RAKENTAJAIN KONEVUOKRAAMO OYJ'S INTERIM REPORT 1-6/2003

- Turnover for Q2/2003: EUR 12.91 million (EUR 15.61 million)
- Profit before extraordinary items for Q2/2003: EUR 2.48 million (EUR 4.07 million)
- Turnover for Q1 and Q2/2003: EUR 25.08 million (EUR 31.02 million)
- Profit before extraordinary items for Q1 and Q2/2003: EUR 3.90 million (EUR 6.92 million)
- Earnings per share for Q1 and Q2/2003: EUR 0.19 (EUR 0.33)

TURNOVER

Rakentajain Konevuokraamo Oyj's consolidated turnover for the first half of 2003 came to EUR 25.08 million (EUR 31.02 million), down EUR 5.94 million, or 19.1 per cent, year on year. Tilamarkkinat Oy posted a turnover of EUR 11.01 million (EUR 16.51 million), down EUR 5.50 million, or 33.3 per cent. Parent company turnover amounted to EUR 14.18 million (EUR 15.26 million), down EUR 1.08 million, or 7.1 per cent.

The protracted economic slowdown led both municipalities and industry to postpone their investment decisions on moveable buildings.

Since there are companies within the machinery and equipment rental business whose financial structure depends heavily on cashflow from business operations, a stagnating growth in volumes, even if transient in nature, leads to unsound pricing policies in situations like the current one. This has considerably affected price levels, turnover and profitability within the industry during the current year.

PROFIT

Consolidated profit after financial items and before extraordinary items and taxes totalled EUR 3.90 million (EUR 6.92 million), showing a fall of EUR 3.02 million, or 43.7 per cent. Earnings per share (diluted) were EUR 0.19 (EUR 0.33). Tilamarkkinat Oy made a profit of EUR 2.64 million (EUR 4.83 million) before extraordinary items, down EUR 2.19 million, or 45.3 per cent.

The parent company, including its two property businesses, made a profit of EUR 1.78 million (EUR 2.61 million) before extraordinary items, down EUR 0.83 million, or 31.8 per cent.

DEPRECIATION AND AMORTISATION

Depreciation amounted to EUR 3.46 million (EUR 3.26 million), of which planned depreciation on fixed assets accounted for EUR 2.93 million and Group goodwill amortisation accounted for EUR 0.53 million.

FORECAST FOR 2003

It would seem probable that export industry will not pick up during the current year, and that construction investment cannot be expected to take off earlier than 2004, encouraged by export growth. On the other hand, construction volumes have remained at a relatively high level during 2003 and are forecast to continue to do so. The machinery and equipment rental business tends to generate higher turnover and profit during the second half than the first. Once the economy recovers, we expect demand for moveable buildings to strengthen again. The value of Tilamarkkinat

Oy's orders on 30 June 2003 had risen by EUR 1.3 million from that reported on 31 March 2003, although it was EUR 2 million lower than on 30 June 2002.

Although we will basically adhere to the second-half targets, we have specified our turnover at EUR 53-56 million (EUR 61.04 million), and profit at EUR 9-11 million (EUR 14.2 million).

BUSINESS OPERATIONS
Each profit centre adjusted its operations to the prevailing situation. Measures to trim costs and resources have had a full effect on the parent company's performance since May, and Tilamarkkinat Oy has been involved in demand matching since the end of 2002.

CAPITAL EXPENDITURE
The EUR 3.06 million (EUR 4.67 million) of investments were allocated to rental machinery. Maintenance-related purchases of EUR 0.97 million (EUR 1.01 million) were expensed as incurred. The book value of movable buildings sold included in rental machinery amounted to EUR 1.25 million (EUR 1.95 million)

LIABILITIES
Interest-bearing liabilities were EUR 19.25 million (EUR 19.02 million).

ORGANISATION AND GROUP STRUCTURE
The number of the parent company's service offices is 47 and that of the dealer service offices 10. In addition, Tilamarkkinat Oy, with its central administration and the adjacent business, runs three manufacturing plants.

