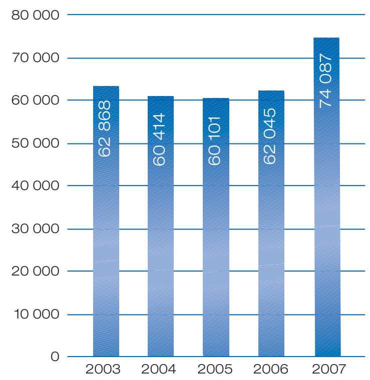
beltton annual report **2007**

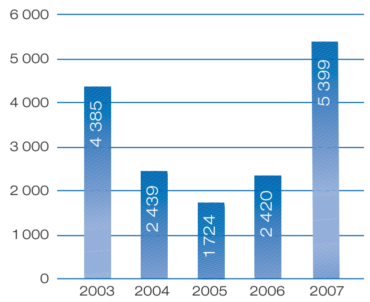
beltton-group plc financial statements **2007**

beltton in figures

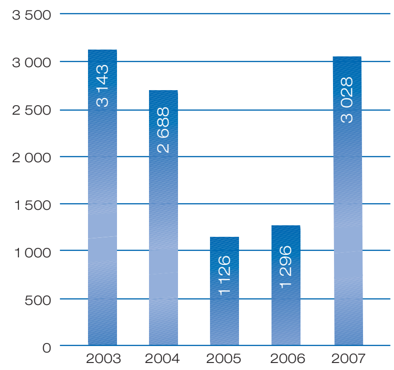
turnover 1 000 eur



operating profit 1 000 eur



profit for the period 1 000 eur



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The financial statements for the parent company Beltton-Group Plc are published in full at www.beltton.com.

report of the board of directors

Beltton-Group's net sales for 2007 were up 19.4 per cent over the previous year and amounted to EUR 74.1 million (EUR 62.0 million in 2006). The Group's operating profit, including one-off items, was up 123.1 per cent to EUR 5.40 million (EUR 2.42 million). Operating profit, excluding one-off items, was EUR 2.30 million. Profit before extraordinary items rose by 105.2% to EUR 4.55 million (EUR 2.22 million). Net profit was up 133.6 per cent, totalling EUR 3.03 million (EUR 1.30 million), and earnings per share (EPS) increased to EUR 0.47 (EUR 0.20). The Board of Directors proposes a dividend of EUR 0.18 per share (EUR 0.12 per share).

The Group's profit for 2007, including one-off items, increased from the previous year due to the one-off sales profit of EUR 3.50 million from the Beltton facilities sold in November. Operating profit was decreased by a one-off EUR 400 thousand write-down on the goodwill generated by the acquisition of Entre Marketing Ltd.

turnover

Beltton's turnover increased by 19.4% over the previous year, amounting to EUR 74.1 million (EUR 62.0 million). Turnover grew organically by more than 10%, the remaining part of growth coming from the acquisition of Entre Marketing Ltd in May. Of the Group's product groups, especially office supplies saw good sales growth. Operations were profitable in all of the countries where the company is present (Finland, Sweden, Norway and Estonia).

Business activities were broadened in Finland during the financial period with the acquisition of Entre Marketing Ltd through which Beltton's product and service assortment grew with trade fair and event marketing services.

Beltton-Group's sales development was positive in 2007. The customer acquisition strategy of Wulff Oy Ab, a vendor of office and computer supplies, and its emphasis on contract customers showed in the strong turnover in 2007. The new contract customers are expected to boost both sales and revenues also in the future. The Scandinavian subsidiaries also developed very positively in terms of sales and profitability.

operating environment

The markets for office supplies have been growing at a steady annual rate of a few per cent in recent years. Growth remained much the same in 2007. Market growth in Finland was approximately three per cent, in Sweden four per cent, in Norway two per cent and in Estonia over ten per cent. The Estonian market is expected to continue to grow faster than the Scandinavian market.

The centralisation trend seen in recent years continued in 2007. In March 2007, Penninn, an Icelandic office supplies company, acquired Tamore, a Finnish office supplies distributor. In April 2007, Corporate Express, a Dutch office supplies company previously known as Buhrmann N.V., acquired Møller & Landschultz A/S, a Danish office supplies company.

business and key events

On 9 May 2007, Beltton-Group Plc acquired a majority shareholding in Entre Marketing Ltd. Previously owned by Finpro ry and key personnel of the Entre group, Entre Marketing Ltd posted a turnover of EUR 13.3 million (pro forma) in 2006 and an operating profit of EUR 0.35 million (pro forma). The consolidated balance sheet total on 31 December 2006 was EUR 5.6 million, of which shareholders' equity accounted for EUR 0.9 million. The transaction transferred 47 employees, 21 of whom were sales representatives, to Beltton. The sale price of the acquired majority holding, EUR 2.7 million, was paid entirely in cash.

As a result of the acquisition, Beltton's service offering expanded with international fair and event marketing services. Entre is Finland's market leader in its sector and last year Entre prepared 740 stands for fairs held in 32 countries. Atmos Tuotanto Ltd, a wholly owned subsidiary of Entre Marketing, was merged with Entre at the end of July.

Harri Kaasinen was appointed CEO of Entre Marketing as of 1 October 2007. The appointment also made Kaasinen a member of the Beltton-Group's Group Management. The appointment of a new CEO aims to reinforce sales competence and improve the efficiency of operations.

In November, Beltton-Group sold its facilities and land in Vantaa, Finland, to Alpha I Oy, a Finnish subsidiary of the Danish company EU Invest A/S. The value of the transaction was EUR 6.1 million, and the one-off profit from it was EUR 3.5 million. The profit was entered under other operating income for the fourth quarter. The size of the facilities was 4,460 sq. metres and that of the land 7,943 sq. metres. The Group's subsidiaries continue to work in the facilities as long-term tenants. Beltton still owns 10,052 sq. metres of land, with building rights of 5,412 sq. metres, in the immediate vicinity of this plot, which enables the company to expand its operations in the Veromies district of Vantaa. In accordance with its strategy, Beltton will use the gain from this transaction to strengthen its capital structure and for possible acquisitions.

The business and operating profit of Wulff, which accounts for some 40 per cent of Beltton-Group's turnover, developed positively in 2007. Wulff acquired dozens of significant contract customers and increased its market share. Its emphasis on customer relationships and improved profitability had a positive impact on its financial performance. The new contract customers are expected to boost Wulff's sales also in 2008. In November, European Office Products Awards 2008 nominated Wulff one of Europe's best companies in the Reseller of the Year category. Wulff sells office supplies and computer accessories to businesses, municipalities, cities and to the Finnish Government in line with its contract customer concept. The company has sold more than 1,000 MiniBar shelving systems to various Finnish companies.

The warehouse personnel and products of Wulff Oy Ab, a subsidiary of Beltton, transferred to the facilities of Itella Logistics at the beginning of March 2007. The co-operation agreement signed in November 2006 signifies an important input in competitiveness for Wulff. From Beltton's viewpoint, co-operation with Itella offers resources for growth in line with the Group's strategy, as Itella's flexible logistics solutions support growth even on a tight schedule.

The sales of KB-tuote Oy, a specialist in business and advertising gifts, remained at the previous year's level, and the company recorded positive financial results. KB-tuote acquired several new contract customers and made significant deals, for example, related to the Eurovision song contest. Its Estonian subsidiary, KB Eesti, continued to grow, posting a profitable result. KB-tuote Oy offers major corporations an outsourced business gift service through which the customer can order products designed in line with the company brand through an electronic order system.

Five of the Group's Finnish direct sales companies (Suomen Rader Oy, Naxor Finland Oy, Active Office Finland Oy, Visual Globe Oy and Looks Finland Oy) moved to the Beltton facilities in Vantaa in May and June. The transfer of Wulff's logistics operations freed up space in the Manttaalitie facilities in Vantaa. This was converted into office spaces for the direct sales companies. The objective of the move was to create synergy benefits and cost-effectiveness by enhancing co-operation between sales support and logistics. Co-operation between contract customer sales and direct sales has also grown closer.

The direct sales business area increased its sales in 2007. This was promoted by successful recruitments and the acquisition of several new customers. During the year, investments were made, in addition to recruitments, in the harmonisation of IT systems. The Group's direct sales business consists of ten sales companies in Finland, all of which sell computer accessories, office supplies, corporate promotional products and ergonomic products.

Beltton's Scandinavian subsidiaries continued to perform well in 2007. Investments in sales control and related systems have increased sales and improved profitability. Field sales performed particularly well in Sweden and telemarketing in Norway. In the third quarter, Nordisk Profil AS, Beltton's Norwegian subsidiary, focused on developing telephone sales by opening a new site in Molde.

profit development

The Group's operating profit (EBIT) in 2007, excluding one-off items, was EUR 2.30 million (EUR 2.42 million), which corresponds to 3.1% (3.9%) of turnover. Including one-off items, operating profit amounted to EUR 5.40 million. The sale of the Beltton facilities accounted for EUR 3.50 million of this sum. Profit from business operations fell slightly short of the expectations published in the first quarter, and profit forecasts were revised in both November 2007 and January 2008.

Profit before extraordinary items increased by 105.2% to EUR 4.55 million (EUR 2.22 million). Net profit increased by 133.6% year-over-year, amounting to EUR 3.03 million (EUR 1.30 million). Earnings per share rose to EUR 0.47, compared to EUR 0.20 the year before.Equity per share amounted to EUR 3.01, up from EUR 2.66 the previous year.

Wulff's customer acquisition strategy and emphasis on contract customers showed in the strong turnover and higher profit in 2007. The Scandinavian subsidiaries also developed very positively in terms of sales and profitability. The result for Entre Marketing for 2007 was unprofitable. Its result and business profitability will be enhanced with measures initiated in late 2007.

The Group's profit for 2007, including one-off items, increased from the previous year due to the one-off sales profit of EUR 3.50 million from the Beltton facilities sold in November. A one-off write-down of EUR 400 thousand on the goodwill arising from the acquisition of Entre Marketing Ltd was done. This had a negative impact on the Group's operating profit for the last quarter and for all of 2007.

The Beltton building in Vantaa transferred to the ownership of Alpha I Oy, a Finnish subsidiary of the Danish company EU Invest A/S, in November 2007. As a result, a new expense item consisting of the rent for the building, which is some EUR 350,000 thousand a year, will affect Beltton's profit in the future.

financing and investments

The consolidated balance sheet total on 31 December 2007 was EUR 42.3 million (EUR 36.7 million). The Group's equity ratio at the end of the review period totalled 48.7 % (49.5 %). Owing to a specification to the accounting principles concerning current liabilities, the Group's cash and cash equivalents have changed from the previous review period. The specification reduces the amount of cash and cash equivalents, as well as the balance sheet total. The presentation of the comparison period's consolidated balance sheet has been amended in this respect. As a result of the change, specifications have also been made to the 2006 figures for ROE and equity ratio. Net gearing was 15.9% (45.9%). The decrease in net gearing resulted from the change in capital structure, which strengthened after the sale of Beltton's facilities in Vantaa.

At the end of the year, the Group had EUR 9.2 million of interest-bearing liabilities (EUR 10.3 million). Net interest-bearing liabilities totalled EUR 3.2 million (EUR 8.6 million).

Return on investment (ROI) amounted to 16.5 per cent (10.0 %) and return on equity (ROE) to 17.6 per cent (7.8 %). The investments in fixed assets entered in the balance sheet amounted to EUR 1.17 million (EUR 1.12 million), or 1.6% (1.8%) of turnover. They mainly consisted of the Beltton facilities in Vantaa, vehicles and IT systems.

Cash flow from business operations in the review period amounted to EUR 2.11 million (EUR 2.09 million). Internal financing remained at the previous year's level, although slightly more working capital was tied down at the end of 2007 compared to the same time a year before. The investments made over the year were funded by internal financing.

Interest expenses were EUR 0.6 million (EUR 0.4 million). Interest expenses rose slightly year-on-year due to the increase in market rates and the loan taken out to acquire Entre Marketing.

personnel

Beltton employed 467 (412) people at the end of 2007, and an average of 440 (423) over the review period. A total of 99 (82) employees worked in Sweden, Norway and Estonia. The headcount increased as a result of successful sales recruitment and the acquisition of Entre Marketing. The transfer of Wulff's logistics personnel to Itella's service reduced the number of employees.

Around 65 per cent of the Group's personnel is employed in various sales tasks, while the remaining 35 per cent work in administration and logistics. Forty-nine per cent of the staff are men and 51 per cent women. Nearly half of Beltton's employees are under 35 years of age.

Beltton-Group will continue to emphasise recruitment in 2008. Its subsidiary, Vendiili Oy, which focuses on sales recruitment, will continue its close co-operation with educational institutions and companies in the sales business. Beltton is prepared for recruiting at all times and is able to train dozens of new sales representatives simultaneously.

Salaries and wages of personnel totalled EUR 14.3 million during the financial year (EUR 12.3 million).

risks and risk management

Beltton-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. Beltton-Group Plc carries out a biannual risk survey to categorise major risk depending on their significance and probability. The heads of business areas are responsible for carrying out the surveys and monitoring risks. They report on these activities to the Group Management.

Risks are divided into four groups: strategic and operative risks, market risks and technical risks. In 2007 Beltton-Group's risk management focused on the permanence of key employees and the availability of staff, uncertainties related to acquisitions, as well as new competitors in the markets. Beltton's business experiences seasonal change and a significant share of the company's turnover and profit is generated in the fourth quarter. The main uncertainty factors in the near future are related to the restructuring of Entre Marketing, which is expected to begin to show results in the second quarter of 2008. The demand for corporate promotional products may begin to change, as the general economic sentiment takes a downward turn.

The most significant operational threats include factors related to staff and its availability. The company's competitiveness depends on its ability to recruit a sufficient number of employees. To secure the availability of workforce, the company has focused on new recruiting methods. It also maintains a substitute employee system.

Important market risks include a significant foreign competitor entering the market, mergers between domestic companies in the branch, as well as aggressive competitors who might lead to changes in market behaviour. The company's independence of individual customers reduces this risk. The Group has tens of thousands of customers. The impact that its biggest customer has on net sales is less than three per cent. Changes in the

key figures	IFRS 2007	IFRS 2006	IFRS 2005
turnover 1 000 eur	74 087	62 045	60 101
operating profit 1 000 eur	5 399	2 420	1 724
operating profit, % of turnover	7.3 %	3.9 %	2.9 %
return on equity (ROE)	17.6 %	7.8 %	7.2 %
equity ratio, %	48.7 %	49.5 %	46.7 %
average number of personnel during the period	440	423	460
salaries and wages during the period 1 000 eur	14 309	12 328	12 166

A more detailed presentation of key figures for the five last periods is included in the section on key figures in the financial statements on pages 32, 33 and 34.

consumer preferences, such as changes in the printing solutions, have an impact on the development of the branch. Beltton-Group actively monitors changes and searches products and develops services that meet these changes. Also, the Group's extensive product and service range diminishes the risks arising from changes in consumer preferences.

