interim Report, January-September 2016	Thursday November 3, 2016

In Helsinki on August 3, 2016

WULFF GROUP PLC
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HALF-YEAR FINANCIAL REPORT, TABLE PART 1.1. - 30.6.2016

The information presented in the report has not been audited.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IFRS)	II	II	I-II	I-II	I-IV
EUR 1000	2016	2015	2016	2015	2015
Net sales	**14 595**	**16 265**	**30 085**	**35 439**	**68 820**
Other operating income	192	137	309	225	407
Materials and services	-9 026	-10 755	-19 420	-23 569	-45 656
Employee benefit expenses	-3 376	-3 450	-6 829	-7 226	-13 506
Other operating expenses	-1 866	-1 946	-3 821	-4 236	-8 046
EBITDA	**519**	**252**	**325**	**633**	**2 019**
Depreciation and amortization	-100	-167	-218	-363	-656
Impairment	0	-716	0	-716	-859
Operating profit/loss	**419**	**-631**	**106**	**-446**	**505**
Financial income	2	19	1	102	83
Financial expenses	-103	-44	-154	-132	-234
Profit/Loss before taxes	**318**	**-656**	**-47**	**-475**	**354**
Income taxes	-25	-45	-12	-418	-559
Net profit/loss for the period	**293**	**-701**	**-59**	**-893**	**-205**
Attributable to:					
Equity holders of the parent company	280	-796	-81	-886	-195
Non-controlling interest	12	96	22	-7	-10
Earnings per share for profit attributable to					
the equity holders of the parent company:					
Earnings per share, EUR	0,04	-0,12	-0,01	-0,14	-0,03
(diluted = non-diluted)					
CONDENSED CONSOLIDATED STATEMENT OF OCI	II	II	I-II	I-II	I-IV
EUR 1000	2016	2015	2016	2015	2015
Net profit/loss for the period	**293**	**-701**	**-59**	**-893**	**-205**
Other comprehensive income which may be reclassified to profit or loss subsequently (net of tax)					
Change in translation differences	-42	3	-25	65	23
Fair value changes on available-for-sale investments	0	0	0	16	15
Total other comprehensive income	**-42**	**3**	**-25**	**81**	**38**
Total comprehensive income for the period	**251**	**-698**	**-84**	**-812**	**-167**
Total comprehensive income attributable to:					
Equity holders of the parent company	265	-797	-82	-806	-153
Non-controlling interest	-14	99	-2	-6	-14

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS) EUR 1000	June 30, 2016	June 30, 2015	Dec 31, 2015
ASSETS			
Non-current assets			
Goodwill	6 873	7 068	6 916
Other intangible assets	347	564	441
Property, plant and equipment	570	866	453
Non-current financial assets			
Interest-bearing financial assets	35	35	35
Non-interest-bearing financial assets	57	121	121
Deferred tax assets	1 252	1 332	1 214
Total non-current assets	**9 135**	**9 986**	**9 180**
Current assets			
Inventories	7 406	7 349	7 631
Current receivables			
Interest-bearing receivables	17	16	20
Non-interest-bearing receivables	8 945	11 287	10 136
Financial assets recognised at fair value through profit/loss	615	677	1 201
Cash and cash equivalents	0	0	347
Assets held for sale	**16 982**	**19 329**	**19 334**
Total current assets			
TOTAL ASSETS	**26 117**	**29 315**	**28 514**
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	735	810	1 466
Non-controlling interest	481	585	577
Total equity	**11 751**	**11 930**	**12 579**
Non-current liabilities			
Interest-bearing liabilities	2 332	2 720	2 824
Deferred tax liabilities	37	20	37
Total non-current liabilities	**2 369**	**2 740**	**2 861**
Current liabilities			
Interest-bearing liabilities	1 235	2 700	1 421
Short-term provisions	0	6	0
Non-interest-bearing liabilities	10 762	11 939	11 653
Total current liabilities	**11 997**	**14 644**	**13 074**
TOTAL EQUITY AND LIABILITIES	**26 117**	**29 315**	**28 514**

