ROLLING OUT THE CRAMO RENTAL CONCEPT

ANNUAL REPORT 2011

ADDITIONAL POWER TO YOUR BUSINESS

Never turn a project down because of a lack of equipment. Cramo will provide a back-up rental solution for you, whether you are in building construction, civil engineering, other industry, the public sector or a private household.

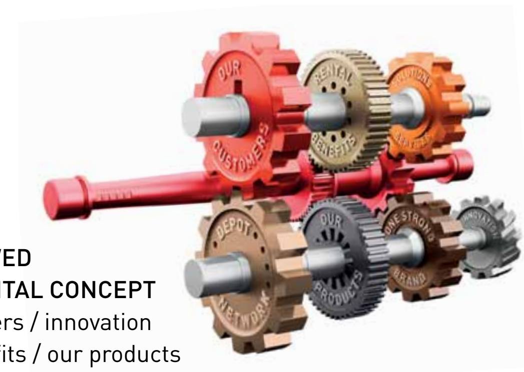
INNOVATIONS FOR YOUR BEST

We constantly develop our rental solutions so you can take a more competitive offer to your market.

Contents

EFFECTIVE RENTAL SOLUTIONS

Cramo provides modern equipment rental solutions through the Cramo Rental Concept as well as the rental and sale of modular space.



WHY RENT?

Equipment rental helps customers to focus on their core business, improve the quality of their fleet and reduce costs.

FOCUS ON YOUR CORE BUSINESS The supply of equipment may not be your core business, but for us it is. We can help your company focus on what you do best while we take care of machinery and equipment.

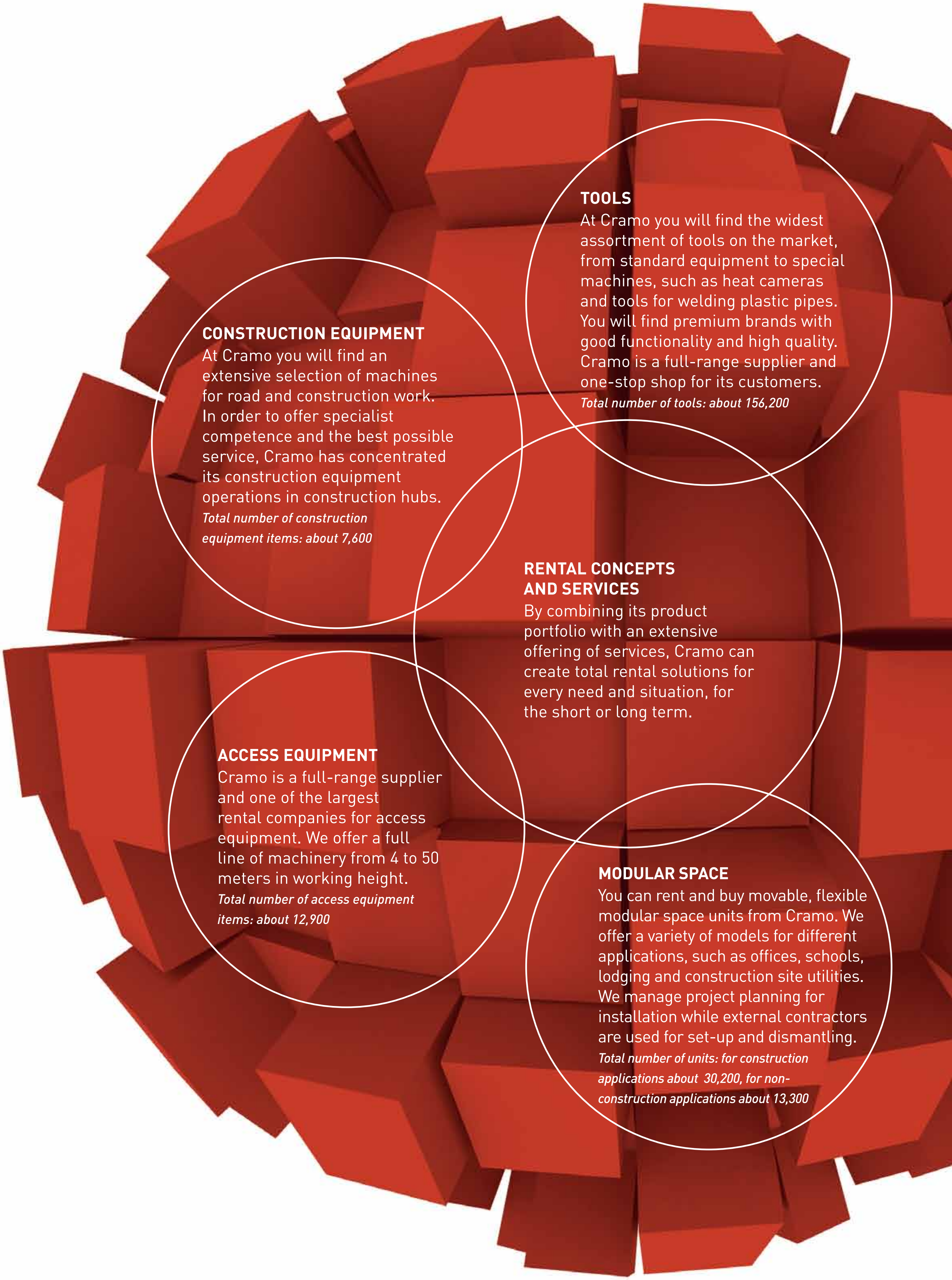
FLEXIBILITY A rental solution enables you to expand or reduce your equipment fleet depending on your situation.