Technical risks, such as a failure in the information management system, data break-ins and malicious software, may cause interruptions in operations or a severe information leak. Continuous upgrades and maintenance are carried out in the Group's subsidiaries to secure operations. The information security risk is also minimised through training and guidance.

Some of the most significant strategic risks include uncertainties related to acquisitions. Acquisitions may include a risk that the Group becomes affected by partially new market and operational environment related risks. The acquisitions also include risks related to integration of the new business, retention of key personnel, and achieving the set operational targets. As a result of acquisitions, the consolidated balance sheet on 31 December 2007 includes about EUR 7.2 million in goodwill, of which EUR 4.5 million is related to office supplies business area, and EUR 2.3 million is related to fair and event marketing services business area after the recognition of impairment loss. In accordance with the International Financial Reporting Standards (IFRS), instead of regularly amortising goodwill, it is tested for impairment on an annual basis, or whenever there is any indication of impairment. Impairment losses for 2007 totalled EUR 0.4 million (no impairment losses in 2006).

Most of Beltton-Group Plc's internal and external financing and financial risk management is handled centrally by the parent company. Separate decisions related to financing may be made in companies in which Beltton has a minority interest, but always within the limits defined by the compa-nies' Boards of Directors. In addition to other risk management policies, the Group's parent determines the principles of financial risk management. Financial risks are classified into currency, interest rate, credit and liquidity risks. The objectives and procedures of financial risk management, as well as more detailed descriptions of currency, interest rate, credit and liquidity risks, are presented in the notes to the consolidated financial statements, under section 22, on page 27. The maturity distribution of non-current interest-bearing liabilities is presented in the notes to the consolidated financial statements, under section 20, on page 26.

Assets are extensively insured against accidents and damage. Some subsidiaries, such as Wulff Oy Ab, are also insured against interruptions in operations.

environmental matters

Beltton's subsidiary Wulff Oy Ab has signed up to the International Chamber of Commerce's Business Charter for Sustainable Development. The company has been awarded an ISO 14001 environmental certificate already in 2002. Wulff distributes information to its customers about the recycling of and recycling solutions for office supplies and computer accessories and for example, sees to recycling the used colour cartridges of its customers. In addition, the company promotes a positive attitude towards environmental matters and their development among its personnel.

When selecting goods suppliers, Wulff favours companies that are committed to sustainable development. The company builds up its range with products that use environmentally friendly raw materials and production methods.

All the packing materials used in Wulff's consignments are recyclable or usable as an energy source. The Environmental Register of Packaging PYR Ltd has given Wulff a certificate attesting that the company sees to the recovery of the packages it supplies in compliance with directives, laws and statutes.

KB-tuote Oy ensures the recovery of the packages it supplies to domestic markets according to legislation. The company is also a member of the Environmental Register of Packaging PYR Ltd.

product development

Beltton does not engage in own production or product development. The direct sales product range is continuously developed and expanded by looking for innovative products and new product suppliers.

acquisitions and changes in the group structure

In 2007 Beltton-Group Plc made one acquisition and increased its majority shareholding in two of its subsidiaries. Two acquisitions were made and the majority shareholding was increased in one of the subsidiaries in the comparison period 2006. No divestments were made in 2007. At the end of 2006 Wulff Oy Ab sold eight per cent of its fully owned subsidiary, Torkkelin Paperi Oy, to Pekka Lähde, Managing Director of Torkkelin Paperi.

On 9 May 2007, Beltton-Group Plc acquired a majority shareholding in Entre Marketing Ltd. The sale price of the acquired majority holding, EUR 2.7 million, was paid entirely in cash. As a result of the acquisition, Beltton's service offering expanded with international fair and event marketing services. Atmos Tuotanto Ltd, a wholly owned subsidiary of Entre Marketing, was merged with Entre at the end of July. In the comparison period 2006, Beltton raised its holding in Nordisk Profil AS, a company that sells and markets office supplies and computer accessories throughout Norway, to 70 per cent. Beltton previously had a 20 per cent minority interest in the company. Beltton-

Group's subsidiary KB-tuote Oy bought 63 per cent majority shareholding in IM Inter-Medson Oy in September 2006.

In 2007 majority shareholding was increased in two subsidiaries. In October 2007 KB-tuote Oy's holding in IM Inter-Medson Oy rose from 63 to 75 per cent. In December 2007 the Group raised its majority shareholding of Vendiili Oy from 75 to 90 per cent.

No new subsidiaries were established in 2007. In March 2006 Vendiili Oy, a company focusing on sales recruiting, was set up. Vendiili launched operations in June 2006.

board of directors, management group and auditors

The Annual General Meeting of Beltton-Group Plc elected six members for the Board of Directors on 4 April 2007. The following members were re-elected: Ari Lahti, Ere (Erkki) Kariola, Ari Pikkarainen, Pentti Rantanen, Sakari Ropponen and Heikki Vienola. In its organising meeting held on 18 April 2007, the Board of Directors elected Ari Lahti as its Chairman. The Group's Management Group include the Group's Chief Executive Officer Heikki Vienola, the Group's Executive Vice President Ari Pikkarainen, Managing Director of Wulff Oy Ab Juha Broman, Managing Director of KB-tuote Oy Tommi Kortelainen, Managing Director of Beltton Svenska AB Veijo Ågerfalk, Managing Director of Entre Marketing Ltd Harri Kaasinen and Group´s Chief Financial Officer Petri Räsänen. From 9 May to 30 September 2007 the Group Management included Pekka Leppälä, the previous Managing Director of Entre Marketing Ltd.

The Group's auditors include Nexia Tilintarkastus Oy, Authorised Public Accountants, with Jukka Havaste, Authorised Public Accountant, as the auditor with principal responsibility, and Juha Lindholm, HTM- Accountant.

monetary loans granted to related parties

The loans granted to the managing directors of subsidiaries totalled EUR 581,000 at the end of the period (EUR 150,000). No other loans had been granted to related parties at the end of the period (no other loans in 2006). The loan amounts, repayment terms, interest rates and collateral are described in more detail in the notes to the consolidated financial statements, under section 26 C (Related party transactions, Loans to related parties), on page 31.

shares and shareholders

Beltton-Group Plc has one share series. Each share has one voting right. Beltton's shares are quoted on OMX Nordic Exchange's Small Cap list in the Consumer Discretionary sector. The company's trading code is BTN1V.

In 2007 the trading volume of Beltton's share amounted to 416,346 shares (679,666 shares), or 6.4 % (10.4 %) of shares outstanding, which corresponds to EUR 1,712,001 (EUR 2,839,617). The highest share price in 2007 was EUR 4.90 (EUR 5.69) and the lowest EUR 3.30 (EUR 3.48). The closing value of the company's share on 31 December 2007 was EUR 3.39 (EUR 4.59). The market value of the company's share at the end of the year was EUR 22.1 million (EUR 29.9 million).

The minimum share capital of Beltton-Group Plc is EUR 2,000,000 and the maximum share capital EUR 8,000,000, within which limits the share capital may be increased or decreased without amending the Articles of Association.

The Group's registered share capital at the end of 2007 amounted to EUR 2.60 million (EUR 2.60 million), divided into 6,507,628 (6,507,628) shares, with a nominal value of EUR 0.40. Equity per share was EUR 3.01, compared to EUR 2.66 the previous year.

At the end of December 2007 Beltton had 642 (664) shareholders. The company did not hold its own shares in the financial year 2007. Information about major shareholders, the distribution of shareholding in terms of size and the sector distribution are presented in the financial statements, under Shares and shareholders, on pages 40 through 44.

No changes in holdings that would have merited a notice of change took place in 2007.

stock options and changes in share capital

The share capital was not raised during the financial period. Beltton-Group Plc has no option schemes currently in force.

authorisations

The Annual General Meeting authorised the Board of Directors to issue one or more convertible bonds, offer stock options and/or increase share capital through one or more new issues. Share capital can be increased by a maximum of 1,300,000 shares, corresponding to EUR 520,000.

The Board of Directors is also authorised to use the company's distributable profits to repurchase a maximum of 300,000 company shares with a nominal value of EUR 0.40. This is less than five per cent of the company's share capital and all votes.

The Board of Directors did not use its authorisations in the financial period 2007. Authorisations were given at the Annual General Meeting held on 4 April 2007, and they are valid for one year as of the date of the AGM.

governance

Beltton-Group Plc's corporate governance is based on the Companies Act, Securities Market Act and authority regulations related to the corporate governance of public limited companies, as well as the Articles of Association. Beltton adopted the Corporate Governance guidelines recommended by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation for Finnish Industry and Employers on 1 July 2004. Beltton complies with all aspects of the recommendation.

The Group follows the Helsinki Stock Exchange's updated insider guidelines, which took effect on 1 January 2006. They are based on the guidelines on the application of the Securities Market Act in listed companies issued by the Financial Supervision Authority.

outlook for 2008

Beltton expects the office supplies market to continue to grow in 2008. Its objective is to grow faster than the market. Beltton's outlook for 2008 is favourable. Company management believes that the Group's turnover and operating profit from business operations will improve year-over-year. Beltton is prepared for acquisitions in line with its strategy.

board of directors' dividend proposal

Earnings per share were EUR 0.47 (EUR 0.20). The parent company's balance sheet shows distributable funds of EUR 6.93 million. According to the parent company's balance sheet, the following amounts are at the disposal of the Annual General Meeting:

retained earnings	EUR	4,610,864.79
net profit for the financial year	EUR	2,317,457.84
total	**EUR**	**6,928,322.63**

The Board of Directors proposes to the Annual General Meeting that the distributable funds be used in the following way:

- distributed as dividend: EUR 0.18 per share, totalling	EUR	1,171,373.04
- retained in equity	EUR	5,756,949.59
	EUR	**6,928,322.63**

No dividend will be paid to shares owned by the company itself at the time of the decision on the profit distribution.The Board also proposes that the dividend be paid on 16 April 2008.

No substantial changes have taken place in the company's financial position after the end of the review period. The company has good liquidity, and the proposed profit distribution does not put the company's liquidity at risk in the Board's view.

Helsinki 13 March 2008

Beltton-Group Plc
Board of Directors

Ari Lahti Chairman of the Board of Directors	Heikki Vienola CEO	Erkki Kariola Ari Pikkarainen Pentti Rantanen Sakari Ropponen

consolidated income statement (IFRS)

	reference	1 jan-31 dec 2007 1 000 eur	1 jan-31 dec 2006 1 000 eur
turnover		**74 087**	**62 045**
other operating income	3	3 727	329
materials and services		-39 456	-32 874
employee benefits expenses	4	-17 644	-15 347
depreciation and amortization	5	-1 735	-1 214
other operating expenses	6	-13 581	-10 519
operating profit		**5 399**	**2 420**
financial income and expenses	7	-852	-203
profit before taxes		**4 547**	**2 217**
income tax expenses	8	-1 353	-807
profit for the financial year		**3 194**	**1 410**
breakdown			
share of profit that belongs to owners of the parent company		**3 028**	**1 296**
minority interest		166	113
		3 194	1 410
earnings per share (basic), eur	9	0.47	0.20
earnings per share (diluted), eur	9	0.47	0.20

consolidated balance sheet (IFRS)

	reference	31 dec 2007 1 000 eur	31 dec 2006 1 000 eur
assets			
fixed assets			
intangible assets	10	587	454
goodwill	10,11	7 204	4 903
tangible assets	12	2 829	4 913
investments held for sale	13	454	384
deferred tax assets	14	954	972
total fixed assets		**12 028**	**11 626**
current assets			
inventories	15	10 903	10 590
trade and other receivables	16	13 088	12 556
financial assets recognised at the fair value in the income statement	17	395	227
cash and cash equivalents	18	5 921	1 732
total current assets		**30 307**	**25 105**
total assets		**42 335**	**36 732**
equity and liabilities			
share of shareholders' equity that belongs to owners of the parent company	19		
share capital		2 603	2 603
share premium fund		7 662	7 662
other funds		38	-124
retained earnings		6 255	5 864
net profit for the financial year		**3 028**	**1 296**
minority interest		1 048	889
total equity		**20 634**	**18 190**
liabilities			
long-term liabilities			
interest-bearing	20	7 491	8 241
short-term liabilities			
interest-bearing	20	1 669	2 047
accounts payable and other liabilities	21	12 542	8 254
total liabilities		**21 702**	**18 542**
total equity and liabilities		**42 335**	**36 732**

consolidated cash flow statement (IFRS)

	2007 1000 eur	2006 1000 eur
cash flow from operations:		
payments received from sales	74 328	60 367
payments received from other operating income	227	305
amounts paid for operating expenses	-71 820	-58 186
cash flow from business operations before financial items and taxes interests and other	2 735	2 487
operations-related financial costs paid	-641	-410
interests received from operations	146	114
direct taxes paid	-131	-98
cash flow from operations	**2 109**	**2 093**
cash flow from investment activities:		
investments in tangible and intangible assets	-1 070	-1 096
sales of tangible and intangible assets	6 709	274
acquisition of shares in subsidiaries	-1 373	-302
sale of shares in subsidiaries	0	75
sale of other investments	0	-107
loans granted	-414	0
cash flow from investment activities	**3 852**	**-1 156**
cash flow from financing activities:		
paid dividends	-867	-745
received dividends	465	195
short-term investments	-198	0
loan withdrawals	1 128	1 615
loan repayments	-2 300	-704
cash flow from financing activities	**-1 772**	**361**
change in liquid assets	**4 189**	**1 298**
liquid assets on December 31	**5 921**	**1 732**

consolidated statement of changes in shareholders' equity 1 january 2007 - 31 december 2007

1 000 eur	share capital	share premium fund	retained earnings	total	minority interest	total
shareholders´ equity 1 jan 2007	2 603	7 662	7 037	17 302	889	18 190
investments available for sale valuation gains or losses recognised under shareholders' equity			69			69
net profit for the financial year			3 028		166	3 194
translation differences			-13		-2	-15
dividends			-781		-86	-867
changes in shareholdings			0		81	81
taxes related to items recognised under shareholders´ equity			-18			-18
shareholders' equity 31 dec 2007	2 603	7 662	9 321	19 586	1 048	20 634

consolidated statement of changes in shareholders' equity 1 january 2006 - 31 december 2006

1 000 eur	share capital	share premium fund	retained earnings	total	minority interest	total
shareholders' equity 1 jan 2006	2 603	7 662	6 512	16 777	1 021	17 798
investments available for sale: valuation gains or losses recognised under shareholders' equity			-27			-27
financial instruments recognised under shareholders' equity			-75			-75
net profit for the financial year			1 296		113	1 409
translation differences			-24			-24
dividends			-651		-94	-745
changes in shareholdings					-151	-151
taxes related to items recognised under shareholders' equity			6			6
shareholders' equity 31 dec 2006	2 603	7 662	7 037	17 302	889	18 190

notes to the consolidated financial statements

general information

The Group's parent company, Beltton-Group Plc is a Finnish public limited liability company, established in accordance with Finnish law. It is domiciled in Espoo and its address is Salomonkatu 17B, 12 th floor, 00100 Helsinki. Copies of the consolidated financial statements are available at the above address.

accounting principles basis of preparation

The consolidated financial statements of Beltton-Group Plc have been prepared in compliance with the IFRS, according to the standards and interpretations in effect on 31 December 2007. The notes to the consolidated financial statements also comply with the Finnish Accounting and Community legislation.