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)	II	II	I-II	I-II	I-IV
EUR 1000	2016	2015	2016	2015	2015
Cash flow from operating activities:					
Cash received from sales	13 977	16 289	30 730	36 753	71 128
Cash received from other operating income	46	76	105	164	391
Cash paid for operating expenses	-13 404	-15 028	-30 872	-36 777	-69 723
Cash flow from operating activities before financial items and income taxes	**619**	**1 337**	**-29**	**139**	**1 796**
Interest paid	9	-25	-58	-128	-187
Interest received	4	6	9	13	33
Income taxes paid	-45	-31	16	-61	51
Net cash flow from operating activities	**587**	**1 287**	**-62**	**-36**	**1 693**
Cash flow from investing activities:					
Proceeds from sales of available for sale financial assets	0	0	0	20	20
Investments in intangible and tangible assets	0	22	-58	-15	-143
Proceeds from sales of intangible and tangible assets	215	118	326	124	161
Sale of business	8	0	536	0	106
Proceeds from sale of other long-term investments	77	0	77	0	0
Repayments of loans receivable	0	1	1	1	-3
Net cash flow from investing activities	**301**	**141**	**883**	**130**	**141**
Cash flow from financing activities:					
Dividends paid	-744	-5	-744	-5	-5
Payment for the partial interest in a subsidiary that does not involve loss of control	0	-2	0	-2	0
Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control	0	0	1	0	-2
Repayments of finance lease liabilities	-15	-25	-29	-42	-71
Withdrawals and repayments of short-term loans	-386	-754	-234	-1 008	-1 865
Withdrawals of long-term loans	0	0	0	0	3 062
Repayments of long-term loans	-193	-555	-416	-753	-4 133
Net cash flow from financing activities	**-1 339**	**-1 341**	**-1 422**	**-1 810**	**-3 012**
Change in cash and cash equivalents	**-460**	**87**	**-610**	**-1 717**	**-1 176**
Cash and cash equivalents at the beginning of the period	1 060	604	1 201	2 422	2 422
Translation difference of cash	15	-15	24	-29	-45
Cash and cash equivalents at the end of the period	615	677	615	677	1 201

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CONDENSED CONSOLIDATED 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	Own shares	Translation differences	Fair value fund	Retained earnings	**Total**	Non-controlling interest	**TOTAL**
Equity on Jan 1, 2015	**2 650**	**7 662**	**223**	**-260**	**-426**	**-15**	**2 867**	**12 700**	**43**	**12 744**
Net profit / loss for the period							-886	**-886**	-7	**-893**
Other comprehensive income (net of taxes):										
Change in translation diff					64			**64**	1	**65**
Fair value changes on available-for-sale investments						15		**15**		**15**
Comprehensive income (net of taxes)					**64**	**15**	**-886**	**-806**	**-6**	**-812**
Dividends paid									-5	**-5**
Share- based payments							4	**4**		**4**
Changes in NCI which did not lead to loss of control							-553	**-553**	553	**0**
Equity on June 30, 2015	**2 650**	**7 662**	**223**	**-260**	**-362**	**0**	**1 433**	**11 345**	**585**	**11 930**
Equity on Jan 1, 2016	**2 650**	**7 662**	**223**	**-260**	**-400**	**0**	**2 128**	**12 002**	**577**	**12 579**
Net profit / loss for the period							-81	**-81**	22	**-59**
Other comprehensive income (net of taxes):										
Change in translation diff					-1			**-1**	-24	**-25**
Comprehensive income (net of taxes)					**-1**		**-81**	**-82**	**-2**	**-84**
Dividends paid							-653	**-653**	-91	**-744**
Changes in NCI which lead to loss of control							4	**4**	-4	**0**
Equity on June 30, 2016	**2 650**	**7 662**	**223**	**-260**	**-401**	**0**	**1 398**	**11 271**	**480**	**11 751**

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NOTES TO THE CONSOLIDATED HALF-YEAR FINANCIAL REPORT

1. BASIS OF PREPARATION

This half-year financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles used in the preparation of this report are consistent with those described in the 2015 IFRS Consolidated Financial Statements, with the exception of the changes to the IFRS standards effective and adopted as of 1 January 2016. The changes are described in the 2015 IFRS Consolidated Financial Statements. The changes do not have a significant effect on the half-year financial report.

The Group provides comparable EBITDA and comparable operating profit in order to provide useful and comparable information of its operative business performance starting this half-year financial period. Instead of using non-recurring items as a term Group uses items affecting comparability (IAC). The comparable EBITDA and the comparable operating profit do not include items affecting comparability. Items affecting comparability are exceptional transactions that are unrelated to normal business operations, such as the sale of company cars, sale of subsidiaries and write downs of goodwill, inventories and fixed assets related to divesting of business gifts business.

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.

All figures are presented as thousands of euros and have been rounded to the nearest thousand euros.

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 at the end of each financial year. The covenants are reported on a yearly basis. In the half-year financial report as of June 30, 2016, the Group's interest-bearing liabilities have been presented in non-current and current liabilities based on the loans' maturities.

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

2. CHANGES IN GROUP STRUCTURE

Sell of a subsidiary

In January 2016, the Group sold a 50 percent shareholding of KB Eesti OÜ for the price of 1 thousand euros. Before the sale, the Group had a 60 percent shareholding. The book value of the sold net assets was -15 thousand euros. The sale realized in a profit of 9 thousand euros.

Changes in the shares of minority shareholders

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

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.