IMPROVED ACCESS Rental gives you access to modern, high-quality equipment, wherever you need it.

COST EFFICIENCY Owning machinery with low utilisation is not smart. With a rental solution you can share the capital and maintenance costs with many other companies.

TRANSPARENCY By renting, you can clearly see the full costs of your equipment fleet. Budgeting and control are simpler than ever.

FREEDOM It is our job to stay informed about new developments, laws and regulations relating to equipment. Keep your freedom. Avoid investing in technologies that may soon become obsolete.



CONSTRUCTION EQUIPMENT
At Cramo you will find an extensive selection of machines for road and construction work. In order to offer specialist competence and the best possible service, Cramo has concentrated its construction equipment operations in construction hubs.
Total number of construction equipment items: about 7,600

TOOLS
At Cramo you will find the widest assortment of tools on the market, from standard equipment to special machines, such as heat cameras and tools for welding plastic pipes. You will find premium brands with good functionality and high quality. Cramo is a full-range supplier and one-stop shop for its customers.
Total number of tools: about 156,200

RENTAL CONCEPTS AND SERVICES
By combining its product portfolio with an extensive offering of services, Cramo can create total rental solutions for every need and situation, for the short or long term.

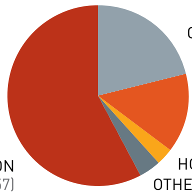
ACCESS EQUIPMENT
Cramo is a full-range supplier and one of the largest rental companies for access equipment. We offer a full line of machinery from 4 to 50 meters in working height.
Total number of access equipment items: about 12,900

MODULAR SPACE
You can rent and buy movable, flexible modular space units from Cramo. We offer a variety of models for different applications, such as offices, schools, lodging and construction site utilities. We manage project planning for installation while external contractors are used for set-up and dismantling.
Total number of units: for construction applications about 30,200, for non-construction applications about 13,300

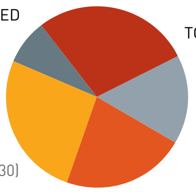
CRAMO – ONE OF THE LEADING EQUIPMENT RENTAL SERVICE PROVIDERS

Cramo is a service company specialising in equipment rental services, as well as the rental and sale of modular space. Its equipment rental services comprise construction machinery and equipment rental and rental-related services. These rental-related services include construction site and installation services. As one of the industry's leading service providers in the Nordic countries and Central and Eastern Europe, Cramo had 2,707 employees and a network of 409 depots in 15 countries in 2011. The company reported consolidated sales of EUR 679.9 million.

