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REPORT ON FINANCIAL STATEMENTS FOR 2003

- Turnover, EUR 58.7 million (EUR 61.0 million)
- Profit before extraordinary items, EUR 9.8 million (EUR 14.2 million)
- Earnings per share, EUR 0.56 (EUR 0.69)
- Proposed dividend, EUR 0.50 per share (EUR 0.50 per share)

TURNOVER

Rakentajain Konevuokraamo Oyj's consolidated turnover decreased by 3.8 per cent, to EUR 58.7 million (EUR 61.0 million). Parent company turnover decreased by 5.3 per cent, to EUR 30.7 million, due to lower demand and prices for machinery and equipment rental services, and contracting services. Tilamarkkinat Oy, RK's subsidiary group, generated a turnover of EUR 26.3 million, down 10.6 per cent year on year, due to subdued industrial investment activity and lower-than-expected demand for school and daycare centre projects in municipalities.

Based on an agreement concluded on 23 October 2003, Suomen Projektivuokraus Oy, a former associated company, became a wholly owned subsidiary company of Rakentajain Konevuokraamo Oyj. The company's turnover of EUR 2.1 million for 1 November-31 December 2003 is included in consolidated turnover.

PROFIT

Profit after financial items before extraordinary items fell by 31.1 per cent over the previous year, to EUR 9.8 million (EUR 14.2 million), accounting for 16.7 per cent of consolidated turnover (23.3 per cent).

Profit before taxes came to EUR 9.8 million (EUR 14.2 million). Profit after taxes totalled EUR 8.0 million (EUR 9.7 million).

ORGANISATION AND GROUP STRUCTURE

The parent company's service network consists of 56 rental service offices, 46 of which are run by the company and 10 by dealers. These 46 service offices provide drying, diamond boring and cutting, and construction-site services in 25 localities on a nation-wide basis.

Tilamarkkinat Oy, wholly owned by Rakentajain Konevuokraamo Oyj, has three production plants, in addition to its corporate administration and related ancillary functions.

Based on an agreement concluded on 23 October 2003, the Group increased its holding in Suomen Projektivuokraus Oy to 100 per cent by buying shares in the remaining 60 per cent. With Suomen Projektivuokraus Oy's focus on long-term rentals, this acquisition will reinforce the Group's machinery and equipment rental business. The acquiree has five rental service offices in the Helsinki Metropolitan Area and subsidiary offices in St. Petersburg and Tallinn.

2 (9)

CAPITAL EXPENDITURE AND FINANCING

The Group's capital expenditure totalled EUR 16.6 million (EUR 8.1 million), accounting for 28.2 per cent (13.2 per cent) of consolidated turnover, allocated mainly to rental equipment purchases, including the purchase of Suomen Projektivuokraus Oy shares.

The Group entered EUR 2.3 million (EUR 2.0 million) as expenses related to rental equipment maintenance purchases.

Loans from financial institutions increased by EUR 8.2 million, to EUR 21.8 million at the end of the financial year 2003.

FUTURE PROSPECTS

With higher confidence in an economic recovery during the current

year, economic growth is expected to increase steadily during 2004, reaching its peak next year.

Spurred by growth in civil engineering, renovation and housing projects, total construction volume is expected to take off, albeit at a slow pace, which will also have a favourable impact on demand for machinery and equipment rental services.

Demand for moveable buildings, particularly in the municipal sector, is expected to pick up during the current year, despite the fact that municipalities are still conducting rigorous budget policies. The completion of such projects is scheduled for the third quarter.

Due to major industrial and construction projects to be implemented in Finland during the next few years, demand will grow for machinery and equipment rental services, and site hut rental services - sectors through which Suomen Projektivuokraus Oy reinforces the Group's business.

We expect consolidated turnover to grow slightly in 2004. Adjusting costs to market conditions will continue, according to the practice adopted earlier.

With our long-term goals remaining unchanged, our growth forecast is based not only on economic growth but also the expected increase in the rental business in our key business sectors, and potential company acquisitions.

Furthermore, maintaining a healthy profitability is still a factor that steers us towards growth.

#### EARNINGS PER SHARE AND BOARD PROPOSAL FOR DIVIDEND PAYMENT

Earnings per share were EUR 0.56 (EUR 0.69). The Board proposes to the Annual General Meeting of 2 April 2004 that a dividend of EUR 0.50 per share will be distributed to shareholders, exclusive of own shares (treasury shares) held by the Group. The proposed dividend for all the shares, including treasury shares, would account for 75.4 per cent (49.9 per cent) of profit before extraordinary items and 92.0 per cent (72.8 per cent) of profit after extraordinary items and taxes.