The consolidated financial statements have been prepared on the historical cost basis, except for available-for-sale investments, financial assets recognised at fair value and derivative financial instruments measured at fair value.

Preparing the financial statements in compliance with IFRS requires Group management to make certain critical estimates and exercise its judgment when applying the Group's accounting principles. Information about the estimates and judgment that the management has used and that are most critical to the figures in the financial statements are presented under "Critical accounting judgments and key sources of estimation uncertainty".

The Group has adopted the following new or amended standards and interpretations as of 1 January 2007:

- IFRS 7 Financial Instruments: Disclosures. The standard requires more detailed disclosure about financial instruments and their impact on the entity's financial position, performance and risks.

- Amendment to IAS 1 Presentation of Financial Statements concerning capital disclosures in financial statements. The amendment requires entities to disclose information about the level and management of capital.

- IFRIC 8, 9 and 10, which did not have an impact on consolidated financial statements in the latest financial period or periods prior to that.

The Group will adopt the following standards and interpretations in 2008 or later:

- IFRS 8 Operating Segments (effective in periods starting on or after 1 January 2009).

- Amendment to IAS 23 Borrowing Costs (effective in periods starting on or after 1 January 2009).

- Amendment to IAS 1 Presentation of Financial Statements (effective in periods starting on or after 1 January 2009). The revised standard will change the presentation of financial statements.

- IFRIC 11, 12 and 13.

Of these standards and interpretations, only the revised IFRS 8 and IFRIC 11 have been endorsed in the EU. According to the Group, the revised IFRS 8 will affect, to some extent, the way in which segment information will be presented in the notes to future financial statements. Other amendments are not expected to have material impact on the consolidated financial statements.

consolidation principles

The consolidated financial statements include parent company Beltton-Group Plc and all of its subsidiaries. Intra-Group holdings have been eliminated using the purchase method. Acquired subsidiaries are consolidated as of the date the Group gains control in them. 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. Minority interest has been separated from the Group's equity and earnings and is presented as a separate item. Subsidiaries acquired in the period are included in the consolidated financial statements as soon as the Group gains control in them.

foreign currency items

The consolidated financial statements are presented in euro, which is the parent company's functional and presentation currency. Foreign currency items have been recognised at the exchange rate of the transaction date. Foreign currency balance sheet items are recognised using the exchange rate of the reporting date. Foreign exchange gains and losses related to operations have been recognised in the income statement as adjustments to the corresponding items.

The balance sheets of foreign subsidiaries are translated into euro using the closing rate and the income statements are translated using the weighted average rate during the period. Translation differences arising from the use of different exchange rates in the income statement and balance are recognised in equity. In the consolidated financial statements the exchange rate differences from foreign subsidiaries' equity have also been recognised under the translation differences of Group equity. Translation differences are presented as a separate item under equity. On disposal of a foreign subsidiary, cumulative translation differences are recognised in the income statement as part of the gains and losses from disposal.

revenue recognition

Revenue from the sale of products and services is recognised when revenue can be reliably determined and the risks and rewards incident of ownership have been transferred to the buyer. Net sales equal the invoice value of products and services less indirect taxes and discounts related to sales. Revenue from Beltton-Group's new project business will be recognised in the final month of projects according to accrual-based accounting.

property, plant and equipment

The carrying amount of property, plant and equipment used in the balance sheet equals cost less accumulated depreciation and impairment. Planned depreciation has been calculated from the original cost of acquisition and economic useful life on a straight-line basis. The estimated economic useful lives are as follows:

Machinery and equipment: 3–5 years
Buildings and structures: 20 years

The residual value of assets and their economic useful life is reassessed in all financial statements and, if needed, adjusted to reflect the changes that have taken place in expected future economic benefit. Depreciation of a tangible asset is discontinued on the date on which the asset is classified as available for sale in compliance with IFRS 5 -standard. Gains and losses on decommissioning and disposal of property, plant and equipment are presented in other operating income or expenses.

goodwill and other intangible assets

Consolidated goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of a subsidiary acquired after 1 January 2004. The goodwill of business combinations carried out before this date corresponds to the book value complying with the accounting standards previously in use, which has been used as the default cost of acquisition. No planned depreciation is recorded for goodwill. Instead, goodwill is tested annually for possible impairment. Consolidated goodwill is recognised at the original cost of acquisition less impairment.

Other intangible assets in the Group include computer software and licences. They are recognised at cost less planned depreciation. The limited useful life of these assets is typically 5 years. No depreciation is recognised for intangible assets with an unlimited useful life. Instead, they are tested annually for impairment.

impairment

On each reporting date the Group carries out tests for signs of impairment of assets. If such signs are detected, the company estimates the asset's recoverable amount, which equals its fair value less expenses from disposal or, if higher, its value in use. Irrespective of impairment indications, the recoverable amount of goodwill is assessed annually.

Value in use means the estimated discounted net cash flows from the asset or cash-generating unit. The recoverable amount of financial assets is generally considered to equal the fair value of assets. An impairment loss is recognised immediately in the income statement when the book value of an asset exceeds its replacement value or fair value. A previously recognised impairment loss is reversed if conditions change significantly and the recoverable amount has changed after the recognition date. However, the reversal may not exceed the asset's carrying amount less impairment loss.

For goodwill, value in use is calculated on the basis of two budgets and forecasts and the estimated growth potential in future years. Impairment loss on goodwill may not be reversed under any circumstance. Based on impairment tests, Beltton-Group had no need to recognise impairment loss on goodwill in 2006. There was no need to recognise impairment loss on other intangible or tangible assets either.

borrowing costs

Borrowing costs are recognised as an expense in the period they are incurred. Transaction costs that are the direct result of borrowing and are related to a specific loan are included in the amortised loan cost and are amortised as an expense using the effective interest method.

leases

Leases in which the risks and rewards incident of ownership are retained by the lessor are treated as operating leases. Payments made under operating leases are recognised as an expense in the income statement on a straight-line basis over the lease period.

inventories

Inventories are presented according to the FIFO principle at the cost of acquisition or, if lower, the probable net realisable value. The net realisable value is the estimated sales price in normal business less costs to sell.

employee benefits: pension obligations

The statutory pension scheme of Beltton-Group Plc's Finnish employees is arranged through pension insurances, and that of the Group's employees in other countries in compliance with the local legislation and social security regulations of each country. The costs incurred from these schemes are recognised as an expense in the period that they relate to.

income taxes

The tax expense in the income statement consists of current tax and deferred taxes. Current tax is calculated from taxable income based on the tax rate effective in each country.

Deferred taxes arise from all temporary differences between the carrying amount and taxable value. In Beltton-Group Plc temporary differences arise from the tax effects of the Group's structural arrangements and the recognition of assets at fair value. Deferred taxes are measured at the tax rate that has been enacted at the time of calculation. A deferred tax asset is recognised only to the extent that it is probable that it can be used against future taxable profit.

accounts receivable

Accounts receivable are recognised in the balance sheet at cost less possible reimbursement and impairment losses. Uncertain receivables are measured on the basis of an assessment carried out frequently enough. Impairment loss is recognised on the basis of objective assessment, and the recognition is reversed later if it proves to be unneeded.

financial assets and liabilities and derivative financial instruments

The Group's financial assets are classified into: 1) assets held for trading and 2) investments available for sale. The categorisation is carried out in conjunction with acquisition based on its purpose, decisions are made by the management at the time of acquisition and categorisation is assessed regularly.

Assets held for trading include all of the Group's derivative financial instruments. They do not meet the criteria for hedge accounting and are initially recognised at cost and later at fair value through profit or loss using the market prices of the closing date. Realised and unrealised differences arising from changes in fair value will be entered in the income statement for the period in which they arise. This category also includes investments in publicly listed companies.

Available-for-sale assets include investments presented in Beltton-Group's non-current assets. These include both publicly listed and unlisted shares. Publicly listed shares are measured at fair value and unlisted shares at either cost or, if lower, their probable value if the value cannot be reliably measured. Changes in fair value are recognised in the fair value reserve under equity, including tax effects. The changes are transferred from equity to the income statement when the investment is sold or if its value has decreased to the extent that an impairment loss must be recognised.

Loans and other receivables include assets generated by transferring money, goods or services to the debtor. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The maturity of loans and other receivables determines whether they are recognised in current or non-current assets.

The Group's financial assets consist of cash on hand and in banks or of other highly liquid investments.

The Group's interest-bearing financial liabilities are recognised at fair value. Credit accounts related to the consolidated accounts are included in interest-bearing current liabilities and have been offset since the Group has a contractual legal right to set off, either partially or in full, an amount paid to a creditor.

operating profit

IAS standards do not define the concept of operating profit. The Group uses the following definition: operating profit is the net sum calculated by adding other operating income to net sales and deducting from this sum purchase expenses adjusted by changes in inventories, costs, depreciation and possible impairment from employee benefits, as well as other operating expenses. All other income statement items are presented under operating profit.

critical accounting judgments and key sources of estimation uncertainty

When preparing the consolidated financial statements, estimates and assumptions must be made concerning the future. Actual figures may differ from these, and may affect the recognised amounts of income, expenses, assets and liabilities. Estimates and judgments are also needed when applying the Group's accounting principles to the financial statements.

Estimates and judgments are mainly related to the measurement of assets, impairment testing and deferred tax items. The main and most concrete object of estimates and judgments in the financial period 2007 concerned the classification of the leaseback of the Group's biggest single real estate as an operating lease. The lease cannot be cancelled and its terms and conditions cannot be modified during the lease term. In addition, the risks and rewards incident to the lease remained with the lessor. Estimates and judgments have also been used in the measurement of property, impairment testing and deferred tax items.

1. segment information

IAS 13 defines the content of segment reporting. Companies in the Beltton-Group Plc are sales and marketing companies of office supplies. The Group's organisation structure is divided intofive areas depending on their operating concept and field. All of the areas are presented as a single reportable business segment. In other words, the Group's reportable information, in its entirety, forms this business segment's information. The business areas have similar financial characteristics and risk profiles, common customers and similar products.

Beltton's secondary segment reporting is based on geographical segments. A market area forms a segment if its net sales account for more than 10 % of the Group's net sales. The net sales of segments are presented according to customer locations, while assets and investments are presented by their location and target.

geographical segments	group 2007 1000 eur	group 2006 1000 eur
net sales		
Finland	64 165	55 919
other Nordic countries and the Baltic countries	9 922	6 126
total	74 087	62 045
assets		
Finland	37 713	32 064
other Nordic countries and the Baltic countries	4 621	4 668
total	42 334	36 732
investments		
Finland	1 139	1 256
other Nordic countries and the Baltic countries	32	8
total	1 171	1 264

2. acquisitions

acquisitions in 2007

Beltton-Group Plc made one acquisition in 2007 and increased its majority shareholding in two of its subsidiaries. At the beginning of May 2007, Beltton acquired 80.3 per cent of Entre Marketing group, a company that focuses on international fairs and event marketing. The acquisition included Entre Marketing Ltd's fully owned subsidiary, Atmos Tuotanto Ltd, which was merged with Entre Marketing at the end of July 2007. The company's figures have been consolidated with the Group's financial statements since 10 May 2007. The share acquisition price was EUR 2.76 million and the shares were paid in cash. The acquisition included goodwill of EUR 2.70 million.

At the beginning of October 2007 Beltton raised its majority holding in IM Inter-Medson Oy to 75 per cent. The acquisition price of the 12-per-cent minority holding was EUR 45,720, which was recognised in full as other non-current costs. At the end of December, Beltton raised its holding in Vendiili Oy by 15 per cent. The acquisition price was EUR 1,200. Neither of these increases in holding included goodwill.

The goodwill arising from the acquisition of Entre Marketing consists of the expertise and experience of the key personnel in the acquired company, the expected synergy benefits mainly related to the business area of corporate promotional products, as well as other intangible items that cannot be treated according to IAS 38. The acquisition's impact on the Group's turnover for the financial period amounts to some EUR 5.6 million, which corresponds to 7.6 per cent of turnover. The impact on the period's profit prior to the deduction of minority interests was EUR 874 thousand negative. In addition to this, an impairment loss of EUR 400 thousand was related to the new business area in connection with the assessment of goodwill.

The acquisition cost of Entre Marketing Ltd's shares included EUR 132,000 of expert fees.

itemisation of net assets acquired in 2007	**group 2007 eur**	**group 2006 eur**
	fair values recognised in consolidation	carrying amounts before consolidation
tangible assets	430 000	467 167
intangible assets	100 000	128 017
inventories	1 150 000	1 121 493
trade receivables	410 109	410 109
other receivables	2 135 000	2 136 947
cash and cash equivalents	1 398 926	1 398 926
total assets	**5 624 035**	**5 662 659**
trade payables	172 038	172 038
other payables	5 386 758	5 386 758
total liabilities	**5 558 796**	**5 558 796**
net assets	65 239	103 863
cost of acquisition	2 766 000	
goodwill	2 700 761	
cash-settled acquisition cost	2 766 000	
financial assets of acquired subsidiary	1 398 926	
cash flow impact, net	1 367 074	

acquisitions in 2006

Beltton-Group Plc made to minor acquisitions in 2006 and increased its majority shareholding in one of its subsidiaries. In March 2006 the Group's holding in Office Solutions Why Not Oy rose from 70 % to 85 %. The cost of acquisition was EUR 25,000, which was paid in cash. As the cost equalled net assets, no goodwill arose.