The 47 service offices run by the company provide drying services, diamond-tipped precision cutting and boring services and construction-site services on a nation-wide basis at 25 sites across Finland.

PERSONNEL
The reported number of Group employees averaged 418 (481).

INCREASE OF SHARE CAPITAL
On the basis of the employee stock options based on the bond with warrants decided by the Annual General Meeting of 14 May 1998, a total of 106,500 B Series shares were subscribed during 2002, with their subscription price of EUR 2.95 per share. The increase of share capital was registered with the Trade Register on 24 January 2003, and the trading of the new B Series shares began on the Helsinki Exchanges on 27 January 2003. The EUR 179,120.01 increase of share capital increased the company's share capital to EUR 23,827,028.01, and the amount of paid-in surplus was EUR 135,054.99.

The Annual General Meeting of 2 April 2003 decided to increase the company's share capital by EUR 115,063.41, or from EUR 23,827,028.01 to EUR 23,942,091.42, through a bonus issue without issuing new shares, by raising the counter book value of each company's shares, totalling 14,166,918, from approximately EUR 1.68 to exactly EUR 1.69. The bonus issue was carried out in such a way that an amount equalling the increase of share capital, or EUR 115,063.41, was transferred from the issue premium fund. The increase of share capital was registered with the Trade Register on 11 April 2003.

On the basis of the employee stock options based on the bond with warrants decided by the Annual General Meeting of 14 May 1998, the number of B Series shares subscribed during the report period

totalled 7,500, with the subscription price of EUR 2.45 per share. The new B Series shares will be traded on the Helsinki Exchanges once the increase of share capital has been registered with the Trade Register. The increase of share capital amounts to EUR 12,675.00, raising the company's entire share capital to EUR 23,954,766.42. Issue premium entered amounts to EUR 5,700.00.

TREASURY SHARES
Pursuant to the Board authorisation given by the Annual General Meeting of 4 April 2002, Rakentajain Konevuokraamo Oyj bought back a total of 205,211 own B Series shares in normal trading on the Helsinki Exchanges from 2 September to 15 October 2002, at the total price of EUR 1,015,655.19 or at an average price of EUR 4.95 per share.

Pursuant to the Board authorisation given by the Annual General Meeting of 25 April 2001, Rakentajain Konevuokraamo Oyj bought back a total of 400,800 own B Series shares in normal trading on the Helsinki Exchanges from 31 August to 4 October 2001, at the total price of EUR 1,567,051.49, or at an average price of EUR 3.91 per share.

The number of shares bought back totals 606,011, at a total price of EUR 2,582,706.68, i.e. the average price was EUR 4.26 per share.

The counter book value of shares amounted to EUR 1,024,158.59 accounting for 4.28 per cent of share capital on 18 August 2003, 4.87 per cent of the combined voting rights entitled by the B Series shares and 1.29 per cent of the combined voting rights entitled by all shares.

BOND WITH WARRANTS
The loan period for the EUR 27,751.00 bond with warrants for employees, decided by the Annual General Meeting of 14 May 1998, expired on 5 June 2001. Due to the threefold increase in the number of shares subscribed resulting from the bonus issue in 2001, the stock options entitled their holders to subscribe for a total of 495,000 B Series shares as of 1 May 2000 and a total of 495,000 B Series shares as of 1 May 2002. The share subscription period will terminate on 31 May 2004. The stock options are traded on the Helsinki Exchanges. A total of 106,500 B Series shares were subscribed during the year 2002, while the number of B Series shares subscribed totalled 9,300 previous year; i.e., the total number of shares subscribed comes to 115,800 up to 31 December 2002. After the dividend distribution decided by the Annual General Meeting of 2 April 2003, the share subscription price is EUR 2.45. A total of 7,500 B Series shares were subscribed during the report period.

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 from 1 May 2004 to 31 March 2007 and the remaining 335,000 from 1 May 2006 to 31 March 2007. The share subscription price will be the trade weighted average price for Rakentajain Konevuokraamo Oyj B Series share quoted on the Helsinki Exchanges from 5 April to 4 June 2002 plus 10 per cent or EUR 5.27, and it will be reduced annually by the amount of dividend paid. After the dividend distribution decided by the Annual General Meeting of 2 April 2003, the share subscription price is EUR 4.77.