3 (9)

#### 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, for EUR 2.95 per share. The Board approved the subscriptions on 7 January 2003, and the increase of share capital was registered with the Trade Register on 24 January 2003. 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 recorded issue premium came to 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 share, 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 from 1 January until 18 September 2003 totalled 176,100, with the subscription price of EUR 2.45 per share. The increase of share capital was registered with the Trade Register on 3 October 2003, and the trading of the new B Series shares

began on the Helsinki Exchanges on 6 October 2003. The increase of share capital amounts to EUR 297,609.00, increasing the company's share capital to EUR 24,239,700.42. The recorded issue premium came to EUR 133,836.00.

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 from 19 September until 7 November 2003 totalled 217,500, at the subscription price of EUR 2.45 per share. The increase of share capital was registered with the Trade Register on 21 November 2003, and the trading of the new B Series shares began on the Helsinki Exchanges on 24 November 2003. The increase of share capital amounts to EUR 367,575.00, raising the company's entire share capital to EUR 24,607,275.42. The recorded issue premium came to EUR 165,300.00.

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 from 8 November until 31 December 2003 totalled 203,100, at the subscription price of EUR 2.45 per share. The Board approved the subscriptions on 7 January 2004. The increase of share capital was registered with the Trade Register on 19 January 2004, and the trading of the new B Series shares began on the Helsinki Exchanges on 20 January 2004. The increase of share capital was EUR 343,239.00, i.e. the share capital totalled EUR 24,950,514.42. The recorded issue premium came to EUR 154,356.00.

4 (9)

#### TREASURY SHARES

The company's Board has not exercised its authorisation given by the Annual General Meeting of 2 April 2003 to buy back own B series 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 for 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 for 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 4.16 per cent of share capital on 31 December 2003, 4.72 per cent of the combined voting rights entitled by the B Series shares and 1.28 per cent of the combined voting rights entitled by all shares.

The Board has not exercised its authorisation to dispose of own 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, 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 9,300, 106,500 and 596,700 B Series shares were subscribed in 2001, 2002 and 2003, respectively, totalling 712,500 shares.

If the Annual General Meeting of 2 April 2004 approves the Board's proposal for dividend distribution, the share subscription price will fall from EUR 2.45 to EUR 1.95.

#### 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 until 31 March 2007 and the remaining 335,000 from 1 May 2006 until 31 March 2007. If the Annual General Meeting of 2 April 2004 approves the Board's proposal for dividend distribution, the share subscription price will fall from EUR 4.77 to EUR 4.27.

5 (9)

#### BOARD AUTHORISATIONS

The Board has no valid authorisations to increase share capital, to issue stock options, or to take out convertible bonds.

The Annual General Meeting of 4 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, using distributable funds.

The Annual General Meeting of 4 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 Board has not yet exercised its authorisation to dispose of own shares (treasury shares).

#### ADOPTION OF IFRS

The company will disclose its first IFRS-compliant financial statements for 2005. It is currently making preparations for the adoption of IFRS and analysing its effects on accounting principles in general. As soon as the company can determine such changes with sufficient certainty, it will provide information on the effects of the new standards.

6 (9)

#### TABLES

##### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR 2003 (EUR 1,000)

	1-12/03	1-12/02	Change %
Turnover	58,729	61,036	-3.8
Share of associated companies' profits	775	998	-22.4
Other operating income	326	616	-47.0
Operating profit	10,100	14,650	-31.1
Profit before extraordinary items	9,788	14,197	-31.1
Profit before taxes	9,788	14,197	-31.1
Profit for the period	8,021	9,731	-17.6

##### CONSOLIDATED BALANCE SHEET (EUR 1,000)

	31.12.03	31.12.02	Change %
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Intangible assets	416	404	3.0
Group goodwill	11,614	12,670	-8.3

Tangible assets	59,151	44,885	31.8
Long-term investments			
Holdings in associated companies	0	4,703	-100.0
Treasury shares	2,582	2,582	0.0
Other long-term investments	210	209	0.5
TOTAL FIXED ASSETS	73,976	65,457	13.0
INVENTORIES AND CURRENT ASSETS			
Inventories	3,656	2,366	54.5
Receivables	7,208	4,065	77.3
Cash and bank	1,372	634	116.4
TOTAL INVENTORIES AND CURRENT ASSETS	12,237	7,066	73.2
TOTAL ASSETS	86,213	72,523	18.9
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	24,607	23,647	4.1
Share issue	497	314	58.4
Treasury shares	2,582	2,582	0.0
Other shareholders' equity	25,111	23,535	6.7
TOTAL SHAREHOLDERS' EQUITY	52,798	50,080	5.4
LIABILITIES			
Deferred tax liability	2,867	3,877	-26.0
Long-term liabilities	12,713	6,815	86.5
Short-term liabilities	17,833	11,750	51.8
TOTAL LIABILITIES	33,415	22,443	48.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	86,213	72,523	18.9

7 (9)

FUNDS STATEMENT (EUR 1,000)