At the beginning of April 2006 Beltton acquired 50 % of Nordisk Profil AS, a Norwegian office supplies company. Beltton previously had a 20 % minority share in the company. Nordisk Profil sells and markets computer accessories and office supplies in all of Norway. The company is consolidated as of 1 April 2006. The cost of shares was EUR 15,000 and was paid in cash. Goodwill from the deal totalled EUR 165,000. It exceeded the purchase price as a result of the company's negative equity at the time of acquisition.

In late September early October 2006 Beltton acquired a 63 % majority shareholding in IM Inter-Medson Oy, which sells and markets business and advertising gifts nationwide in Finland. The company is consolidated as of 1 October 2006.The cost of the majority shareholding was EUR 262,000 and the deal included EUR 196,000 of goodwill. This acquisition was also settled in cash.

In both acquisitions, goodwill arises from the expertise and experience of the acquired companies' personnel and the expected synergies. The impact of the acquisitions on the Group's net sales for the period is EUR 1,518,802, which corresponds to 2.4 % of the Group's net sales. The impact on profit for the period, before minority interest, is EUR 70,789, or 5.5 % of the Group's profit for the period. The acquisitions did not involve external fees.

itemisation of net assets acquired in 2006	group 2007 eur	group 2006 eur
	fair values recognised in consolidation	carrying amounts before consolidation
tangible assets	103 697	103 697
intangible assets	0	0
inventories	324 575	339 575
trade receivables	736 505	751 505
other receivables	144 000	144 000
cash and cash equivalents	86 048	86 048
total assets	**1 394 825**	**1 424 825**
trade payables	246 501	246 501
other payables	1 079 764	1 079 764
deferred tax liability	0	0
total liabilities	**1 326 265**	**1 326 265**
net assets	49 193	98 560
cost of acquisition	302 128	
liikearvo	360 973	
cash-settled acquisition cost	302 128	
financial assets of acquired subsidiary	86 048	
cash flow impact, net	216 080	

3. other operating income

	group 2007 1000 eur	group 2006 1000 eur
lease income	22	31
proceeds on disposal of tangible assets	3 495	140
freight reverse charges	138	133
other	72	25
total	**3 727**	**329**

4. employee benefits expense

	group 2007 1000 eur	group 2006 1000 eur
wages and salaries	14 309	12 328
pension costs - defined contribution plans	2 624	2 284
other indirect personnel costs	711	735
total	**17 644**	**15 347**
personnel, average over the period	440	423

Management's employee benefits and loans are presented in section 26 Related party transactions. Information about the shareholding of related parties is presented under Shares and shareholders.

5. depreciation and impairment

	group 2007 1000 eur	group 2006 1000 eur
depreciation by asset group		
intangible assets	206	119
tangible assets		
machinery and equipment	996	952
buildings and structures	132	143
total	**1 334**	**1 214**
impairment		
goodwill	400	0
total depreciation and impairment	**1 735**	**1 214**

6. other operating expenses

	group 2007 1000 eur	group 2006 1000 eur
leases	1 527	1 210
marketing	725	520
travel expenses	3 919	3 436
other	7 410	5 443
total	**13 581**	**10 519**

	group 2007 1000 eur	group 2006 1000 eur
7. financial income and expenses		
interest income	175	86
dividend income	465	195
change in fair value of derivatives	0	32
change in fair value of assets recognised at fair value through profit or loss	0	24
other financial income	250	209
total	**890**	**546**
interest expenses	630	440
change in fair value of derivatives	533	0
change in fair value of assets recognised at fair value through profit or loss	105	21
other financial expenses	474	288
total	**1 742**	**749**

Changes in fair value of available-for-sale investments had a direct positive effect of EUR 51,000 on equity, corrected with deferred tax effect (EUR 27,000 negative in 2006).

8. income taxes

current tax	-1 230	-423
prior period taxes	-6	-19
deferred tax	-117	-365
total	**-1 353**	**-807**

reconciliation of the income statement tax expense and taxes calculated using the Group's domestic tax rate of 26 %

profit before taxes	4 547	2 216
taxes using the Finnish tax rate	-1 182	-576
tax-free income	775	217
non-deductible costs	-728	-172
tax effect of reversal losses	-248	-248
recognition of investments at fair value	124	1
effect of different tax rates in foreign subsidiaries	18	37
prior period taxes	-6	-19
other deferred items	-106	-47
taxes for the period in income statement	-1 353	-807

9. earnings per share

profit for the period attributable to equity holders of parent	3 028	1 296
weighted average number of shares (x 1000)	6 508	6 508
diluted weighted average number (x 1000)	6 508	6 508
diluted and undiluted earnings per share	0.47	0.20

10. intangible assets

	group 2007 1000 eur	group 2006 1000 eur
other intangible assets		
acquisition cost 1 Jan.	827	585
additions 1 Jan.-31 Dec.	339	242
disposals 1 Jan.-31 Dec.	0	0
acquisition cost 31 Dec.	1 166	827
accumulated planned depreciation 1 Jan.	373	254
planned depreciation 1 Jan.-31 Dec.	206	119
carrying amount 31 Dec.	**587**	**454**
goodwill		
acquisition cost 1 Jan.	5 727	5 366
acquisition of shares in subsidiary 1 Jan.-31 Dec.	2 701	361
acquisition cost 31 Dec.	8 428	5 727
accumulated planned depreciation and impairment 1 Jan.	824	824
impairment 1 Jan.-31 Dec.	400	0
carrying amount 31 Dec.	**7 204**	**4 903**

11. goodwill impairment tests

Beltton-Group has defined its business areas as targets of impairment testing. They constitute a cash-generating unit in compliance with IFRS. Cash-generating units that goodwill has been assigned to include the office supplies, corporate image products and direct sales business areas for the financial year 2006. Goodwill has also been assigned to Norwegian operations. Fair and event marketing services were a new business area for goodwill allocation in 2007.

Goodwill is split among the units as follows:

	group 2007 1000 eur	group 2006 1000 eur
fair and event marketing services	2 301	0
office supplies	4 490	4 490
direct sales	52	52
corporate image products	196	196
Norwegian operations	165	165
total	**7 204**	**4 903**

Possible goodwill impairment is tested by comparing the present value of recoverable cash flows to the carrying amount. I.e., the company determines a "value in use" calculated on the basis of the actual operating profit level and two-to-three-year plans and estimates approved by management. The cash flows for subsequent years are estimated by extrapolating forecast cash flows using a steady and moderate growth estimate of 2 % for net sales.

Impairment testing is based on an 8 % discount rate, which is believed to correspond to the average weighted capital expense, taking into consideration the overall expense of both equity and liabilities, as well as special risks related to assets.

According to management, the main accounting estimates concern moderate growth expectations, a steady level of customer profitability, the management of logistics expenses in office supplies, more efficient management of processes and expenses, as well as the enhancement of fair and event marketing services.

The goodwill assigned to office supplies business area is significant from the whole Group's point of view, but management does not believe that any change in the key variables, reasonably estimated, could lead to the unit's recoverable amount falling below the carrying amount. Careful estimates have been used for plans and forecasts, and the growth expectation is also very moderate. A significant new foreign competitor entering the market might lead to changes in market behaviour and might, in the worst case, lead to the recognition of impairment losses. In this case, the conservatively forecast operating profit level would have to fall by 25–30 per cent, which would lead to an impairment loss of 5–10 per cent.

Goodwill in fair and event marketing services is also significant at Group-level and a EUR 400,000 impairment loss is recognised on it in 2007. Critical factors in the calculation of the present value of cash flows include achieving annual growth in the range of 4 to 6 per cent and raising profitability to the planned long-term level.

	group 2007 1000 eur	**group 2006 1000 eur**
12. property, plant and equipment		
land		
acquisition cost 1 Jan.	398	398
additions 1 Jan.-31 Dec.	40	0
disposals 1 Jan.-31 Dec.	-175	0
acquisition cost 31 Dec.	263	398
impairment 1 Jan.	0	0
recognised impairment 1 Jan.-31 Dec.	0	0
carrying amount 31 Dec.	**263**	**398**
buildings and structures		
acquisition cost 1 Jan.	2 921	2 921
additions 1 Jan.-31 Dec.	207	0
disposals 1 Jan.-31 Dec.	-1 862	0
acquisition cost 31 Dec.	1 266	2 921
accumulated planned depreciation 1 Jan.	658	515
planned depreciation 1 Jan.-31 Dec.	132	143
carrying amount 31 Dec.	**476**	**2 263**
machinery, equipment and other tangible assets		
acquisition cost 1 Jan.	7 918	7 038
additions 1 Jan.-31 Dec.	1 150	1 073
disposals 1 Jan.-31 Dec.	-315	-193
acquisition cost 31 Dec.	8 753	7 918
accumulated planned depreciation 1 Jan.	5 667	4 715
planned depreciation 1 Jan.-31 Dec.	996	952
carrying amount 31 Dec.	**2 090**	**2 251**
total	**2 829**	**4 913**

13. available-for-sale investments

	group 2007 1000 eur	group 2006 1000 eur
carrying amount 1 Jan.	384	414
additions 1 Jan.-31 Dec.	4	0
disposals	-1	-3
change in fair value	71	-27
carrying amount 31 Dec.	**454**	**384**

Available-for-sale investments are measured at fair value in financial statements. Changes in fair value are recognised 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. Investments include EUR 378,000 in listed shares (EUR 313,000 in 2006). The measurement of unlisted shares and units is based on acquisition cost, because their fair value cannot be reliably measured.

Available-for-sale investments are classified as non-current assets, unless they are expected to be realised in the 12 months following the reporting date.

14. deferred tax assets and liabilities

	group 2007 1000 eur	group 2006 1000 eur
deferred tax assets		
tax effect of business arrangements	833	1 081
measurement at fair value of other investments	142	-8
measurement at fair value of available-for-sale investments	-18	7
deferred tax liabilities		
cumulative depreciation differences	-3	-108
total	**954**	**972**

Of foreign subsidiaries' undistributed earnings in 2007, EUR 68,200 (EUR 92,700 in 2006), no deferred tax liabilities have been recognised, because the assets have been permanently invested in the countries in question.

15. inventories

	group 2007 1000 eur	group 2006 1000 eur
materials and supplies	10 746	10 454
work in progress	10	14
prepayments for inventories	147	122
total	**10 903**	**10 590**

In the period ended, EUR 99,000 was recognised as an expense to reduce the carrying amount of inventories to correspond to the net realisable value (2006: EUR 146,000).

16. trade and other current receivables

	group 2007 1000 eur	group 2006 1000 eur
trade receivables	8 292	8 933
accrued receivables	2 667	2 594
loan receivables	599	229
other receivables	1 531	800
total	**13 088**	**12 556**

Material items in accrued receivables include corporate tax credits, totalling EUR 779,000 (2006: EUR 1,655,000). The Group has recognised EUR 124,000 in credit losses from trade receivables in the period (2006: EUR 109,000). Trade receivables do not include significant credit risk concentrations.

17. financial assets recognised at fair value through profit or loss

	group 2007 1000 eur	group 2006 1000 eur
listed shares held for trading	395	195
receivables based on derivative financial instruments	0	32

18. cash and cash equivalents

	group 2007 1000 eur	group 2006 1000 eur
bank balances and cash	3 712	1 732
short-term deposits	1 200	0
shares in bond funds	1 008	0
total	**5 921**	**1 732**

As for cash on hand and in banks, the figures for the comparison period have been adjusted to comply with the accounting principles used in the financial period. The change in accounting principles resulted from the offsetting of consolidated account balances.

19. equity

share capital and share premium fund

	numbers of shares 1 000 pcs	share capital 1 000 eur	share premium fund 1 000 eur	total 1 000 eur
31.12.2007	6 508	2 603	7 662	10 265

No changes took place in the number of shares in the period. The maximum number of shares is 20 million, the nominal value is EUR 0.40 per share, and the Group's maximum share capital is EUR 8 million. All of the issued shares have been paid in full.

other reserves

translation reserve
The translation reserve contains the translation differences arising from the conversion of foreign subsidiaries' financial statements.

revaluation reserve
The revaluation reserve includes the fair value reserve for available-for-sale investments.

dividend
After the balance sheet date, the Board of Directors proposed a dividend or EUR 0.18 per share. In 2006 a dividend of EUR 0.12 per share was distributed.

	group 2007 1000 eur	group 2006 1000 eur
retained earnings		
profit from previous periods	6 255	5 740
profit for the period	3 028	1 296
share of cumulative depreciation differences recognised in equity	-29	-26
retained earnings 31 Dec.	**9 254**	**7 010**

Calculation of retained earnings in equity is based on an IFRS-compliant balance sheet and Finnish legislation.

20. interest-bearing liabilities

	group 2007 1000 eur	group 2006 1000 eur
non-current		
loans from financial institutions	7 491	8 241
current		
bank overdrafts	352	1 347
repayment of non-current loans	1 317	700
total	**1 669**	**2 047**

maturity of non-current loans	2009	2010	2011	later
	1 741	1 950	2 300	1 500

Non-current loans denominated in Norwegian Krona total NOK 40,000 and non-current bank overdrafts in Norwegian Krona total NOK 120,000. All other interest-bearing liabilities are in euro. All of the Group's loans have a variable rate and their fair values are same or nearly the same as their balance sheet values.

As for bank overdrafts, the figures for the comparison period have been adjusted to comply with the accounting principles used in the financial period. The change in accounting principles resulted from the offsetting of consolidated account balances.

21. trade and other payables

	group 2007 1000 eur	group 2006 1000 eur
advances received	66	215
trade payables	3 322	3 553
accrued payables	6 783	3 199
other liabilities	2 371	1 287
total	**12 542**	**8 254**

Material items in accrued liabilities consist of accrued customer invoicing related to the Group's new project business and of accrued personnel expenses. Other liabilities include liabilities from equity derivatives that total EUR 434,000. Of other liabilities, non-current hire-purchase liabilities account for EUR 23,000 and a long-term convertible bond for EUR 200,000.