GROUP SALES BY CUSTOMER SEGMENT 2011 (2010)
% OF TOTAL SALES

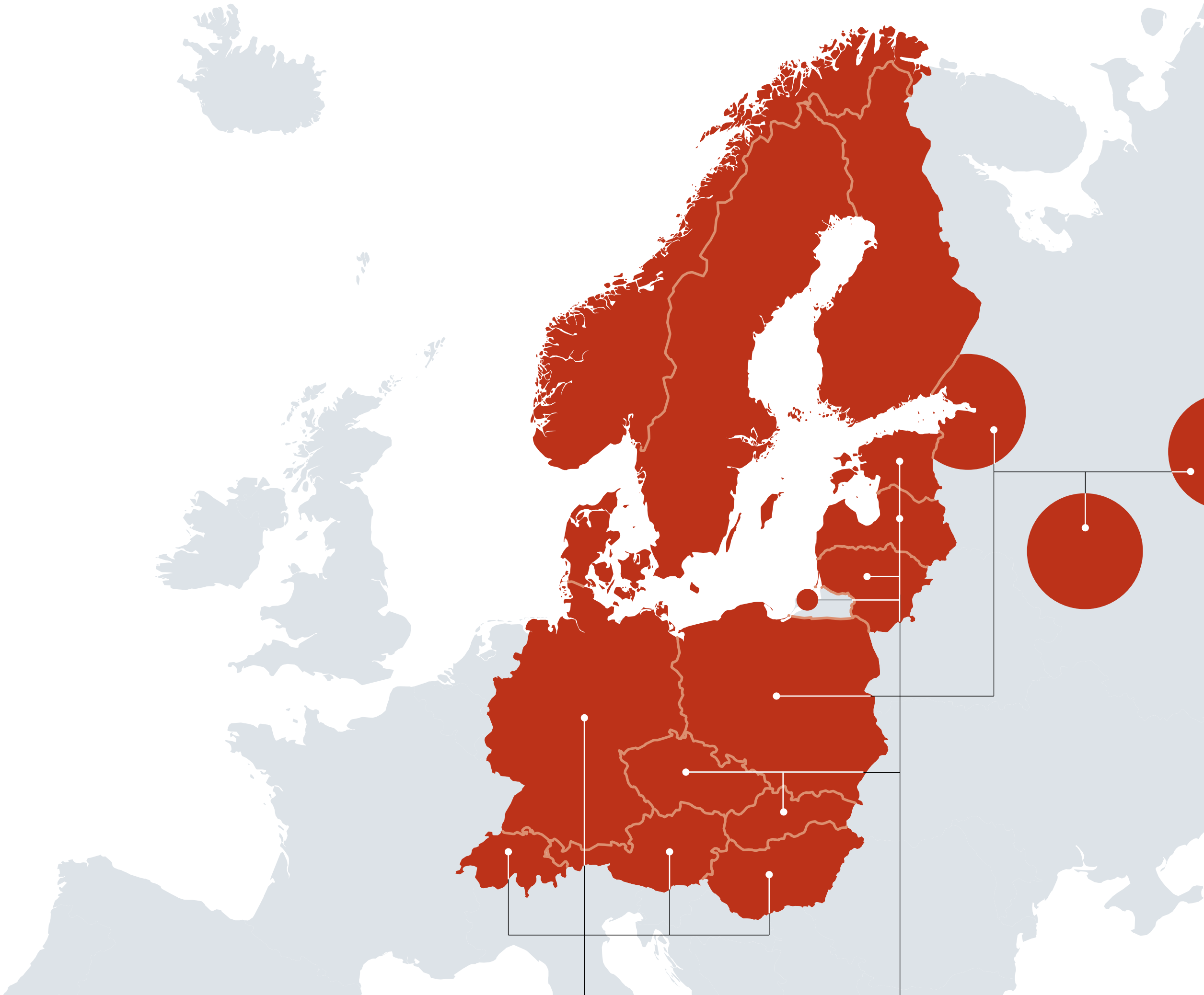


GROUP SALES BY PRODUCT GROUP 2011 (2010)
% OF TOTAL SALES



BUSINESS SEGMENTS IN 2011

	FINLAND	SWEDEN
SERVICE NETWORK	55 depots Hub structure in place	128 depots Hub structure in place
RENTAL MARKET SIZE, MEUR [1]	395 1,300	767
CONSTRUCTION GROWTH FORECAST 2012 [2]	Decline of 2.2% as a result of a slowdown in new residential construction	Growth of 2.4% with a decline in residential construction offset by growth in other subsectors
MARKET POSITION ESTIMATE	Strong #2 in equipment rental, #1 in modular space	Strong #1 both in equipment rental and modular space
SHARE OF GROUP SALES	18.5%	44.9%
COMPETITIVE LANDSCAPE	Two strong players with a number of local and specialist competitors. Modular space product area dominated by a few strong players.	Two strong players with a number of local and specialist competitors. Modular space product area dominated by a few strong players.
SHARE OF GROUP EMPLOYEES (FTE)	24.3%	28.3%

