Annual Report 2005

RAKENTAJAIN KONEVUOKRAAMO OYJ

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Information for shareholders

ANNUAL GENERAL MEETING

Rakentajain Konevuokraamo Oyj's Annual General Meeting will be held on Thursday, 6 April 2006 at 1.00 p.m. Those shareholders who have been entered in the list of shareholders maintained by Finnish Central Securities Depository Ltd. by 27 March 2006 shall be entitled to participate in the Annual General Meeting.

DIVIDEND PAYMENT

At Board proposal, dividend, adopted by the Annual General Meeting, will be paid to shareholders entered in the shareholders' register maintained by the Finnish Central Securities Depository Ltd. on the record day, 11 April 2006. The dividend will be paid on 20 April 2006.

FINANCIAL INFORMATION SCHEDULE FOR 2006

Financial statement bulletin 2005	Monday, 6 March 2006
Annual report	week 13, 2006
Three months interim report	Tuesday, 30 May 2006
Six months interim report	Wednesday, 23 August 2006
Nine months interim report	Friday, 17 November 2006

The reports are available on the company's web sites at www.rk.fi.

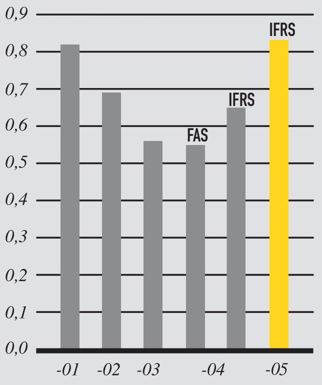
SHARE PERFORMANCE ANALYSES

Rakentajain Konevuokraamo Oyj share performance is monitored and analysed e.g. the following analysts:

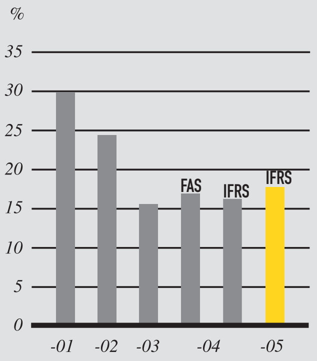
Jari Westerberg	FIM Pankkiiriliike Oy	tel. +358 9 6134600
Tomi Tiilola	eQ Pankki Oy	tel. +358 9 681781
Mikael Doepel	Opstock Securities	tel. +358 10 2522931
Robin Johansson	Mandatum Pankkiiriliike Oy	tel. +358 10 2364828
Mika Metsälä	Kaupthing Bank Oyj	tel. +358 9 4784000
Mika Karppinen	Evli Pankki Oyj	tel. +358 9 47669643
Ari Järvinen	Handelsbanken Capital Markets	tel. +358 10 4442406

The Group in brief

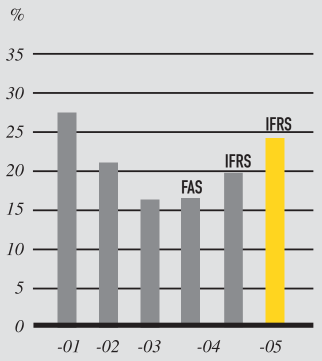
EARNINGS PER SHARE, EUR



RETURN ON INVESTMENT

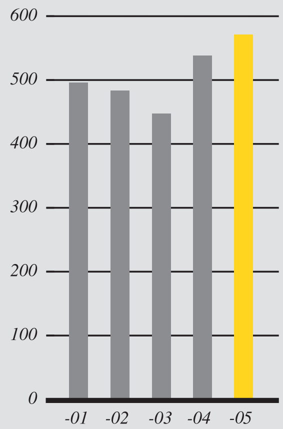


RETURN ON EQUITY

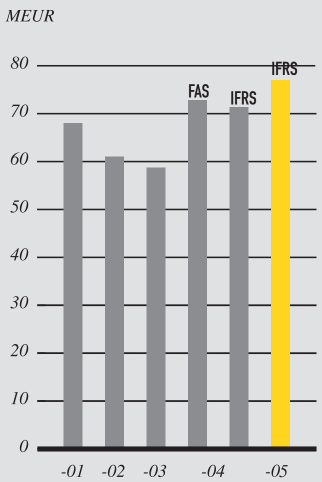


CAPITAL EXPENDITURE AND DEPRECIATION

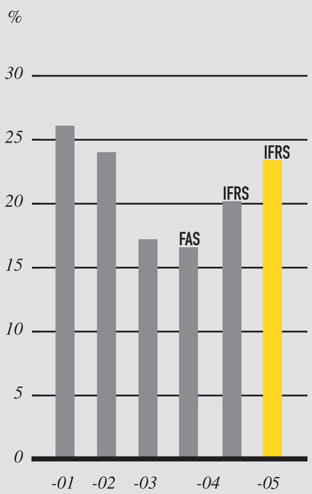
PERSONNEL



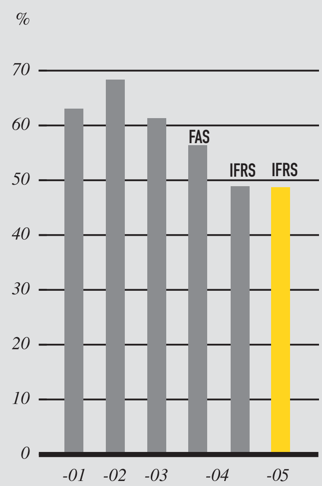
REVENUE



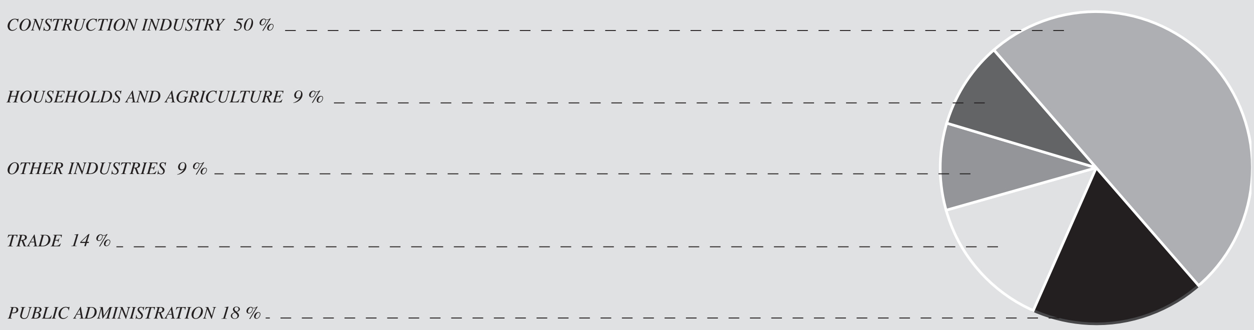
OPERATING PROFIT



EQUITY RATIO



REVENUE BY CUSTOMER GROUP



CEO's review

In Finland, 2005 was a period of increased activity for the various sectors of the construction industry. New building activity experienced a clear increase in nearly all house-building categories. Building renovation and industrial construction increased and, eventually, an upward trend in the office building construction sector began. According to the 4/2005 economic forecast of ETLA (The Research Institute of the Finnish Economy), in the short-term, business prospects for construction will remain positive and, in addition, the share of construction equipment rental out of total construction equipment demand is on the rise.

2005 marked a new era in the history of Rakentajain Konevuokraamo Oyj, since in the latter part of the year the company decided to make a major acquisition, that of the Dutch company Cramo Holding BV, leading to a combination agreement in October. After a business restructuring exercise at the beginning of 2006, Cramo, the market leader in machine rental in Sweden, became a wholly owned subsidiary of RK. The business operations of both companies are highly complementary, and their business values in respect of the environment, quality leadership, service and know-how are the same. This acquisition will quadruple the revenue of the RK Group.

How was an operational leap of this scale possible for our business? There is a clear answer: RK has been successfully working towards this goal for a long time. Strategic choices were systematically pursued, staff turnover has been low and job commitment high, resulting in good profitability and low gearing. This big step now taken has led to extra pressures on our personnel, requiring additional effort and more effective work by everyone, and this will continue in the years to come. The integration of two companies is a long-term project.

"The business operations of both companies are highly complementary."

“The long-term goal of the RK Group is to grow and succeed, helped by a genuinely Nordic management team.”

The new Group is the market leader in Finland, Sweden and Estonia, and a significant operator in several other EU countries. The strategy is to create larger business units to cover more extensive geographical areas. The current year saw the start of the rationalisation of overlapping operations, resulting in eight out of 248 outlets being closed. Also, the integration of the reporting and accounting systems is underway.

Business profitability and maintaining its dividend distribution policy have always been of paramount importance to the RK Group. Concurrent with these strategic rearrangements and the review of the allocation and level of resources for our different operations, the primary objective is to ensure positive business growth and increased profitability for the new, integrated Group.

Of RK’s business lines, rental services of machinery and equipment as well as moveable buildings showed clearly increased growth during the financial year. Both were extensively involved in large construction projects in our country. Co-operation strengthened between rental services of machinery and equipment and Suomen Projektivuokraus Oy, a company specialising in long-term project rental that was acquired the previous year.

The use of our country-wide network of outlets will become even more effective when all three activities, machinery and equipment rental, project rental and Cramo, are able to serve their customers throughout Finland, complementing each others’ services and levelling out peaks in demand.

Last year saw the completion of the implementation of the RK equipment management strategy, one of our company’s most significant development objectives, resulting in major improvements in our operational performance and equipment reliability. Also, two projects designed to optimise deliveries and intensify the monitoring of the utilisation of our machinery and equipment began in 2005.

In line with our strategy, the emphasis of the business operations of the moveable buildings business line was refocused towards the rental business, which showed growth in Finland exceeding ten percentage. In Sweden, Cramo Instant has long been a pioneer in its field. In the future, modules manufactured in Finland will also be delivered to Sweden. Hence, the co-operation between Tilamarkkinat and Cramo will ensure more even use of capacity and improved prospects for the long-term development of manufacturing at the Leppävirta factory.

In line with the nature of the business, there are cyclical fluctuations in the operations of our construction-site services business line. We have reacted to this situation, fine-tuned our operations and refined our services.

We at the RK Group anticipate the current year to be a boom time for the Finnish construction industry, mainly due to large building projects already underway. For instance, the site construction stage of the Olkiluoto nuclear power station has reached its peak. Growth in construction activity is forecast to slow down during the current decade. In Sweden, construction activity is at a similar stage of the business cycle, and is growing equally well. We are also confident that the strong infrastructure and residential building boom in Eastern Europe, brought about by EU membership, will continue vigorously. For the machine and equipment rental business, these areas are still emerging markets.

The new RK is an even more important operator in Finland and significant in its business areas by Nordic standards. The long-term goal of the RK Group is to grow and succeed, helped by a genuinely Nordic management team, so that the Group does not have to compromise on profitability. Our resources, motivation and know-how stem from the experience and skills of our personnel. I wish to extend a big thank you to our staff, which last year, over and above its normal hard work, made the extra effort for the acquisition of Cramo. My thanks also to our customers for the trust they have shown in us. I am confident that the new Group, with its increased resources and improved service, can meet our customers’ needs both in Finland and abroad better than ever.

Vesa Koivula

Board review of the 52nd year in operation

BUSINESS DEVELOPMENT

In 2005, Finnish economic growth was slower than expected, remaining lower than the previous year's.

Total construction continued to grow as expected, while differences in growth between individual sectors levelled off. Extensive infrastructure projects contributed to expansion in the construction market.

In line with the Group's strategy adopted in the previous year, business operations and their development focused on machinery and equipment rental, selected construction-site services and moveable buildings.

The domestic market for machinery and equipment rental services developed favourably in 2005, due mainly to increased construction and a stable competitive environment. Price levels in the machine rental business increased slightly and the average rental period lengthened over the previous year. Machine utilisation rates improved through the development of co-operation and operating models between the parent company and the subsidiary Suomen Projektivuokraus Oy.

The Group developed its moveable building business in line with its selected strategies, the Kouvola factory being closed, the Leppävirta plant launching the expansion of its prefabricated module production and the share of prefabricated module rental operations being increased. Occupancy ratio and rental order volumes for rental buildings saw growth. The sales order volume for construction-site facilities and storage halls also increased.

Foreign operations grew according to expectations in both St. Petersburg and Estonia. At the beginning of 2005, Rakentajain Konevuokraamo acquired the Polish personnel hoist company, Säve Sp.zo.o., with the acquired company's integration with the Group going as planned. As a result of further machine investments in Poland, the Group is growing into a significant operator in the Polish personnel hoist rental business.

REVENUE

Rakentajain Konevuokraamo Oyj's consolidated revenue was EUR 77.0 million (EUR 71.4 million). The machinery and equipment rental business posted a revenue of EUR 44.3 million (EUR 35.8 million). The improved revenue was due to favourable market development in Finland and expanding overseas operations. Construction-site services recorded a revenue of EUR 7.9 million (EUR 8.1 million). The moveable building business posted a revenue of EUR 27.1 million (EUR 27.8 million). Its rental operations and order volumes increased whereas sales diminished. Intra-Group revenue amounted to EUR 2.4 million (EUR 0.3 million).

PROFIT

Consolidated operating profit amounted to EUR 18.0 million (EUR 14.4 million), showing an increase of EUR 3.6 million.

The Group's net financial expenses were EUR 1.7 million (EUR 1.4 million).

Profit after financial items came to EUR 16.2 million (EUR 13.0 million), up by EUR 3.3 million.

The Group's profit after taxes totalled EUR 11.9 million (EUR 9.2 million).

CAPITAL EXPENDITURE AND FINANCING

Group capital expenditure totalled 38.5 (21.0) per cent of revenue, EUR 29.6 million (EUR 15.0 million), was mainly allocated to rental machinery and equipment. This amount includes the acquisition of Säve Sp.zo.o., with no goodwill.

March 2005 saw the divestment of Tilamarkkinat Oy's Kouvola production facilities, resulting in EUR 0.3 million in capital gain included in other operating income.

EUR 3.6 million (EUR 3.7 million) in purchases relating to the maintenance of rental equipment were charged to expenses.

Interest-bearing liabilities increased by EUR 5.6 million, to EUR 50.4 million at the year-end.

INCREASE OF SHARE CAPITAL

On the basis of the Group key personnel stock options determined by the Annual General Meeting of 4 April 2002, the number of B Series shares subscribed in 2004 was 300, and those subscribed between 1 January and 10 February 2005 totalled 5,000, at a subscription price of EUR 3.97 per share. The Board approved the subscriptions on 17 February 2005. The increase in share capital was registered with the Trade Register on 28 February 2005, and trading in the new B Series shares began on the Helsinki Stock Exchange on 1 March 2005. The increase in share capital was EUR 8,957.00, i.e. share capital totalled EUR 24,200,473.83. The recorded issue premium came to EUR 12,084.00.

On the basis of the Group key personnel stock options determined by the Annual General Meeting of 4 April 2002, the number of B Series shares subscribed between 11 February and 11 October 2005 was 20,000 at a subscription price of EUR 3.72 per share. The increase in share capital was registered with the Trade Register on 29 November 2005, and trading in the new B Series shares began on the Helsinki Stock Exchange on 30 November 2005. The increase in share capital was EUR 33,800.00, i.e. the share capital totalled EUR 24,234,273.83. The recorded issue premium came to EUR 40,600.00.

On the basis of the Group key personnel stock options determined by the Annual General Meeting of 4 April 2002, the number of B Series shares subscribed between 12 October and 31 December 2005 was 8,500 and the number of shares subscribed after the end of the financial year was 27,900, at a subscription price of EUR 3.72 per share. The Board approved the share subscriptions on 28 February 2006, and trading in the new shares will begin on the Helsinki Stock Exchange once the increase in share capital has been registered with the Trade Register. The increase in share capital was EUR 29,484.00, i.e. the share capital totalled EUR 24,342,039.81. The recorded issue premium came to EUR 105,924.00.

SHARE CAPITAL AND SHAREHOLDERS' EQUITY

On 31 December 2005, the share capital of EUR 24,234,273.83 consisted of a total of 14,339,807 shares, each share having a book counter-value of EUR 1.69.

The parent company's and the Group's shareholders' equity amounted to EUR 40,683,590.23 and EUR 54,130,781.27, respectively.

SIGNIFICANT EVENTS AFTER CLOSING THE ACCOUNTING PERIOD

At the beginning of 2006, Rakentajain Konevuokraamo Oyj acquired Cramo Holding BV, the Dutch parent company of the Cramo Group, based on a share swap offer. This acquisition resulted in the creation of a leading European rental services company, whose core business areas consist of machinery and equipment rental and the sales and rental of moveable buildings. Ranking among the five largest European rental service companies, the new Group holds a leading position in Finland, Sweden and Estonia, and an extensive service network in Norway, Denmark, the Netherlands, Latvia, Lithuania, Poland and Russia. In 2005, its annual pro forma revenue amounted to approximately EUR 334.3 million (around EUR 292.8 million in 2004). The new Group has over 1,600 employees. The acquired business's integration activities have begun, and the transaction is expected to create annual synergies of approximately EUR 5 million, which are estimated to be materialised in full as of 2007.

In connection with the transaction, Pon Holdings BV, ABN AMRO Bank NV, Suomi Mutual Life Assurance Company and Rakennusmestarien Säätiö have signed the shareholder agreement on shareholding and use of voting rights.

In connection with the transaction, Rakentajain Konevuokraamo Oyj has signed a seven-year syndicated financing arrangement of EUR 250 million, refinancing the existing loans and arranging the working capital financing. Nordea Bank Finland has acted as the main loan organiser.

Based on the Board's proposal, the Extraordinary General Meeting of 3 January 2006 decided to decrease the book counter value of the company share, without payment, by EUR 0.88 from EUR 1.69 to EUR 0.81. As a result, the share capital of EUR 24,234,273.83 was reduced to EUR 11,615,243.67. The amount of the reduced share capital was transferred to unrestricted equity.

Based on the Board's proposal, the Extraordinary General Meeting of 3 January 2006 decided to combine the company's share classes by abolishing the differences between A and B Series shares stipulated in the Articles of Association and combining them to form one share class. The A Series shares were converted into B Series shares, and holders of A Series shares were offered, by waiving the pre-emptive shareholders' subscription right, the right to subscribe for one new share in exchange for 2.5 A Series shares at a subscription price of EUR 0.81. On the basis of this private placement related to the combination of the share classes, the increase in the company's share capital totalled EUR 559,861.47 and that in the number of new shares 691,187. The new shares entitle their holders to receive full dividends for the financial year ending on 31 December 2005.

Based on the Board's proposal, the Extraordinary General Meeting of 3 January 2006 decided, waiving the shareholders' pre-emptive rights, on a rights issue for the four shareholders of Cramo Holding BV through a private placement as follows:

Rakentajain Konevuokraamo Oyj shall increase its share capital by EUR 12,137,450.67 by issuing 14,984,507 new shares to the shareholders of Cramo Holding BV against 2,000 shares of Cramo Holding BV, based on a subscription in kind. The subscription price of the new shares, based on the price of the company's B Series share quoted on 3 January 2006, is EUR 13.10 per share, totalling EUR 196,297,041.70. The new shares entitle their holders to receive full dividends for the financial year ending on 31 December 2005.

The new shares were subscribed and paid up on 3 January 2006. The resulting changes in the share capital were registered with the Trade Register on 4 January 2006, the number of shares totalling 30,015,501 and share capital EUR 24,312,555.81.

STOCK OPTIONS

The Annual General Meeting of 4 April 2002 decided to offer Rakentajain Konevuokraamo Group's key employees stock options, entitling their holders to subscribe for a total of 670,000 B Series shares. Of these B Series shares, a total of 335,000 will be subscribed using 2002A stock options from 1 May 2004 to 31 March 2007 and 335,000 B Series shares using 2002B stock options from 1 May 2006 to 31 March 2007. The Group's 2002A stock options have been traded on the Helsinki Stock Exchange since 3 May 2004. Of the B Series, a total of 300 shares were subscribed in 2004 and 33,500 in 2005. Since the end of the financial year, a total of 27,900 shares have been subscribed.

ORGANISATION AND GROUP STRUCTURE

In 2005 Rakentajain Konevuokraamo Group, in addition to the parent company, comprised the following operating companies: the sub-group Tilamarkkinat Oy, Suomen Projektivuokraus Oy and Suomen Tähtivuokraus Oy, which manages companies operating in St. Petersburg, Estonia and Poland.

Machinery and equipment rental services are provided by the parent company's network of 53 service offices, the subsidiaries' service offices one in St. Petersburg, three in Estonia and one in Krakow – and the four service offices of Suomen Projektivuokraus Oy in the Helsinki Metropolitan Area.

Construction-site services comprise the Parent Company's diamond boring and cutting services, drying services and floor services including floor smoothing and concrete laser screeding services.

The subsidiary Tilamarkkinat Oy, responsible for the moveable buildings business, has its head office in Ylöjärvi and production plants in Leppävirta and Pyhäjoki. The Kouvola plant was closed in the summer of 2005.

THE BOARD AND THE MANAGING DIRECTOR

The Company's Board held 21 meetings during the financial year.

