

BELTTTON-GROUP PLC INTERIM REPORT 1 JANUARY - 30 SEPTEMBER 2007

Belttton-Group's net sales increased clearly, while operating profit saw a slight decrease. The Group's net sales in the January to September period went up 20.2% and totalled EUR 51.9 million (EUR 43.2 million). Operating profit was EUR 1.31 million (EUR 1.39 million), showing a drop of 5.9%. Profit for the period decreased by 35.4% over the corresponding period in 2006 and amounted to EUR 0.41 million (EUR 0.64 million). Earnings per share (EPS) totalled EUR 0.06 (EUR 0.10).

Belttton-Group's net sales for the third quarter of the year increased by 22.7% on last year's corresponding period. Net sales totalled EUR 16.4 million (EUR 13.3 million). Operating profit dropped to EUR 0.20 million (0.67 million), representing 1.2% of net sales. Earnings per share were EUR 0.00 (EUR 0.05). The decrease in the Group's operating profit in the third quarter is due to Entre Marketing's performance, which did not meet the expectations of the parent company.

#### NET SALES AND PROFIT DEVELOPMENT

Belttton's net sales in the review period were 20.2% higher than those in the comparison period. The Group's net sales in the January to September 2007 period totalled EUR 51.9 million (EUR 43.2 million).

Operating profit was EUR 1.31 million (EUR 1.39 million), representing 2.5% (3.2%) of net sales. Profit for the period decreased by 35.4%, totalling EUR 0.41 million (EUR 0.64 million) and earnings per share (EPS) were EUR 0.06 (EUR 0.10).

CEO Heikki Vienola: "The positive development of our net sales continued. Wulff and our Scandinavian direct sales companies have shown particularly good organic growth in sales and consequent improvement in profitability during the review period. Wulff's investments in new customer acquisition and the development of the contract customer concept, as well as the streamlining of our Swedish subsidiaries' operations, have been successful efforts. The performance of the Group's subsidiary Entre Marketing did not meet the parent company's expectations, and measures have been taken to enhance its operations and improve its results."

Positive development of net sales and profitability continued at Wulff Oy Ab, which accounts for some 40 per cent of Belttton-Group's net sales. During this review period Wulff successfully focused on improving the profitability of its customer relationships and acquiring new customers. In line with its contract customer concept, Wulff sells office supplies and computer accessories to large and medium-sized businesses, municipalities and the Finnish Government.

The sales of KB-tuote Oy, who specialises in business and advertising gifts, continued to grow during the third quarter. The demand for business and promotional gifts is cyclical and a significant share of the company's deliveries takes place and profit is generated in the second and fourth quarters. KB-Tuote Oy provides major corporations with an outsourced business gift service whereby the customer can order products designed in line with the company brand through an electronic order system.

Belttton has sought synergies and cost-efficiency for its direct sales by intensifying the co-operation between its sales support and logistics in the Belttton building in Vantaa. This business area showed positive sales development in the third quarter. Major efforts were made to acquire new customers, for example, at industry fairs. Several new customers, as well as successful recruitment, contributed to the positive sales development. The relocation that took place in the spring and the unification of IT systems

generated costs for the review period. Further investments in the unification of IT systems will be made in the fourth quarter. Belttton's direct sales business consists of ten direct sales companies in Finland, all of which sell computer accessories, office supplies, corporate promotional products and ergonomic products.

Belttton's Scandinavian subsidiaries performed well. Sales growth continued in Sweden and Norway; in Sweden growth took place in field sales and in Norway in telephone sales. The result development in Sweden can be particularly attributed to cost savings and profitability enhancement measures. The successful investments in sales control and related systems are reflected in increased sales as well as cost savings. The Norwegian subsidiary Nordisk Profil A/S invested in telephone sales development and opened a new site in Molde in the third quarter.

The newest member of the Belttton-Group, Entre Marketing Oy, which has been included in the consolidated financial statements since 9 May 2007, has not met the Group's expectations. Measures have been taken to enhance its operations. A new Managing Director was appointed on 1 October 2007 with the aim of reinforcing sales competencies and improving the efficiency of operations. Entre Marketing sells trade fair and event marketing services and its business is of a cyclic nature; most of its sales are generated in the second quarter of the year. Atmos Tuotanto Oy, a wholly owned subsidiary that Entre Marketing acquired last year, was merged with Entre on 31 July 2007.

#### FINANCING AND INVESTMENTS

Cash flow from business operations amounted to EUR 0.48 million (EUR 1.45 million).

The consolidated balance sheet total at the end of the period amounted to EUR 47.9 million (EUR 38.5 million) and the equity ratio was 37.6 % (45.1 %). Changes to the equity ratio were caused by the acquisition of Entre Marketing and strong sales growth of the Belttton-Group. The investments in fixed assets entered in the balance sheet amounted to EUR 0.90 million (EUR 0.79 million), or 1.7 % (1.8 %) of net sales. Investments focused mainly on the Belttton House in Vantaa, as well as on machinery and equipment.