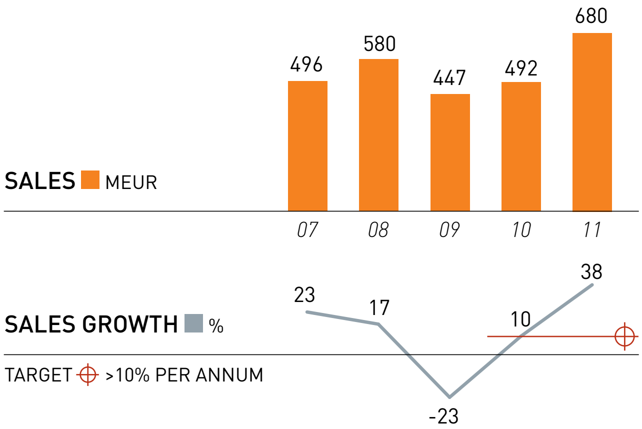


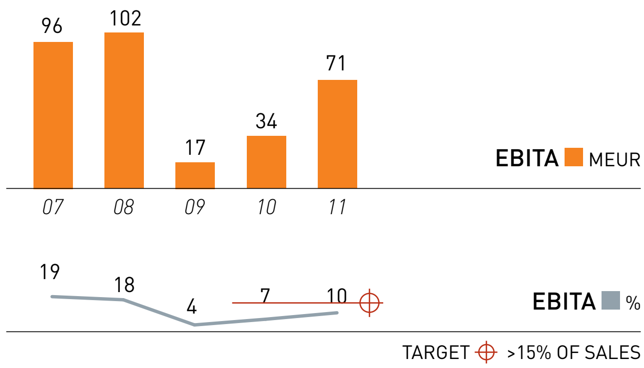
NORWAY	DENMARK	CENTRAL EUROPE[3]	EASTERN EUROPE[4]
34 depots	20 depots	96 depots	76 depots
Hub structure in place	Hub structure in place	Hub structure under construction	Hub structure nearly complete
348	Approx. 3,800		Approx. 1,200
Growth of 6.3% with an upswing in residential construction and civil engineering	Growth of 3.7% due to a continued growth of new residential construction and an upswing in civil engineering	Growth of 1.8% in Germany, 0.7% in Austria, 3.2% in Switzerland, and a decline of 2.3% in Hungary	Growth of 8% in Estonia, 3–4% in Russia, Poland and Slovakia, decline of 4% in Latvia, Lithuania and the Czech Republic
#2 in overall rental, #1 in access equipment	#2 in equipment rental, #1 in modular space	#3 in Germany, #1 in Austria, n/a in Switzerland and Hungary	#1 in Estonia, Latvia and Lithuania, #2 in Russia and Poland. In the Czech Republic and in Slovakia #1 in access equipment and #3 in overall rental.
11.5%	5.1%	10.3%	9.7%
Three strong players with a number of local competitors. A few players in the modular space product area.	Fragmented markets under consolidation. A few small players in the modular space product area.	Fragmented markets under consolidation: three stronger players in Germany with a number of local and specialist competitors. Markets in early phase in the non-construction modular space.	Mainly smaller national and local players with a few Western European competitors. Markets in early phase in the modular space product area.
8.1%	4.8%	10.1%	21.9%

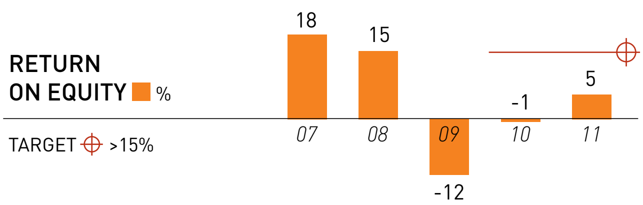
1) Estimate for 2011: Finland, Sweden, Norway and Denmark: ERA European Rental Industry 2011 Report, Autumn 2011, Central and Eastern Europe: ERA, Cramo management estimate.
2) Forecast for 2012: Euroconstruct, Country report, November 2011; the Baltic countries and Russia VTT December 2011.
3) From February 2011 onwards. The segment was created as a result of acquisition of Theisen Group.
4) Until 31 December 2010, the name of the segment was Central and Eastern Europe.