22. financial risk management

Beltton-Group Plc's internal and external financing and financial risk management is mainly carried out by the parent company. Companies in which it has a minority interest, Beltton may make separate decisions related to financing, but always within the limits defined by the companies' Boards of Directors. In addition to other risk management policies, the Group's parent determines, e.g., the principles of financial risk management. Risk management aims to minimise the effects that price fluctuations in the financial markets and other uncertainty factors may have on the income, balance sheet and cash flow. Decisions on possible hedging activities are made by the parent company.

currency risk

Beltton's exposure to currency risks is minor since over 90 % of the Group's sales are carried out in euro. Most of the imports are also in euro, and in Asia the Group is only slightly exposed to USD risks.The Group did not use hedging against currency risks in the period.

credit risk

The Group's trade receivables are distributed over an extensive customer base, and most of the annual volume targets well-known and solvent customers. The risk management policy defines the requirements for creditworthiness, as well as the delivery and payment conditions. Credit risks and their monitoring are mainly the responsibility of subsidiaries' management, while the parent's financial operations monitor compliance with the principles of risk management.

interest rate risk

The Group's interest rate risk consists of a non-current bank loan in the parent company, the interest rate of which is linked to the six-month Euribor, and a current overdraft limit, the interest rate of which is linked to the one-month Euribor. Changes in market rates of interest have a direct effect on future interest payments. To date, the Group has not used interest rate swaps in risk management targeting variable rates.

liquidity risk

Short-term liquidity risk is managed at parent company-level with a Group account arrangement that encompasses all subsidiaries. Continuous supervision is used to assess and monitor the financing needed for subsidiaries' operations. The availability and flexibility of financing is ensured with credit limits. Unused credit limits totalled EUR 1,200,000 on 31 December 2007.

23. capital management

Beltton-Group's management of its capital structure aims to ensure and improve the operating conditions of all subsidiaries. Another important goal is to increase the company's value in a sustainable, optimal manner. The Group's capital structure is primarily monitored on the basis of the equity ratio and its development. The long-term equity ratio target is around 50 per cent. The Group achieved its target in 2007, with the equity ratio amounting to 48.7% (in 2006: 49.5%). The gearing ratio, another important key figure in capital management, improved significantly over the period, mainly due to the real estate deal made in the latter part of the year.

24. other leases

	group 2007 1000 eur	group 2006 1000 eur
group as lessee		
minimum leases paid on the basis of other non-cancellable leases:		
within one year	781	157
over one year but within five years at most	2 160	532

Apart from a building owned by it, the Group has leased all of the office and warehouse spaces it uses. Non-cancellable leases are made for 3–5 years and they normally include the option to extend the contract after the original end date.The most significant contract made in 2007 was the 10-year leaseback for the Beltton building previously owned by the Group.The financial statements for 2007 include EUR 297,000 of lease payments based on other leases (EUR 70,300 in 2006).

25. collaterals given and commitments

	group 2007 1000 eur	group 2006 1000 eur
business mortgages (bearer instruments):		
given as collateral	6 850	3 850
free	600	600
commitments from operating leases		
less than one year	7	9
1-5 years	0	7
guarantees		
personal guarantees on behalf of subsidiaries	200	200
personal guarantees on behalf of others	52	52

The following shares/assets, with carrying amounts as presented below, have been lodged as security for the parent company's loans.

	group 2007 1000 eur	group 2006 1000 eur
Martela Oyj	378	313
KB-tuote Oy	683	683
Wulff Oy Ab	2 339	2 339
Torkkelin Paperi Oy	835	835

A total of EUR 150 thousand in deposits have been lodged as security for the Group's leases, import duties and share trading.

26. related party transactions

the group's parent company and subsidiaries are related in the following way:

	group´s ownership and share of votes %	parent company beltton-group plc´s ownership and share of votes %
parent company Beltton-Group Plc		
Beltton Oy	100	100
Beltton Svenska AB	75	25
Grande Leasing Oy	100	0
Looks Finland Oy	75	75
Beltton AS	100	80
Suomen Rader Oy	100	67
Vinstock Oy	100	63
Naxor Finland Oy	100	100
Everyman Oy	70	70
Office Solutions Why Not Oy	85	85
Officeman Oy	70	70
KB-tuote Oy	100	100
Key Business Eesti Oü	70	0
Visual Globe Oy	100	100
Wulff Oy Ab	100	100
Torkkelin Paperi Oy	92	0
Active Office Finland Oy	100	100
Office Solutions Svenska AB	75	25
Vendiili Oy	90	90
Nordisk Profil AS	70	0
IM Inter-Medson Oy	75	0
Entre Marketing Oy	80	80

		2007 1000 eur	2006 1000 eur
A) employee benefits of management included in related party			
the Group Management's wages and salaries, including fringe benefits			
Managing Directors and members of the Group Management		903	764
Board members, the Group's CEO and Vice President			
Ari Lahti	Chairman of the Board	12	12
Heikki Vienola	CEO	50	50
Ari Pikkarainen	Vice President	54	15
Sakari Ropponen	Member	12	12
Pentti Rantanen	Member from April 5	12	8
Ere Kariola	Member from April 5	12	8
Jyrki Paulin	Member until April 5	0	4
total		**1 056**	**873**

The Managing Directors of subsidiaries have no other regular benefits apart from a normal monthly salary and fringe benefits. Possible performance-based payments and bonuses are decided annually. The written contracts for managing directors define the customary mutual period of notice and special compensation.

B) related party transactions

During the period, Group companies have purchased services for EUR 100,000 from the ICECAPITAL Securities Ltd, in which the Chairman of the Board has a 51 % shareholding. The commercial conditions of services were normal and conventional.

	2007 1000 eur	2006 1000 eur
C) loans to related parties		
loans granted to Managing Directors of subsidiaries	581	150

2007	loan amount	repayment conditions	interest
Harri Kaasinen	EUR 484,289	The loan is for ten years and will be paid off as a lump sum.	Interest pursuant to section 67 of the Income Tax Act

The 150 Entre Marketing Ltd shares owned by the borrower have been pledged as collateral for the loan.

Pekka Lähde	EUR 31,000	min. EUR 3,750 p.a. over the next 4 years The remaining capital will mature on 31 March 2011.	base interest rate in effect
Pekka Lähde	EUR 66,250	min. EUR 5,000 p.a. until further notice	base interest rate in effect

2006	loan amount	repayment conditions	interest
Pekka Lähde	EUR 75,000	EUR 3,750 p.a. over the next 4 years The remaining capital will mature on 31 March 2011.	base interest rate in effect
Pekka Lähde	EUR 75,000	EUR 5,000 p.a. until further notice	base interest rate in effect

The borrower has lodged as security for the loans 3,408 Torkkelin Paperi Oy shares owned by him. The shares were sold to Torkkelin Paperi Oy's Managing Director on 29 December 2006.

key figures
per quarter

	IFRS											
(1 000 euro)	Q4/07*)	Q3/07	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06	Q1/06	Q4/05	Q3/05	Q2/05	Q1/05
turnover	22 200	16 358	18 604	16 925	18 864	13 329	15 020	14 832	17 087	12 763	15 400	14 851
operating profit before taxes, depreciation and amortization (EBITDA)	4 869	541	1 253	471	1 359	967	784	524	1 226	239	780	705
operating profit	4 095	204	928	172	1 033	668	478	241	921	-71	484	398
% of turnover	18.4 %	1.2 %	5.0 %	1.0 %	5.5 %	5.0 %	3.2 %	1.6 %	5.4 %	0.6 %	3.1 %	2.7 %
profit before extraordinary items, provisions and taxes	3 764	-60	722	121	1 054	588	420	154	884	23	319	233
% of turnover	17.0 %	-0.4 %	3.9 %	0.7 %	5.6 %	4.4 %	2.8 %	1.0 %	5.2 %	0.2 %	2.1 %	1.6 %
net profit for the period	2 616	-5	487	-70	659	312	243	81	853	-114	198	41
% of turnover	11.8 %	0.0 %	2.6 %	0.4 %	3.5 %	2.3 %	1.6 %	0.5 %	5.0 %	0.9 %	1.3 %	0.3 %
number of personnel at the end of period	467	486	475	422	412	439	429	435	434	460	474	485

*) In Q4/2007 there were the following one-off items: sales profit from the Beltton facilities (EUR 2,585 thousand with tax impact included) and impairment loss on goodwill (EUR 400 thousand).

key figures describing the group's financial development

1 000 eur	IFRS 2007 *)	IFRS 2006	IFRS 2005	IFRS 2004	2003
turnover	74 087	62 045	60 101	60 414	62 868
growth of turnover, %	19.4 %	3.2 %	-0.5 %	-3.9 %	50.2 %
operating profit before taxes, depreciation and amortization (EBITDA)	7 134	3 634	2 944	3 516	5 980
% of turnover	9.6 %	5.9 %	4.9 %	5.8 %	9.5 %
operating profit	5 399	2 420	1 724	2 439	4 385
growth of operating profit, %	123.1 %	40.4 %	-29.3 %	44.4 %	-15.4 %
% of turnover	7.3 %	3.9 %	2.9 %	4.0 %	7.0 %
profit before extraordinary items, provisions and taxes	4 547	2 216	1 554	2 749	4 658
% of turnover	6.1 %	3.6 %	2.6 %	4.6 %	7.4 %
net profit for the financial year	3 028	1 296	1 126	2 688	3 143
% of turnover	4.1 %	2.1 %	1.9 %	4.4 %	5.0 %
cash flow from operations	2 109	2 093	1 716	2 938	6 207
return on equity, % (ROE)	17.6 %	7.8 %	7.2 %	15,1 %	17.5%
return on investment, % (ROI)	16.5 %	10.0 %	6.5 %	10.6%	16.6 %
equity ratio, %	48.7 %	49.5 %	46.7 %	49.2 %	51.3 %
gearing, %	15.9 %	45.9 %	46.3 %	37.7 %	15.9 %
balance sheet total	42 335	36 732	38 121	35 324	38 697
gross investments in fixed assets	1 171	1 122	957	1 076	979
% of turnover	1.6 %	1.8 %	1.6 %	1.8 %	1.6 %
average number of personnel during the period	440	423	460	500	502
number of personnel at the end of period	467	412	434	485	514

*) In 2007 there were the following one-off items: sales profit from the Beltton facilities (EUR 2,585 thousand with tax impact included) and impairment loss on goodwill (EUR 400 thousand).

share related data	IFRS 2007 *)	IFRS 2006	IFRS 2005	IFRS 2004	2003
earnings per share, eur	0.47	0.20	0.17	0.42	0.50
equity per share, eur	3.01	2.66	2.58	2.57	2.96
dividend per share, eur	0.18	0.12	0.10	0.16	0.40
payout ratio, %	38.7 %	60.3 %	58.8 %	48.5 %	80.0 %
effective dividend yield, %	5.3 %	2.6 %	2.3 %	2.8 %	5.0 %
price/earnings ratio (P/E ratio)	7.21	22.95	25.89	13.6	16.00
P/BV ratio	1.13	1.73	1.71	2.27	2.70
operating profit before taxes, depreciation and amortization per share, eur (EBITDA)	1.10	0.56	0.45	0.55	0.95
cash flow from operations per share, eur	0.32	0.32	0.26	0.45	0.98
share price performance					
lowest share price, eur	3.30	3.48	4.23	5.56	6.00
highest share price, eur	4.90	5.69	5.83	8.07	9.21
average share price, eur	4.11	4.17	4.99	6.95	7.22
closing share price, eur	3.39	4.59	4.40	5.71	8.00
market value of shares 31.12., eur	22 060 859	29 870 013	28 633 563	37 130 006	50 653 024
average number of shares	6 507 628	6 507 628	6 505 128	6 456 857	6 307 250
shares at the end of the financial period	6 507 628	6 507 628	6 507 628	6 502 628	6 331 628
number of traded shares	416 346	679 666	729 800	682 595	1 190 920
% of average share number	6.4 %	10.4 %	11.2 %	10.6 %	18.9 %
traded shares, eur	1 712 001	2 839 617	3 631 461	4 739 362	8 595 842

*) In 2007 there were the following one-off items: sales profit from the Beltton facilities (EUR 2,585 thousand with tax impact included) and impairment loss on goodwill (EUR 400 thousand).

return on equity, % (ROE)	profit before extraordinary items - taxes / shareholders' equity + minority interest (average)	**x 100**
return on investment, % (ROI)	profit before extraordinary items + interest / balance sheet total - interest-free liabilities (average)	**x 100**
equity ratio, %	shareholders' equity + minority interest / balance sheet total - advances received	**x 100**
gearing, %	interest-bearing liabilities - liquid assets / shareholders' equity + minority interest	**x 100**

earnings per share (EPS), eur	profit before extraordinary items +/- minority interest in the net profit - taxes / adjusted average number of shares	
equity per share, eur	shareholders' equity / share issue adjusted number of shares on 31 December	
dividend per share, eur	dividend paid for the financial period / share issue adjusted number of shares on 31 December	
payout ratio, %	dividend per share / earnings per share	**x 100**
effective dividend yield, %	dividend per share / share issue adjusted share price on 31 December	**x 100**
P/E ratio	share issue adjusted share price on 31 December / earnings per share	
P/BV ratio	share issue adjusted share price on 31 December / equity per share	
operating profit before taxes, depreciation and amortization (EBITDA) per share, eur	operating profit + depreciation and amortization / share issue adjusted number of shares on 31 December	
cash flow from operations/ per share	cash flow from operations as in cash flow statement / adjusted average number of shares	
market capitalisation	number of shares on 31 December x closing share price on 31 December	

parent company
income statement

	reference		1 jan- 31 dec 2007 eur		1 jan- 31 dec 2006 eur
turnover	2		**665 739.05**		**543 155.33**
other operating income	3		3 557 267.14		271 862.30
cost of goods sold					
materials, supplies and goods					
purchases during the period		447.00		32.00	
increase (-) or decrease (+) in inventories		0.00	-447.00	0.00	-32.00
personnel expenses	4				
salaries, wages and compensations	5	473 101.65		366 339.83	
pension costs		69 121.77		72 879.25	
other pay-related personnel expenses		30 739.12	-572 962.54	23 062.40	-462 281.48
depreciation and loss of value					
depreciation according to plan	6		-209 927.81		-168 424.67
other operating expenses	7		-517 180.35		-488 586.84
operating profit			**2 922 488.49**		**-304 307.36**
financial income and expenses	8 and 9				
dividend income		666 872.92		283 846.00	
other interest and financial income		249 731.78		242 466.17	
interest and other financial expenses		-1 632 645.18	-716 040.48	-647 412.61	-121 100.44
profit before extraordinary items			**2 206 448.01**		**-425 407.80**
extraordinary income and costs					
group contributions	10		688 000.00		1 273 000.00
profit before appropriations and taxes			**2 894 448.01**		**847 592.20**
appropriations					
changes in depreciation difference	11		0.00		0.00
profit before taxes			**2 894 448.01**		**847 592.20**
income taxes			-576 990.17		-176 936.98
net profit for the financial period			**2 317 457.84**		**670 655.22**