	1-12/03	1-12/02
NET CASH FLOW FROM OPERATIONS	13,017	14,708
NET CASH FLOW FROM INVESTMENTS	-15,025	-5,751
CASH FLOW FROM FINANCING		
Rights issue	+1,462	+314
Share buyback	0	-1,016
Dividends paid	-6,780	-6,147
Change in long-term loans	+5,898	-3,587
Change in short-term loans	+2,245	+1,512
Change in long-term receivables	-79	0
NET CASH FLOW FROM FINANCING	+2,746	-8,924
CHANGE IN LIQUID ASSETS	+738	+33
LIQUID ASSETS AT PERIOD-START	634	601
LIQUID ASSETS AT PERIOD-END	1,372	634

CONTINGENT LIABILITIES (EUR 1,000)	31.12.03	31.12.02
On own behalf		
Mortgages on real estates	5,662	5,662
Mortgages on companies	10,957	10,957
Pledges	23,993	14,208
Repurchase commitments	12,741	11,510
Contingent liabilities related to guarantee and service period	818	491
Leasing liabilities	58	110

The Group has no liabilities resulting from derivative contracts.

KEY FIGURES

	2003	2002
Turnover, EUR 1,000	58,729	61,036
Operating profit, EUR 1,000	10,100	14,650
% turnover	17.2	24.0
Profit before extraordinary items, EUR 1,000	9,788	14,197
% turnover	16.7	23.3

Profit before taxes, EUR 1,000	9,788	14,197
% turnover	16.7	23.3
Net interest-bearing liabilities, EUR 1,000	20,457	13,032
Return on equity, %	16.4	21.1
Return on investment, %	15.6	24.4
Equity ratio, %	61.3	68.4
Gross capital expenditure, EUR 1,000	16,586	8,065
% turnover	28,2	13.2
Value of outstanding orders, EUR 1,000	15,000	8,871
Number of personnel	447	483
Earnings per share, EUR	0.57	0.72
Earnings per share, diluted EUR x)	0.56	0.69

8 (9)

Shareholders' equity per share, EUR	3.60	3.53
Dividend per share, EUR	0.50 xx)	0.50
Dividend per earnings, %	87.7	69.4
Effective dividend yield, %	8.70	9.42
P/E ratio	10.09	7.38
Market capitalisation, EUR million	82.46	74.16
B series shares' performance:		
Lowest quotation, EUR	4.35	4.42
Highest quotation, EUR	5.90	5.70
Average price, EUR	5.02	5.02
Issue-adjusted average number of A series shares	1,728,000	1,728,000
Issue-adjusted average number of B series shares	12,832,518	12,332,418
Issue-adjusted average number of A series shares at year end	1,728,000	1,728,000
Issue-adjusted average number of B series shares at year end	12,832,518	12,332,418
Trading volume of B series shares	3,048,642	5,847,263
% of the number of shares	23.76	47.41

x) Adjusted by the dilution effect of shares entitled by warrants.

xx) Board proposal.

TURNOVER BY BUSINESS (EUR 1,000)

	1-12/03	1-12/02	Change %
Construction machinery and equipment rental	26,383	25,721	2.6
Diamond cutting and drying services, including equipment rental	6,428	6,741	-4.6
Sale and rental of moveable buildings	26,332	29,447	-10.6
Intra-Group turnover	-415	-874	
TURNOVER, TOTAL	58,729	61,036	-3.8

OPERATING PROFIT BY BUSINESS (EUR 1,000)

Construction machinery and equipment rental	5,886	6,923	-15.0
Diamond cutting and drying services	892	1,517	-41.2
Sale and rental of moveable buildings	3,322	6,210	-46.5
OPERATING PROFIT, TOTAL	10,100	14,650	-31.1

9 (9)

Group goodwill amortisation of EUR 1,056,000, resulting from the purchase of Tilamarkkinat-Yhtiöt Oyj shares, lowered operating profit generated by the moveable building sale and rental business.

QUARTERLY KEY FIGURES

	1-3/03	4-6/03	7-9/03	10-12/03	10-12/02	Change%
Turnover, EUR 1,000	12,174	12,908	15,450	18,197	12,811	42.0
Operating profit, EUR 1,000	1,522	2,629	3,983	1,966	2,117	-7.1
% of turnover	12.5	20.4	25.8	10.8	16.5	
Profit before extraordinary items EUR 1,000	1,419	2,476	4,012	1,881	2,122	-11.4
% of turnover	11.7	19.2	26.0	10.3	16.6	
Earnings/share, EUR	0.07	0.13	0.21	0.16	0.11	
Earnings/share, diluted EUR *)	0.07	0.12	0.21	0.16	0.10	

\* Adjusted by the dilution effect of shares entitled by warrants.

FINANCIAL INFORMATION SCHEDULE FOR 2004

Annual report	week 12/2004
Notice of Annual General Meeting	Kauppaliehti, 15 March 2004
Annual General Meeting	Friday, 2 April 2004
First-quarter Interim report	Friday, 7 May 2004
Half-year report	Tuesday, 10 August 2004
Nine-month Interim report	Wednesday, 10 November 2004

Data in this bulletin are based on unaudited figures.

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