The members of the Board between 6 April 2005 and 3 January 2006 were as follows: Paavo Ruusuvuori (Chairman), Matti Koskenkorva (Vice-Chairman), and Eino Halonen, Asko Järvinen, Jari Lainio, Juhani Nurminen and Pekka Pystynen as ordinary Board members.

Since the Extraordinary General Meeting of 3 January 2006, the Board members have been Pekka Heusala (Chairman), and Gunnar Glifberg, Stig Gustavson, Phil van Haarlem, Eino Halonen, Hannu Krogerus and Juhani Nurminen as ordinary Board members.

Vesa Koivula has acted as Managing Director and Group CEO and Göran Carlson has acted as Deputy CEO since 3 January 2006.

AUDITORS

The Group's auditors were PricewaterhouseCoopers Oy, Authorised Public Accountants, with Henrik Sormunen, Authorised Public Accountant, acting as the principal auditor and Yrjö Haukatsalo, Authorised Public Accountant and Janne Rajalahti, Authorised Public Accountant, acting as Yrjö Haukatsalo's deputy.

PROSPECTS FOR 2006

Both economic growth and the operating environment in the Company's main market areas seem favourable for 2006, and we expect construction activity and machinery rentals to continue growing in Finland, especially through industrial and office-building construction and large-scale projects. The Swedish construction industry is expected to continue to grow, especially as a result of an increase in housing and road construction. Construction in the Eastern European market will grow, providing opportunities to boost the rental business in many areas. Consolidated revenue will change considerably as a result of the acquisition of Cramo (see Significant events after closing the accounting period). The integration of operations will be completed during 2006 and the resulting combination-related non-recurring expenses will burden the financial year's results, however underlying profitability of the new group is expected to improve. The organic growth is expected to continue.

ADOPTION OF IFRS

The Group disclosed its first IFRS-compliant financial statements for the financial year starting on 1 January 2005 and applied IFRS-compliant measurement and accrual principles to its 2005 interim reports.

PROFIT DISTRIBUTION POLICY

Rakentajain Konevuokraamo Oyj reiterates its profit-distribution goal is to distribute around half of Group profit in terms of share buybacks and/or dividends. At the same time, however, the Group aims to maintain its equity ratio at a healthy level.

DIVIDEND DISTRIBUTION FOR 2005

Rakentajain Konevuokraamo Oyj's net profit for the financial year totalled EUR 9,447,482.09.

The Group's profit attributable to shareholders at the Annual General Meeting's disposal totalled EUR 14,810,580.23.

The Board proposes to the Annual General Meeting that a pre-share dividend of EUR 0.25 be paid to holders of shares entitling to dividends and the rest be held in retained earnings.

On 6 March 2006, the number of shares entitling their holders to receive full dividends totalled 30,015,501, the corresponding dividend amounting to EUR 7,503,875.25.

OPERATION RISK FACTORS

Markets

The business operations of the Group will to a degree be dependent on the general economic development, as well as on the average activity of building and property markets. Negative development on the aforementioned markets could have a negative effect on the Group operations, result and financial position. The operations have been divided into separate product and customer segments in order to minimize risks related to general demand and price development as well as to decrease the dependency on one specific geographical market.

Seasonal and cyclic fluctuations

Seasonal fluctuations have historically been characteristic of the building industry. Regardless of the fact that RK has managed to decrease its dependency on the building industry in general, the Group's net sales have substantial seasonal fluctuation in a way that is typical of machinery and equipment rental business. Because the business operations of the Group are dependent on the general economic development, cyclic fluctuation has an impact on the Group's result and financial position. The Group strives to even out the possible negative effect of cyclic fluctuation by making sure that the operations are cost-efficient and that the machinery, equipment and service offering is competitive.

Integration of the operations of RK and Cramo

RK acquired Cramo Group in the beginning of 2006. A successful integration of respective businesses requires a great deal of resources and may entail unforeseeable risks. If the Group management has to, instead of developing the business, concentrate in any unexpected problems caused by the integration process, it may have a negative effect on the New Group's ability to realize the targeted benefits in liaison with RK's integration with Cramo. The Group management has prepared an integration plan in order to secure the realization of the targeted benefits.

Financial risk management

The objective of the Group's financial risk management is to assure the sufficient finance of the business operations and minimise the unfavourable effects on the Group's profit caused by changes in financial markets. The main financial risks are interest rate risk, currency risk and funding risk. The Group uses interest rate swaps in the risk management. The financial management is responsible for the implementation of financial risk management. The Group's financial management identifies risks and acquires necessary hedging instruments.

EMPLOYEES

Personnel by segments at 31 December

	The amount of personnel	
	2005	2004
Construction machinery and equipment rental	308	320
Construction-site services	100	87
Sales and rental of moveable buildings	132	134
	540	541

	Percentage of all employees	
	2005	2004
Construction machinery and equipment rental	57.0	59.1
Construction-site services	18.6	16.1
Sales and rental of moveable buildings	24.4	24.8
	100.0	100.0

Stability percentages

2005	2004
91.6 %	95.3 %

Breakdown of age at 31 December

	The amount of personnel	
	2005	2004
-23	27	35
24-35	127	150
36-45	206	194
46-60	162	149
60-	18	13
	540	541

	Percentage of all employees	
	2005	2004
-23	5.0	6.5
24-35	23.5	27.7
36-45	38.2	35.9
46-60	30.0	27.5
60-	3.3	2.4
	100.0	100.0

Salaries and wages of sick days and injured days

	Amount, EUR	
	2005	2004
Sick days salaries/wages	408,000	325,000
Salaries/wages for sick days due to work-related accidents	50,000	30,000
Salaries/wages for sick days of a child of an employee	10,000	6,000
	468,000	361,000

	Percentage of all employee costs	
	2005	2004
Sick days salaries/wages	2.0	1.8
Salaries/wages for sick days due to work-related accidents	0.2	0.2
Salaries/wages for sick days of a child of an employee	0.0	0.0
	2.2	2.0

Personnel

	2005	2004
Number of employees in Parent Company average	312	309
Number of employees in the Group average	569	538

ENVIRONMENT

The Group strives to minimize environmental defects by rotating well-maintained machinery, equipment and renovated buildings as well as by delivering all equipment to the customers tested and without unnecessary packages. Regional profit units assume responsibility for the appropriate storing and treatment of chemicals and hazardous waste. All material originating from the equipment subject to disposal are recycled.

Also in the purchasing decisions of the Group environmental responsibility is emphasized. Machinery and equipment are purchased on the basis of their lowest possible burden on the environment, and they meet the latest standards. Well-overhauled equipment lengthens the life cycle of the machinery.

SUMMARY OF SIGNIFICANT FINANCIAL KEY FIGURES

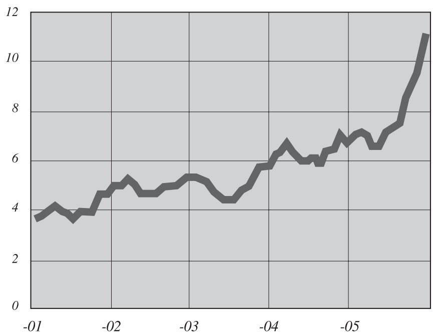
Key figures on financial performance		**IFRS 2005**	IFRS 2004	FAS 2004	FAS 2003	FAS 2002	FAS 2001
Revenue	MEUR	**77.0**	71.4	73.0	58.7	61.0	68.0
change	%	**+7.8**		+24.2	-3.8	-10.2	+26.0
Operating profit	MEUR	**18.0**	14.4	12.1	10.1	14.7	17.8
% of revenue	%	**23.3**	20.1	16.6	17.2	24.0	26.1
Profit before extraordinary items	MEUR	**16.2**	13.0	11.5	9.8	14.2	16.9
% of revenue	%	**21.1**	18.2	15.8	16.7	23.3	24.9
Profit after extraordinary items	MEUR	**16.2**	13.0	11.5	9.8	14.2	16.1
% of revenue	%	**21.1**	18.2	15.8	16.7	23.3	23.7
Profit for the period	MEUR	**11.9**	9.2	8.0	8.0	9.7	10.8
% of revenue	%	**15.5**	12.9	10.9	13.7	15.9	15.9
Return on equity	%	**24.0**	19.9	16.4	16.4	21.1	27.5
Return on investment	%	**18.6**	16.6	16.9	15.6	24.4	29.9
Equity ratio	%	**49.0**	48.9	56.3	61.3	68.4	63.1
Gross capital expenditure	MEUR	**29.6**	15.0	12.0	16.6	8.1	12.0
% of revenue	%	**38.5**	21.0	16.4	28.2	13.2	17.6
Accessories and maintenance of rental equipment, charged as expenes	MEUR	**3.6**	3.7	3.7	2.3	2.0	2.4
Equity	MEUR	**54.1**	45.4	47.1	52.8	50.1	46.2
Net interest-bearing liabilities	MEUR	**48.6**	44.2	26.2	20.5	13.0	15.1
Average number of personnel	No.	**569**	538	538	447	483	496

Per-share ratios		**IFRS 2005**	IFRS 2004	FAS 2004	FAS 2003	FAS 2002	FAS 2001
A Series and B Series shares							
Earnings per share	EUR	**0.83**	0.64	0.56	0.57	0.72	0.83
Earnings per share *)	EUR	**0.81**	0.63	0.55	0.56	0.69	0.82
Shareholders' equity per share	EUR	**3.77**	3.17	3.29	3.60	3.53	3.27
Dividend per earnings	%	**30.8**	39.5	44.6	140.4	69.4	54.2
Dividend per share	EUR	**0.25 **)**		0.25	0.80	0.50	0.45
Market capitalisation of A/B Series share capital	MEUR	**170.4**		93.4	82.5	74.2	67.0
Trading volume of A Series shares	No.	**0**		0	0	0	0
% of total number	%	**0**		0	0	0	0
Trading volume of B Series shares	No.	**6 830 907**		3 495 110	3 048 642	5 847 263	4 338 597
% of total number	%	**54.2**		27.8	23.8	47.4	35.2
Issue-adjusted average number of A Series share	No.	**1 728 000**		1 728 000	1 728 000	1 728 000	1 728 000
Issue-adjusted average number of B Series shares	No.	**12 611 807**		12 586 507	12 832 518	12 332 418	12 323 118
Issue-adjusted average number of A Series shares at financial year end	No.	**1 728 000**		1 728 000	1 728 000	1 728 000	1 728 000
Issue adjusted average number of B Series shares at financial year end	No.	**14 699 675**		12 586 507	12 832 518	12 332 418	12 323 118
B Series shares							
P/E ratio		**15.23**	10.34	11.70	10.09	7.38	5.84
Effective dividend yield	%	**2.0**		3.8	13.9	9.4	9.3
Market capitalisation of share capital	MEUR	**155.9**		82.4	73.8	65.5	59.8
Average price	EUR	**8.42**		6.36	5.02	5.02	4.16
Closing price at year end	EUR	**12.36**		6.55	5.75	5.31	4.85
Lowest quotation	EUR	**6.15**		5.70	4.35	4.42	3.58
Highest quotation	EUR	**12.46**		7.45	5.90	5.70	4.99

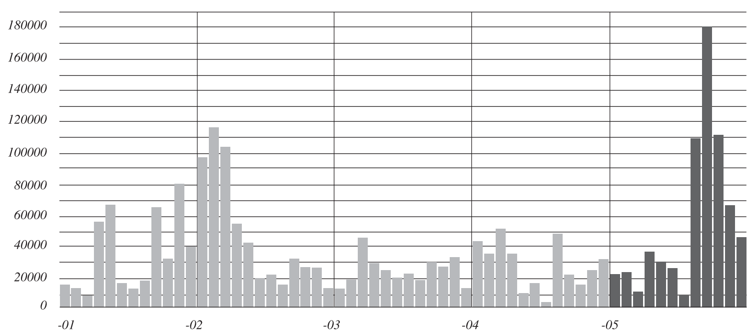
A Series shares are not subject to public quotation.

*) Adjusted by the dilution effect of shares entitled by warrants
**) Board proposal

B SERIES SHARE PRICE, EUR



INTERCHANGE OF B SERIES SHARE PER MONTH, SHARES



DISCLAIMER

Certain statements in this review are forward looking and are based on management's expectation at the time they are made. Therefore they involve risks and uncertainties and are subject to change due to changes in general economic or industry conditions.

FINANCIAL STATEMENTS OF THE GROUP (IFRS) 31.12.2005

Consolidated balance sheet

1 000 €	Note	31.12.2005	31.12.2004
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	7	91 846	76 155
Intangible assets	8	831	399
Goodwill	8	11 615	11 615
Financial assets available for sale	9	306	207
Deferred tax assets	15	576	1 545
Trade receivables	11	173	206
Total non-current assets		**105 347**	**90 127**
CURRENT ASSETS			
Inventories	10	3 383	3 907
Trade receivables	11	7 050	6 342
Other receivables	11	3 101	953
Cash and cash equivalents	12	1 850	576
Total current assets		**15 384**	**11 779**
TOTAL ASSETS		**120 731**	**101 906**
EQUITY AND LIABILITIES			
EQUITY	13		
Share capital		24 234	24 191
Share issue		32	1
Share premium		1 607	1 555
Fair value reserve		117	0
Translation differences		114	-59
Retained earnings		28 027	19 680
Total equity		**54 131**	**45 368**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	15	3 862	3 814
Borrowings	14	37 668	31 928
Total non-current liabilities		**41 530**	**35 742**
CURRENT LIABILITIES			
Borrowings	14	12 739	12 881
Trade payables	17	4 226	1 822
Other payables	16	8 105	6 093
Total current liabilities		**25 070**	**20 796**
Total liabilities		**66 600**	**56 538**
TOTAL EQUITY AND LIABILITIES		**120 731**	**101 906**

Consolidated income statement

1 000 €	Note	1.1.-31.12.2005	1.1.-31.12.2004
REVENUE	18	**76 982**	**71 437**
Other operating income	19	909	303
Changes in inventories	20	-499	241
Production for own use		6 230	2 466
Materials and services	20	-16 995	-17 698
Employee benefit expenses	21	-21 136	-18 444
Depreciation, amortisation and impairment charges	22	-11 228	-9 604
Other operating expenses	23	-16 305	-14 307
OPERATING PROFIT		**17 958**	**14 394**
Finance income	24	188	166
Finance cost	24	-1 897	-1 589
Finance cost (net)	24	**-1 709**	**-1 423**
PROFIT BEFORE TAX		**16 249**	**12 971**
Income tax expense	25	-4 322	-3 743
PROFIT OF THE YEAR		**11 927**	**9 228**
Calculated from shareholders' profit:			
Earnings per share, EUR	26	0.83	0.64
Diluted earnings per share, EUR	26	0.81	0.63

Consolidated cash flow statement of the Group

1 000 €	1.1.-31.12.2005	1.1.-31.12.2004
Cash flow from operating activities		
Operating profit	17 958	14 394
Adjustments for		
Depreciation	11 228	9 604
Change in working capital 1)	2 257	-1 491
Financial income and expenses	-914	-625
Taxes	-3 784	-3 442
Net cash flow from operating activities	**26 745**	**18 440**
Cash flow from investing activities		
Investments in tangible and intangible assets	-29 601	-14 990
Sale of tangible and intangible assets	2 825	838
Cash flow from investing activities	**-26 776**	**-14 152**
Cash flow from financing activities		
Proceeds from issue of share capital	126	307
Increase (+) /decrease (-) in long-term liabilities	5 445	3 200
Increase (+) /decrease (-) in short-term liabilities	-938	2 967
Increase (-) /decrease (+) in long-term receivables	80	-127
Dividends paid	-3 580	-11 373
Translation difference	172	-59
Net cash used in financing activities	**1 305**	**-5 084**
Net (decrease) / increase in cash and bank overdrafts	**1 274**	**-796**
Cash and bank overdrafts 1.1.	576	1 372
Cash and bank overdrafts 31.12.	1 850	576
1) Change in working capital		
Increase (-) /decrease (+) in inventories	526	-250
Increase (-) /decrease (+) in short-term receivables	-2 549	-167
Increase (+) /decrease (-) in short-term non-interest bearing liabilities	4 280	-1 074
Total	**2 257**	**-1 491**

Changes in Group's equity

1 000 €	Share capital	Share issue	Share premium	Treasury shares fund	Fair value reserve	Translation difference	Retained earnings	Total
Equity at 31 December 2003	**24 607**	**498**	**335**	**2 583**			**24 776**	**52 799**
IFRS adjustment				**-2 583**			**-2 951**	**-5 534**
Equity at 1 January 2004	**24 607**	**498**	**335**				**21 825**	**47 265**
Translation difference						-59		-59
Profit for the period							7 966	7 966
IFRS adjustment							1 262	1 262
Dividend							-11 373	-11 373
Cancellation of treasury shares	-1 024		1 024					0
Registered share issue	608	-498	195					306
Unregistered share issue		1						1
Total	-416	-497	1 219			-59	-2 145	-1 897
Equity at 31 December 2004	**24 191**	**1**	**1 555**			**-59**	**19 680**	**45 368**
Equity at 31 December 2004	**24 191**	**1**	**1 555**			**-59**	**19 680**	**45 368**
Adoption of IAS 32 & IAS 39					**117**			**117**
Equity at 1 January 2005	**24 191**	**1**	**1 555**		**117**	**-59**	**19 680**	**45 485**
Translation difference						173		173
Profit for the period							11 927	11 927
Dividend							-3 580	-3 580
Registered share issue	43	-1	52					94
Unregistered share issue		32						32
Total	43	31	52			173	8 347	8 646
Equity at 31 December 2005	**24 234**	**32**	**1 607**		**117**	**114**	**28 027**	**54 131**

Notes to the consolidated financial statements of the Group

1. GENERAL INFORMATION

RK provides a wide range of machinery and equipment, as well as expertise and site services in construction projects. Its sub-group, Tilamarkkinat Oy, is responsible for the development, manufacture, rental and sales of moveable buildings and units. The subsidiary Suomen Projektivuokraus Oy offers project rental services characterised by long rental periods. RK's core business areas include general construction machinery and equipment rental services, project rental services based on long-term contracts, construction-site services and moveable buildings.

Rakentajain Konevuokraamo Oyj is a Finnish public limited liability company, and is subject to the legistation of the Finnish state. The address of Rakentajain Konevuokraamo Oyj's registered office is Kalliosolantie 2, 01740 Vantaa, Finland. The parent company of the Group has its legal domicile in Vantaa.

Rakentajain Konevuokraamo Oyj has its listing on the Main List of Helsinki Stock Exchange Ltd.

These consolidated financial statements have been approved for issue by the Board of Directors on 6 March 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

The consolidated financial statements of Rakentajain Konevuokraamo have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The financial statements of Rakentajain Konevuokraamo Oyj as at 31 December 2004, which were issued by the Company on 17 February 2005, were prepared in accordance with Finnish GAAP. As a first-time Adoption of IFRS these were considered to be the previous GAAP as defined in IFRS 1 for the preparation of the opening IFRS balance sheet as at 1 January 2004 except IAS 32 and IAS 39. Related to these standards the comparative information for 2004 is not necessary according to improvement of IAS 39 published in March 2004. Financial instruments of the financial year 2004 in the scope of IAS 32 and IAS 39 have been presented according to Finnish accounting standards. Finnish GAAP differs in certain respects from IFRS. In 2004, the Group adopted the following revised standards (Improvements), revised IFRS 3, IAS 36 and IAS 38. IFRS 2 and IFRS 5 will be adopted in 2005. The Company has evaluated that these standards will not have any significant effect on its results of operations and financial position.

The comparative figures in respect of 2004 were restated to reflect the adjustments between the Finnish GAAP and IFRS. Fair value estimates have been used in allocating the purchase consideration. Reconciliations and descriptions of the effect of the transition from Finnish GAAP to IFRS on Group's equity, its net income and cash flows are provided in Note 5.

These IFRS consolidated financial statements have been prepared under the historical cost convention, except available-for-sale investments and interest rate derivatives, which have been recognised at fair value.

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. While these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. Areas where assumptions and estimates are significant to the consolidated financial statements are discussed in Note 4.

These IFRS consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue to realise its assets and discharge its liabilities in the normal course of business.

2.2. Consolidation

Subsidiaries, which are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to exercise control to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities, are included in the Group's financial statements. Subsidiaries are consolidated from the date on which control is transferred to the Company and are no longer consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Company.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the costs of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

2.3. Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

The Company's primary segment reporting is based on the following lines of business:
- construction machinery and equipment rental
- construction-site services
- sales and rental of moveable buildings

Secondary segment reporting is based on geographical areas, which are divided to two main areas, Finland and other countries.

2.4. Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial information is presented in Euro, which is the functional and presentation currency of the parent company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement under sales, materials and services or under financial income and expenses based on the nature of transaction.

Income statements and cash flows of foreign entities are translated into the Company's reporting currency at the weighted average exchange rates for the year and balance sheets are translated at the exchange rates on the balance sheet date. Exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity.