	reference		31 dec 2007 eur		31 dec 2006 eur
assets					
fixed assets					
intangible assets	12				
other long-term expenditure			28 877.00		40 001.24
tangible assets	13				
land areas			582 400.00		1 040 000.00
buildings			0.00		1 976 000.00
machinery and equipment			44 760.90		193 832.68
investments					
shares in group companies	14		8 267 998.67		5 501 066.30
total fixed assets			**8 924 036.57**		**8 750 900.22**
current assets					
inventories					
materials and supplies			0.00		0.00
non-current receivables					
non-current receivables from group companies			9 996 024.12		9 833 873.19
loan receivables			498 701.12		0.00
current receivables	15				
trade receivables		0.00		2 440.00	
receivables from group companies		11 179 093.12		9 821 775.81	
deferred tax assets		141 725.07		0.00	
other receivables		57 154.59		26 334.52	
prepaid expences and accrued income		779 721.62	12 157 694.40	0.00	11 614 817.63
securities included in current assets	16		1 395 009.16		158 838.60
cash at bank and in hand	17		1 571 985.40		2 828.07
total current assets			**25 619 414.20**		**21 610 357.49**
total assets			**34 543 450.77**		**30 361 257.71**

parent company balance sheet

	reference		31 dec 2007 eur		31 dec 2006 eur
equity and liabilities					
shareholders´ equity	18				
share capital			2 603 051.20		2 603 051.20
share premium fund			7 889 591.50		7 889 591.50
retained earnings			4 610 864.79		4 721 124.93
net profit for the financial year			2 317 457.84		670 655.22
total shareholders´ equity			**17 420 965.33**		**15 884 422.85**
liabilities					
non-current liabilities					
loans from credit institutions	19	7 400 000.00		8 100 000.00	
other non-current liabilities		0.00	7 400 000.00	0.00	8 100 000.00
current liabilities					
trade payables		5 524.66		24 034.86	
amounts owed to group companies		2 039 030.96		1 536 055.63	
other liabilities	20	7 510 360.34		4 730 766.48	
accrued liabilities and deferred income		167 569.48	9 722 485.44	85 977.89	6 376 834.86
total liabilities			**17 122 485.44**		**14 476 834.86**
total equity and liabilities			**34 543 450.77**		**30 361 257.71**

parent company cash flow statement

	2007 1000 eur	2006 1000 eur
cash flow from operations:		
payments received from sales	660	556
payments received from other operating income	327	321
amounts paid for operating expenses	-889	-1 057
cash flow from business operations before financial items and taxes	98	-180
interests and other operations-related financial costs paid	-450	-367
interest received from operations	26	6
dividends received from operations	465	192
direct taxes paid	0	0
cash flow from operations	**139**	**-349**
cash flow from investment activities:		
investments in intangible and tangible assets	-332	-55
sale of tangible and intangible assets	5 930	2
acquisition of shares in subsidiaries	- 2 741	0
loans granted	-484	-244
cash flow from investment activities	**2 373**	**-297**
cash flow from financial activities:		
short-term investments	-1 237	-107
withdrawals of short-term loans	3 375	2 109
withdrawals of long-term loans	0	0
repayments of long-term loans	-2 300	-704
paid dividends and other distribution of profits	-781	-651
cash flow from financial activities	**-943**	**647**
change in liquid assets	**1 569**	**1**
liquid assets on December 31	**1 572**	**3**

shares and share capital

The minimum share capital of Beltton-Group Plc is EUR 2,000,000 and the maximum share capital EUR 8,000,000, within which limits the share capital may be increased or decreased without amending the Articles of Association.

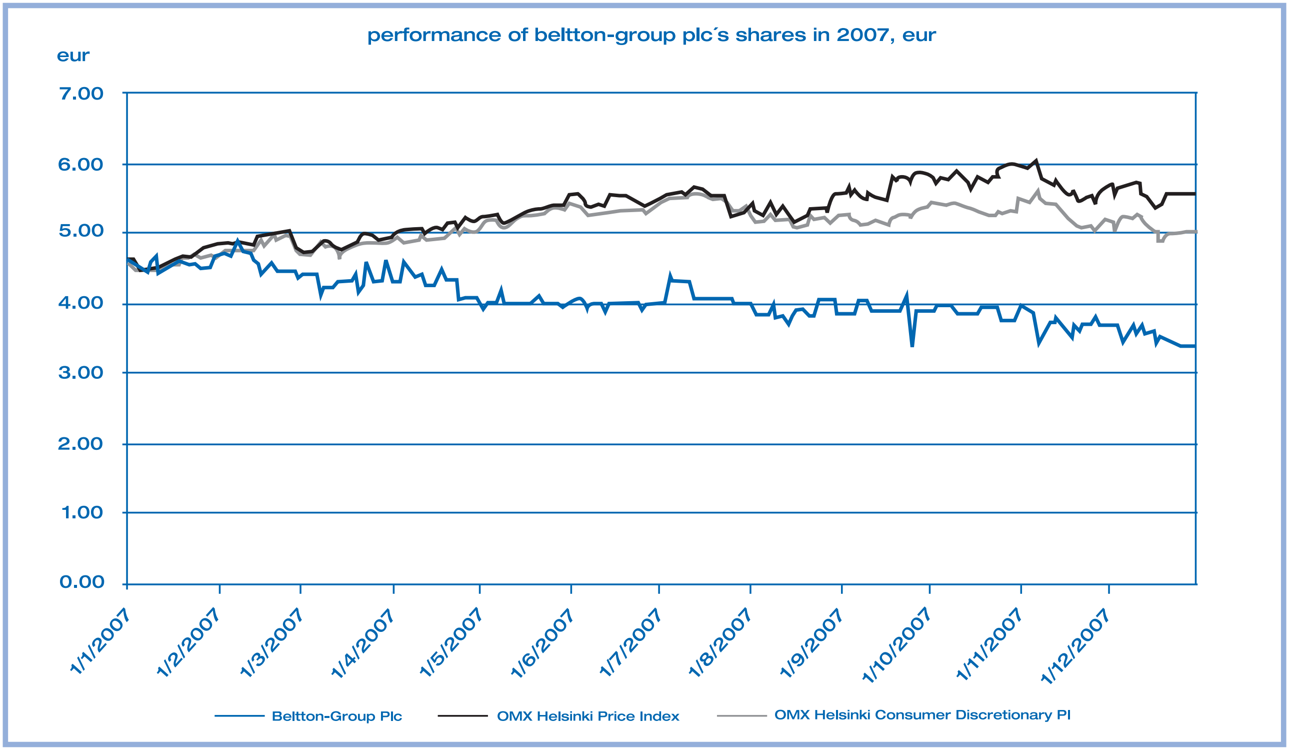
The Group's registered share capital at the end of 2007 amounted to EUR 2,603,051.20, divided into 6,507,628 shares with a nominal value of EUR 0.40. Beltton has one share series. Its trading code on OMX is BTN1V. Owing to the abolition of the wealth tax, taxable values were no longer determined for listed shares in 2007.

shareholders and ownership

The Beltton-Group Plc's shares are registered in the book-entry securities system maintained by the Finnish Central Securities Depository.

Beltton had a total of 642 shareholders at the end of 2007. Of Beltton's 6,507,628 shares 6,505,211, or 99.96% of shares and voting rights, were direct shareholdings, while the number of nominee-registered shares amounted to 2,417, representing 0.04 %. Beltton's ten largest shareholders held 84.51 % of shares and voting rights. Foreign share ownership amounted to 3.34 %. The Beltton-Group Plc does not hold its own shares.

No changes in holdings that would have merited a notice of change took place in 2007.



management interest and public insider ownership at 31 December 2007

The Group's Board of Directors, CEO, and the Members of the Group Management owned a total of 4,043,680 shares, which corresponds to 62.1 per cent of the shares and associated total voting rights in the company.

The Group's public insiders are the Board of Directors, the Group's CEO, the Members of the Group Management, and the auditors. The public insiders owned a total of 4,043,680 shares, which corresponds to 62.1 per cent of the shares and associated total voting rights in the company.

The figures for the Group Management and public insiders include the holdings of their own, minor children, and entities under their control.

The Group's related parties, as defined in the Companies Act, owned a total of 5,717,192 shares on 31 December 2007. The related parties' ownership of the shares and the associated voting rights in the company was 87.9 per cent.

share quotation

Beltton's stock exchange history started in October 2000 when the company's share was first listed on the Helsinki Stock Exchange's NM list. Beltton transferred its shares to the main list on 22 April 2003 and was listed in the Trade sector. Since 2 October 2006, Beltton's shares have been quoted on OMX Nordic Exchange's Small Cap list in the Consumer Discretionary sector. The company's trading code is BTN1V. Helsinki Stock Exchange commenced trading in round lots of one share on 25 September 2006. Prior to this, the lot size for Beltton's shares was 100 shares. The share series' ISIN code used for international settlement of securities is FI0009008452.

share trading and price development

In 2007 the trading volume of Beltton's share amounted to 416,346 shares (679,666 shares), or 6.4 % (10.4 %) of shares outstanding, which corresponds to EUR 1,712,001 (EUR 2,839,617). The highest share price in 2007 was EUR 4.90 (2006: EUR 5.69), the lowest EUR 3.30 (2006: EUR 3.48). The closing share price on 31.12.2007 was EUR 3.39 (2006: EUR 4.59). Compared to the situation on 31 December 2006, share prices showed a change of -26.1 per cent. The market value of the share capital at the end of the financial period was EUR 22,060,859 (EUR 29,870,013).

stock option plan

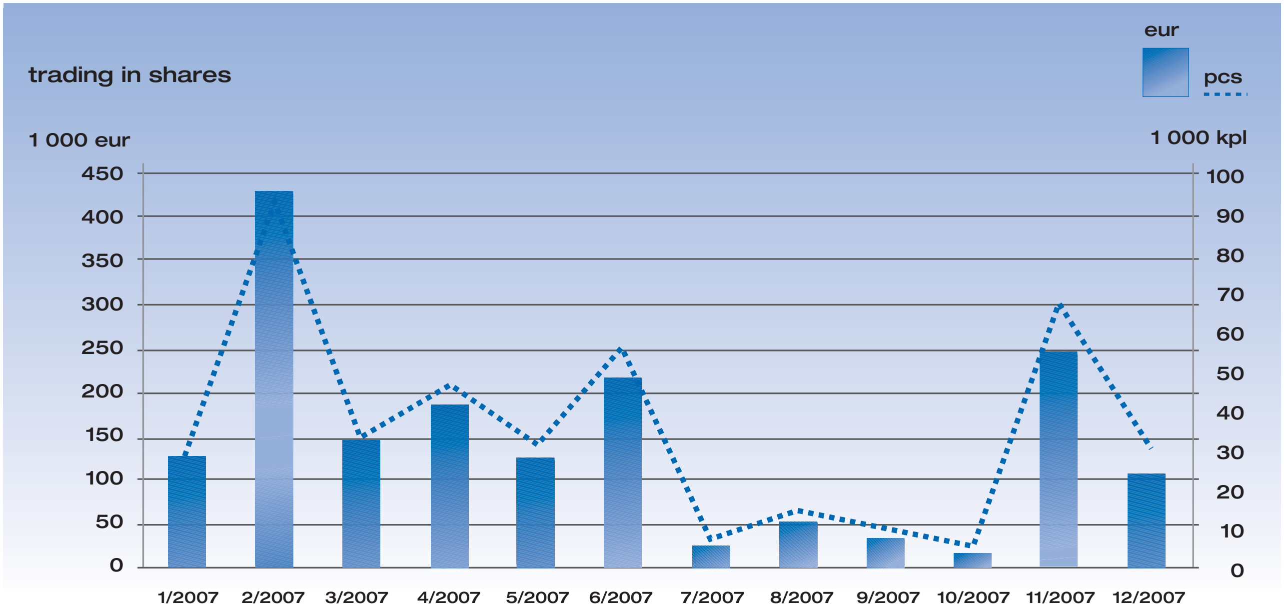
Beltton-Group Plc has no option schemes currently in force.

insider guidelines

Beltton follows the Helsinki Stock Exchange's updated insider guidelines, which took effect on 1 January 2006. They are based on the guidelines on the application of the Securities Market Act in listed companies issued by the Financial Supervision Authority. The public insider register of Beltton-Group Plc is maintained in the Finnish Central Securities Depository's SIRE system.