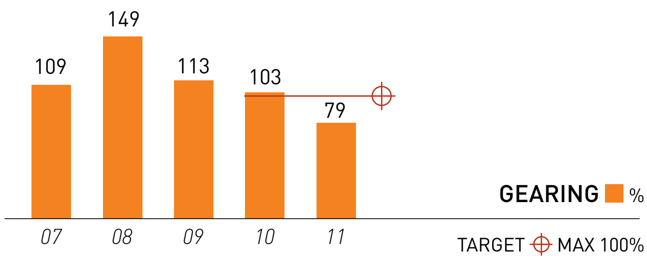
SALES AND PROFITS UP

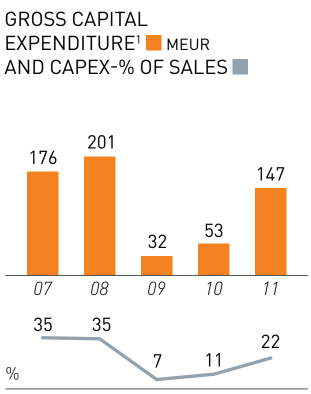
The Group's sales grew strongly at 38.2% and gearing decreased to 78.7% in 2011, both meeting well the Group's financial target levels. There was also a clear improvement in the Group's EBITA margin and return on equity in 2011, although annual financial target levels were not yet reached.



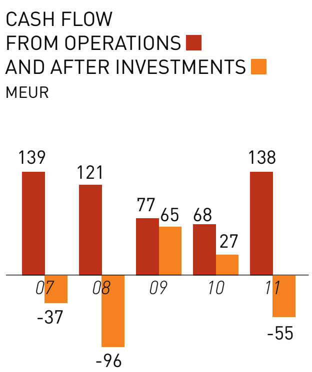


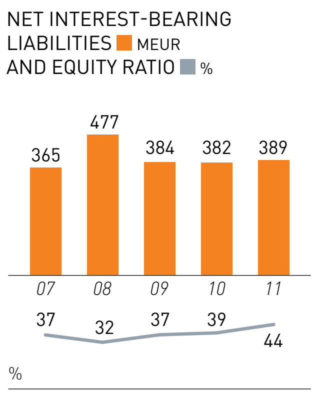


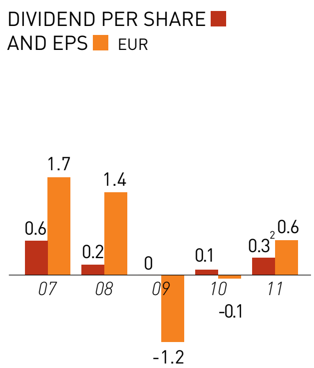




1) EXCLUDING BUSINESS COMBINATIONS







2) BOARD PROPOSAL (DIVIDEND)

KEY FIGURES AND RATIOS	2011	2010	CHANGE, %
Income statement			
Sales, MEUR	**679.9**	492.1	38.2
EBITA, MEUR	**71.1**	34.5	106.1
EBITA-%	**10.5**	7.0	
Operating profit/loss (EBIT), MEUR	**54.3**	27.4	98.3
Profit/loss before tax (EBT), MEUR	**32.2**	4.8	
Profit/loss for the period, MEUR	**23.5**	-2.2	
Balance sheet			
Gearing, %	**78.7**	103.4	
Equity ratio, %	**44.4**	38.7	
Net interest-bearing liabilities, MEUR	**389.4**	382.0	1.9
Total assets, MEUR	**1,126.8**	965.7	16.7
Shareholders' equity, MEUR	**445.2**	319.3	39.4
Share related and other information			
Average personnel (FTE)	**2,580**	2,083	23.9
Number of depots	**409**	288	42.0
Return on equity, %	**5.4**	-0.6	
Return on investment, %	**6.6**	3.7	
Gross capital expenditure, MEUR	**262.5**	86.2	204.5
of which business combinations, MEUR	**115.4**	32.7	252.8
Cash flow from operations, MEUR	**138.5**	68.3	102.7
Earnings per share (EPS) undiluted, EUR	**0.60**	-0.06	
Earnings per share (EPS) diluted, EUR	**0.60**	-0.06	
Dividend per share, EUR	**0.30**[1]	0.09[2]	232.2
Equity per share, EUR	**10.83**	9.50	13.9
Market capitalisation, MEUR	**327.8**	585.0	-44.0

More on key figures and rations on page 62 and calculations on page 99.