2.5. Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation less any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as separate asset when it is probable that future economic benefits associated with the item will flow to the group and the cost can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write off the cost of each asset, to their residual values over their estimated useful life as follows:

Buildings and structures	15–50 years
For rent:	
- Moveable buildings	10–20 years
- Machinery and equipment	6–10 years
- Tents and shelters	6 years
Machinery and equipment for drying services	10 years
Machinery and equipment for diamond boring and cutting services	6 years
Machinery and equipment for own use	3–6 years
Other tangible assets	3–10 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Interest costs on borrowings to finance the construction of property, plant and equipment are expensed when incurred.

2.6. Intangible assets

Goodwill

Goodwill, arising from the acquisitions after 1 January 2004, represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. For the goodwill, arising from the acquisitions before 1 January 2004, the carrying amount of goodwill under previous GAAP at the date of transition to IFRS is used as the deemed cost of goodwill under IFRS at that date.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Research and development

Research expenditure is recognised as an expense as incurred. Development costs are capitalised when the entity can demonstrate the technological and commercial feasibility of the product and cost can be measured reliably. Other development expenditures are recognised as expense.

Currently the development work the entity is performing, is of such nature that it does not fulfil the criteria of capitalisation and thus the development costs are recognised as expense as incurred.

Other intangible assets

Intangible assets include mainly computer software and some other intangible rights. Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of 5 years.

Other intangible assets are carried at cost less amortisation less any impairment loss. These are amortised over their estimated useful life (3 to 5 years).

2.7. Impairment of assets

Goodwill and other assets that have an indefinite useful life are tested annually for impairment. Entity has performed the impairment test of goodwill required by IFRS 1 in the transition date 1 January 2004.

Assets that are subject to amortisation are reviewed for impairment whenever events of changes in circumstances indicate that the carrying amount may not be recoverable. If there is any indication of impairment, the recoverable amount is estimated as the higher of the net selling price and the value in use with an impairment loss being recognised to income statement whenever the carrying amount exceeds recoverable amount. For the purposes of impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

A previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The increased carrying amount must not, however, exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. However, previously recognised impairment loss of goodwill is not reversed.

2.8. Investments

The Company classifies its investments in debt and equity securities into the following categories; financial assets at fair value through profit and loss, loans and receivables held-to-maturity and available-for-sale investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Available-for-sale investments are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date, in which case they are included in current assets.

Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Cost of purchase includes transaction costs. Available-for-sale investments are subsequently carried at fair value. All unrealised gains and losses arising from changes in the fair value of available-for-sale securities are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement in financial income and expenses.

Investments are derecognised when the rights to receive cash flows from the investment have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2.9. Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Derivatives do not qualify for hedge accounting and changes in the fair value of any such derivative instruments are recognised immediately in the income statement within finance costs.

2.10. Inventories

Inventories are stated at the lower of acquisition cost or net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of selling.

2.11. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flow.

2.12. Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and bank and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.13. Share capital

Share capital consists solely of ordinary share capital. External costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid and any directly attributable incremental costs (net of taxes) are deducted from equity.

2.14. Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

2.15. Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for impairment losses that are not taxable or investments in subsidiaries where the timing of reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.16. Employee benefits

Pension obligations

The Group companies have various pension schemes in accordance with the local conditions and practises in the countries in which they operate. The schemes are generally funded through payments to insurance companies. Currently all pension schemes are classified as defined contribution plans.

Defined contribution plan is a pension plan under which the Company pays fixed contributions to insurance company, the Group has no further obligations to pay contributions. Under defined contribution plans the payments are accounted as expense for the period for which the payment is made.

The future disability benefit of Finnish Statutory Employment Pension Scheme ("TEL") qualifies as a defined benefit plan under IFRS. The disability obligation has been calculated and recognised as a liability in the opening IFRS balance sheet. This obligation has been substantially reduced during 2004 and was abolished by the end of 2005.

Share-based payments

The Annual General Meeting of 4 April 2002 granted to the key employees of the Rakentajain Konevuokraamo Group stock options, entitling their holders to subscribe for a total of 670,000 B Series shares. Due to the fact that the share options were granted before 7 November 2002 the Company applies the transition provision accordingly, and the stock options is not recognised as liability in the income statement.

2.17. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Research and development grants related to income are credited to other operating income in the income statement. Government grants relating to the purchase of property, plant and equipment are presented by deducting the grant in arriving at the carrying amount of the assets and are credited to the income statement on a straight line basis over the expected lives of the related assets.

2.18. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The amount to be recognised as a provision is the best estimate of the expenditure required to settle the obligation. Where the effect of time value of money is material, the amount of the provision is discounted.

2.19. Revenue recognition

Revenue is measured at fair value of the consideration received or receivables of the sales of goods and services, net of value-added tax, rebates and discounts. Revenue is recognised as follows:

Sales of goods

Sales of goods are recognised when a Group entity has delivered the products to the customer, collectibility of the related receivables is reasonably assured, the selling entity has no significant risks and rewards of ownership and the selling entity retains neither managerial commitment nor control of the sold goods.

Rental contracts

Lease income from operating leases has been recognised in income on a straight-line basis over the lease term, unless another systematic basis has been more representative of the time pattern in which use benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income have been recognised as an expense.

The sales of moveable buildings which also includes the rental agreement with the third party, and when the moveable building has been sold to a finance company on a repurchase commitment, has been considered as lease agreement, due to the significant risks and rewards incidental to ownership are not considered to transfer to the finance company. The proceeds of the sales of the buildings with the related rental agreements are recognised as rental income over time. Interest on the liability is calculated using the effective interest rate method.

Other services

Sales of services are recognised in the accounting period in which the services are rendered.

2.20. Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. The Group has several leases that are classified as finance leases, in which the Group is the lessee.

Finance leases are capitalised at the lease's commercement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

The Group has entered into various operating leases, the payments under which are treated as rentals and charged to the income statement on a straight-line basis over the lease term.

2.21. Dividend distribution

Dividend distribution to Rakentajain Konevuokraamo Oyj's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Rakentajain Konevuokraamo Oyj's shareholders.

2.22. New accounting standards and IFRIC interpretations

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2006 or later periods but which the Group has not earlier adopted. The Group will apply the following standards (and amendments) and interpretations from 1 January 2006:

- IAS 19 (Amendment), Employee Benefits. This amendment introduces the option of an alternative recognition approach for actuarial gains and losses. It also concerns multi-employer plans and certain new disclosure requirements. The Group believes that this amendment should not have an impact on the format and extent of disclosures presented in the accounts.

- IAS 21 (Amendment), Net investment in Foreign Operations. This amendment allows to treat certain third currency monetary items as a part of the net investment in foreign operations also in a case where these monetary items are not settled between the parent company and the subsidiary. Currently the Group does not have any monetary items which could be treated as net investments in third currency.

- IAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions. The amendment allows the foreign currency risk of a highly probable forecast intragroup transaction to qualify as a hedged item in the consolidated financial statements. This amendment is not relevant to the Group's operations.

- IAS 39 (Amendment), The Fair Value Option. This amendment changes the definition of financial instruments classified at fair value through profit or loss and restricts the ability to designate financial instruments as a part of this category. The Group believes that this amendment should not have an impact on the classification of financial instruments.

- IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts. This amendment requires issued financial guarantees, other than those previously asserted by the entity to be insurance contracts, to be initially recognised at their fair value and subsequently measured at the higher or the unamortised balance of the related fees received and deferred and the expenditure required to settle the commitment at the balance sheet date. Management considered this amendment to IAS 39 and concluded that it is not relevant to the Group.

- IFRIC 4, Determining whether an Arrangement contains a Lease. IFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: a) fulfilment of the arrangement is dependent on the use of a specific asset and b) the arrangement conveys a right to use the asset. Management is currently assessing the impact of IFRIC 4 on the Group's operations.

The following standards and interpretations, effective from 1 January 2006, will not have impact on Group's consolidated financial statements.

- IFRS 1 (Amendment), First-time Adoption of International Financial Reporting Standards and IFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources
- IFRS 6, Exploration for and Evaluation of Mineral Resources
- IFRIC 5, Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

- IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
- IFRIC 8, Scope of IFRS 2

The Group will apply the following standard from annual periods beginning 1 January 2007:

- IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures. IFRIC 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. Management is currently assessing the impact of IFRS 7 and the amendment to IAS 1 on Group's disclosures to consolidated financial statements.

3. FINANCIAL RISK MANAGEMENT

The Group is exposed to several financial risks. The objective of the Group's financial risk management is to minimise the unfavourable effects on the Group's profit caused by changes in financial markets. The main financial risks are interest rate risk, currency risk and funding risk. The Group uses interest rate swaps in the risk management. The Board of Directors approves the general principles of financial risk management and the Group's financial administration is responsible for the implementation. The Group's financial administration identifies risks and acquires necessary hedging instruments.

3.1. Interest rate risk

The Group is mainly exposed to fair value interest rate risk, which is considered to be related mainly to debt portfolio. At the balance sheet date 14.4 percentage of outstanding credits where fixed interest rated. The Group can borrow either on fixed interest rate or floating interest rate or use interest rate swaps to achieve financial principle targets. The Group has euro denominated interest rate swaps, based on which the Group's average fixed interest rate was 3.55 percentage and average floating interest rate Euribor + 0.45 percentage on the balance sheet date.

The Group's income and operative cash flow are mainly independent of market interest rate change.

3.2. Currency risk

The Group operates internationally and is thus exposed to foreign exchange transaction exposure and risks, that arise when in different currencies done investments are translated to parent company's functional currency. Significant currencies for the Group are PLN (Polish zloty) and RUB (Russian rouble). Foreign exchange rate risks mainly arise from balance sheet's monetary items and net investments to foreign subsidiaries. Sales currency is mainly the entity's functional currency.

The Group's monetary items and net investments exposure to risk is immaterial, thus hedging is not necessary.

3.3. Credit risk

The Group's policy identifies clients, investment transactions and derivative financial instruments counterparty credit rating requirements and principles of investment. The Group has no significant credit risk concentrations, because it has a broad clientele that is geographically spread into a wide area, and the Group grants credits to companies and private persons that have proper credit information. During the financial period the amount of losses on loans and advances recognised through profit and loss is not significant. The Group's maximum credit risk amount is financial assets fair value at 31 December 2005.

3.4. Investment risk

The Group holds a minor amount of unquoted shares, which are not significant on the risk management.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.7. The recoverable amounts of cash-generating units have been determinated based on value-in-use calculations, which require the use of estimates defined in Note 8.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the group-wide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

5. TRANSITION TO IFRS

The effects of transition to IFRS reporting previously reported balance sheet information

The transition to IFRS reporting has had an effect on the face of financial statements compared to previously reported financial statements. Before transition to IFRS reporting financial statements of the company have been prepared according to Finnish Accounting Standards (FAS). The following reconciliation and description illustrates the differences between IFRS reporting compared to Finnish GAAP for the year 2004 and for the IFRS transition date 1 January 2004.

Profit reconciliation for the period ended 31 December 2004

1 000 €	Note	FAS 1.1.-31.12.	IFRS adjustment	IFRS 1.1.-31.12.
Revenue		**72 956**	**-1 520**	**71 437**
Other operating income		303		303
Change in inventories in finished goods and work in progress		259		241
Production for own use		2 467		2 466
Materials and services	a)	-20 991	3 275	-17 698
Personnel expenses	c)	-18 688	244	-18 444
Depreciation and amortisation	d)	-9 864	260	-9 604
Depreciation on moveable buildings			796	
Goodwill amortisation			-1 056	
Other operating expenses		-14 307		-14 307
Operating profit		**12 135**	**2 259**	**14 394**
Financial income		167		166
Finance costs		-792	-798	-1 589
Finance costs (net)	d)	-625	-798	-1 423
Profit before tax		**11 510**	**1 461**	**12 971**
Income tax		-3 545	-199	-3 743
Profit for the period		**7 966**	**1 262**	**9 228**

Alteration in balance sheet

1 000 €	Note	FAS 31.12.2003	IFRS adjustment	IFRS 1.1.2004	FAS 31.12.2004	IFRS adjustment	IFRS 31.12.2004
ASSETS							
Non-current assets							
Property, plant and equipment	d)	59 152	12 434	71 586	61 519	14 636	76 155
Goodwill	a)	11 615	0	11 615	10 559	1 056	11 615
Other intangible assets		417	0	417	399	0	399
Deferred tax assets	b)	0	1 853	1 853	0	1 545	1 545
Treasury shares		2 583	-2 583	0	0	0	0
Financial assets		290	0	290	413	0	413
Current assets							
Inventories		3 657	0	3 657	3 907	0	3 907
Trade receivables		6 614	0	6 614	6 342	0	6 342
Other receivables		515	0	515	953	0	953
Cash and cash equivalent		1 372	0	1 372	576	0	576
Total assets		**86 214**	**11 705**	**97 918**	**84 669**	**17 237**	**101 906**

1 000 €	Note	FAS 31.12.2003	IFRS adjustment	IFRS 1.1.2004	FAS 31.12.2004	IFRS adjustment	IFRS 31.12.2004
EQUITY AND LIABILITIES							
EQUITY							
Share capital		24 607	0	24 607	24 191	0	24 191
Share issue		497	0	497	1	0	1
Share premium		335	0	335	1 555	0	1 555
Treasury share fund		2 583	-2 583	0	0	0	0
Retained earnings		24 776	-2 951	21 825	21 309	-1 688	19 621
Total equity		**52 799**	**-5 533**	**47 265**	**47 056**	**-1 688**	**45 368**
LIABILITIES							
Non-current liabilities							
Borrowings	d)	12 713	16 015	28 728	13 872	18 056	31 928
Deferred tax liabilities	b)	2 868	952	3 820	2 971	843	3 814
Current liabilities							
Borrowings	d)	9 116	0	9 116	12 881	0	12 881
Trade payables		1 960	0	1 960	1 822	0	1 822
Other payables		6 758	271	7 029	6 066	27	6 093
Total liabilities		**33 415**	**17 238**	**50 653**	**37 612**	**18 925**	**56 538**
Total equity and liabilities		**86 214**	**11 705**	**97 918**	**84 669**	**17 237**	**101 906**

Equity reconciliation for the period ended 31 December 2004

1 000 €	1.1.2004	31.12.2004
Equity according to FAS	**52 799**	**47 056**
Transition to IFRS effects		
IAS 18 Revenue recognition	-3 581	-3 419
IAS 19 Employee benefits	-271	-27
IAS 12 Income taxes	901	702
IFRS 3 Goodwill	0	1 056
IAS 32 Treasury shares	-2 583	0
Total IFRS reconciliations	**-5 533**	**-1 688**
Equity according to IFRS	**47 265**	**45 368**

Effects of IFRS to cash flows 1.1.-31.12.2004

1 000 €		FAS	IFRS
Cash flow calculation			
Cash flow from operating activities		16 685	18 440
Cash flow from investing activities	d)	-11 154	-14 152
Cash flow from financing activities	d)	-6 327	-5 084
Total		**-796**	**-796**

a) Goodwill
In accordance with IFRS 3 and the revised IAS 36, goodwill is no longer amortised but tested annually for impairment. The amortisation of goodwill according to plan in the 2004 FAS consolidated financial statements have been reversed in the IFRS financial statements. The impairment test for goodwill carried out at the date of transition did not result in an impairment loss being recognised.

b) Deferred tax liabilities and assets
According to Finnish Accounting Standards deferred tax assets and liabilites have been recorded on a net basis. According to IFRS deferred tax assets and liabilities are shown on a gross basis. A deferred tax asset of EUR 1,038 thousand arising from the change in the accounting practice for the sales and rentals of moveable buildings has been recorded in the opening balance sheet. A deferred tax asset of EUR 78 thousand relating to the disability obligation included in the employee benefits has been recorded in the opening balance sheet.

c) Employee benefits
The Finnish pension scheme (TEL) is accounted for as a defined contribution plan in the IFRS opening balance sheet, except for the disability element, which is accounted for as a defined benefit plan. The disability obligations have been calculated and recognised as a liability in the opening IFRS balance sheet. Due to a change in Finnish legislation this obligation has been substantially reduced during 2004 and will be abolished by the end of 2005.

d) Financial arrangements of moveable buildings
When the Group sells a rented moveable building to a third party and the lease to the financing company on a repurchase commitment, according to Finnish Accounting Standards (FAS), the proceeds of the sale are recognised as revenue and respectively recorded in the balance sheet. According to IFRS the above sales are seen as a finance lease, because the significant risks and rewards incidental to ownership are not considered to transfer to the finance company. The deposit and repurchase liability that arise from the arrangement are recorded in the interest-bearing liabilities. The related rent is recorded as revenue in the straight-line basis over the lease term. Interest on the liability is calculated using the effective interest rate method and is recognised as financing cost. Depreciations are recorded according to the buildings depreciation plans.

Reconciliation on the effects of adopting IAS 32 and IAS 39 at 1 January 2005

1 000 €	Note	31.12.2004	Impact of adopting IAS 32 and IAS 39	1.1.2005
ASSETS				
Non-current assets				
Tangible assets		76 155		76 155
Goodwill		11 615		11 615
Other intangible assets		399		399
Financial assets available for sale	e)	207	158	365
Trade receivables		206		206
Deferred tax assets		1 545		1 545
Total		**90 127**	**158**	**90 285**
Current assets				
Inventories		3 907		3 907
Trade and other receivables		7 295		7 295
Cash and cash equivalents		576		576
Total		**11 779**		**11 779**
Total assets		**101 906**	**158**	**102 064**
EQUITY AND LIABILITIES				
Equity				
Share capital		24 191		24 191
Share issue		1		1
Share premium		1 555		1 555
Translation differences		-59		-59
Fair value reserve	e)	0	117	117
Retained earnings		19 680		19 680
Total equity		**45 368**	**117**	**45 485**
Non-current liabilities				
Deferred tax liabilities	e)	3 813	41	3 854
Borrowings		31 928		31 928
Total		**35 742**	**41**	**35 782**
Current liabilities				
Trade payables and other liabilities		7 916		7 916
Borrowings		12 881		12 881
Total		**20 796**		**20 796**
Total liabilities		**56 538**	**41**	**56 579**
Total equity and liabilities		**101 906**	**158**	**102 064**

e) Investments

Domestic quoted shares and housing company shares of EUR 207 thousand are included in non-current assets of comparative financial period ended 31 December 2004. These shares are measured at its cost according to Finnish Accounting standards. From 1 January 2005 these shares have been measured at fair value according to IAS 39, amounting to EUR 365 thousand. The unrealised change in value, amounting to EUR 158 thousand, less deferred tax, EUR 41 thousand, has been included in fair value reserve.

6. SEGMENT REPORTING

Segment information is presented for the Group's business segments and geographical segments.
Segment assets and liabilities are such business items, that are used in the business operations of segments or that can be reasonably be allocated to segments. Unallocated items include tax or financing items and common costs for the Group. Capital expenditure comprises additions to property, plant and equipment and intangible assets that are used in one or more periods.

Pricing between segments is set at market price.
The Group's primary reporting format is business segments as follows:
- Rental of construction machinery and equipment
- Construction-site services
- Sales and rental of moveable buildings

Business segments 2005

1 000 €	Rental of construction machinery and equipment	Construction-site services	Sales and rental of moveable buildings	Internal sales	Group
Revenue	44 314	7 928	27 093	-2 353	76 982
Operating profit by segment	10 442	188	7 328		17 958
Operating profit					17 958
Net profit for the period					11 927
				Unallocated	
Assets by segments	73 089	2 604	45 038		120 731
Liabilities by segments	8 315	1 244	28 169	28 872	66 600
Capital expenditure	21 068	977	7 556		29 601
Depreciation and amortisation	7 816	610	2 801		11 228

Business segments 2004

1 000 €	Rental of construction machinery and equipment	Construction-site services	Sales and rental of moveable buildings	Internal sales	Group
Revenue	35 832	8 091	27 816	-303	71 437
Operating profit by segment	7 524	752	6 118		14 394
Operating profit					14 394
Net profit for the period					9 228
				Unallocated	
Assets by segments	61 266	4 131	36 509		101 906
Liabilities by segments	13 829	813	23 393	18 502	56 538
Capital expenditure	8 415	465	6 113		14 993
Depreciation and amortisation	6 311	701	2 592		9 604

Value of outstanding orders for the sales and rental of moveable buildings

1 000 €	2005	2004
Sales	6 884	5 954
Rental	24 198	20 857

The Group's secondary reporting format is geographical segments, which are divided into two areas, Finland and other countries.

Geographical segments 2005

1 000 €	Finland	Other countries	Group
Revenue	71 193	5 789	76 982
Assets by segments	104 445	16 286	120 731
Capital expenditure	20 461	9 140	29 601

Geographical segments 2004

1 000 €	Finland	Other countries	Group
Revenue	69 823	1 613	71 437
Assets by segments	98 790	3 116	101 906
Capital expenditure	13 359	1 634	14 993

The revenue of geographical segments are allocated based on the country in which the customer is located and assets are allocated based on where the assets are located.