Convened on 16 May 2002, the Board decided to issue stock options:

the key employees of the RK Group were granted stock options for the subscription of a total of 550,000 B Shares while the rest of the stock options were granted to Kiinteistö Oy RK-Kehä, Rakentajain Konevuokraamo Oyj's wholly-owned subsidiary.

BOARD AUTHORISATIONS
The Board has no valid authorisations to increase share capital, to issue option rights, or to issue convertible loans.

The Annual General Meeting of 2 April 2003 authorised the Board to buy back a maximum of 708,000 outstanding B Series shares, or 5 per cent of the Group's share capital, with distributable funds.

The Annual General Meeting of 2 April 2003 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.

Both authorisations will be valid for one year as of the date of the Annual General Meeting's decision and will replace the authorisation given by the Annual General Meeting of 4 April 2002. The authorisation to transfer treasury shares has not yet been exercised.

ANNUAL GENERAL MEETING OF 2 APRIL 2003
The Annual General Meeting made decisions on the following matters:
- Matters in accordance with Section 15 in the Articles of Association
- Bonus issue
- Board authorisation regarding share buyback and transfer

The notification of the decisions was given on 2 April 2003.

NOTIFICATIONS REGARDING CHAPTER 2, SECTION 9 AND 10 IN ACCORDANCE WITH THE SECURITIES MARKET ACT
During the report period no notifications occurred regarding chapter 2, section 9 and 10 in accordance with the Securities Market Act.

TABLES OF THE INTERIM REPORT

CONSOLIDATED PROFIT AND LOSS ACCOUNT
1 January - 30 June 2003 (EUR 1,000)

	1-6/03	1-6/02	Change %	1-12/02
Turnover	25,082	31,022	-19.1	61,036
Share of associated companies' profits	400	500	-20.0	998
Operating profit	4,151	7,223	-42.5	14,650
% of turnover	16.5	23.3		24.0
Profit before extraordinary items	3,895	6,920	-43.7	14,197
% of turnover	15.5	22.3		23.3
Profit after extraordinary items	3,895	6,920	-43.7	14,197
% of turnover	15.5	22.3		23.3
Profit for the period	2,672	4,760	-43.9	9,731

CONSOLIDATED BALANCE SHEET (EUR 1,000)

	30.6.03	30.6.02	Change %	31.12.02
ASSETS				
FIXED ASSETS				
Intangible assets	415	395		404
Group goodwill	12,143	13,199		12,670
Tangible assets	43,648	44,859	-2.7	44,885
Long-term investments				
Holdings in associated companies	5,103	4,530		4,703
Treasury shares	2,582	1,567		2,582
Other shares and holdings	210	213		209
TOTAL FIXED ASSETS	64,101	64,763	-1.0	65,457
INVENTORIES AND CURRENT ASSETS				
Inventories	4,270	4,791		2,366
Receivables	6,980	5,608		4,065
Cash and bank	204	479		634
TOTAL INVENTORIES AND CURRENT ASSETS	11,454	10,878	5.3	7,066
TOTAL ASSETS	75,555	75,641	-0.1	72,523
LIABILITIES AND SHAREHOLDERS' EQUITY				
SHAREHOLDERS' EQUITY				
Share capital	23,942	23,648	1.2	23,647
Share issue	18	0		314
Issue premium fund	36	16		16
Treasury shares	2,582	1,567		2,582
Other shareholders' equity	19,412	19,564	-0.8	23,518
TOTAL SHAREHOLDERS' EQUITY	45,990	44,795	2.7	50,080
LIABILITIES				
Deferred tax liability	3,958	3,358	17.9	3,877
Long-term liabilities	9,992	10,100	-1.1	6,815
Short-term liabilities	15,615	17,388	-10.2	11,750
TOTAL LIABILITIES	29,565	30,846	-4.2	22,443
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	75,555	75,641	-0.1	72,523