3. SEGMENT INFORMATION

	II	II	I-II	I-II	I-IV
EUR 1000	2016	2015	2016	2015	2015
Net sales by operating segments					
Contract Customers Division	12 130	13 724	25 173	30 248	59 305
Direct Sales Division	2 501	2 527	4 946	5 152	9 437
Group Services	95	115	215	236	515
Intersegment eliminations	-131	-101	-249	-197	-436
TOTAL NET SALES	**14 595**	**16 265**	**30 085**	**35 439**	**68 820**
Operating profit/loss by segments					
Contract Customers Division	472	88	114	276	1 575
Goodwill impairment	0	-700	0	-700	-700
Contract Customers Division total	472	-612	114	-424	875
Direct Sales Division	22	27	181	111	108
Goodwill impairment	0	0	0	0	-143
Direct Sales Division	22	27	181	111	-35
Group Services and non-allocated items	-76	-45	-189	-132	-336
TOTAL OPERATING PROFIT/LOSS	**419**	**-631**	**106**	**-446**	**505**

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4. KEY FIGURES

	II	II	I-II	I-II	I-IV
EUR 1000	2016	2015	2016	2015	2015
Net sales	14 595	16 265	30 085	35 439	68 820
Change in net sales, %	-10,3 %	-7,1 %	-15,1 %	-5,0 %	-7,3 %
EBITDA	519	252	325	633	2 019
EBITDA margin, %	3,6 %	1,5 %	1,1 %	1,8 %	2,9 %
Operating profit/loss	419	-631	106	-446	505
Operating profit/loss margin, %	2,9 %	-3,9 %	0,4 %	-1,3 %	0,7 %
Profit/Loss before taxes	318	-656	-47	-475	354
Profit/Loss before taxes margin, %	2,2 %	-4,0 %	-0,2 %	-1,3 %	0,5 %
Net profit/loss for the period attributable to equity holders of the parent company	280	-796	-81	-886	-195
Net profit/loss for the period, %	1,9 %	-4,9 %	-0,3 %	-2,5 %	-0,3 %
Earnings per share, EUR (diluted = non-diluted)	0,04	-0,12	-0,01	-0,14	-0,03
Return on equity (ROE), %	2,4 %	-5,7 %	-0,5 %	-7,2 %	-1,6 %
Return on investment (ROI), %	3,1 %	-4,0 %	0,1 %	-2,0 %	2,7 %
Equity-to-assets ratio at the end of period, %	48,6 %	44,3 %	48,6 %	44,3 %	46,4 %
Debt-to-equity ratio at the end of period	24,7 %	39,3 %	24,7 %	39,3 %	23,8 %
Equity per share at the end of period, EUR *	1,73	1,74	1,73	1,74	1,84
Net cash flow from operating activities	587	1 287	-62	-36	1 693
Investments in non-current assets	0	44	26	138	161
Investments in non-current assets, % of net sales	0,0 %	0,3 %	0,1 %	0,4 %	0,2 %
Treasury shares held by the Group at the end of period	79 000	79 000	79 000	79 000	79 000
Treasury shares, % of total share capital and votes	1,2 %	1,2 %	1,2 %	1,2 %	1,2 %
Number of total issued shares at the end of period	6 607 628	6 607 628	6 607 628	6 607 628	6 607 628
Personnel on average during the period	217	247	221	236	233
Personnel at the end of period	216	233	216	233	226

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

QUARTERLY KEY FIGURES	II	I	IV	III	II	I	IV	III
EUR 1000	2016	2016	2015	2015	2015	2015	2014	2014
Net sales	14 595	15 490	18 585	14 796	16 265	19 174	20 471	16 502
EBITDA	519	-194	807	579	252	381	2 067	-92
Operating profit/loss	419	-312	521	429	-631	185	1 831	-335
Profit/Loss before taxes	318	-365	558	272	-656	180	1 517	-412
Net profit/loss for the period attributable to the equity holders of the parent company	280	-362	520	172	-796	-90	1 420	-312
Earnings per share, EUR (diluted = non-diluted)	0,04	-0,06	0,08	0,03	-0,12	-0,01	0,22	-0,05

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5. RELATED PARTY TRANSACTIONS

	II	II	I-II	I-II	I-IV
EUR 1000	2016	2015	2016	2015	2015
Sales to related parties	12	54	22	86	110
Purchases from related parties	23	22	50	55	102
Current non-interest-bearing receivables from related parties	0	1	0	1	0

The terms concerning related party transactions correspond to the stipulations that are adhered to in independent party transactions.

6. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

EUR 1000	June 30, 2016	June 30, 2015	Dec 31, 2015
Mortgages and guarantees on own behalf			
Business mortgage for the Group's loan liabilities	10 850	10 850	10 850
Business mortgage, free	900	900	900
Subsidiary shares pledged as security for group companies' liabilities	6 953	6 953	6 953
Pledges and guarantees given for the group companies' off-balance sheet commitments	147	175	143
Guarantees given on behalf of others	0	118	0
Minimum future operating lease payments	3 306	3 793	2 949

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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)
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
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

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