7. NON-CURRENT ASSETS

1 000 €	Acquisition cost at 1 Jan. 2005	Additions	Disposals	Acquisition cost at 31 Dec. 2005	Accumulated depreciation at 1 Jan. 2005	Accumulated depreciation on disposals	Depreciation for the financial year 31 Dec. 2005	Net book value 31 Dec. 2005
INTANGIBLE ASSETS								
Intangible assets	180	0	0	180	0	0	0	180
Goodwill	15 839	0	0	15 839	-4 224	0	0	11 615
Other non-current assets	717	541	-26	1 233	-498	24	-108	651
Total intangible assets	**16 735**	**541**	**-26**	**17 251**	**-4 722**	**24**	**-108**	**12 445**
TANGIBLE ASSETS								
Land	3 236	117	-54	3 299	0	0	0	3 299
Buildings and structures	19 861	530	-2 387	18 004	-6 283	877	-696	11 903
Moveable buildings	31 699	6 184	-474	37 409	-7 853	364	-2 253	27 666
Machinery and equipment	56 840	22 220	-6 065	72 995	-21 633	4 976	-8 107	48 231
Other tangible assets	523	201	-78	646	- 234	77	-64	425
Uncompleted purchases	0	323	0	323	0	0	0	323
Total tangible assets	**112 159**	**29 575**	**-9 058**	**132 676**	**-36 003**	**6 294**	**-11 120**	**91 846**
INVESTMENTS AVAILABLE FOR SALE								
Shares in other companies	207	159	-60	306	0	0	0	306
Total investments	**207**	**159**	**-60**	**306**	**0**	**0**	**0**	**306**
TOTAL	**129 101**	**30 275**	**-9 144**	**150 233**	**-40 725**	**6 318**	**-11 228**	**104 598**

Finance lease contracts, machinery and equipment

1 000 €	2005	2004
Acquisition cost at 31.12.	651	0
Accumulated depreciation at 31.12.	-83	0
Net book value at 31.12.	**568**	**0**

8. GOODWILL AND OTHER INTANGIBLE ASSETS

1 000 €	Goodwill	Intangible assets	Other non-current assets	Total
Acquisition cost at 1 January 2004	**15 839**	**176**	**678**	**16 693**
Additions	0	4	75	79
Disposals	0	0	-37	-37
Acquisition cost at 31 December 2004	**15 839**	**180**	**717**	**16 735**
Accumulated depreciation and impairment loss at 1 January 2004	-4 224	0	-437	-4 661
Accumulated depreciation on disposals	0	0	36	36
Depreciation and amortisation for the period	0	0	-97	-97
Impairment loss for the period	0	0	0	0
Accumulated depreciation and impairment loss at 31.12.2004	-4 224	0	-498	-4 722
Book value at 1 January 2004	**11 615**	**176**	**241**	**12 032**
Book value at 31 December 2004	**11 615**	**180**	**219**	**12 014**

1 000 €	Goodwill	Intangible assets	Other non-current assets	Total
Acquisition cost at 1 January 2005	**15 839**	**180**	**717**	**16 735**
Additions	0	0	541	541
Disposals	0	0	-26	-26
Acquisition cost at 31 December 2005	**15 839**	**180**	**1 233**	**17 251**
Accumulated depreciation and impairment loss at 1 January 2005	-4 224	0	-498	-4 722
Accumulated depreciation on disposals	0	0	24	24
Depreciation and amortisation for the period	0	0	-108	-108
Impairment loss for the period	0	0	0	0
Accumulated depreciation and impairment loss at 31.12.2005	-4 224	0	-582	-4 806
Book value at 1 January 2005	**11 615**	**180**	**219**	**12 014**
Book value at 31 December 2005	**11 615**	**180**	**651**	**12 445**

Goodwill impairment testing

Goodwill is allowed to following cash-generating units for impairment testing:

Goodwill allocation by segments 1 000 €	Rental of construction machinery and equipment	Construction-site services	Sales and rental of moveable buildings	Total
Finland	2 439	-	9 176	11 615
Total	**2 439**	**-**	**9 176**	**11 615**

The recoverable amount of a CGU is determined based on value-in-use. These calculations use cash flow projections based on financial budgets approved by management covering five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 0 percent. The growth rate does not exceed the long-term historical growth rate for the business in which the CGU operates. Pre-tax discount rate applied to the cash flow projections is 7.8 percent.

The assumptions used for the calculations of value-in-use are the budgeted gross margin and the budgeted market share. The budgeted gross margin used is consistent with the gross margin based on the average of last three years historical data and the gross margin is assumed to stay at that level. The market share is based on the actual market share in 2005 and the market share is estimated to remain at that level for the assets included in CGU.

9. FINANCIAL ASSETS AVAILABLE FOR SALE

1 000 €	2005	2004
Other shares	306	207
Total	**306**	**207**

10. INVENTORIES

1 000 €	2005	2004
Materials and supplies	1 335	1 545
Work in progress	1 380	1 647
Finished goods	668	715
Total	**3 383**	**3 907**

11. TRADE AND OTHER RECEIVABLES

1 000 €	2005	2004
Trade receivables		
Non-current trade receivables	173	206
Fair value of non-current trade receivables is EUR 156 thousand.		
Current trade receivables	7 050	6 342
Total	**7 223**	**6 548**
Other receivables		
Loan receivables	295	21
Other receivables	1 973	307
Prepaid expenses and accrued income	833	625
Total	**3 101**	**953**

The Group has written down a credit loss from receivables for EUR 233 thousand for the period (EUR 169 thousand in 2004).
Receivables do not include significant credit risk concentrations.

The book value of receivables corresponds to fair value in material parts.

12. CASH AND CASH EQUIVALENTS

1 000 €	2005	2004
Cash in hand and at bank*	1 850	576
Total	**1 850**	**576**

* include the escrow account of EUR 456 thousand due to the purchase of Säve Sp.zo.o.

13. EQUITY

Non distributable reserves 1 000 €	Share capital	Share issue	Share premium	Fair value reserve	Total
1.1.2004	24 607	497	335	0	25 439
Alteration	-416	-496	1 219	0	307
31.12.2004	24 191	1	1 555	0	25 747
Alteration	43	31	53	117	244
31.12.2005	**24 234**	**32**	**1 607**	**117**	**25 990**

Share capital, share issue, share premium and fair value reserve are non-distributable profit funds.

Share capital at 31 December 2005 distributes as follows:	Number of shares	Percentage of shares	Percentage of votes
A Series shares	1 728 000	12.00 %	73.00 %
B Series shares	12 611 807	88.00 %	27.00 %
Total	**14 339 807**	**100.00 %**	**100.00 %**

Fair value reserve 1 000 €	2005	2004
Share premium of investments available for sale	117	0

Number of shares	A Series	B Series
1.1.2005	1 728 000	12 586 507
Alteration	0	25 300
31.12.2005	**1 728 000**	**12 611 807**

Variations between A Series shares and B Series shares

The A and B Series have equal terms, with the exception of voting rights included in them: each A Series share entitles the holder to 20 votes at the Annual General Meeting; each B Series share entitles the holder to one vote.
The shares' counter book value is EUR 1.69.

General Meeting of 3 January 2006 decided to combine the company's share classes (see review).

The maximum number of shares on 31 December 2005 is 47.3 million shares (47.3 million shares in 2004). Shares' counter book value is EUR 1.69 per share and the maximum share capital is EUR 80 million (EUR 80 million in 2004). All the issued shares have been paid in full.

Equity funds are described in the following way:

Translation differences

Translation differences fund consists of the differences in converting the financial statements of the foreign units.

Fair value reserve

Fair value reserve consists of the changes of the fair value of financial assets available for sale.

Dividends

After the account closing date the Board has proposed a dividend of EUR 0.25 per share.

14. INTEREST-BEARING LIABILITIES

Non-current interest-bearing liabilities	2005		2004	
1 000 €	Book value	Fair value	Book value	Fair value
Bank borrowings	23 847	22 782	13 872	13 309
Repurchase liabilities	7 980	7 215	10 065	12 458
Rent advances	5 790	6 222	7 991	8 550
Finance lease liabilities	52	52	0	0
Total	37 668	36 271	31 928	34 317
Current interest-bearing liabilities				
1 000 €	Book value		Book value	
Bank borrowings	7 617		9 883	
Commercial paper	0		2 998	
Repurchase liabilities	2 119		0	
Rent advances	2 920		0	
Finance lease liabilities	83		0	
Total	12 739		12 881	
Total interest-bearing liabilities	**50 407**	**36 271**	**44 809**	**34 317**

Fair value is based on discounted cash flow.
Discounted rate used for year 2005 2.87 per cent (2004 2.57 per cent).
Book values of interest-bearing liabilities correspond to fair values in material parts.

Non-current interest-bearing liabilities mature as follows:

1 000 €	**2007**	**2008**	**2009**	**2010**	**2010+**	**Total**
Bank borrowings	6 320	9 552	1 356	2 841	1 745	21 814
Repurchase liabilities and rent advances	4 324	2 783	4 599	1 943	2 205	15 854
Total	**10 644**	**12 335**	**5 955**	**4 784**	**3 950**	**37 668**

Maturity for finance lease liabilities

1 000 €	2005	2004
No later than 1 year	83	0
Later than 1 year and no later than 5 years	52	0
Total finance lease liabilities	**135**	**0**

The Group has following unused loan withdrawals as of 31 December

Floating rate

1 000 €	2005	2004
Expires within 1 year	14 267	9 685

15. DEFERRED TAX ASSETS AND LIABILITIES

1 000 €	2005	2004
Deferred tax assets		
Other temporary differences	576	1 545
Deferred tax liabilities		
Appropriation	3 765	3 610
Fair value of investments available for sale	41	
Other temporary differences	55	203
Total	**3 862**	**3 814**
Deferred tax liabilities (net)	**3 286**	**2 269**
Deferred tax assets		
Non-current	522	1 545
Current	54	0
Deferred tax liabilities		
Non-current	3 809	3 814
Current	53	0
Deferred tax liabilities (net)	**3 286**	**2 269**

Change in the deferred tax liabilities and assets entered on the balance sheet	2005	2004
Deferred tax liabilities (net) at 1 January	2 269	1 968
Items entered on the income statement	976	300
Items entered on the equity	41	0
Deferred tax liabilities (net) at 31 December	**3 286**	**2 269**

16. OTHER PAYABLES

1 000 €	2005	2004
Advances received	1 648	1 063
Accrued liabilities and deferred income	4 873	3 140
Other current liabilities	1 584	1 890
Total	**8 105**	**6 093**

Material items included in accrued liabilities and deferred income include personnel expenses and amortisation of interest on liabilities.

17. TRADE PAYABLES

1 000 €	2005	2004
Trade payables	4 226	1 822
Total	**4 226**	**1 822**

18. REVENUE BY BUSINESS AREA

1 000 €	2005	2004
Rental of construction machinery and equipment	44 314	35 832
Construction-site services	7 928	8 091
Sales and rental of moveable buildings	27 093	27 816
Intercompany sales	-2 353	-303
Total	**76 982**	**71 437**

19. OTHER OPERATING INCOME

1 000 €	2005	2004
Rental of premises	210	251
Profit of sold tangible assets and investments	568	0
Other income	131	52
Total	**909**	**303**

20. MATERIALS AND SERVICES

1 000 €	2005	2004
Purchases	8 376	8 867
External services	8 619	8 830
Total	**16 995**	**17 698**
Change in inventories work in progress	-4	259
Change in inventories finished goods	-495	-18
Total	**-499**	**241**

21. EMPLOYEE BENEFIT EXPENSES

1 000 €	2005	2004
Board members' wages and salaries	210	143
Wages	16 453	14 526
Pensions - defined benefit plan	2 759	2 270
Other statutory employer contributions	1 714	1 505
Total	**21 136**	**18 444**
Directors' wages and salaries (note 28)		
Average number of personnel	**569**	**538**

22. DEPRECIATION AND AMORTISATION

1 000 €	2005	2004
Machinery and equipment	8 107	6 762
Moveable buildings	2 253	1 917
Buildings and structures	696	779
Other tangible assets	64	50
Other non-current assets	108	97
Total	**11 228**	**9 604**

23. OTHER OPERATING EXPENSES

1 000 €	2005	2004
Premises and equipment rentals	2 892	2 090
Marketing	2 188	2 275
Transport and vehicles	3 646	2 400
Maintenance and accessories	1 465	2 042
Factory overheads and maintenance	567	583
Other expenses	5 546	4 917
Total	**16 305**	**14 307**

24. FINANCIAL ITEMS

1 000 €	2005	2004
Interest income from others		
Receivables	89	14
Bank deposits	32	26
Dividend income		
Dividend income from others	6	118
Exchange rate difference	61	8
Change in fair value of financial instruments	-77	0
Interest expenses		
Loans	-1 819	-1 572
Other finance costs	-1	-17
Total	**-1 709**	**-1 423**

Foreign exchange gains and losses in the income statement	2005	2004
Finance costs (net)	61	8

25. INCOME TAX EXPENSE

1 000 €	2005	2004
Current tax	-3 793	-3 418
From previous financial periods	10	-24
Deferred tax change	-538	-302
Total	**-4 322**	**-3 743**
Tax expense reconciliation		
Profit before tax	16 249	12 971
Tax calculated with domestic corporate tax rate	4 225	3 762
Foreign subsidiaries divergent tax rate +/-	-141	-49
Non-deductable expenses	248	37
Tax from previous financial periods	-10	24
Tax expense / income due to reduction of domestic tax rate	0	-31
Taxes in income statement	**4 322**	**3 743**
Group's effective tax rate	**26.6 %**	**28.9 %**

26. EARNINGS PER SHARE

	2005	2004
The net profit attributable to parent company's shareholders, 1 000 €	11 927	9 228
Earnings per share (EUR per share), not adjusted by dilution effect	0.83	0.64
Earnings per share (EUR per share), adjusted by dilution effect	0.81	0.63
Weighted average number of shares		
A share	1,728,000	
B share	12,611,807	
Number of shares, not adjusted by the dilution effect	14,339,807	
Share options	359,868	
Number of shares, adjusted by the dilution effect	14,699,675	

When calculating earnings per share adjusted by the dilution effect, all the potential shares are regarded in weighted average value of the number of shares.

27. DIVIDEND PAID

1 000 €	2005	2004
Dividend paid	3 580	11 373

Paid dividends in 2004 EUR 11,373,155.60 (EUR 0.80 per share) and in 2005 EUR 3,579,951.75 (EUR 0.25 per share)
After the account closing date the Board has proposed a dividend of EUR 0.25 per share.

28. RELATED PARTY TRANSACTIONS

The Group's interest in subsidiaries is as follows:

Subsidiaries	Domicile		% of shares
Kiinteistö Oy RK-Kehä	Vantaa	Finland	100
Kiinteistö Oy Vantaan Viinikankaari 9	Vantaa	Finland	100
Tilamarkkinat Oy	Ylöjärvi	Finland	100
Suomen Projektivuokraus Oy	Tuusula	Finland	100
Kiinteistö Oy Vikkiniitty	Lempäälä	Finland	100
Suomen Ykköstilat Oy	Kouvola	Finland	100
Parmaco Oy	Pyhäjoki	Finland	100
Master Tilaelementit Oy Leppävirta	Leppävirta	Finland	100
Suomen Tähtivuokraus Oy	Vantaa	Finland	100
RK Ehitustööriist Oü	Harku	Estonia	100
Balti Ehitustööriist Oü	Harku	Estonia	100
Zanevkaprokat Zao	St. Petersburg	Russia	100
Säve Sp.zo.o.	Krakow	Poland	100

Related party transactions

The insurance premiums paid by Group to Pohjola Insurance Company in 2005 amounted to EUR 1.22 million and in 2004 to EUR 1.05 million. The insurances have been consistent with the market practice.

During year 2005 EUR 0.25 million and in 2004 EUR 0.26 million where paid as real estate rents customary to the sector to Kiinteistö Oy Hosionrinne, whose co-owner Tatu Hauhio has acted as Managing Director of Suomen Projektivuokraus Oy as of 1 November 2003.

There were not carried out any sales of goods and services transactions with related parties.

Executive remuneration

1 000 €	2005	2004
Wages and salaries		
Managing Director Vesa Koivula	189	163
Board Members		
Ruusuvuori Paavo	41	30
Koskenkorva Matti	33	25
Halonen Eino	23	17
Järvinen Asko	24	18
Lainio Jari	23	17
Nurminen Matti	26	18
Pystynen Pekka	29	20
Total	**388**	**308**
Directors' wages and salaries	461	397
Directors' post employment salaries	25	25

Stock options

The Annual General Meeting of 4 April 2002 decided to offer the key employees of the Rakentajain Konevuokraamo Group stock options, entitling their holders to subscribe for a total of 670,000 B Series shares. Of these B Series shares, a total of 335,000 will be subscribed with 2002A-stock options from 1 May 2004 to 31 March 2007 and 335,000 B Series shares with 2002B-stock options from 1 May 2006 to 31 March 2007. The Group's 2002 A-stock options have been traded on the Helsinki Stock Exchange since 3 May 2004. A total of 300 B Series shares where subscribed in 2004 and 33,500 B Series shares where subscribed in 2005.

Loans to related parties

There are no loans originated by the company to related parties.

29. COMMITMENTS AND CONTINGENT LIABILITIES

1 000 €	2005	2004
Guarantees given on own behalf		
Debts, secured by guarantees		
Loans from credit institutions	50 407	44 809
Securities given		
Mortgages on real estates	5 663	5 663
Mortgages on company assets	10 957	10 957
Pledges	20 752	22 972
Debts, secured by guarantees		
Repurchase commitments	32	22
Contingent liabilities related to guarantee and services	457	435
Other contingent liabilities		
Leasing liabilities in the following year	415	22
Subsequent leasing liabilities	1 062	35
Contingent liabilities on behalf of other		
Guarantees for loans*	136 310	0

* Guarantees for Cramo Group's liabilities providing that the purchase of Cramo Holding BV will take place during 2006.

30. DERIVATIVE FINANCIAL INSTRUMENTS

1 000 €	Nominal value	2005 Fair value	Nominal value	2004 Fair value
Interest rate swaps				
Swap contracts	17 263	-80	0	0
Option contracts				
Purchased	10 000	14	0	0
Written	10 000	-11	0	0

31. ACQUIRED BUSINESS

1 000 €

All outstanding shares of Säve Sp.zo.o were acquired on 7 March 2005.
The company operates in the rental of construction machinery and equipment in Poland.

Säve is included in the consolidated financial statements from 1 January 2005.

Säve Sp.zo.o. 1.1.-31.12.2005	
Revenue	1 962
Operating profit	613
Acquisition cost	
Cash paid	1 850
Direct cost related to acquisition	128
Total acquisition cost	1 978
Acquired net assets at fair value	1 978
Goodwill	**0**

No goodwill arose from acquisition. Fair value of net assets acquired corresponded to acquisition cost.

1 000 €	Fair value recognised at combination	Book value before combination
Property, plant and equipment	2 256	402
Cash and cash equivalents	227	227
Deferred tax assets	58	
Other	351	351
Total assets	**2 892**	**980**
Deferred tax liabilities	481	0
Pension liabilities	0	0
Interest-bearing liabilities	226	
Other liabilities	206	206
Total liabilities	**913**	**206**
Net assets	**1 978**	**774**
Acquisition cost	**1 978**	**1 978**
Purchase consideration settled in cash	1 978	
Cash and cash equivalents in subsidiary acquired	227	
Cash flow impact	**1 751**	

32. EVENTS AFTER BALANCE SHEET DATE

The Group acquired 100 per cent of the shares in Cramo Holding BV on 3 January 2006. Cramo provides rental services of machinery, equipment and modular space in nine countries. Sweden is the primary market of Cramo. Main customer segments include the construction industry, trade and other industry and public sector. The average number of employees in 2005 was 1,077.

The unaudited sales of Cramo Group according to IFRS for the year ended 31 December 2005 was EUR 257.3 million, and the unaudited operating profit according to IFRS from the same period was EUR 23.2 million.

Preliminary purchase consideration, 1 000 €

Cash paid	-
Direct costs related to acquisition	1 625
Fair value of shares issued	196 297
Total purchase consideration	197 922
Fair value of net assets acquired	25 218
Goodwill	**172 704**

The fair value of shares issued is the closing share price of EUR 13.10 for Rakentajain Konevuokraamo Oyj in the Helsinki Stock Exchange on 3 January 2006.

The preliminary goodwill is attributable to the geographical coverage, wide spread depot network and skilled workforce, and significant synergy benefits expected to arise as a result of the acquisition.

1 000 €	Preliminary fair value of Cramo	Carrying amount under IFRS (unaudited)
Non-current assets		
Customer relationships	14 800	0
Brand	37 300	0
Goodwill		73 690
Property, plant and equipment	225 689	225 008
Financial assets	935	935
Deferred tax assets	9 389	9 389
Current assets		
Inventories	6 909	6 548
Trade and other receivables	60 630	60 630
Cash and cash equivalents	20 781	20 781
Assets total	**376 433**	**396 981**
Non-current liabilities		
Provisions	740	740
Borrowings	223 774	223 774
Deferred tax liabilities	31 201	16 321
Current liabilities		
Trade and other payables	95 500	95 500
Liabilities total	**351 215**	**336 335**
Net assets as at 31 December 2005	**25 218**	**60 646**
Purchase consideration settled in cash		0
Cash and cash equivalents in subsidiary acquired		20 781
Cash flow impact		**20 781**

Share's counter book value

The decision by the General meeting of 3 January 2006 the share counter book value is EUR 0.81 per share.