FUNDS STATEMENT (EUR 1,000)

	1-6/03	1-6/02	1-12/02
NET CASH FLOW FROM OPERATIONS	2,477	5,731	14,708
NET CASH FLOW FROM INVESTMENTS	-1,706	-3,008	-5,751
CASH FLOW FROM FINANCING			
Rights issue	18	0	314
Share buyback	0	0	-1,016
Dividends paid	-6,780	-6,147	-6,147
Change in long-term loans	3,177	-302	-3,587
Change in short-term loans	2,384	3,604	1,512
NET CASH FLOW FROM FINANCING	-1,201	-2,845	-8,924
CHANGE IN LIQUID ASSETS	-430	-122	33
LIQUID ASSETS AT PERIOD-START	634	601	601
LIQUID ASSETS AT PERIOD-END	204	479	634

CONTINGENT LIABILITIES (EUR 1,000)

	30.6.03	30.6.02	31.12.02
On own behalf			
Mortgages on real estates	5,662	5,662	5,662
Mortgages on companies	10,957	10,957	10,957
Pledges	16,181	15,444	14,208
Other contingent liabilities	12,597	11,944	12,111

The Group has no liabilities resulting from derivative contracts.

KEY FIGURES

Value of outstanding orders, EUR 1,000	13,492	15,519	-13.1	8,871

Gross capital expenditure, EUR 1,000	3,061	4,673	-34.5	8,065
% of turnover	12.2	15.1		13.2
Number of personnel	418	481	-13.1	483
Earnings/share, EUR	0.20	0.35	-43.5	0.72
Earnings/share, diluted EUR *)	0.19	0.33	-43.7	0.69
Shareholders' equity/share, EUR	3.20	3.16	1.3	3.53
Equity ratio, %	58.0	58.5	-0.9	68.4
Issue-adjusted average number of A series shares	1,728,000	1,728,000		1,728,000
Issue-adjusted average number of B series shares	12,438,918	12,332,418		12,332,418
Number of shares adjusted by the dilution effect of options	14,619,566	14,468,234		14,464,810

TURNOVER BY BUSINESS AREA (EUR 1,000)

	1-6/03	1-6/02	Change %	1-12/02
Rental of construction machinery and equipment	11,033	11,910	-7.4	25,721
Diamond cutting and drying services incl. equipment rental	3,144	3,351	-6.2	6,741
Sales and rental of movable buildings	11,009	16,506	-33.3	29,447
Sales within business areas	-104	-745		-874
TOTAL TURNOVER	25,082	31,022	-19.1	61,036

OPERATING PROFIT BY BUSINESS AREA (EUR 1,000)

Rental of construction machinery and equipment	1,642	2,243	-26.8	5,925
Diamond cutting and drying services	389	660	-41.1	1,517
Sales and rental of movable buildings	2,120	4,320	-50.9	7,208
TOTAL OPERATING PROFIT	4,151	7,223	-42.5	14,650

Resulting from the purchase of Tilamarkkina-Yhtiöt Oyj shares, the EUR 528,000 goodwill amortisation included in the first-half profit and loss account and the EUR 1,056,000 included in the profit and loss account for the financial year reduced the operating profit generated by the sales and rental of moveable building business.

QUARTERLY KEY FIGURES

	1-3/03	1-3/02	Change%	4-6/03	4-6/02	Change%
Turnover, EUR 1,000	12,174	15,412	-21.0	12,908	15,610	-17.3
Operating profit, EUR 1,000	1,522	2,992	-49.1	2,629	4,231	-37.9
% of turnover	12.5	19.4		20.4	27.1	
Profit before extraordinary items EUR 1,000	1,419	2,846	-50.1	2,476	4,074	-39.2
% of turnover	11.7	18.5		19.2	26.1	
Earnings/share, EUR	0.07	0.14		0.13	0.21	
Earnings/share, diluted EUR *)	0.07	0.14		0.12	0.19	

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

Taxes are based on the profit for the period.

The figures are unaudited.

The interim report for 1 January - 30 September 2003 will be released on 12 November 2003.

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