1) Board proposal

2) Adjusted retrospectively for the bonus element of the rights issue completed in April 2011, see note 1

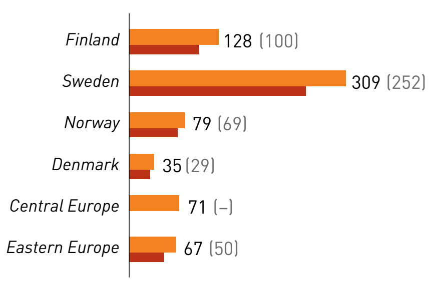
The Group's EBITA at EUR 71.1 million was more than double compared to that of 2010. As a result of favourable business development in all markets, the EBITA margin was 14.5% in the second half of the year.

The Group's sales grew significantly both organically and as a consequence of acquisitions. Growth was achieved in all markets, in Eastern Europe and Finland in particular. Cash flow from operations was strong and the Group's gearing continued to decrease in 2011.

Return on equity turned positive.

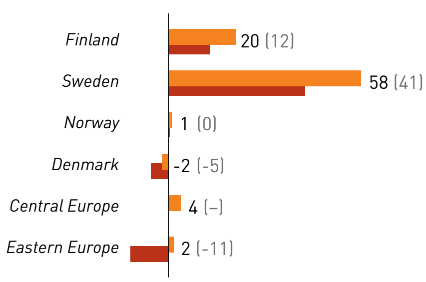
SALES BY SEGMENT 2011 (2010)

MEUR

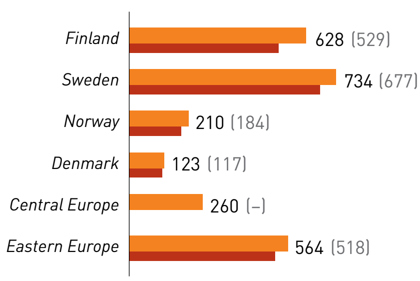


EBITA BY SEGMENT 2011 (2010)

MEUR



AVERAGE NUMBER OF EMPLOYEES BY SEGMENT (FTE) 2011 (2010)



AGILITY CREATES RESULTS AT CRAMO

Cramo responded quickly to the changing market situation in 2011. After a period of strong growth, the short-term focus shifted to profitability and cash flow. Sales and our EBITA increased well, while the balance sheet strengthened.

Could you explain what renewing the Cramo Rental Concept means?

Due to a Group-wide joint effort, we have revised our business model for general equipment rental, that is to say, what our product and service portfolio is, who our customers are, and how we do business with them.

The renewed Rental Concept, a proactive sales-oriented customer approach together with common resources and routines, enables us to serve our customers better with a wider product range and more efficiently. It provides us with a harmonised way to develop business in all markets, and thus brings economies of scale. The gradual implementation of the renewed concept has now started and, over time, we will provide our customers with uniform services and a uniform product offering in every market where we operate.

Could you outline the progress made in implementing the strategy?

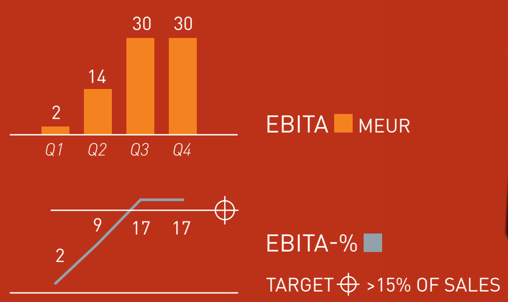
The implementation of our strategy in all the other identified targets has also progressed well. For example, harmonisation of the systems and processes enabling efficient operation has resulted in the launch of the unified rental platform, developed in Sweden, in Finland in 2011, and later to other Cramo countries. Utilisation of harmonised pricing and fleet management processes is reflected in increased equipment transfer and improved time utilisation rates in many countries. On the other hand, the acquisition of Theisen in Germany is a good example of the execution of our "win next markets" strategy, while acquisitions in Norway and Sweden clearly demonstrate our "Best in town" approach.

Could you talk about the economy. How has it affected Cramo's business planning?

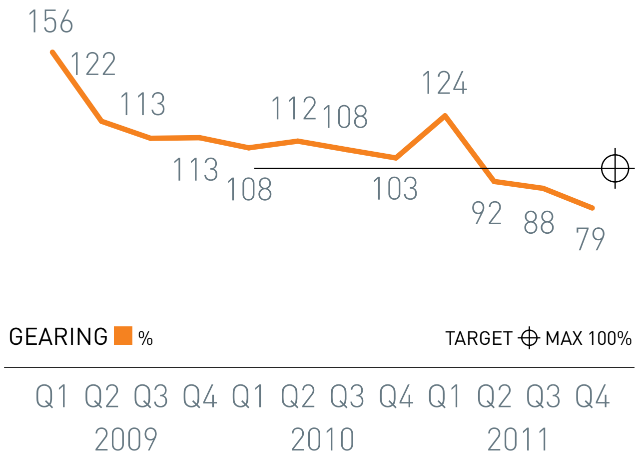
The year started with a positive market outlook, and recovery got underway in many European countries. We initiated vigorous implementation of our growth strategy, as the acquisitions made in the first half of the year demonstrate.