33. BOARD AUTHORISATIONS

The Board was authorised by the Annual General Meeting of 6 April 2005 to decide, until the Annual General Meeting of 2006 or within one year of the Annual General Meeting of 6 April 2005, on the increase of the share capital by issuing new shares in one or several issues so that the share capital may be increased by EUR 3,716,751.09 at the most by issuing at the most 2,199,261 new B Series shares, each with an accounting par value of EUR 1.69. However, with regard to the total amount of the increase of the share capital and the total number of new shares to be issued, the authorisation and the Board's other valid unused authorisations may not in aggregate exceed one-fifth of the registered share capital and the votes attaching to the shares at the time of the authorisation decision of the ordinary shareholders' meeting and the decision of the Board to increase the share capital.

The Board has no valid authorisations to issue stock options, or to issue convertible bonds.

The Annual General Meeting of 6 April 2005 authorised the Board to buy back a maximum of 715,990 outstanding B Series shares, or 5 per cent of the Group's share capital, with distributable funds.

The Annual General Meeting of 6 April 2005 authorised the Board to use all the above-mentioned B Series shares bought back, based on the authorisation, as a consideration in the event of purchasing assets pertaining to the company's business or in the event of business acquisitions or other co-operation-related arrangements.

The authorisations to buy back and dispose shares will be valid for one year from the Annual General Meeting's decision or until the Annual General Meeting of 2006 at the latest, and will replace the authorisations given by the Annual General Meeting on 2 April 2004. The Board has not yet exercised said authorisations.

34. NOTIFICATIONS REGARDING CHAPTER 2, SECTION 9 AND 10 IN ACCORDANCE WITH THE SECURITIES MARKET ACT

During the financial year, Schroder Investment Management Limited announced that from 31 August its shareholding in Rakentajain Konevuokraamo Oyj had decreased to less than one-twentieth (1/20) of the company's share capital (3.18 per cent). RK issued the related release on 5 September 2005.

After the financial year, the Construction Engineers' Foundation announced that from 4 January its shareholding in Rakentajain Konevuokraamo Oyj had decreased to less than one-tenth (1/10) of the company's share capital and voting rights (9.3 per cent). RK issued the related release on 4 January 2006.

After the financial year, Finnish Construction Managers and Engineers AMK RKL ry announced that from 4 January its shareholding in Rakentajain Konevuokraamo Oyj had decreased to less than one-twentieth (1/20) of the company's share capital and voting rights (1.7 per cent). RK issued the related release on 4 January 2006.

After the financial year, Pohjola Non-Life Insurance Company announced that from 4 January its shareholding in Rakentajain Konevuokraamo Oyj had decreased to less than one-twentieth (1/20) of the company's share capital and voting rights (3.78 per cent). RK issued the related release on 4 January 2006.

After the financial year, Suomi Mutual Life Assurance Company announced that from 4 January its shareholding in Rakentajain Konevuokraamo Oyj had decreased to less than one-tenth (1/10) of the company's share capital and voting rights (5.34 per cent). RK issued the related release on 4 January 2006.

After the financial year, Suomi Mutual Life Assurance Company announced that from 4 January its shareholding in Rakentajain Konevuokraamo Oyj had exceeded three-twentieth (3/20) of the company's share capital and voting rights (15.33 per cent). RK issued the related release on 4 January 2006.

After the financial year, Pon Holdings B.V. announced that from 4 January its shareholding in Rakentajain Konevuokraamo Oyj had exceeded one-fourth (1/4) of the company's share capital and voting rights (28.4 per cent). RK issued the related release on 4 January 2006.

After the financial year, ABN AMRO Bank N.V. announced that from 4 January its shareholding in Rakentajain Konevuokraamo Oyj had increased to one-tenth (1/10) of the company's share capital and voting rights (10.0 per cent). RK issued the related release on 4 January 2006.

35. MAIN TERMS OF SHAREHOLDERS AGREEMENT

Parties:
Parties to this Agreement are Pon Holdings B.V., ABN AMRO Bank N.V., Suomi Mutual Life Assurance Company, and the Construction Engineers' Foundation.

The share holding of the parties in Rakentajain Konevuokraamo Oyj:
Each party is committed not to submit shares or any documents or securities entitling submitting shares so that its ownership would rise over 30 per cent of the Rakentajain Konevuokraamo Oyj without written commitment given beforehand by other parties. This commitment does not include the funds under command of ABN AMRO Bank N.V.

Use of voting rights:
The old Cramo Holding B.V. shareholders (Pon Holdings B.V., ABN AMRO Bank N.V.) jointly and severally undertake not to use their voting rights to the extent the total number of voting rights in the Rakentajain Konevuokraamo Oyj exceeds 20 per cent.

Term and termination:
This Agreement remains in force for a period of three years since 3 January 2006, and will expire automatically thereafter or earlier for a party in case the following criteria are not met:
- in the part of Pon Holdings B.V. as long as its individual ownership of equity securities will not permanently fall to a level below 10 per cent or at any one time fall to a level below 7.5 per cent of all the equity securities in the Rakentajain Konevuokraamo Oyj,
- in the part of Suomi Mutual Life Assurance Company as long as its individual ownership of equity securities will not permanently fall to a level below 10 per cent or at any one time fall to a level below 3.75 per cent of all the equity securities in Rakentajain Konevuokraamo Oyj,
- in the part of ABN AMRO Bank N.V. as long as its individual ownership of equity securities will not fall permanently to a level below 5 per cent or at any one time fall to a level below 2.5 per cent of all the equity securities in Rakentajain Konevuokraamo Oyj, and
- in the part of Rakennusmestarien Säätiö as long as its individual ownership of equity securities will not fall permanently to a level below 5 per cent or at any one time fall to a level below 2.5 per cent of all the equity securities in Rakentajain Konevuokraamo Oyj.

Breach of Agreement :
If any party breaches the sections regarding the voting rights, the breaching party shall on first demand of a non-breaching party pay liquidated damages for an amount of fifteen million Euro (EUR 15,000,000.00).

36. CALCULATION OF THE KEY FIGURES AND RATIOS

Key figures on financial performance:

Return on equity, % = 100 x (profit before extraordinary items - taxes) / Shareholders' equity + minority interest (mean calculated by the values of the balance sheet of the financial year and the previous financial year)

Return on investment, % = 100 x (profit before extraordinary items + interest expenses and other financial expenses) / Balance sheet total – non-interest bearing liabilities (mean calculated by the values of the balance sheet of the financial year and the previous financial year)

Equity ratio, % = 100 x (shareholders' equity + minority interest) / Balance sheet total – advance payments received

Personnel on average = Mean of the number of personnel at the end of the month, adjusted with the number of part-time employees

Per-share ratios:

Earnings per share, EUR = Profit before extraordinary items +/– minority interest – taxes / Average number of issue-adjusted shares for the Financial year

Shareholders' equity per share, EUR = Shareholders' equity / Number of issue-adjusted shares on the date of closing of the accounts

Dividend per share, EUR = Dividend distribution for the financial year / Number of issue-adjusted shares on the date of closing of the accounts

Dividend per earnings, % = 100 x dividend per share / Earnings per share

Effective dividend yield, % = 100 x dividend per share / Issue-adjusted closing price for a B share at the end of the Financial year

Price / earnings ratio (P/E) = Issue-adjusted closing price for a B share at the end of the Financial year / Earnings per share

Market capitalisation =
Number of A shares on the final day of the financial year x average share price for a B share + Number of B shares on the final day of the financial year x closing price for a B share at the end of the financial year

The key figures and ratios are calculated in accordance with the general instructions issued by the Finnish Accounting Standards Board on 29 October 2002.

37. SHARES AND SHAREHOLDERS

	2005		2004	
	No.	1 000 €	No.	1 000 €
A Series share	1 728 000	2 920	1 728 000	2 920
B Series share	12 611 807	21 314	12 586 507	21 271

The A and B Series have equal terms, with the exception of voting rights included in them: each A Series share entitles the holder to 20 votes at the Annual General Meeting; each B Series share entitles the holder to one vote.

Shareholders
The Group had 3,835 shareholders in the share register on 31 December 2005.

Major shareholders 31 December 2005	A shares	B shares	Total No.	Total %	Voting rights No.	Voting rights %
The Construction Engineers' Foundation	794 916	1 692 738	2 487 654	17.35 %	17 591 058	37.29 %
Suomi Mutual Life Assurance Company	345 600	1 119 360	1 464 960	10.22 %	8 031 360	17.03 %
Pohjola Non-Life Insurance Company	345 600	650 000	995 600	6.94 %	7 562 000	16.03 %
Finnish Construction Managers and Engineers AMK RKL	177 552	252 366	429 918	3.00 %	3 803 406	8.06 %
Nordea Life Assurance Finland	0	353 600	353 600	2.47 %	353 600	0.75 %
FIM Fenno Fund	0	303 000	303 000	2.11 %	303 000	0.64 %
Thominvest Oy	0	274 200	274 200	1.91 %	274 200	0.58 %
Helsinki Investment Trust Oy	0	204 300	204 300	1.42 %	204 300	0.43 %
Etra-Invest Oy Ab	0	200 000	200 000	1.39 %	200 000	0.42 %
OP-Arvo Osake-sijoitusrahasto	0	175 000	175 000	1,22 %	175 000	0.37 %
Laakkonen Mikko Kalervo	0	160 000	160 000	1.12 %	160 000	0.34 %
Asikainen Visa	0	143 455	143 455	1.00 %	143 455	0.31 %
Helsingin Rakennusmestarit ja -insinöörit AMK Ry	43 200	96 393	139 593	0.97 %	960 393	2.04 %
Lindström Kim	0	125 250	125 250	0.87 %	125 250	0.27 %
Stiftelsen för Österbottens Högskola	0	120 000	120 000	0.84 %	120 000	0.26 %
Maa- ja vesitekniikan Tuki Ry	0	100 000	100 000	0.70 %	100 000	0.21 %
Placeringsfonden Aktia Capital	0	100 000	100 000	0.70 %	100 000	0.21 %
Placeringsfonden Aktia Secura	0	100 000	100 000	0.70 %	100 000	0.21 %
Placeringsfonden Gyllenberg Small Firm	0	100 000	100 000	0.70 %	100 000	0.21 %
Sijoitusrahasto Nordea Fennia Plus	0	100 000	100 000	0.70 %	100 000	0.21 %
Kotakorpi Jukka	0	97 498	97 498	0.68 %	97 498	0.21 %
Fondita Nordic Small Cap Placfond	0	94 300	94 300	0.66 %	94 300	0.20 %
Laakkonen Reino	0	88 000	88 000	0.61 %	88 000	0.19 %
Desatex Oy - Desatex Ltd	0	81 080	81 080	0.57 %	81 080	0.17 %
Other transferred to book-entry securities system	21 132	5 667 939	5 689 071	39.66 %	6 090 579	12.91 %
Total according to shareholder's register	1 728 000	12 398 479	14 126 479	98.51 %	46 958 479	99.55 %
In administrative registration	0	202 918	202 918	1.42 %	202 918	0.43 %
Transferred to book-entry securities system total	1 7280 00	12 601 397	14 329 397	99.93 %	47 161 397	99.98 %
Not transferred to book-entry securities system total	0	10 410	10 410	0.07 %	10 410	0.02 %
Total	**1 728 000**	**12 611 807**	**14 339 807**	**100.00 %**	**47 171 807**	**100.00 %**

Distribution of shareholding by size range

Number of shares	Number of shareholders	Percentage of all shareholders	Number of shares	Percentage of all shares	Number of shareholders	Percentage of all shareholders	Number of shares	Percentage of all shares
1-100	489	12.75	42 974	0.34	8	33.33	468	0.03
101-500	1 421	37.05	467 268	3.71	1	4.17	432	0.03
501-1,000	835	21.77	696 361	5.52	6	25.00	5 184	0.30
1,001-5,000	888	23.16	2 009 074	15.93	3	12.50	5 544	0.32
5,001-10,000	96	2.50	692 921	5.49	1	4.17	9 504	0.55
10,001-50,000	74	1.93	1 404 604	11.14	1	4.17	43 200	2.50
yli 50,000	32	0.84	7 288 195	57.79	4	16.66	1 663 668	96.27
Transferred to book-entry system total	3 835	100.00	12 601 397	99.92	24	100.00	1 728 000	100.00
Not transferred to book-entry system total			10 410	0.08			0	0.00
Total			**12 611 807**	**100.00**			**1 728 000**	**100.00**

Distribution of shareholding by sector

Shareholding by sector	Number of shareholders	Percentage of all shareholders	Number of shares	Percentage of all shares	Number of votes	Percentage of all votes
Private companies	236	6.16	1 373 004	9.58	1 407 304	2.98
Public companies	0	0	0	0	0	0.00
Financial institutions, insurance companies	35	0.91	3 993 272	27.85	17 324 890	36.73
Public corporations	3	0.08	35 000	0.24	35 000	0.07
Non-profit organisations	83	2.16	3 871 069	26.99	23 536 069	49.90
Households	3 466	90.38	4 829 034	33.67	4 829 034	10.24
Foreign shareholders	12	0.31	25 100	0.18	29 100	0.06
In administrative registration			202 918	1.42		
Transferred to book-entry securities system total	3 835	100.00	14 329 397	99.93	47 161 397	99.98
Not transferred to book-entry securities system total			10 410	0.07	10 410	0.02
Total			**14 339 807**	**100.00**	**47 171 807**	**100.00**

Shareholding of Board members and CEO of the Group

On 31 December 2005, the number of B Series shares held by Board members and CEO personally and by corporations they control totalled 35,909 (0.25 per cent of shares), representing 35,909 votes (0.08 per cent of voting rights). The bond with warrants held by CEO and Board members account for 11.0 per cent of the number of the bond with warrants issued. These warrants entitle their holders to subscribe for a maximum total of 70,000 B Series shares, accounting for 0.53 per cent of the total number of B Series shares and 0.47 per cent of the entire share capital, and accounting for 0.53 per cent of the voting rights entitled by the B Series shares and 0.15 per cent of the total voting rights entitled by all company shares on 31 December 2005.

Insider guidelines

Since 1 July 2004, Rakentajain Konevuokraamo Oyj has applied the Recommendation for Listed Companies' Corporate Governance confirmed by the HEX Helsinki Exchanges, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers.

Stock exchange releases in 2005

In 2005, Rakentajain Konevuokraamo Oyj published 29 stock exchange releases available at www.rk.fi/rk/sijoittajatieto/gb/stockarchive.html

Income statement of the parent company

€	Note	1.1.-31.12.2005	1.1.-31.12.2004
Revenue	2	**35 390 911.30**	**32 202 606.94**
Other operating income	3	316 321.67	157 075.71
Materials and services	4	-3 118 664.71	-3 285 990.49
Personnel expenses	5	-11 770 516.71	-10 536 794.49
Depreciation and amortisation	6	-4 486 161.85	-4 132 235.03
Other operating expenses	8	-11 299 234.81	-9 950 917.24
Total		-30 674 578.08	-27 905 937.25
Operating profit		**5 032 654.89**	**4 453 745.40**
Net financial items	9	-290 064.85	-60 399.38
Profit before extraordinary items		**4 742 590.04**	**4 393 346.02**
Extraordinary income and expenses	10	5 916 300.00	1 420 000.00
Profit after extraordinary items		**10 658 890.04**	**5 813 346.02**
Appropriations	7	7 596.05	-6 646.73
Income taxes	11	-1 219 004.00	-1 240 192.17
Profit for the period		**9 447 482.09**	**4 566 507.12**

Balance sheet of the parent company

€	Note	31.12.2005	31.12.2004
ASSETS			
Fixed assets			
Intangible assets	12	159 822.54	120 082.20
Tangible assets	12	26 728 961.54	23 642 840.63
Investments	12		
Shares in Group companies		29 901 755.51	26 196 143.51
Shares in other companies		119 058.57	178 617.46
Total fixed assets		**56 909 598.16**	**50 137 683.80**
Current assets			
Inventories	13	622 929.71	645 815.83
Non-current receivables	14	21 273 169.33	9 850 631.29
Current receivables	15	4 851 344.72	3 216 186.59
Cash and bank		206 725.28	271 446.70
Total current assets		**26 954 169.04**	**13 984 080.41**
Total assets		**83 863 767.20**	**64 121 764.21**
EQUITY AND LIABILITIES			
Equity	16		
Share capital		24 234 273.83	24 191 516.83
Share issue		31 620.00	1 191.00
Share premium		1 607 116.17	1 554 432.17
Retained earnings		5 363 098.14	4 376 542.77
Profit for the period		9 447 482.09	4 566 507.12
Total equity		**40 683 590.23**	**34 690 189.89**
Appropriations	17	**8 313 558.47**	**8 321 154.52**
Liabilities	18		
Non-current liabilities		18 900 000.00	6 609 127.47
Current liabilities		15 966 618.50	14 501 292.33
Total liabilities		**34 866 618.50**	**21 110 419.80**
Total equity and liabilities		**83 863 767.20**	**64 121 764.21**

Cash flow statement of the parent company

1 000 €	1.1.-31.12.2005	1.1.-31.12.2004
Cash flow from operating activities		
Operating profit	5 033	4 454
Adjustments:		
Depreciation	4 486	4 132
Change in working capital 1)	721	7 757
Financial income and expenses	-290	-60
Taxes	-1 219	-1 240
Net cash flow from operating activities	**8 731**	**15 043**
Cash flow from investing activities:		
Capital expenditure	-12 870	-4 832
Sale (+) / purchase (-) of other shares	0	3
Sale of fixed assets	1 612	152
Cash flow from investing activities	**-11 258**	**-4 677**
Cash flow from financing activities:		
Proceeds from issue of share capital	126	307
Increase (+) / decrease (-) in long-term liabilities	12 291	1 790
Increase (-) / decrease (+) in long-term receivables	-11 423	-7 323
Increase (+) / decrease (-) in short-term loans	-867	4 587
Dividends paid	-3 580	-11 373
Extraordinary expenses (-) / income (+)	5 916	1 420
Net cash used in financial activities	**2 463**	**-10 592**
Change in liquid assets	**-64**	**-226**
Liquid assets on 1 January	271	497
Liquid assets on 31 December	207	271
1) Change in working capital		
Increase (-) / decrease (+) in inventories	23	-55
Increase (-) / decrease (+) in short-term receivables	-1 635	7 461
Increase (+) / decrease (-) in short-term non-interest bearing liabilities	2 333	351
Total	**721**	**7 757**

Notes to the consolidated financial statements of the parent company

1. ACCOUNTING PRINCIPLES

Measurement of property, plant and equipment

Property, plant and equipment are recorded at cost, including fixed manufacturing costs less depreciation according to plan. Land includes revaluations made before 1989. The company estimates that the market value of the land is higher than the book value. Maintenance and repair costs are recognized as expenses in the year in which they are incurred.

Depreciation according to plan is calculated, based on Group wide principles, on a straight-line basis over the expected useful lives of the assets.

Depreciation according to plan is as follows:

Buildings and structures	15-50
For rent:	
- Machinery and equipment	6-10
- Tents and shelters	6
Machinery and equipment for drying services	10
Machinery and equipment for diamond boring and cutting services	6
Machinery and equipment for own use	3-6
Other long-term assets	10
Other tangible assets	10

Inventories

Inventories are stated at the lower of acquisition cost or replacement cost or likely net realisable value. Cost is determined on a first-in-first-out (FIFO) basis. The total sum of inventories coming from materials and supplies includes direct acquisition costs.

Items denominated in foreign currencies

Assets and liabilities denominated in currencies other than those of the euro zone are translated into euros at the average rate on the date of closing the accounts. Exchange gains and losses are recognised through profit and loss.

Appropriations

The accumulated difference between planned and book depreciation is shown under appropriations.

Deferred taxes

Deferred tax liabilities and assets are not entered in to company's balance sheet. Deferred tax liabilities and assets significant to the company are disclosed in the notes.

Revenue and revenue recognition

Based on the term of rental, income from rental operations is recognised on an accrual basis. Income from drying and diamond cutting services is recognised upon performance of a service or part of it.

In calculating revenue, sales are recorded net of indirect taxes, discounts and rebates.

Other operating income

Other operating income includes, among other things, rental income and contributions received.

Pension schemes

Pensions are accounted as expense for the period they incurred. There are no uncovered pension liabilities. The pension scheme is based on pension insurance in compliance with the Employees' Pensions Act and the Employment Pensions Fund. The contractual retirement age of the Managing Director is 62 years.

Research and development

Research and development costs are expensed as incurred.

Extraordinary items

Extraordinary items include income and expenses based on non-recurring and significant transactions or on changes in accounting principles. Extraordinary income and expenses also includes Group contributions received and paid. Extraordinary items are presented net of taxes.

Income taxes

Income taxes for the financial year and the previous financial years are recognised through taxes in profit and loss.