#### PERSONNEL

Belttton-Group Plc had 486 (439) employees at the end of the review period and an average of 480 (437) employees over the period. A total of 104 (88) employees worked in Sweden, Norway and Estonia. The Group's headcount changed after the acquisition of Entre Marketing and the increased number of recruitments in Sweden and Norway.

#### EVENTS AFTER THE REVIEW PERIOD

The Board of Directors of Entre Marketing Ltd, part of Belttton-Group appointed Harri Kaasinen as the company's Managing Director as of 1 October 2007. With Kaasinen at the helm, Belttton's focus is on developing and strengthening the company's sales know-how. Harri Kaasinen also became a member of Belttton-Group's Group Management. Belttton-Group acquired a majority shareholding in Entre Marketing Ltd on 9 May 2007.

Born in 1962, Harri Kaasinen has worked in managerial positions for nearly twenty years. Kaasinen transferred to Entre Marketing Oy from Despec Finland Oy, a leading Nordic wholesaler of IT supplies. At Despec, Kaasinen worked as Country Manager and Sales and Marketing Manager, his goal being to build Finnish operations into the leader in the field. From 1999 to 2006 Kaasinen worked as Managing Director of the Lippupalvelu ticketing service, focusing on

change management, development of new products and services, as well as concept sales to event organisers in Finland and abroad. Belttton believes that Harri Kaasinen's expertise in concept sales and his solid B2B experience will benefit the development of Entre's sales.

#### RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

Belttton's business-related risks are described in more detail in connection with the Financial Statements of the Annual Report 2006. In accordance with Belttton's risk management model, risks are divided into four categories: strategic, operational, market and technical risks.

Belttton's business is characterised by its highly cyclical nature, and a significant share of the company's sales is generated in the fourth quarter. This cyclicity was slightly alleviated at the Group level last year, but the acquisition of Entre Marketing will further emphasise this aspect.

Apart from this, Belttton's risks and uncertainties have not changed significantly during the review period.

#### OUTLOOK FOR THE REST OF 2007

Belttton expects the office product markets to continue their moderate growth. The successfully implemented contract customer model is expected to provide a good foundation for growth that clearly outperforms the market. Belttton's outlook for 2007 is favourable. The successful completion of the Entre Marketing Ltd acquisition and good organic growth give the company management reason to believe that net sales will increase from EUR 62 million last year to over EUR 75 million. The Group's financial result is expected to remain at the same level with the previous year due to the weak performance of Entre Marketing.

#### ACCOUNTING PRINCIPLES APPLIED IN THE INTERIM REPORT

This interim report was prepared in compliance with the IFRS accounting and valuation principles and the principles of IAS 34. The accounting principles are the same as those used in the financial statements for 2006. This interim report has not been audited.

The financial statements for 2007 will be released on 7 February 2008, at 9:00 a.m.

Belttton-Group Plc will arrange a meeting with investors and analysts in the company's premises in the Autotalo building in Helsinki, at Salomonkatu 17 B, 12<sup>th</sup> floor, on 7 Nov. 2007 starting at noon.

Belttton-Group PLC	(1000 euro)				
CONSOLIDATED INCOME STATEMENT	7-9/07	7-9/06	1-9/07	1-9/06	1-12/06
TURNOVER	16 358	13 329	51 887	43 181	62 045
Other operating income	60	47	190	205	329
Materials and services	9 052	7 252	27 699	23 001	32 874
Employee benefits expenses	3 888	2 955	12 351	10 680	15 347
Depreciation and amortization	337	299	961	888	1 214
Other operating expenses	2 938	2 202	9 762	7 430	10 519

OPERATING PROFIT	204	668	1 305	1 387	2 420
Financial income and expenses	-264	-80	-521	-225	-203
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXES	-60	588	784	1 162	2 216
Extraordinary items	0	0	0	0	0
PROFIT BEFORE TAXES	-60	588	784	1 162	2 216
Income taxes	-65	261	303	522	807
Minority interest	10	15	68	3	113
NET PROFIT	-5	312	412	637	1 296

CONSOLIDATED BALANCE SHEET (1000 euro)

Assets	9/2007	9/2006	12/2006
<b>FIXED ASSETS</b>			
Intangible assets	511	426	454
Goodwill	7 737	4 697	4 903
Tangible assets	5 450	4 984	4 913
Investments held for sale	339	260	235
Investments	152	144	149
Deferred tax assets	1 095	1 012	972
<b>TOTAL FIXED ASSETS</b>	<b>15 285</b>	<b>11 522</b>	<b>11 626</b>
<b>CURRENT ASSETS</b>			
Inventories	11 010	10 378	10 590
Trade and other receivables	14 428	12 194	12 587
Cash and cash equivalents and financial assets recognised at fair value	7 176	4 356	5 876
<b>TOTAL CURRENT ASSETS</b>	<b>32 613</b>	<b>26 928</b>	<b>29 053</b>
<b>TOTAL ASSETS</b>	<b>47 898</b>	<b>38 450</b>	<b>40 679</b>
<b>Equity and liabilities</b>			
<b>EQUITY</b>			
Share capital	2 603	2 603	2 603
Share issue	0	0	0
Share premium fund	7 662	7 662	7 662
Retained earnings	6 388	5 737	5 740
Net profit	412	637	1 296
Minority interest	946	717	889