While the economic uncertainty increased during the summer, we quickly shifted short-term focus from growth to optimising our profitability and ensuring

EBITA improvement accelerated. Due to favourable business development in all markets, EBITA developed positively especially in the second half of 2011.



In spring 2011, based on the authorisation given by the Annual General Meeting, a rights offering of EUR 100 million was carried out to support the growth strategy and strengthen the balance sheet. Gearing decreased further in the second half of 2011 due to improving profitability and positive cash flow.



1. PROFITABLE GROWTH
2. STRONGER BALANCE SHEET
3. INCREASED FLEXIBILITY

a positive cash flow in all our business operations. We cut investments from the planned level, increased the efficiency of fleet optimisation, particularly between our markets. In addition, we boosted operational efficiency by cost cutting means. At the same time, all our contingency plans were updated.

What is your assessment of the financial performance during 2011?

We succeeded well in a changing market situation. Lessons learnt from the previous downturn paid off. The Group sales grew significantly both organically and due to acquisitions in 2011. At the same time, we succeeded in more than doubling EBITA compared to 2010, and in decreasing the Group's gearing under the target level.

I am delighted to report a positive result in all our business areas in the second half of the year, and strong sales and profit improvement in Eastern Europe, in particular. I am also pleased with the continued positive development of our Central European segment, which was formed in connection with the acquisition of Theisen Group.

What starting point does this fiscal year provide for 2012?

So far, no material changes have been seen in our major market areas – Finland, Sweden, Norway and Germany. However, as there are uncertainties related to business development in the second half of 2012, we take a cautious stand.

We have been able to achieve stronger organic growth compared to our competitors in the past few years. In addition, markets that are new to the Group, such as Germany, will balance country-specific risks. The expansion of the modular space product area over the past few years and outsourcing agreements have improved the stability of Cramo's business. At the same time, we have improved the flexibility of our business by increasing the number of entrepreneur-managed depots and the use of temporary staff. The flexibilities related to fleet financing have also been increased, and processes related to fleet optimisation have been improved.

I believe that we have a solid foundation for generating value, even in a less favourable business environment.

What is your message to Cramo's employees?

As our employees' contributions continue to lie at the heart of our success, I would like to thank you for your on-going commitment and preparedness in 2011. Stay prepared! In times of economic uncertainty, the importance of staying on our toes, open minds and acting fast are even more crucial for success.

We are very focused on taking care of you as well as our customers, the environment and the communities in which we operate. Our support of the UN Global Compact is realised through our Cramo Care programme.

What is the most important thing shareholders and investors should know about Cramo?

I am confident that the Cramo team is stronger than ever. Our systematic work during recent years has borne fruit. Our market position is solid and our balance sheet is stronger. We have succeeded in restoring our profitability to a good level. Our efficiency has improved while the Group's gearing has decreased. As a company, we are faster and more flexible than ever. At the same time, there are no changes in long-term business fundamentals – great growth potential in rental penetration in many countries remains.

I thank you, our shareholders and investors, for the trust you place in our company. We do not take success for granted; but we are as determined as ever to continue our success.

Sincerely,

Vesa Koivula
President and CEO

DEAR SHAREHOLDER,

The year 2011 was not as smooth sailing as we expected at the beginning of the year.

I do not intend to repeat here all the macroeconomic developments that shook Europe during the year, with Greece, Italy, Spain, Portugal…

From a shareholder's perspective, 2011 was not a good year. Starting the year at EUR 16.78, our share price at year end stood at EUR 7.81.

From an operative perspective, however, the year was a good one. Profit at the EBITA level doubled, total sales grew 38.2%. A considerable part of that growth came through acquisitions, but organic growth was equally strong, at over 20%.

Our balance sheet improved during the year through the successful rights issue in April, providing EUR 97.4 million in fresh equity. As stated at the issue, the funds were not used to fill voids caused by losses during recessionary times, but to fund forward-looking growth investments.