2. REVENUE BY BUSINESS AREA

€	2005	2004
Rental of construction machinery and equipment	27 463 487.17	24 111 255.19
Construction-site services	7 927 424.13	8 091 351.75
Total	**35 390 911.30**	**32 202 606.94**

3. OTHER OPERATING INCOME

€	2005	2004
Rental of premises	111 232.80	139 091.35
Profit on sale of shares	83 418.18	0.00
Other	121 670.69	17 984.36
Total	**316 321.67**	**157 075.71**

4. MATERIALS AND SERVICES

€	2005	2004
Materials and supplies		
Purchases	1 633 271.14	1 750 360.57
Change in inventory	22 886.12	-54 693.11
Total	**1 656 157.26**	**1 695 667.46**
External services	1 462 507.45	1 590 323.03
Total	**3 118 664.71**	**3 285 990.49**

5. PERSONNEL EXPENSES

€	2005	2004
Wages and salaries	9 241 843.04	8 240 802.64
Pensions	1 563 911.04	1 377 185.84
Other statutory employer contributions	964 762.63	918 806.01
Total	**11 770 516.71**	**10 536 794.49**
Average number of personnel	**312**	**309**

Executive remuneration

€	2005	2004
Wages and salaries with fringe benefits		
Managing Director	188 711.96	162 658.36
Management	284 659.44	238 771.73
Board members	196 500.00	143 000.00
Total	**669 871.40**	**544 430.09**

6. DEPRECIATION AND AMORTISATION

€	2005	2004
Amortisation on intangible assets	50 888.47	38 998.93
Depreciation on tangible assets	4 435 273.38	4 093 236.10
Total	**4 486 161.85**	**4 132 235.03**

7. APPROPRIATIONS

€	2005	2004
Depreciation difference, increase (-) / decrease (+):		
Buildings and structures	7 596.05	-49 715.83
Machinery and equipment	0.00	43 069.10
Total	**7 596.05**	**-6 646.73**

8. OTHER OPERATING EXPENSES

€	2005	2004
Premises and equipment rentals	2 780 800.23	2 355 793.55
Marketing	1 680 168.90	1 464 864.57
Transport and vehicles	2 192 061.90	2 166 333.69
Maintenance and accessories	1 339 049.50	1 165 441.08
Other expenses	3 307 154.28	2 798 484.35
Total	**11 299 234.81**	**9 950 917.24**

9. NET FINANCIAL ITEMS

€	2005	2004
Dividend income		
Other companies	4 983.53	117 584.51
Total dividend income	4 983.53	117 584.51
Interest income from long-term investments		
From Group companies	340 080.18	224 038.18
From others	31 807.29	33 515.65
Total financial income	376 871.00	375 138.34
Interest and other financial expenses		
To Group companies	0.00	-104 643.42
To others	-666 935.85	-330 894.30
Total financial expenses	-666 935.85	-435 537.72
Net financial items	**-290 064.85**	**-60 399.38**

10. EXTRAORDINARY ITEMS

€	2005	2004
Extraordinary income	7 995 000.00	2 000 000.00
Taxes on extraordinary income/expenses	-2 078 700.00	-580 000.00
Total	**5 916 300.00**	**1 420 000.00**

11. INCOME TAXES

€	2005	2004
Current tax	-1 240 919.22	-1 229 756.11
From previous financial periods	21 915.22	-10 436.06
Total	**-1 219 004.00**	**-1 240 192.17**

12. NON-CURRENT ASSETS

€	Acquisition cost at 1 Jan 2005	Additions	Disposals	Acquisition cost at 31 Dec. 2005	Accumulated depreciation at 1 Jan. 2005	Accumulated depreciation on disposals	Depreciation for the financial year 31 Dec.2005	Net book value 31 Dec. 2005
INTANGIBLE ASSETS								
Intangible assets	50 535.39	0.00	0.00	50 535.39	0.00	0.00	0.00	50 535.39
Other non-current Assets	163 813.55	90 628.81	-68 371.17	186 071.19	-94 266.74	68 371.17	-50 888.47	109 287.15
Total intangible assets	**214 348.94**	**90 628.81**	**-68 371.17**	**236 606.58**	**-94 266.74**	**68 371.17**	**-50 888.47**	**159 822.54**
TANGIBLE ASSETS								
Land	1 418 685.73	29 973.63	-23 352.89	1 425 306.47	0.00	0.00	0.00	1 425 306.47
Revaluation	576 884.59	0.00	0.00	576 884.59	0.00	0.00	0.00	576 884.59
Total land	1 995 570.32	29 973.63	-23 352.89	2 002 191.06	0.00	0.00	0.00	2 002 191.06
Buildings and structures	4 372 204.68	303 916.47	-61 353.59	4 614 767.56	-1 506 188.27	0.00	-164 178.66	2 944 400.63
Machinery and equipment	35 738 372.39	8 357 266.30	-5 977 194.01	38 118 444.68	-17 238 001.53	4 792 586.34	-4 209 120.68	21 463 908.81
Other tangible assets	500 380.66	100 453.52	-77 664.95	523 169.23	-219 497.62	76 763.47	-61 974.04	318 461.04
Total tangible assets	**42 606 528.05**	**8 791 609.92**	**-6 139 565.44**	**45 258 572.53**	**-18 963 687.42**	**4 869 349.81**	**-4 435 273.38**	**26 728 961.54**
INVESTMENTS								
Shares in associated companies	26 196 143.51	3 987 552.00	-281 940.00	29 901 755.51	0.00	0.00	0.00	29 901 755.51
Shares in other companies	178 617.46	0.00	-59 558.89	119 058.57	0.00	0.00	0.00	119 058.57
Total investments	**26 374 760.97**	**3 987 552.00**	**-341 498.89**	**30 020 814.08**	**0.00**	**0.00**	**0.00**	**30 020 814.08**
TOTAL	**69 195 637.96**	**12 869 790.73**	**-6 549 435.50**	**75 515 993.19**	**-19 057 954.16**	**4 937 720.98**	**-4 486 161.85**	**56 909 598.16**

Production machinery and equipment	
Net book value at 31.12.2005	20 978 973.67
Buildings and structures	
Accumulated difference in total depreciation and depreciation according to plan at 1.1.	569 198.73
Increase in accumulated depreciation difference for the period of 1.1.-31.12.	-7 596.05
Accumulated difference in total depreciation and depreciation according to plan at 31.12.	561 602.68
Machinery and equipment	
Accumulated difference in total depreciation and depreciation according to plan at 1.1.	7 751 955.79
Increase in accumulated depreciation difference for the period of 1.1.-31.12.	0.00
Accumulated difference in total depreciation and depreciation according to plan at 31.12.	7 751 955.79

13. INVENTORIES

€	2005	2004
Finished goods	622 929.71	645 815.83
Total	**622 929.71**	**645 815.83**

14. NON-CURRENT RECEIVABLES

€	2005	2004
Group companies		
Loan receivables	21 273 169.33	9 850 631.29
Total	**21 273 169.33**	**9 850 631.29**

15. CURRENT RECEIVABLES

€	2005	2004
Group companies		
Accounts receivables	27 093.17	5 957.46
Loan receivables	0.00	40 054.08
Other companies		
Accounts receivables	3 145 763.20	3 082 949.71
Loan receivables	10 984.00	16 180.19
Pre-paid expenses and accrued income	1 667 504.35	71 045.15
Total	**4 851 344.72**	**3 216 186.59**

16. EQUITY

€	2005	2004
Share capital at 1.1.	24 191 516.83	24 607 275.42
Registered share issue	42 757.00	608 400.00
Lowering of the share capital	0.00	-1 024 158.59
Share capital at 31.12.	24 234 273.83	24 191 516.83
Share issue at 1.1.	1 191.00	497 595.00
Registered share issue	-1 191.00	-497 595.00
Subscription share issue	31 620.00	1 191.00
Share issue at 31.12.	31 620.00	1 191.00
Share premium fund at 1.1.	1 554 432.17	335 123.58
Issue premium	52 684.00	195 150.00
Lowering of the share capital	0.00	1 024 158.59
Share premium fund at 31.12.	1 607 116.17	1 554 432.17
Treasury shares fund at 1.1.	0.00	2 582 706.68
Cancellation of treasury shares	0.00	-2 582 706.68
Treasury share fund at 31.12.	0.00	0.00
Retained earnings at 1.1.	4 376 542.77	4 775 736.94
Profit from previous period	4 566 507.12	10 973 961.43
Dividend	-3 579 951.75	-11 373 155.60
Profit from previous period at 31.12.	5 363 098.14	4 376 542.77
Profit for the period	9 447 482.09	4 566 507.12
Total equity	**40 683 590.23**	**34 690 189.89**

Share capital at 31.12.2005

	2005		2004	
	No.	€	No.	€
A Series shares	1 728 000	2 920 320.00	1 728 000	2 920 320.00
B Series shares	12 611 807	21 313 953.83	12 586 507	21 271 196.83

The A and B Series shares have equal terms, with the exception of voting rights: each A Series share entitles the holder to 20 votes at the Annual General Meeting; each B Series share entitles the holder to one vote.

Option rights

Option rights details issued by the company and the Board of Directors are disclosed in the consolidated financial statements.

17. APPROPRIATIONS

€	2005	2004
Accumulated depreciation difference	8 313 558.47	8 321 154.52
Total	**8 313 558.47**	**8 321 154.52**

18. LIABILITIES

€	2005	2004
Non-current liabilities		
Loans from credit institutions	18 900 000.00	6 609 127.47
Total	**18 900 000.00**	**6 609 127.47**
Current liabilities		
Borrowings from Group companies		
Trade payables	86 968.16	19 482.75
Accrued liabilities and deferred income	2 006 355.29	10 581.74
Other liabilities	3 416 814.03	2 209 772.80
Total	**5 510 137.48**	**2 239 837.29**
To others		
Loans from credit institutions	5 168 730.34	9 249 315.35
Trade payables	1 602 922.94	567 706.96
Accrued liabilities and deferred income	3 107 953.83	1 496 875.28
Other current liabilities	576 873.91	947 557.45
Total	**10 456 481.02**	**12 261 455.04**
Total current liabilities	**15 966 618.50**	**14 501 292.33**
Total liabilities	**34 866 618.50**	**21 110 419.80**

NON-INTEREST BEARING AND INTEREST BEARING LIABILITIES

€	2005	2004
Non-current		
Interest bearing	18 900 000.00	6 609 127.47
Total	**18 900 000.00**	**6 609 127.47**
Current		
Non-interest bearing	5 374 718.84	3 042 204.18
Interest bearing	10 591 899.66	11 459 088.15
Total	**15 966 618.50**	**14 501 292.33**

20. OTHER NOTES

€	2005	2004
Commitments and contingent liabilities		
Guarantees given on own behalf		
Debts, secured by guarantees		
Loans from credit institutions	27 485 544.37	15 858 442.82
Other contingent liabilities		
Leasing liabilities in the following year	404 030.65	22 246.50
Subsequent leasing liabilities	1 061 703.83	35 481.45
Securities given		
Mortgages on real estates	740 026.88	740 026.88
Mortgages on company assets	5 827 711.65	5 827 711.65
Pledge	22 781 956.53	22 772 605.23
Guarantees given on behalf of the Group		
Debts, secured by guarantees		
Repurchase commitments	31 930.10	22 339.68
Securities given		
Guarantees	12 734 522.50	12 714 099.30
Conditional guarantees		
Guarantees*	136 310 000.00	0.00

* Guarantees for Cramo Group's liabilities providing that the purchase of Cramo Holding BV will take place during 2006.

21. ACCRUALS

€	2005	2004
For personnel expenses	1 339 530.89	1 224 698.82
For interest expenses	150 458.00	83 173.25
For taxes	1 549 792.46	76 372.66
For subsidiaries	2 006 355.29	0.00
Other accruals	68 172.48	123 212.29
Total	**5 114 309.12**	**1 507 457.02**

22. SHARE HOLDING

Subsidiaries	Domicile		% of shares	Parent company holdings and voting rights %
Kiinteistö Oy RK-Kehä	Vantaa	Finland	100	100
Kiinteistö Oy Vantaan Viinikankaari 9	Vantaa	Finland	100	100
Tilamarkkinat Oy	Ylöjärvi	Finland	100	100
Suomen Projektivuokraus Oy	Tuusula	Finland	100	0
Kiinteistö Oy Vikkiniitty	Lempäälä	Finland	100	0
Suomen Ykköstilat Oy	Kouvola	Finland	100	0
Parmaco Oy	Pyhäjoki	Finland	100	0
Master Tilaelementit Oy Leppävirta	Leppävirta	Finland	100	0
Suomen Tähtivuokraus Oy	Vantaa	Finland	100	100
RK Ehitustööriist Oü	Harku	Estonia	100	0
Balti Ehitustööriist Oü	Harku	Estonia	100	0
Zanevkaprokat Zao	St. Petersburg	Russia	100	0
Säve Sp.zo.o.	Krakow	Poland	100	0

23. DERIVATIVE FINANCIAL INSTRUMENTS AT 31.12.2005

1 000 €	Nominal value	Fair value
Interest rate swap		
Swap contract	10 000	-43
Option contracts		
Purchased	10 000	14
Written	10 000	-11

Board proposal to the Annual General Meeting

Rakentajain Konevuokraamo Oyj's net profit for the financial year totalled EUR 9,447,482.09. The Group's profit attributable to shareholders at the Annual General Meeting's disposal totalled EUR 14,810,580.23. The Board proposes to the Annual General Meeting that a pre-share dividend of EUR 0.25 be paid to holders of shares entitling to dividends and the rest be held in retained earnings. On 6 March 2006, the number of shares entitling their holders to receive full dividends totalled 30,015,501, the corresponding dividend amounting to EUR 7,503,875.25.

Vantaa, March 6, 2006

Pekka Heusala	Gunnar Glifberg	Stig Gustavson	Phil van Haarlem
Eino Halonen	Hannu Krogerus	Juhani Nurminen	
Vesa Koivula, CEO			

Auditors' report

To the shareholders of Rakentajain Konevuokraamo Oyj

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Rakentajain Konevuokraamo Oyj for the period from January 1, 2005 to December 31, 2005. The Board of Directors and the Managing Director 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 misstatements. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report of the Board of Directors 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 Managing Director 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 Managing Directors 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.

Vantaa, March 6, 2006

PricewaterhouseCoopers Oy
Authorised Public Accountants

Henrik Sormunen, Authorised Public Accountant

Yrjö Haukatsalo, Authorised Public Accountant

Board until 3.1.2006

Mr. Paavo Ruusuvuori, born 1933

Chairman since 1997
Board member since 1975
Deemed dependent of the major shareholders
Kiinteistöneuvos
Retired
Chairman of the Board of the Construction Engineers' Foundation
Board member of Hakunilan Huolto Oy
Owns 7,994 RK B Shares (as of January 13th 2006)

Mr. Matti Koskenkorva, born 1947

Vice-Chairman since 2003
Board member since 2000
Deemed independent
Construction Engineer
Chairman of the Board of Panostaja Oyj since 2002
Chairman of the Board or Board member in Panostaja Oyj's affiliates and partnership companies
Vice Chairman of the Board of Suomen Helasto Oyj
Chairman of the Board or Board member in Suomen Helasto Oyj's affiliates and partnership companies
Owns 9,031 RK B Shares (as of January 13th 2006)

Mr. Asko Järvinen, born 1941

Board member since 1995
Deemed dependent of the major shareholders
Construction Engineer
Retired
Board member of the Construction Engineers' Foundation
Owns 4,590 RK B Shares (as of January 13th 2006)

Mr. Jari Lainio, born 1955

Board member since 1998
Deemed dependent of the major shareholders
Construction Engineer
Managing Director, Rakennustoimisto Lainio & Laivoranta Oy
Chairman of the Board, Finnish Construction Managers and Engineers AMK RKL
Owns 3,690 RK B Shares (as of January 13th 2006)

Mr. Juhani Nurminen, born 1939

Board member from 1989 to 1995 and from 1999 to 2000 and since 2001
Deemed dependent of the major shareholders
Construction Engineer
Managing Director, Rakennus-Bettene Oy
Board member of the Construction Engineers' Foundation
Owns 5,490 RK B Shares (as of January 13th 2006)

Mr. Eino Halonen, born 1949

Board member since 2003
Deemed dependent of the major shareholders
B.Sc. (Econ.)
President and CEO, Suomi Mutual Life Assurance Company 2000–
Board member of Ilmarinen Mutual Pension Insurance Company 2000–
Board member of YIT Corporation 2000–2003, Vice-Chairman of the Board 2003–
Owns 2,707 RK B Shares (as of January 13th 2006)

Mr. Pekka Pystynen, born 1947

Board member since 2003
Deemed independent
Master of Laws, MBA
Chairman of the Board, Rapasaari Oy
Board member of Done Solutions Oyj 2002–, Chairman of the Board 2003–2004 and CEO 2004–
Board member of Sato Corporation 2004–
Owns 2,707 RK B Shares (as of January 13th 2006)

From left: Juhani Nurminen, Matti Koskenkorva, Pekka Pystynen, Paavo Ruusuvuori, Eino Halonen, Asko Järvinen and Jari Lainio

Board from 3.1.2006

Mr. Phil van Haarlem, born 1944

Board member since 2006
Deemed independent of the Company and dependent of the major shareholders in his role as Director of Pon Holdings B.V.
Bachelor of Law
Director Pon Holdings BV, the Netherlands
Board member of Pon Equipment & Power Systems BV, the Netherlands
Senior advisor United Can Company Limited, Indonesia
Owns 0 RK shares (as of January 13th 2006)



Mr. Pekka Heusala, born 1946

Chairman since 2006
Deemed independent of the Company and the major shareholders
Teollisuusneuvos, M. Sc. (Eng.)
Retired as President and CEO of Icopal Oy
Board member of Helsingin Asemapaikoitus Oy
Board member of Pioneerisäätiö
Owns 0 RK shares (as of January13th 2006)

Mr. Eino Halonen, born 1949

Board member since 2003
Deemed independent of the Company and dependent of the major shareholders in his role as President and CEO of Suomi Mutual Life Assurance Company
B. Sc. (Econ.)
President and CEO, Suomi Mutual Life Assurance Company 2000–
Board member of Ilmarinen Mutual Pension Insurance Company 2000–
Board member of YIT Corporation 2000–2003, Vice-Chairman of the Board 2003–
Owns 2,707 RK shares (as of January 13th 2006)

Mr. Stig Gustavson, born 1945

Board member since 2006
Deemed independent of the Company and the major shareholders
Vuorineuvos, Dr. Tech. (h.c.), M. Sc. (Eng.)
Previous CEO and President of KCI Konecranes Oyj 1988–2005
Chairman of the Board of KCI Konecanes Plc 2005–
Chairman of the Boards of Oy Mercantile Ab, Handelsbanken, Regional Bank Finland, Dynea Oy, Eltel Oy, Arcada Foundation
Member of the Boards of Fastems Oy and Technology Industries of Finland (also Executive Committee member)
Chairman of the Supervisory Board of Tampere University of Technology
Member of the Supervisory Board of Mutual Pension Insurance Company Varma
Owns 0 RK shares (as of January 13th 2006)

Mr. Gunnar Glifberg, born 1943

Board member since 2006
Deemed dependent of the Company until autumn 2008
Deemed independent of the major shareholders
B. Sc. (Eng.)
Previous CEO and President of Cramo AB from 1994 until autumn 2005
Owns 0 RK shares (as of January 13th 2006)

Mr. Juhani Nurminen, born 1939

Board member from 1989 to 1995 and from 1999 to 2000 and since 2001
Deemed independent of the Company and the major shareholders
Construction Engineer
Managing Director, Rakennus-Bettene Oy
Board member of the Construction Engineers' Foundation
Owns 5,490 RK shares (as of January 13th 2006)

Mr. Hannu Krogerus, born 1949

Board member since 2006
Deemed independent of the Company and the major shareholders
LL. M., Attorney-at-Law
Founding member of Krogerus Attorneys Ltd
Senior Partner of Krogerus Attorneys Ltd
Board member of Genelec Oy
Board member of Startex Oy
Chairman of the Board of Innovative Ideas Oy
Chairman of the Board of Luoteis-Venäjän Kehitysyhtiö Oy
Owns 0 RK shares (as of January 13th 2006)

Management of RK Group

CEO, DEPUTY CEO AND CFO

Mr. Vesa Koivula, born 1954

President and CEO
M. Sc. (Eng)
At RK Group since 2003, CEO since 1.1.2004
Owns 0 RK shares (as of January 13th 2006)
Option right from 2002 to 70,000 RK shares

Mr. Göran Carlson, born 1958

Deputy CEO
At Cramo since 2005
At RK Group since 2006
Owns 0 RK shares (as of January 13th 2006)

Mr. Martti Ala-Härkönen, born 1965

CFO
Dr. Sc. (Econ.), Lis. Sc. (Tech.)
At RK Group since 2006
Owns 0 RK shares (as of January 13th 2006)

EXECUTIVE COMMITTEE

CEO and the deputy CEO form the Executive Committee together with CFO.