The company updates its public insider information on its website without undue delay, at the latest within seven calendar days of the date that the person subject to the declaration requirement had declared a change in the information.

shares and share capital



owner group	shareholders		% of shares	
	number	%	number	%
companies	50	7.8	320 691	4.9
financial and insurance institutions	8	1.2	533 400	8.2
public entities	3	0.5	820 000	12.6
private persons	556	86.6	4 615 994	70.9
non-profit organisations	2	0.3	110	0.0
foreign shareholders	23	3.6	217 433	3.3
total	642	100.0	6 507 628	100.0
of which nominee registered shareholders	2	0.3	2 417	0.0

number of shares	shareholders		% of shares	
	number	%	number	%
1-500	377	58.7	91 852	1.4
501-1 000	105	16.4	88 547	1.4
1 001-10 000	132	20.6	409 990	6.3
10 001-100 000	21	3.3	681 236	10.5
100 001-	7	1.1	5 236 003	80.5
total	642	100.0	6 507 628	100.0
of which nominee registered shareholders	2	0.3	2 417	0.0

major shareholders at 31 dec 2007		shares and votes number	%
1.	**Vienola, Heikki ***	**2 552 005**	**39.22**
	Vienola, Heikki	2 523 405	38.78
	Vienola, Jussi	14 700	0.23
	Vienola, Kristina	13 900	0.21
2.	**Pikkarainen, Ari ***	**1 391 675**	**21.39**
	Pikkarainen, Ari	1 391 475	21.38
	Pikkarainen, Samuli	200	0.00
3.	**Tapiola Group**	**761 100**	**11.70**
	Tapiola Mutual Pension Insurance Company	350 000	5.38
	Tapiola General Mutual Insurance Company	283 900	4.36
	Tapiola Mutual Life Assurance Company	100 000	1.54
	Tapiola Corporate Life Insurance Ltd	27 200	0.42
4.	**Varma Mutual Pension Insurance Company**	**450 000**	**6.91**
5.	**eQ Bank Plc**	**150 840**	**2.32**
	eQ Pikkujättiläiset / eQ Fund Management Company Ltd	127 840	1.96
	eQ Extreme mutual fund	23 000	0.35
6.	**Nordea Nordic Small Cap equity fund**	**109 383**	**1.68**
7.	**Hietala, Pekka**	**84 100**	**1.29**
8.	**SR Arvo Finland Value**	**79 533**	**1.22**
9.	**Sundholm, Göran**	**50 000**	**0.77**
10.	**Ågerfalk, Veijo**	**41 000**	**0.63**
	Ågerfalk, Veijo	40 000	0.61
	Ågerfalk, Adam	1 000	0.02
11.	**Laakkonen, Mikko**	**40 000**	**0.61**
12.	**Jaakkola, Juhani**	**25 856**	**0.40**
13.	**Cardia Invest Oy**	**23 800**	**0.37**
14.	**Keskinäinen Kiinteistö Oy Vanha Talvitie 12***	**23 500**	**0.36**
15.	**Brade Oy**	**22 000**	**0.34**
16.	**The Local Government Pensions Institution**	**20 000**	**0.31**
17.	**Fieandt von, Johan**	**20 000**	**0.31**
18.	**Duell Office Oy**	**19 895**	**0.31**
19.	**Lindström, Kim**	**19 202**	**0.30**
20.	**Turva General Mutual Insurance Company**	**12 200**	**0.19**
total		**5 896 089**	**90.60**
others		**611 539**	**9.40**
total		**6 507 628**	**100.00**

* Heikki Vienola and Ari Pikkarainen have joint control over the shares of Kiinteistö Oy Vanha Talvitie 12.

The shareholder information is based on the shareholders' register maintained by the Finnish Central Securities Depository 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 quarterly updated list of major shareholders can be found on the Group's website at www.beltton.com.

board of directors' proposal for the distribution of profits

The parent company's balance sheet as at 31 December 2007 showed distributable profits of EUR 6.93 million. According to the parent company's balance sheet the following amounts are available to the shareholders' meeting:

retained earnings	EUR	4,610,864.79
net profit for the financial year	EUR	2,317,457.84
total	**EUR**	**6,928,322.63**

The Board proposes to the Annual General Meeting that the distributable profits be used in the following way:

- distributed as dividend: EUR 0.18 per share, totalling	EUR	1,171,373.04
- retained in equity	EUR	5,756,949.59
	EUR	**6,928,322.63**

No dividend will be paid to shares owned by the company itself at the time of the decision on the profit distribution. The Board also proposes that the dividend be paid on 16 April 2008.

No substantial changes have taken place in the company's financial position after the end of the review period. The company has good liquidity, and the proposed profit distribution does not put the company's liquidity at risk in the Board's view.

Helsinki, 13 March 2008

Beltton-Group Plc / Board of Directors

Ari Lahti
Chairman of the Board of Directors

Heikki Vienola
CEO

Erkki Kariola
Ari Pikkarainen
Pentti Rantanen
Sakari Ropponen

auditors´ report

to the shareholders of beltton-group plc

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Beltton-Group Plc for the period 1 January to 31 December 2007. The CEO and Board of Directors have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the CEO of the parent company have complied with the rules of the Companies Act.

consolidated financial statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

parent company's financial statements, report of the board of directors and administration

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the CEO of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of distributable funds is in compliance with the Companies Act.

Helsinki 14 March 2008

Nexia Tilintarkastus Oy
Authorised Public Accountants

Jukka Havaste, Authorised Public Accountant

Juha Lindholm, Approved Accountant

Beltton-Group comprises of 22 subsidiaries, which are sales and marketing companies operating in the world of office supplies and services. The Group's organisation structure is divided into five business areas depending on their operating concept and field: office supplies, business and advertising gift, fair and event marketing services, direct sales in Finland and direct sales in Scandinavia. These areas form a single business segment. Beltton-Group Plc, the Parent Company, is responsible for the Group's strategic control, administration, finance, asset management, and Group-wide cooperation projects.

Beltton-Group Plc's corporate governance is based on the Companies Act, Securities Market Act and authority regulations related to the corporate governance of public limited companies, as well as the Articles of Association. Beltton adopted the Corporate Governance guidelines recommended by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation for Finnish Industry and Employers on 1 July 2004. Beltton complies with all aspects of the recommendation.

general meeting

Beltton's highest decision-making powers are exercised by shareholders at the company's general meeting held at least once a year. The Annual General Meeting (AGM) is held annually on the date determined by the Board of Directors by the end of June either in the company's domicile, Espoo, or in Helsinki. Shareholders are invited to general meetings by publishing the meeting call in at least one newspaper determined by the Board of Directors or by delivering the call in writing to each shareholder to the address recorded in the shareholder list. The Board of Directors' proposals to the general meeting and the call to the meeting are also published in stock exchange releases. The proposed Board members and company auditor are made public in conjunction with the call to the meeting or in a separate stock exchange release before the general meeting.

The Annual General Meeting handles the tasks pertaining to it according to the Companies Act and Beltton-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 meeting call.

The general meeting is also authorised to amend the Articles of Association. An Extraordinary General Meeting is summoned, if required, by the Board of Directors.

In 2007 Beltton-Group Plc's Annual General Meeting was held on 4 April. The AGM adopted the financial statements for 2006 and approved a dividend of EUR 0.12 per share, set the number of Board members at six and elected the Board members and auditors. The AGM adopted the Board's proposals concerning the authorisation to increase the share capital and to repurchase company shares.

In 2008 the Annual General Meeting will be held on 4 April 2008.

board of directors composition and term

The Annual General Meeting elects three to six members to the Board of Directors and at least as many deputy members. The Board's term ends at the termination of the first Annual General Meeting following the election. The Board of Directors consists of both the company's major shareholders, who are employed full time by the company, and outside experts with versatile experience of and familiarity with business and industry. The Board should have adequate expertise at least from the following areas: economy and finance, management and marketing and sales. Each Member acts as the expert of his or her own area in the Board.

The Board can have at most two members employed by the company. 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 Annual General Meeting of Beltton-Group Plc held on 4 April 2007 elected six members to the Board. Ari Lahti, Ere (Erkki) Kariola, Ari Pikkarainen, Pentti Rantanen, Sakari Ropponen and Heikki Vienola were re-elected to the Board. At its organisation meeting on 18 April 2007 the Board of Directors elected Ari Lahti as Chairman.

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. In compliance with recommendation 18 of the Corporate Governance recommendation, four of the Board members are independent of the company and of major shareholders. These members are Ari Lahti, Ere Kariola, Pentti Rantanen and Sakari Ropponen. Two of the members – Belt-ton's CEO Heikki Vienola and Vice President Ari Pikkarainen – are employed by the company, and both own more than 10 per cent of the company's shares.

The personal information and shareholdings of the Board members on 31 December 2007 are available on the company's website and on page 35 in the general part of the Annual Report.

tasks of the board of directors

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. As specified in the Board's charter, in addition to the issues specified in legislation and the Articles of Association Beltton'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.

meeting procedures

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 jointly with the Secretary of the Board. The CEO ensures that the Board of Directors has sufficient information at its disposal to assess the company's operations and financial situation. The CEO is responsible for the implementation of the Board's decisions and reports on it to the Board.

Beltton's Board of Directors convened 13 times in 2007. Of these meetings, two were phone conferences. The average meeting attendance was 100 per cent. At its organisation meeting the Board approved the charter and action plan for 2007 and evaluated the independence of its members. Under the Board's guidance, the company realised an acquisition according to strategy and developed the Group Management's operations. Reporting in the Group was further developed as planned.

No need for committee work arose in 2007. The Board of Directors handled all of the tasks pertaining to it.

According to the meeting plan for 2008, the Board of Directors will convene 11 times.

assessment of board activities

The Board carries out annual assessments of its operations and operating methods on the basis of a self-evaluation form. The assessment of operations in 2007 was carried out in writing at the end of the period. Based on the assessment, Board work was successful.

board of directors' benefits and remuneration

The remuneration paid to Board members is determined by the Annual General Meeting. As decided by the Annual General Meeting held on 4 April 2007 Board members and the Chairman received a monthly reward for Board work amounting to EUR 1,000. Similar to earlier practice, the CEO and Vice President did not receive compensation for Board membership or meetings in 2007.

chief executive officer

Beltton-Group Plc's CEO is appointed by the Board of Directors. The CEO supervises the company's operational management in compliance with the instructions and guidelines provided by the Board of Directors. The CEO also acts as the Group's Chief Executive Officer and as the Chairperson of the Group Management. The CEO's benefits include statutory pension. The period of notice is three months, as determined in the employment contract. No separate compensation for the period of notice is included in the contract.

Heikki Vienola, M.Sc. (Econ.), has acted as CEO of Beltton-Group since 1999. Remuneration for the CEO consists of monetary wages. The CEO's salary in 2007 amounted to EUR 50,460 (EUR 50,460 in 2006).

group management and remuneration of its members

Beltton's operations are divided into five areas according to the operating concept and area. These five business areas are office supplies represented by Wulff Oy Ab, business and advertising gifts represented by KB-tuote Oy, fair and event marketing services represented by Entre Marketing Ltd, direct sales operations formed by ten direct sales companies, as well as the joint direct sales in Sweden and Norway.

The Group Management consists of the Group's CEO, Chief Financial Officer and the vice presidents of each of the five business areas. The Group Management assists the CEO in the company's operational management, as well as plans and monitors the operations of business areas. It convenes four times a year.

The Managing Directors of subsidiaries are in charge of operational business. Significant decisions, such as big investments, are subjected to approval by the Group's CEO. Each subsidiary has its own financial administration, while Group-wide financial administration is handled by the Chief Financial Officer.

The Group Management consists of Heikki Vienola, Group CEO; Ari Pikkarainen, Group Vice President; Juha Broman, Managing Director of Wulff Oy Ab; Tommi Kortelainen, Managing Director of KB-tuote Oy; Harri Kaasinen, Managing Director of Entre Marketing Ltd; Veijo Ågerfalk, Managing Director of Beltton Svenska AB; and Petri Räsänen, CFO. From 9 May to 30 September July 2007 the Group Management included Pekka Leppälä, the previous Managing Director of Entre Marketing Ltd.

Personal information about the members of Group Management and their holdings in Beltton-Group Plc are presented on the company's website and on page 37 in the general part of the Annual Report.

Remuneration of senior management consists of monetary wages, fringe benefits and possible performance-based fees and bonuses determined annually. The written contracts for managing directors define the customary mutual period of notice and other separate benefits.

In 2007 Group Management received EUR 504,028 in salaries and wages (EUR 411,240 in 2006) and EUR 32,577 in fringe benefits (EUR 43,551). In 2007 the total monetary wages paid to the Group Management and subsidiaries' Managing Directors who are not on the Group Management amounted to EUR 837,907 (in 2006: EUR 663,128), while fringe benefits totalled EUR 32,817 (EUR 44,091). These amounts do not include the CEO's salary. Bonuses paid to the Group Management in the period amounted to EUR 16,225 (EUR 72,200) and, with the Managing Directors of subsidiaries included, to EUR 16,225 (EUR 72,200).

risk management, internal control and internal audit

Risk management is part of Beltton-Group's operations management. Beltton'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. Risks include aggressive competitors, threats related to the staff and its availability, as well as factors related to the company's reputation. Beltton's risk management supports the achievement of strategic objectives and ensures business continuity. The Board of Directors is in charge of the risk management policy, and its implementation is regularly monitored by internal auditing.

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.

Beltton-Group Plc carries out annual risk surveys to determine the main risks by their impact and probability. The heads of business areas are responsible for carrying out the surveys and monitoring risks. They report on these activities to the Group Management. Risks are classified into four categories: strategic, operational, market and technical risks. These are monitored by people specially appointed to the task. The main risks determined in the risk survey are reported to the company's Board of Directors. Every six months, the Board of Directors inspects the implementation of measures taken to minimise risks. Beltton 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.

Beltton's 22 subsidiaries operate on their own cash flows. If required, subsidiaries can receive additional financing in the form of a group loan. The Group has tens of thousands of customers. The impact that its biggest customer has on net sales is less than three per cent. Subsidiaries analyse their own customer bases and are responsible for independently exercising active credit control. In proportion to net sales, credit losses are minor, amounting to less than one per cent. The Group's Chief Financial Officer monitors the financial administration of subsidiaries and is responsible, for example, for monitoring currency and interest rate risks. Beltton is not involved in speculative currency or interest rate trading. The Group's subsidiaries handle IT risk management independently. Financial risk management is described in the notes to the consolidated financial statements under section 22 on page 27.

Ultimate responsibility for accounting and supervision of asset management is held by Beltton-Group Plc's CEO. The Board of Directors is responsible for internal control, and the CEO handles the practical organisation of control and supervision of its functionality. Business control and supervision are carried out through a Group-wide reporting system. Actual figures and facts are monitored on a monthly basis in each business area and subsidiary. The information includes, among other things, net sales and profit. The CEO presents a report on the Group's situation and development based on monthly reports at the Board of Directors' meetings.

The goal of Beltton-Group Plc's internal auditing 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.

main procedures in insider administration

Beltton-Group Plc follows the Helsinki Stock Exchange's updated insider guidelines, which took effect on 1 January 2006. They are based on the guidelines on the application of the Securities Market Act in listed companies issued by the Financial Supervision Authority. The public insider register of Beltton-Group Plc is maintained in the Finnish Central Securities Depository's SIRE system. The public insider register includes the members of the Board of Directors, the CEO, members of the Group Management and auditors.

Permanent insiders include those who, based on their duties, regularly receive or handle unpublished information that has an impact on the share price. In addition, project-specific insider registers are maintained for acquisitions or other projects that may have a material impact on the share price. Insider issues are handled by the person responsible for IR matters.

Insiders are not allowed to trade in securities issued by Beltton-Group Plc in the 14 days preceding the publication of financial statements reviews and interim reports (closed window). The company avoids investor relations events during the insider trading prohibition.