TOTAL EQUITY	18 012	17 355	18 190
LIABILITIES			
Long-term interest-bearing liabilities	10 640	7 188	8 281
Short-term liabilities	19 247	13 906	14 207
TOTAL LIABILITIES	29 887	21 094	22 488
TOTAL EQUITY AND LIABILITIES	47 898	38 450	40 679

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY Jan 1st - Sep 30th 2007

	(1000 euro)					
	Share capital	Share premium fund	Retained earnings	Total	Minority interest	Total
Equity Jan 1st 2007	2 603	7 662	7 036	17 301	889	18 190
Net profit			412		68	480
Dividends paid			-781		-86	-867
Investments available for sale: Valuation gains or losses recognised under shareholders' equity			78			78
Financial instruments recognised under shareholders' equity			34			34
Translation differences			21			21
Changes in shareholdings			0		74	74
Equity on Sep 30th 2007	2 603	7 662	6 800	17 065	946	18 012

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY Jan 1st - Sep 30th 2006

	(1000 euro)					
	Share capital	Share premium fund	Retained earnings	Total	Minority interest	Total
Equity Jan 1st 2006	2 603	7 662	6 512	16 777	1 021	17 798
Net profit			637		3	640
Dividends paid			-651		-118	-769

Investments available for sale: Valuation gains or losses recognised under shareholders' equity					-7	-7
Financial instruments recognised under shareholders' equity					-112	-112
Translation differences					-6	-6
Changes in shareholdings					0	-189
Equity on Sep 30th 2006	2 603	7 662	6 373	16 638	717	17 355

#### KEY RATIOS

	(1000 euro)				
	7-9/07	7-9/06	1-9/07	1-9/06	1-12/06
Turnover	16 358	13 329	51 887	43 181	62 045
Increase in turnover %	22.7 %	4.4 %	20.2 %	0.4 %	3.2 %
Operating profit	204	668	1 305	1 387	2 420
% of turnover	1.2 %	5.0 %	2.5 %	3.2 %	3.9 %
Profit before tax	-60	588	784	1 162	2 216
% of turnover	-0.4 %	4.4 %	1.5 %	2.7 %	3.6 %
Net profit	-5	312	412	637	1 296
% of turnover	0.0 %	2.3 %	0.8 %	1.5 %	2.1 %
Equity ratio %			37.6 %	45.1 %	45.0 %
Investments in fixed assets	90	365	903	790	1 122
% of turnover	0.6 %	2.7 %	1.7 %	1.8 %	1.8 %
Average number of personnel			480	437	423
Number of personnel at end of period			486	439	412
Earnings per share, euro	0.00	0.05	0.06	0.10	0.20
Equity per share, euro			2.62	2.56	2.66

#### CONSOLIDATED CASH FLOW

	(1000 euro)		
	1-9/07	1-9/06	1-12/06
Cash flow from operations:			
Payments received from sales	50 519	42 384	60 367
Payments received from other operating income	145	180	305
Amounts paid for operating expenses	-49 811	-40 873	-58 186
Cash flow from business operations			

before financial items and taxes	853	1 690	2 487
Financial costs paid	-427	-235	-410
Interests received from operations	114	46	114
Direct taxes paid	-60	-51	-98
Cash flow from operations	480	1 450	2 093

Cash flow from investment activities:

Investments in tangible and intangible assets	-840	-768	-1 096
Sale of tangible and intangible assets	479	158	274
Acquisition of shares in subsidiaries	-1 326	-30	-302
Sale of shares in subsidiaries	0	0	75
Sale of other investments	0	0	-107
Cash flow from investment activities	-1 687	-640	-1 156

Cash flow from financing activities:

Share issue	0	0	0
Paid dividends	-867	-769	-745
Received dividends	465	191	195
Short-term investments	42	221	0
Loss from the sale of short-term investments	-604	-116	0
Loan withdrawals	3 771	45	1 615
Loan repayments	-300	-504	-704
Cash flow from financing activities	2 507	-932	361

Change in liquid assets	1 300	-122	1 298
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KEY RATIOS PER QUARTER

	7-9/07	4-6/07	1-3/07	10- 12/06	7-9/06	4-6/06
Turnover (1000 euro)	0	18 604	16 925	18 864	13 329	15 020
Operating profit (1000 euro)	0	928	172	1 033	668	478
Net profit (1000 euro)	0	487	-70	659	312	243
Earnings per share, euro	0,00	0,07	-0,01	0,1	0,05	0,04

BELTTON-GROUP PLC  
Board of Directors

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