Enlarged Executive Committee

A larger group meets on monthly basis, including Executive Management Committee together with

Mr. Tatu Hauhio, born 1970

Senior Vice President Finland
M. Sc. (Econ.)
At RK Group since 2003
Owns 0 RK shares (as of January 13th 2006)

Mr. Jarmo Laasanen, born 1950

Senior Vice President Other Europe
MBA
At Cramo since 2004
At RK Group since 2006
Owns 100 RK shares (as of January 13th 2006)

Mr. Magnus Rosén, born 1962

Senior Vice President Scandinavia
MBA
At Cramo since 1997
At RK Group since 2006
Owns 0 RK shares (as of January 13th 2006)

Senior Vice President Modular Space (to be appointed)
Tilamarkkinat is presently represented by Vesa Koivula
Cramo Instant is presently represented by Göran Carlson

Every second month also the heads of the corporate support units participate at Enlarged Executive Committee meeting.

Mr. Anders Collman, born 1954

Communications
PhD in Business Administration
At Cramo since 1998
At RK Group since 2006
Owns 0 RK shares (as of January 13th 2006)

Mr. Hans König, born 1956

Corporate IT
Bachelor at System Analysis
At Cramo since 1995
At RK Group since 2006
Owns 0 RK shares (as of January 13th 2006)

Mr. Mats Stenholm, born 1947

Asset Management
BBA
At Cramo since 1988
At RK Group since 2006
Owns 0 RK shares (as of January 13th 2006)

RK Group governance

Rakentajain Konevuokraamo Oyj (hereinafter "RK" or the "Company") is a Finnish public limited liability company which complies in its decision-making and administration with the Finnish Companies Act, Securities Markets Act and other regulation concerning public companies as well as the Company's Articles of Association.

RK complies with the insider guidelines of the Helsinki Stock Exchange as well as the Corporate Governance Recommendation for Listed Finnish Companies issued by the Helsinki Stock Exchange, the Central Chamber of Commerce, and the Federation of Finnish Industry and Employers, which entered into force on July 1, 2004 unless otherwise set forth under the sections specified below.

The Company's control and management is divided between the General Meeting of Shareholders, the Board of Directors, and the President and CEO.

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the highest decision-making body of the Company.

The General Meeting of RK assembles at least once a year. The Annual General Meeting must be held no later than the end of June. The Board of Directors may call Extraordinary General Meetings whenever necessary. According to the Articles of Association of RK, the invitation to the General Meeting shall be published in a newspaper determined by the Board of Directors no later than 17 days before the General Meeting. The invitation is also made available through a stock exchange release and it is posted on the Company's website. The Board of Directors' proposals to the General Meeting are published in a stock exchange release and posted on the Company's Internet website.

The Annual General Meeting resolves on the issues set forth in Section 15 of the Company's Articles of Association.

In order to be entitled to attend a General Meeting, a shareholder of RK must be registered as a shareholder in the shareholders' register of the Company maintained by Finnish Central Securities Depository Ltd. on the record day for the General Meeting. Holders of nominee-registered shares wishing to participate in the General Meeting should notify their custodian well in advance of the meeting and follow the instructions provided by the custodian. A registered shareholder wishing to participate in the General Meeting must notify the Company of his intention during the period prescribed in the notice of the General Meeting.

A shareholder may participate in a General Meeting in person or through a representative who must present a proxy. Shareholders are requested to inform the Company of any proxies for the General Meeting in connection with the notification of participation. A shareholder and the representative may have an assistant at the meeting.

MEMBERS OF THE BOARD OF DIRECTORS

According to the Articles of Association, RK's Board of Directors consists of 5 to 7 members. The term of office of the members of the Board of Directors expires at the end of the first Annual General Meeting following their election. The Board of Directors elects the Chairman and Deputy Chairman of the Board from among its members.

The Board of Directors is vested with powers and duties to manage and supervise the operations of RK as set forth in the Companies Act, the Articles of Association and other applicable Finnish laws and regulations.

The Board's duties and liabilities are determined by the Finnish Companies Act and the Company's Articles of Association. The Board of Directors has a general obligation to pursue the best interest of the Company. The Board is accountable to the shareholders of the Company. The members of the Board of Directors shall act in good faith and with due care and exercise their business judgment on an informed base in what they believe to be the best interest of the Company and its shareholder community as a whole.

The Board of Directors is responsible for the RK Group's governance and proper management. The Board decides on the RK Group's key operating principles, confirms the business strategy and the budget, financial statement and interim reports. Furthermore, the Board shall decide, among others, on the appointment and dismissal of the President and CEO and deputy to the President and CEO, group structure, acquisitions and disposals, financial matters and investments, continuous review and follow-up of the operations and performance of the group companies, risk management and the compliance by the Company with applicable laws as well as any other issues determined by the Board of Directors.

The Board convenes at least 10 times a year. In 2005 the Board convened 21 times. The average attendance of the Board's members at its meetings was 95 %.

BOARD COMMITTEES IN 2006

Two permanent committees, the Audit Committee and the Nomination and Compensation Committee, assist the Board of Directors in its work. The Board of Directors appoints the members of the committees from among its members.

The Audit Committee supervises and controls corporate financial reporting and internal audit.

The Nomination and Compensation Committee prepares a proposal for election and remuneration of the members of the Board of Directors to be presented at the Annual General Meeting.

There is a separate charter for the Nomination and Compensation Committee, according to which the Committee prepares a proposal to the Board of Directors also regarding the appointment of the President and CEO and the terms of his/her employment, and prepares matters pertaining to the compensation systems of the Company.

PRESIDENT AND CEO

The Board of Directors appoints the Chief Executive Officer, who is also President of the RK Group, and the deputy to the CEO. Notably, the CEO holds the position of the managing director under the Companies Act.

The CEO is in charge of the day-to-day management of the Company in accordance with the instructions and orders given by the Board. The CEO may undertake acts which considering the scope and nature of the operations of the Company are unusual or extensive only with the authorization of the Board. The CEO must also ensure that the accounting practises of the Company comply with the applicable law and that the financial matters are handled in a reliable manner.

The retirement age for the CEO is 62 years, and the period of notice on his employment contract is 12 months' full pay.

EXECUTIVE COMMITTEE

The CEO and the Deputy CEO form the Executive Committee together with CFO.

A larger group meets on monthly basis, including the Executive Committee as well as three Senior Vice Presidents. Every second month also the heads of the corporate support units, including three directors, participate at the management meetings.

The Executive Group, whose meetings are chaired by the CEO, carries out strategic decisions made by the Board and reviews the performance of the business units.

COMPENSATION

The Annual General Meeting determines the Board's remuneration and, correspondingly, the Annual General Meeting for 2006 shall decide on the Board's remuneration for the financial year 2006.

The Board determines the CEO's salary and bonus system, and the salaries and remuneration of his direct subordinates. The Company has a stock option scheme approved by the Annual General Meeting. The Board members do not hold option rights.

The amount of voluntary pension insurance payments of the Board of Directors and the CEO for the financial year ending 31 December 2005 totalled EUR 0. In addition, the management is covered by a statutory pension scheme.

RISK MANAGEMENT

Risk management is part of the control system of RK Group. The purpose of risk management is to ensure that the risks related to the business operations are identified and monitored. According to the Company's risk management policy, risk management is a continuous and systematic activity, which aims to protect from personal injury, safeguard the assets of all RK Group companies and the whole RK Group and to ensure stable and profitable financial performance. By minimising both losses and the costs of risk management the long-term competitiveness of RK Group companies and the whole RK Group is safeguarded.

Management of market risks

The business activities of RK Group are largely dependent on the activeness of building and property markets, which are characterized by seasonality. On the other hand, with a large number of customers in many markets RK Group is not dependent on individual customers or projects.

Management of financial risks

The financial performance of the Group is reviewed monthly by the Board through reporting systems that cover all units and operations. The new combined Group finances its business activities through equity capital but also through bank loans and machinery leasing arrangements. Risks are reduced as the Group's rental equipment is divided regionally into 240 (March 2006) different operational centres in 11 countries. Responsibility for managing financing risks, capital risks and risk insurance rests with the Board and the executive management.

In addition, currency risks other than euros related to certain financial obligations and receivables related to the business agreements of the Group are keenly monitored. Foreign exchange risk is, however, very limited for the operational companies.

Insurance coverage

An essential part of RK Group's risk management is to protect itself against liability claims by continuing and taking out insurances that the management considers adequate for the business of the new combined Group, and to continuously review its insurance policies as part of its overall risk management.

Management of environmental risks

RK Group's environmentally sound corporate mission refers to high utilization rates of professionally serviced machines and minimizing the environmental burden caused by equipment and used energy - the aspects to which RK Group always pays special attention in purchasing its rental machines and equipment. Parent company's quality and quality management system is based on the ISO 9001:2000 quality management certificate granted by Det Norske Veritas, covering all of the Company's operations and service offices in Finland. Subgroup Cramo's operations in Sweden, Denmark and Norway are certified in accordance with ISO 14001 (environment) and ISO 9001 (quality). Internal audits are carried out on a continuous basis, as are periodical external audits.

INTERNAL SUPERVISION AND INTERNAL AUDITING

At RK Group internal supervision is based on internal auditing, internal guidelines, reporting and various systems relating to activities. Particular attention has been paid to the organisation of operations, management of the rental equipment and reporting.

RK prepares its financial statements and interim reports in Finnish and English. International IFRS accounting practices have been implemented since 2005.

INSIDER MANAGEMENT

The Board of RK has issued internal Insider Guidelines for RK Group. These Insider Guidelines are based on the Finnish Securities Markets Act, rules and regulations issued by the Financial Supervision Authority and the Guidelines for Insiders by the Helsinki Stock Exchange (effective as of 1 January 2006). RK's insider register for permanent insiders is maintained by the Finnish Central Securities Depository Ltd.

The RK Group requires that its employees and collaborators act in line with the regulations for insiders.

AUDITORS

The external auditors have an important role as a controlling body appointed by the shareholders. The auditors are elected in the Annual General Meeting of Shareholders and their assignment expires at the end of the first Annual General Meeting following the election. A proposal for the election of external auditor prepared by the Board shall be disclosed in the invitation to the Annual General Meeting.

SHARES AND SHAREHOLDERS

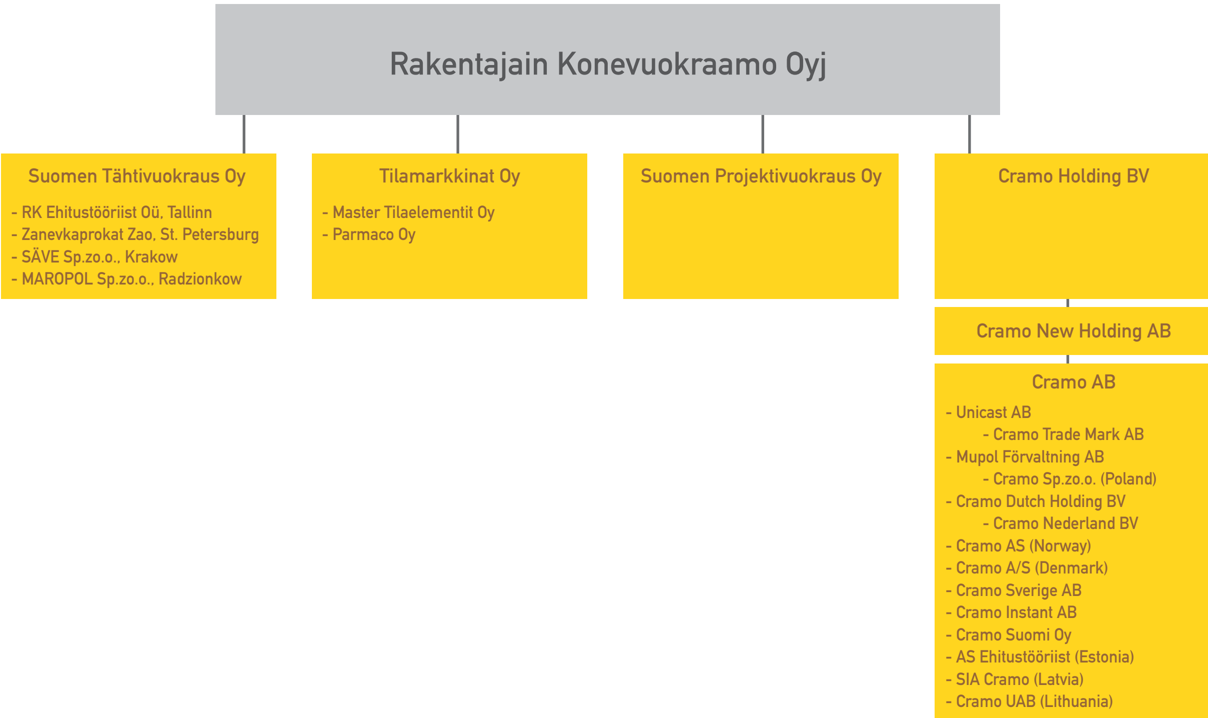
Information on the share capital and the Company's 100 major shareholders alongside share amounts and vote entitlements is presented at http://www.rk.fi/rk/sijoittajatieto. Information on flagging notifications received by RK is presented at www.rk.fi/rk/sijoittajatieto.

COMMUNICATION POLICY

RK pursues an open, reliable and up-to-date disclosure practice. This supports a well-founded price development of the RK share and permits shareholders to evaluate the functioning of the corporate governance of the Company and make reasoned decisions concerning their holdings.

RK discloses on its investor website www.rk.fi/rk/sijoittajatieto all information that has been published pursuant to the statutory obligation of listed companies to provide information. Also all company releases are immediately made available on the internet.

RK Group organisation



RK Group business

RAKENTAJAIN KONEVUOKRAAMO

History

RK Group originated in 1953 when Suomen Rakennusmestariliitto (the Finnish Association of Building Contractors) established Rakentajain Konevuokraamo in response to the great need for construction machinery due to the post-war reconstruction. Although the fundamental idea of supplying machinery for joint use rested on a financial rationale, the construction-machinery rental business has proved a trailblazing, pro-environmental business, given the current requirements set for corporate social responsibility and sustainable development. It is an environmentally sound recycling business at its best.

RK and the industry as a whole also wish to point out that rental customers save their financial resources because they do not need to tie up their capital to machinery and equipment they only need on a temporary basis.

RK's B Series shares were quoted on the Helsinki Stock Exchange's OTC List during 1988–98. Since 1998, its shares have been listed on the Main List and the current number of shareholders totals around 4,000.

In 2000, RK's revenue doubled from FIM 160 million to over FIM 300 million as a result of the acquisition of Tilamarkkinat Group's business based on a private placement. This acquisition also incorporated the business of Suomen Projektivuokraus Oy into the Group, which became a wholly owned Group company in 2003 and supplements Group service offerings in the Helsinki Metropolitan Area. The St. Petersburg and Tallinn service offices of the Group's new subsidiary marked an entry into foreign markets. Early 2005 saw an entry into Poland as a result of the acquisition of the Polish Säve Sp.zo.o.

RK Group's business took a historically major step forward in 2005 when the Group signed a combination agreement with Cramo, the market leader in Sweden, in October. As a result of a share-swap bid for Cramo, RK bought all of Cramo shares in early 2006, making Cramo Rakentajain Konevuokraamo Oyj's wholly owned subsidiary and quadrupling RK's consolidated revenue from EUR 73 million to almost EUR 300 million. The resulting new company became one of Europe's leading providers of rental services.

New Group's business

This corporate transaction will enable the Group to reap five million euros in annual synergies to be fully materialised from 2007. With its main lines of business including machine and equipment rental, and the rental and sales of moveable buildings, the Group ranks among Europe's five largest companies within the industry. With a Group staff of 1,600, its pro forma consolidated revenue for 2005 totalled EUR 334 million and operating profit EUR 38 million. The Group is the market leader in Finland, Sweden and Estonia, and holds a strong position in Norway, Denmark, the Netherlands, Latvia, Lithuania, Poland and Russia. The new Group has every prospect of meeting its goals of profitable growth and involvement in future restructuring processes within the machine and equipment rental sector.

The 'old' RK Group in 2005

RK's core business areas included general construction machinery and equipment rental services, project rental services based on long-term contracts, construction-site services and moveable buildings.

General rental services performed relatively well in 2005, with construction buoyancy across Finland guaranteeing satisfactory year-on-year growth and a persistent downward trend in prices turning into a mild upward trend. In line with the Group's strategy, RK intensified its sales efforts targeted at industry.

Personnel-hoist and scaffolding rental services experienced a very brisk year, due to the abundance of façade construction projects in Finland, as evidenced by the equipment rental capacity being occasionally in full use. RK has actually made investments in hoists in terms of both volume and the availability of a more diversified range. Façade construction projects are expected to remain buoyant, which will require investments in equipment and scaffolding services in the years to come too.

Intra-Group co-operation with Suomen Projektivuokraus progressed as planned, while the acquisition of Cramo, the market leader in machinery and equipment rental services in our western neighbouring country, provided the Group with a new, remarkable and highly internationalised intra-Group partner.

According to a few currently available forecasts, 2006 will mark a year of growth in various sectors within construction, contributing to favourable growth expectations in RK's general rental services as well.

Project rental services had a good year in terms of demand although there were signs of more intense business cyclicality. Demand for scaffolding and hoists also perked up in the project rental services sector, and the strategic focus in 2005 actually rested on the development of scaffolding services. Although future challenges pertain to strong seasonal fluctuations and the tendency of robustly grown renovation projects towards summer months, the project rental services business is confident about the future. Co-operation with the new intra-Group partner, Cramo, will have a major effect on the business, given that the new partner's international operations will also provide RK's project rental services with potential for expansion and synergies.

Construction-site services had a long work order book in 2005, despite fierce competition, which kept prices at low levels. During the financial year, the Group divested its protective covering and event tents to Lainapeite Oy, for whom RK continues to act as a dealer renting these products. In 2005, RK expanded and developed further the floor services business and will continue to develop these operations further in response to growing demand.

Moveable buildings saw a continued trend of demand shifting from sales towards rentals, with demand rising by more than ten per cent compared to a year earlier. In line with the Group's strategy, Tilamarkkinat Oy will continue to focus on moveable building rental services, Master Tilaelementit, a subsidiary, on the manufacture of prefabricated units at the streamlined Leppävirta plant, while Parmaco, a subsidiary, will concentrate on the industrial-shed and storage-hall business at its Pyhäjoki unit. With continued product development efforts within the moveable building business, the year saw the introduction of the PULPETTI school facilities systems onto the market and the conclusion of the first related rental agreements.

Tilamarkkinat boasts the highest-ever rental order volumes and its prospects look excellent.

Machinery and equipment maintenance and lifecycle

In 2005, the Group completed a scheme, launched the year before, to create a machine and equipment management assessment strategy. Machinery and equipment maintenance throughout their lifecycles forms one part of this strategy. Bearing in mind that a machine's lifecycle is largely determined by the equipment supply on the rental market and maintenance cost levels, it is worth noting that labour costs in repair and maintenance are lower in the Baltic countries and Poland than in the Nordic countries. Co-operation with Cramo will provide opportunities to capitalise on this benefit within the Group. However, making efficient use of machinery and equipment across borders in different market areas will require the development of logistics solutions. In this respect, successful development co-operation will certainly generate a strong competitive edge.

Machine and equipment servicing, maintenance and logistics form a cornerstone of RK's business. Demanding machinery and equipment management requires outstanding skills from all personnel and continuous competence development efforts. RK has always paid particular attention to the safety of the machines it purchases. However, the Finnish national safety rules and regulations, which are stricter than the EU ones erode the personnel-hoist lifecycle due to the resulting higher costs, inducing the maintenance service operations and subsequent use of the equipment to migrate to lower-cost countries.

Corporate social and environmental responsibility

Environmental responsibility forms the prime characteristics of Rakentajain Konevuokraamo's business, which has continued for 52 years. Rental services are an environmentally and financially sound business because high-quality machines, equipment and moveable buildings circulate from users to users and from application to application, according to user needs.

RK provides machines and equipment that are always professionally overhauled, and in its purchasing decisions it pays particular attention to causing the least possible burden to the environment through its equipment and energy use. The Group's regional profit centres are responsible for recycling and appropriate waste storage and treatment, and repair and maintenance operations are performed at sites with appropriate premises and facilities. Moreover, RK is going to provide its new sites with solutions in line with the Group's quality management system in such a way that no environmental problems will emerge.

Staff commitment reflected in daily work refers to corporate culture envolved over the past decades: service, responsibility and continuous skill improvements. In order to sustain its employees' high professional skills, RK co-operates with training institutes and importers in the provision of tailored courses, and promotes and supports its staff's self-managed further training.

Occupational safety development on an ongoing basis is of vital importance within RK. In 2005, the Parent Company's occupational-safety committee paid special attention to year-on-year growth of seven per cent in illness-related absences. The report year saw the launch of a project aimed at encouraging staff to keep fit, supported by sports vouchers in use for over a year and the creation of programmes and ideas with the aim of making employees take exercise. Physical exercise plays a major role in reducing illness-related absences.