A list of the people entered in the public insider register, their connections and shareholdings in Beltton-Group Plc is published on the company's website. The company updates public insider information on its website, www.beltton.fi, (insiders with the duty to declare, their related parties and changes in shareholdings) without unnecessary delay, and no later than seven days after the party with the duty to declare has notified the company of changes.

auditors

According to the Articles of Association, the company has 1–2 auditors. If the Annual General Meeting elects only one auditor, and the auditor is not an authorised public accountant, one deputy auditor must also be elected. Auditors are appointed for an indefinite term.

Beltton has two auditors, who have worked as the company's auditors since 1999. They are Nexia Tilintarkastus Oy, Authorised Public Accountants, with principal responsibility held by Jukka Havaste, Authorised Public Accountant, and Juha Lindholm, HTM-accountant.

The auditors do not own Beltton-Group Plc's shares.

In addition to their regulatory duties, auditors report on their observations to the Chairman of the Board of Directors when required, and at least once a year to the Board of Directors.

Decisions on the auditors' fees and the bases for remuneration of expenses are made by the Annual General Meeting. Based on a Board decision, auditors can receive reasonable remuneration for non-recurring duties carried out on the basis of separate assignments. The auditing fees paid to Beltton's auditors in 2007 amounted to EUR 58,564 (EUR 48,360 in 2006). They were also paid EUR 17,104 (EUR 2,748) for services unrelated to auditing.

communications

Prior to the publication of financial releases, the company has adopted a two-week "silent period" during which it does not answer questions concerning the company's development and performance.

Beltton publishes all of its stock exchange releases and other matters related to listed companies' obligation to disclose information on its website in Finnish and English. The Annual Report is published in electronic form so that it is equally available to all shareholders. The company's Corporate Governance principles are also available on its website.

stock exchange releases, releases, and stock exchange announcements in 2007*

7 February 2007	Beltton-Group's net sales increased in 2006 and operating profit improved clearly over the previous year (Financial Statements bulletin for financial period 1 January – 31 December 2006)
15 March 2007	Annual General Meeting on April 4, 2007
15 March 2007	Correction to the notice on Beltton-Group Plc's Annual General Meeting on April 4, 2007: The record day of dividend
16 March 2007	Beltton-Group Plc Annual Report and Financial Statements for 2006 published
4 April 2007	Decisions made by the Annual General Meeting on April 4, 2007
18 April 2007	Organisation of the Board of Directors at Beltton-Group Plc
9 May 2007	Beltton-Group Plc acquires Entre Marketing Ltd
9 May 2007	Beltton-Group's net sales continued to grow and amounted to EUR 16.9 million (EUR 14.8 million) (Interim report 1 January – 31 March 2007)
9 May 2007	Correction to the stock exchange release Beltton-Group Plc's interim report 1 January – 31 March 2007 (missing table 'Consolidated statement of changes in equity' added)
9 August 2007	Beltton-Group's net sales and operating profit saw clear year-over-year growth (Interim report 1 January – 30 June 2007)
18 September 2007	Harri Kaasinen appointed Managing Director of Entre Marketing, a subsidiary of Beltton-Group Plc
7 November 2007	Beltton-Group's net sales increased clearly, while operating profit saw a slight decrease (Interim report 1 January – 30 September 2007)
12 November 2007	Beltton sells its facilities located in Vantaa and records a one-off capital gain of EUR 3.5 million for this
11 December 2007	Beltton-Group Plc's financial reports in 2008
19 December 2007	Beltton appoints Jani Puroranta as Chief Business Development Officer

*** Releases can be read on the company's website at www.beltton.com**

information to shareholders

annual general meeting

The Annual General Meeting of Beltton-Group Plc will be arranged on Friday, 4 April 2008 starting at 3:00 pm at the following address:

Radisson SAS Royal Hotel, Runeberginkatu 2, Helsinki.

A shareholder who no later than 25 March 2008 has been registered as a shareholder in the shareholder list of the company, maintained by the Finnish Central Securities Depository APK, and who has registered for the Annual General Meeting no later than on Monday, 31 March 2008, is entitled to attend the meeting.

The registration to the Annual General Meeting can be made

- by e-mail to the address: sirpa.vaisanen@beltton.fi
- by fax to the number +358 9 3487 3420
- with a letter sent to the address:

Beltton-Group Plc, Annual General Meeting, Salomonkatu 17 B, 00100 Helsinki, Finland

dividend for 2007

The Board of Directors of Beltton-Group Plc proposes to the Annual General Meeting that a dividend of EUR 0.18 per share be paid for the financial year 2007. The dividend decided upon by the Annual General Meeting will be paid to shareholders who have been registered in the shareholder list, maintained by the Finnish Central Securities Depository APK, on 9 April 2008, the record day of dividend.

The Board of Directors proposes to the Annual General Meeting that the dividend be paid on 16 April 2008.

financial reporting 2008

During 2008, Beltton-Group Plc will publish financial reports as follows:

- financial statements report for 2007 7 Feb. 2008
- interim report for January—March 8 May 2008
- interim report for January—June 8 Aug. 2008
- interim report for January—September 6 Nov. 2008

Beltton-Group Plc will publish the reports in Finnish and English as stock exchange releases and on the company's website at www.beltton.com.

The interim reports and stock exchange releases can be ordered to an email address by sending an email to: sirpa.vaisanen@beltton.fi

ordering the annual report

Beltton-Group Plc
Sirpa Väisänen
Salomonkatu 17 B
00100 Helsinki, Finland

tel. +358 9 5259 0050
mobile +358 400 943 243
email: sijoittajat@beltton.fi

The annual report will be published in Finnish and English. The annual report can also be viewed as a PDF file on the company's website at www.beltton.com

contact person for investor relations

For issues related to investor relations, please contact:

Sirpa Väisänen, IR Officer
Beltton-Group Plc
Salomonkatu 17 B
00100 Helsinki, Finland

tel. +358 9 5259 0050 or
mobile +358 400 943 243
sirpa.vaisanen@beltton.fi

1. accounting principles

The financial statements of Beltton-Group Plc for the financial period 2007 have been drawn up in compliance with the Finnish Accounting Standards (FAS). Beltton-Group Plc is the parent company of the group, whose consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The accounting principles for the parent company's financial statements are:

revenue recognition:
Net sales equal sales revenue less indirect taxes and discounts related to sales. Revenue from the sale of services is recognised when services are carried out.

pensions:
The statutory pension scheme is arranged through pension insurances.

securities in financial assets:
Securities in financial assets have been recognised at fair value.

non-current asset recognition:
Non-current assets have been recognised in the balance sheets on an immediate acquisition cost basis less planned depreciation. The estimated useful life for both tangible and intangible assets is three to five years and for buildings 20 years.

income taxes:
Income taxes have been recognised in compliance with the Finnish taxation legislation.

	2007 1000 eur	**2006 1000 eur**
2. net sales		
administrative services	666	543
total	**666**	**543**
market areas		
Finland	666	543
total	**666**	**543**
3. other operating income		
rental income	344	272
other	3 213	0
total	**3 557**	**272**
4. average number of personnel over the review period	7	6
5. salaries and remuneration paid to management		
CEO	50	50
members of the Board of Directors	48	44

	2007 1000 eur	2006 1000 eur
6. depreciation and loss of value		
depreciation by asset group		
intangible assets	8	10
tangible assets		
machines and equipment	87	32
buildings and structures	114	125
total	**210**	**168**
7. other operating expenses		
rental expenses	107	52
marketing	73	83
travel expenses	45	26
other	292	328
total	**517**	**526**
8. financial income		
interest income	25	10
dividend income	666	284
other financial income	224	232
total	**915**	**526**
9. financial expenses		
interest expenses	520	344
other financial expenses	1 111	282
total	**1 631**	**626**
10. extraordinary income and costs		
group contribution	688	1 273
11. appropriations		
difference between planned depreciation and depreciation carried out in taxation	0	0

12. intangible assets

	2007 1000 eur	2006 1000 eur
other intangible assets		
acquisition cost 1 Jan.	157	157
increase 1 Jan.-31 Dec.	0	0
decrease 1 Jan.-31 Dec.	3	0
acquisition cost 31 Dec.	154	157
accumulated depreciation according to the plan 1 Jan.	116	106
depreciation according to the plan 1 Jan.-31 Dec.	8	10
book value 31 Dec.	**29**	**40**

13. tangible assets

	2007 1000 eur	2006 1000 eur
land areas		
acquisition cost 1 Jan.	1 040	1 040
increase 1 Jan.-31 Dec.	0	0
acquisition cost 31 Dec.	-458	0
change in value 1 Jan.	582	1 040
recorded change in value 1 Jan.-31 Dec..	0	0
book value 31 Dec.	**582**	**1 040**
buildings and structures		
acquisition cost 1 Jan.	2 496	2 496
increase 1 Jan.-31 Dec.	0	0
decrease 1 Jan.-31 Dec.	1 862	0
acquisition cost 31 Dec.	634	2 496
accumulated depreciation according to the plan 1 Jan.	521	396
depreciation according to the plan 1 Jan.-31 Dec.	114	125
book value 31 Dec.	**0**	**1 976**
machinery, equipment and other tangible assets		
acquisition cost 1 Jan.	275	222
increase 1 Jan.-31 Dec.	335	55
decrease 1 Jan.-31 Dec.	397	2
acquisition cost 31 Dec.	213	275
accumulated depreciation according to the plan 1 Jan.	82	50
depreciation according to the plan 1 Jan.-31 Dec.	87	32
book value 31 Dec.	**45**	**194**
total	**627**	**3 210**

14. shares and shareholdings

	2007 1000 eur	2006 1000 eur
shares in subsidiaries		
acquisition cost 1 Jan.	5 501	5 469
increase 1 Jan.-31 Dec.	2 766	32
decrease 1 Jan.-31 Dec.	0	0
book value 31 Dec.	**8 267**	**5 501**

shareholdings in subsidiaries

parent company beltton-group plc	parent company ownership and voting right %
Beltton Oy	100
Beltton Svenska AB	25
Looks Finland Oy	75
Beltton AS	80
Suomen Rader Oy	67
Vinstock Oy	63
Naxor Finland Oy	100
Everyman Oy	100
Office Solutions Why Not Oy	85
Officeman Oy	70
KB-tuote Oy	100
Visual Globe Oy	100
Wulff Oy Ab	100
Active Office Finland Oy	100
Office Solutions Svenska AB	25
Vendiili Oy	90
Entre Marketing Oy	80

15. trade receivables and other current receivables

	2007 1000 eur	**2006 1000 eur**
trade receivables	0	2
prepaid expenses and accrued income	779	1 764
other receivables	57	26
total	**836**	**1 792**

Substantial items included in prepaid expenses and accrued income consist of corporate tax credits, which totalled EUR 779,000 (2006: EUR 1,654,000).

	2007 1000 eur	2006 1000 eur
16. financial securities	1 395	159
17. cash at bank and in hand		
cash and bank balances	1 572	3
18. equity		
share capital 1 Jan.	2 603	2 603
share capital 31 Dec.	**2 603**	**2 603**
share premium fund 1 Jan.	7 889	7 889
share premium fund 31 Dec.	**7 889**	**7 889**
profit from previous financial periods 1 Jan.	5 392	5 371
dividend payments	781	650
profit from previous financial periods 31 Dec.	4 611	4 721
net profit for the financial period	2 317	671
total equity 31 Dec.	**17 421**	**15 884**
19. non-current liabilities		
loans from credit institutions	7 400	8 100
20. other current liabilities		
loans from credit institutions	7 477	4 647
other	33	84
total	**7 510**	**4 731**
21. collaterals given and commitments		
The following shares/assets, with carrying amounts as presented below, have been lodged as security for the parent company's loans:		
KB-tuote Oy	683	683
Wulff facilities	0	1 976
Wulff's land	582	1 040

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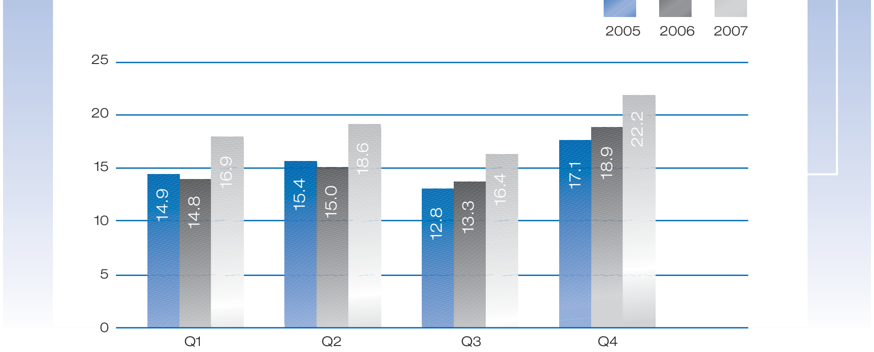
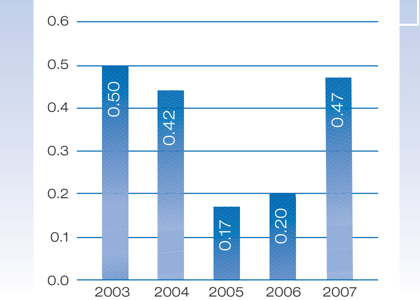
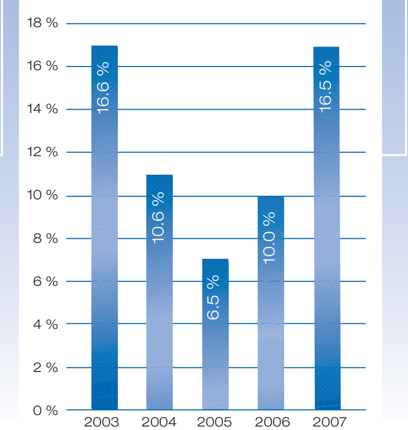
turnover per quarter million eur



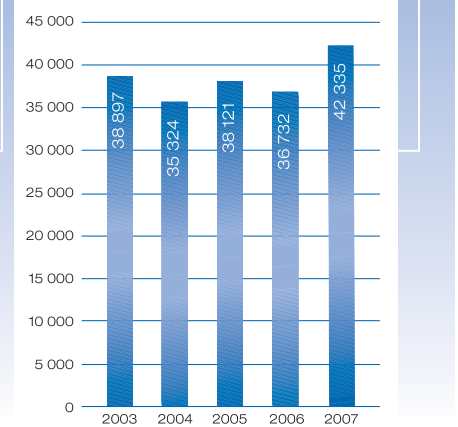
earnings per share eur



return on investment %



balance sheet total 1 000 eur



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