RK's quality and quality management system is based on the ISO 9001:2000 quality management certificate granted by Det Norske Veritas, covering all of the Parent Company's operations and service offices in Finland; that of the sub-Group Cramo's operations in Sweden, Denmark and Norway is based on the ISO 14001 environmental and ISO 9001 quality management certificates. For RK Group, certification is no one-off event implying no obligations; instead, it requires continuous improvements in its quality and quality management system manifested in better service, fewer errors, higher productivity and greater occupational safety.

Financial performance is founded on RK Group's corporate social responsibility reflected in its business operations and management. In practice, this means economical use of natural resources, accountability for shareholders, improvements in employees' working conditions and continuous improvements in customer service.

CRAMO

Cramo Group's history in brief

Cramo Group's history dates back to 1969, when the construction and real estate company Paul Anderson Industrier AB founded the rental company Kramo AB as its subsidiary. During the period 1992–1994, the foundation of today's Group was formed when Kramo AB, with operations in Sweden, Denmark and Norway, acquired the machinery rental operations of Citarent AB and RBM AB, as well as 20 machinery rental depots from Tidermans AB. In addition, the modular space rental operations were acquired from Malmros Instant Office AB. In 1995, the company assumed the name Cramo AB and adopted a new, unified brand for its entire operations.

During 1997–2001, Cramo Group expanded considerably organically as well as through acquisitions. During this period, the company also entered the Finnish and Estonian markets. Already in 1996, operations had been started in Poland. During 2002–2005, Cramo Group entered the rental markets in the Netherlands, Belgium, Latvia and Lithuania.

Ownership history

In 1988, Kramo AB:s B shares were listed in the Stockholm Stock Exchange, and at the same time the ownership base was broadened. During the coming years, several major shareholder changes took place. In 2005, at the time of the signing of a combination agreement, Cramo Holding BV was a Dutch private limited liability company owned by Caterpillar, Pon Holdings BV, ABN AMRO Bank NV and Wihuri Oy, with 40 percent, 36.8 percent, 20 percent and 3.2 percent of the shares, respectively. In the beginning of 2006, RK Group acquired all shares in Cramo, and Cramo became a wholly owned subsidiary of RK Group.

Business concept

Cramo Group consists of industrial service companies that meet the machinery, equipment and modular space needs of manufacturers, construction firms and the public sector by providing easy accessibility and by actively developing new rental concepts.

Cramo Group's core business is the rental of building machinery, construction machinery, building site facilities, access equipment and forklift trucks, as well as rental of modular space. The equipment rental fleet contains over 100,000 units. Most equipment is available through every rental depot, total of 177 in nine countries, of which 146 are operated by Cramo Group itself and 31 on franchise basis. Cramo Group is the market leader in terms of sales in Sweden and Estonia.

Through its subsidiary, Cramo Instant AB, Cramo Group rents out moveable premises by means of a modular system that makes it possible to assemble and complete buildings in a short period of time. The premises meet the same high standards as modern, permanent facilities. Most rentals are for offices in trade and industry and for schools and day care centres for local authorities.

In 2005, of Cramo Group's sales, EUR 267 million, almost 90 percent came from machinery and equipment rental and the rest from modular space. The Group had approximately 50,000 customers. The largest customer segment for general equipment rental was the building and construction sector. The largest customers goups for modular space were trade, general industry and public sector. The average number of employees within Cramo Group in 2005 amounted to 1,077.

Highlights in 2005

Soon after the opening of its first service office in Riga, the capital of Latvia, Cramo opened its second office in the town. April saw the expansion of the moveable buildings business, when Cramo Instant, a subsidiary, acquired its competitor, Lukal.nu. As a result, the rental-service capacity grew by 600 units.

July saw a decision to dispose of Gunco BV, a subsidiary, whose Dutch and Belgian customers did not belong to the machine and equipment rental business's strategic core.

In September, Göran Carlson was appointed CEO, succeeding Gunnar Glifberg who retired. In October, a major partnership agreement expired between Cramo and Mesta, one of the most significant contracting services providers in Norway. In November, Cramo acquired Byggmaskiner, a small local rival based in Hudiksvall, northern Sweden, bringing 1,200 pieces of rental equipment to the company.

In December, Cramo concluded an exclusive agreement for rental services with LKAB, a Swedish high-tech minerals Group, related to the construction of a pellet plant worth EUR 600 million in Kiruna.

PRO FORMA FINANCIAL STATEMENTS OF THE NEW GROUP

Basis of preparation of unaudited pro forma financial information

The following unaudited pro forma consolidated financial information is presented to demonstrate to the reader the result of the operations and financial position of the entity, had the combination of entities taken place at an earlier date. This information is presented only for the purpose of demonstrating the effects of the combination, and it is not intended to show what the results of the operations and financial position of the combined entity would be, had the entities actually been combined at the date indicated below. Furthermore, this information is not intended to demonstrate the results or financial position of the operations of the combined entity in the future.

The unaudited consolidated pro forma income statement information for the year ended 31 December 2004 and year ended 31 December 2005, have been prepared assuming that the combining of the entities took place 1 January 2004. The unaudited consolidated pro forma balance sheet as at 31 December 2005 has been prepared assuming that the combining of the entities took place 31 December 2005.

The unaudited consolidated pro forma income statement information for the year ended 31 December 2004 for the combined entity is based upon audited historical consolidated income statements of Rakentajain Konevuokraamo and Cramo. The presented unaudited pro forma consolidated income statement information for the year ended 31 December 2005 for the entities is based on the audited historical consolidated income statements and balance sheets of Rakentajain Konevuokraamo and unaudited historical consolidated income statements and balance sheets of Cramo.

Historical financial information of Cramo is prepared based on Dutch accounting principles, this information is adjusted in the pro forma tables to be in compliance with the International Financial Reporting Standards (IFRS) applied by Rakentajain Konevuokraamo Oyj.

Balance sheet is presented assuming that the acquisition took place on 31 December 2005. Balance sheet is also presented based on the Cramo Holding BV purchase consideration consisting of 14,984,507 Rakentajain Konevuokraamo Oyj shares and the share price of Rakentajain Konevuokraamo Oyj used is EUR 13.10 which was the closing share price for Rakentajain Konevuokraamo Oyj in the Helsinki Stock Exchange on 3 January 2006. Total purchase consideration of Cramo is approximately EUR 197.9 million including a preliminary EUR 1.6 million fee for advisors and consultants of acquirer to effect the acquisition. A preliminary cost of Cramo Holding BV related to acquisition is approximately EUR 4.9 million recognised as an expense in the income statement ended 31 December, 2005.

In the end of June 2005 Geveke N.V. acquired the shares of Gunco B.V. at carrying amount of Gunco's group equity approximately EUR 14.1 million. The sub group of Gunco was carved out as from 31 December 2004 in Cramo's financial statements. The impact of Gunco to income statements for year ended 31 December 2004 and year ended 31 December 2005 has been carved out in pro forma tables. Gunco is not included in the balance sheet as at 31 December 2005.

The purchase price allocation has been prepared according to IFRS and the net assets (including possible previously unrecognised intangible assets) of Cramo Holding BV have been measured to fair value. The historical financial information included in the pro forma consolidated financial information is prepared in accordance with IFRS, including IFRS adjustments made to the historical financial information based on Dutch accounting principles of Cramo Holding BV.

The EUR 2.2 million transaction costs of acquirer have been considered to be financed by way of external bank loan. Estimated finance costs and taxation effects caused by the acquisition have been taken into consideration. Average annual interest rate is estimated to be 2.6 per cent.

The reduction of par value of EUR 1.69 to EUR 0.81 in Rakentajain Konevuokraamo has been recognised as a transfer from capital equity to retained earnings. The par value of EUR 0.81 for the number of 14,339,807 shares amounts to new share capital of EUR 11,615,243.67. The conversion of 1,728,000 A Series shares at a ratio of 1:1.4 increases number of shares by 691,187 and increases the share capital by EUR 559,861.47. The 14,984,507 new shares issued at the Targeted Issue increases the share capital by EUR 12,137,450.67. After the acquisition the new share capital is EUR 24,312,555.81.

No account has been taken within the unaudited pro forma consolidated financial information of any synergy benefits.

The pro forma information presented here should be read in conjunction with consolidated financial statements and other information presented elsewhere in the Annual Report.

INCOME STATEMENT (EUR in thousands) Consolidated	Rakentajain Konevuokraamo For the year ended 31 December, 2005 Actual (IFRS) (unaudited)	Cramo Holding BV exclusive Gunco For the year ended 31 December, 2005 Actual (IFRS) (unaudited)	Pro forma adjustments (IFRS) (unaudited)	New Rakentajain Konevuokraamo For the year ended 31 December 2005 Pro forma (IFRS) (unaudited)
Revenue	76,983	257,319	-	334,302
Other operating income	909	4,343	-	5,252
Change in inventories in finished goods and in work in progress	-500	-	-	-500
Production for own use	6,230	-	-	6,230
Materials and services	-16,996	-49,141	-	-66,137
Personnel expenses	-21,136	-52,890	-	-74,026
Depreciation (1 (3	-11,227	-34,144	-3,217	-48,588
Other operating expenses	-16,305	-102,288	-	-118,593
Operating profit	17,958	23,199	-3,217	37,940
Finance costs (net) (7	-1,709	-9,076	-169	-10,954
Profit before tax	16,249	14,123	-3,386	26,986
Income taxes (6 (8	-4,322	-3,908	945	-7,285
Profit for the period	11,927	10,215	-2,441	19,701

INCOME STATEMENT (EUR in thousands) Consolidated	Rakentajain Konevuokraamo For the year ended 31 December, 2004 Actual (IFRS) (unaudited)	Cramo Holding BV exclusive Gunco For the year ended 31 December, 2004 Actual (IFRS) (unaudited)	Pro forma adjustments (IFRS) (unaudited)	New Rakentajain Konevuokraamo For the year ended 31 December, 2004 Pro forma (IFRS) (unaudited)
Revenue	71,436	221,343	-	292,779
Other operating income	303	8,336	-	8,639
Change in inventories in finished goods and in work in progress (4	259	-	-361	-102
Production for own use	2,467	-	-	2,467
Materials and services	-17,716	-46,625	-	-64,341
Personnel expenses	-18,444	-46,596	-	-65,040
Depreciation (1 (3	-9,604	-32,477	-3,217	-45,298
Other operating expenses	-14,307	-81,776	-	-96,083
Operating profit	14,394	22,205	-3,578	33,021
Finance costs (net) (7	-1,423	-9,683	-169	-11,275
Profit before tax	12,971	12,522	-3,747	21,746
Income taxes (6 (8	-3,743	-2,914	1,046	-5,611
Profit for the period	9,228	9,608	-2,701	16,135

BALANCE SHEET (EUR in thousands)	Rakentajain Konevuokraamo For the year ended 31 December, 2005 Actual (IFRS) (unaudited)	Cramo Holding BV exclusive Gunco For the year ended 31 December, 2005 Actual (IFRS) (unaudited)	Pro forma adjustments (IFRS) (unaudited)	New Rakentajain Konevuokraamo For the year ended 31 December, 2005 Pro forma (IFRS) (unaudited)
Assets				
Non-current assets				
Property, plant and equipment (3	91,846	225,008	681	317,535
Goodwill (5	11,615	73,690	99,014	184,319
Other intangible assets (1 (2	831	-	52,100	52,931
Available-for-sale investments	577	-	-	577
Receivables	172	935	-	1,107
Deferred income tax assets	306	9,389	-	9,695
Total non-current assets	105,347	309,022	151,795	566,164
Current assets				
Inventories (4	3,383	6,548	361	10,292
Trade an other receivables (7	10,151	60,630	560	71,341
Cash and cash equivalents	1,850	20,781	-	22,631
Total current assets	15,384	87,959	921	104,264
Total assets	120,731	396,981	152,716	670,428
Equity and liabilities				
Equity				
Share capital (9	24,249	20	44	24,313
Share premium fund (10	1,624	22,305	161,279	185,208
Fair value reserve	117	-	-	117
Retained earnings (11	28,141	38,321	-25,687	40,775
Total equity	54,131	60,646	135,636	250,413
Provisions	-	740	-	740
Non-current liabilities	31,826	223,774	-	255,600
Deferred income tax liabilities (6	3,862	16,321	14,880	35,063
Other non-current liabilities	5,842	-	-	5,842
Non-current liabilities	41,530	240,835	14,880	297,245
Current liabilities (7	25,070	95,500	2,201	122,771
Total liabilities	66,600	336,335	17,081	420,016
Total equity and liabilities	120,731	396,981	152,716	670,428

THE UNAUDITED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION IS PREPARED BASED ON THE FOLLOWING ADJUSTMENTS:

1) Amortisation of customer relationship recognised as intangible assets in the balance sheet: under IFRS, the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recorded as goodwill. When determining the fair value of the net assets, IFRS requires an acquirer to recognise separately all the acquiree's identifiable assets, liabilities and contingent liabilities if certain recognition criteria are met. The fair value of previously unrecognised customer relationships has been estimated to amount approximately EUR 14.8 million with expected economic life cycle 56 months. The adjustment to the income statement for the year 2004 and 2005 is approximately EUR 3.2 million.

2) The fair value of brand: Under IFRS, the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recorded as goodwill. When determining the fair value of the net assets, IFRS requires an acquirer to recognise separately all the acquiree's identifiable assets, liabilities and contingent liabilities if certain recognition criteria are met. The estimated fair value of the brand is approximately EUR 37.3 million with indefinite useful life.

3) The fair value of building has been estimated to exceed the carrying value by approximately EUR 681,000 with remaining economic useful life of 15 years. The adjustment for the year ended 31 December 2004 and 2005 is approximately EUR 45,000.

4) Inventory fair value adjustment: Under IFRS, the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recorded as goodwill. When determining the fair value of the net assets, IFRS requires an acquirer to recognise separately all the acquiree's identifiable assets, liabilities and contingent liabilities if certain recognition criteria are met. The estimated fair value of inventory exceeds the carrying amount by approximately EUR 620,000 and is expected to be sold within the period of 12 months. The adjustment for year ended 31 December 2004, is approximately EUR 620,000.

5) The goodwill arisen from the acquisition amounts approximately EUR 172.7 million. The purchase price consideration is based on the closing price of EUR 13.10 on the Helsinki Stock Exchange on 3 January 2006. The net adjustment of approximately EUR 99.0 million includes the reverse of the goodwill approximately EUR 73.7 million included in the balance sheet of Cramo Holding BV as at 31 December 2005.

6) Tax impact of total fair value adjustments of approximately EUR 14.9 million has been accounted at the Swedish tax rate of 28 percent, which is not expected to change until the tax liability is settled. The effect of the deferred income tax liability based on the fair value adjustments has been considered according to depreciations of the fair values.

7) The impact of finance costs related to the acquisition shows the effect of financing the acquisition by way of external bank loan. The assumed loan of EUR 6.5 million, consists of transaction costs of EUR 2.2 million for Rakentajain Konevuokraamo, transaction costs of EUR 4.9 million for Cramo and current receivable of EUR 0.6 million for the issuance of new Rakentajain Konevuokraamo shares. The cost of the acquisition for Rakentajain Konevuokraamo includes advisors and other specialists' fees for approximately EUR 1.6 million, that have been recognised as a part of the transaction costs and mainly advisors' and other specialists' fees for EUR 0.6 million relating to the issuance of equity instruments, of which has been adjusted the issuance of equity instruments. The average annual interest rate used is 2.6 percent.

8) The tax impact of the assumed finance costs has been accounted at a tax rate of 26 percent, which is assumed to be the tax rate when tax will be settled.

9) The targeted issue of new shares of 14,984,507 to the shareholders of Cramo accounted for at a new par value of EUR 0.81 per share. The reduction of par value of the 14,339,807 old shares in Rakentajain Konevuokraamo amounts to approximately EUR 12.6 million based on the difference of EUR 0.88 between old (EUR 1.69) and new par value. The conversion of A Series shares of 1,728,000 to B Series shares at a ratio of 1:1.40 amounts to the cash consideration of EUR 560,000.

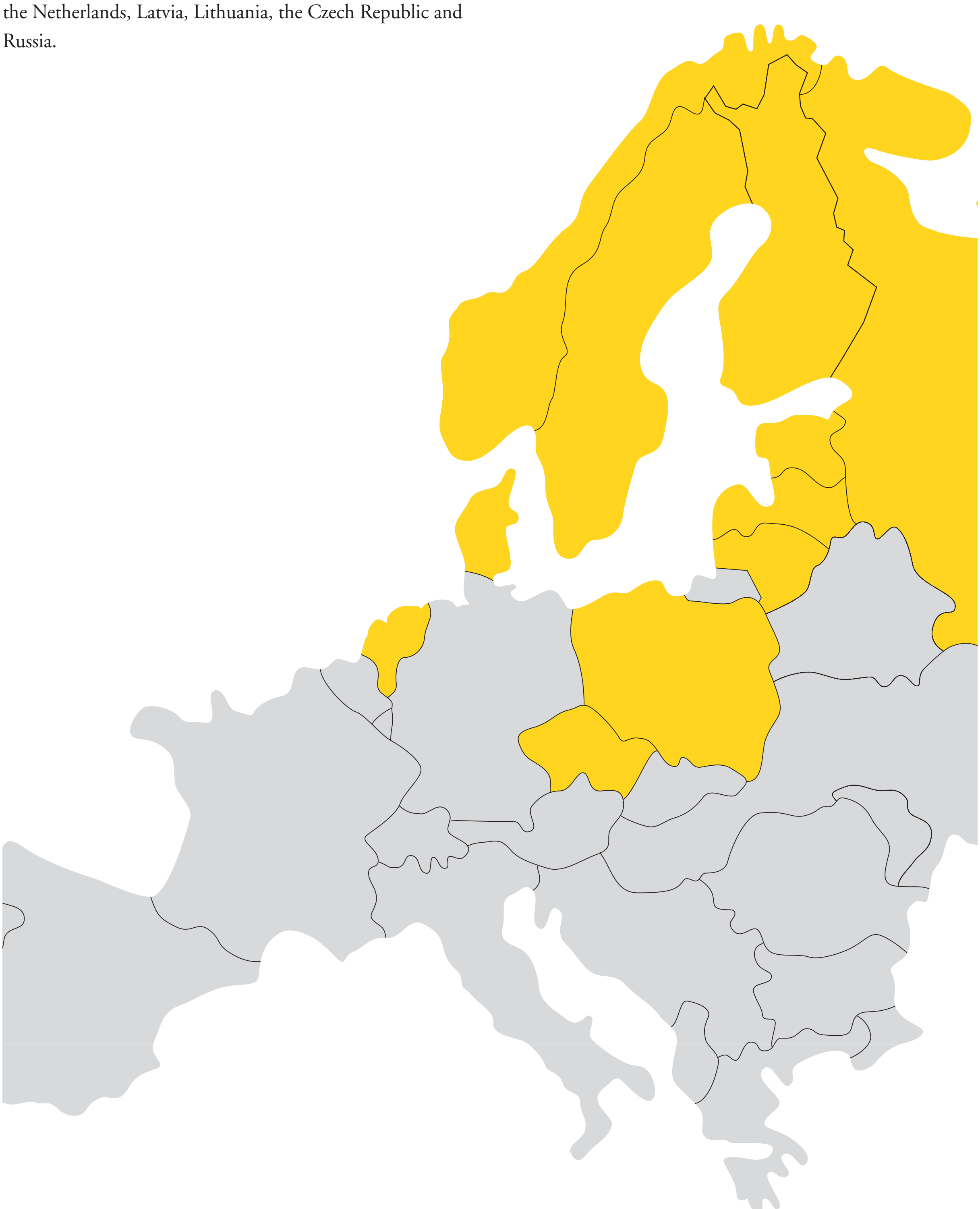
10) The share price of EUR 13.10 on 3 January 2006 exceeds the new par value of EUR 0.81 by EUR 12.29 and amounts to approximately EUR 184.2 million. The estimated attributable costs of approximately EUR 0.6 million arisen from the share issue has been deducted from the premium fund.

11) The par value reduction of 14,339,807 shares in Rakentajain Konevuokraamo has been recognised in the retained earnings. The total amount of share capital of approximately EUR 60.6 million in Cramo has been eliminated.

Pro forma, unaudited KEY FIGURES (EUR in thousands, except where indicated)	For the year ended 31 December, 2004	For the year ended 31 December, 2005
Revenue	292,779	334,302
Operating profit	33,021	37,940
Operating profit, % of sales	11.3 %	11.3 %
Profit before taxes	21,746	26,986
Profit before taxes, % of sales	7.4 %	8.1 %
Return on equity, %	-	7.9 %
Return on investment, %	-	6.5 %
Equity ratio, %	-	38.2 %
Gross investment on non-current assets	98,135	92,172
Gross investment on non-current assets, % of sales	33.5 %	27.6 %
Average number of employees during the period	1,537	1,646
Gearing, %	-	117.0 %
Interest-bearing net debt	-	293,080
Earnings per share, basic	0.54	0.66
Number of shares, basic	-	30,015,501
Earnings per share, diluted	0.53	0.65
Number of shares, diluted	-	30,375,369

Service network

RK Group has in total 240 service offices or rental depots in Finland, Sweden, Norway, Estonia, Poland, Denmark, the Netherlands, Latvia, Lithuania, the Czech Republic and Russia.



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