Our cash flow from operations also improved through the year, and at year end our gearing ratio reached a healthy 78.7 %.

The Board proposes an increased dividend payment.

Group activities during the year concentrated on two main themes. On one hand, to successfully integrate our forward-looking investments, i.e. acquisitions, in Germany, Sweden and Norway, and, on the other hand, to continue implementing and fine tuning the Group´s strategic initiatives.

On acquisitions, I am happy to report the successful integration of Theisen, our big jump into the German market. In contrast to so many other acquisitions, Theisen has yielded a positive net cash return during its first year in the Group.

From a strategic point of view, going into Germany has proven to be a wise decision. The German economy is robust. After years of low investment levels, the German economy is now fuelled by increasing domestic investments. Our two other main markets, Sweden and Finland, are also top performers within Europe.

The German acquisition is fully in line with our strategic direction: we want to develop a strong domestic Nordic base, and to use this platform to develop business in promising new economies. With Theisen, our European base now possesses the critical mass we need to advance our future Central European penetration.

The other major strategic theme is related to an internal development. With our background of bringing together a series of small, local rental businesses, there is a strong entrepreneurial tradition in the Group, a tradition according to which every depot will have to live on its own fleet.

However, we realised early the benefit of integrating fleet management, nationally and internationally. Joint management naturally renders better utilisation rates and improved financials. The challenge then is to combine entrepreneurial drive with group-wide optimisation of financial resources. Results during 2011 provide evidence that we are making good progress.

As I already noted, 2011 was not a good year for shareholders. The bad performance of our share is not, as we have seen, a consequence of the Group's performance.

The uncertain economic future of Europe has not provided any basis to hope for the better. However, after bottoming at EUR 5.68 per share on 4 October 2011, our share price has appreciated steadily to over EUR 11 at the end of January 2012.

Cramo meets the future in a complex environment. Lenders are told to improve their tier one capitalisation. This can be done only by investors increasing investments in lenders' equity – which seems unlikely with today's return perspectives – or by limiting risk by reducing lending.

It is evident that credit availability will have deep effects on how our customers, the construction industry may expand their business. However, governments have shown themselves to be willing to support infrastructure investments during recent recessionary times.

On the other hand, low availability of capital may also boost construction companies' appetite for renting instead of owning.

Cramo meets the future with confidence. Our home base now includes Sweden, Finland and Germany, three of the strongest economies in Europe. Operationally our business model continues to prove itself. Financially our room for manoeuvre has increased considerably.

We are fully aware of the fact that we still have to improve our financial performance in order to meet our own goals. We are fully aware of the perils of the future, and we stand prepared.

I thank all our old shareholders for their loyalty, and I welcome all new shareholders to a future of growth and profits.

Helsinki, 5 February 2012

Stig Gustavson

STRATEGY FOR 2010–2013

Cramo's ambition is to become the role model in rental by rolling out the Cramo Concept with Cramo Processes and Cramo People. For the strategy period 2010–2013, five strategic priorities, must-win battles, have been identified to give Cramo the competitive edge.

Vision

The role model in rental

Targets

STRATEGIC

Customer's first choice
"Best in town": #1 or possibility to become #1
Grow profitably faster than the market
Driver of rental development

FINANCIAL	2011	TARGET
Sales growth, %	38.2	> 10% per annum
EBITA margin, %	10.5	> 15% of sales
Return on equity, %	5.4	> 15%
Gearing, %	78.7	max 100%
Profit distribution policy	over 1/3	about 1/3 of the Group's annual profit

Must-win battles

1. Renew Cramo Concept
2. Implement Cramo Processes
3. Develop Cramo People
4. Be "Best in town", win next markets
5. Drive Modular Space Growth

Mission

Building flexibility and efficiency through rental solutions

Values

Credibility, Creativity, Commitment

The renewal of the Cramo Rental Concept with supporting tools for training and follow-up was finalised in 2011, and roll-out to all operating countries began.

Renew Cramo Concept

1

Cramo Rental Concept is a common business model for the Group which defines products, solutions, services, customer segments and operating model. By developing a proactive sales-oriented customer approach with common resources and routines between markets, Cramo creates economies of scale and scope, increasing its market share and operational efficiency.

TARGETS FOR 2010–2013

- Critical review and redefinition of Cramo Concept
- Roll out the renewed Cramo Concept to all operating countries

ACHIEVED IN 2011

- Cramo Rental Concept renewed in accordance with the Group strategy
- Group-wide concept training with sales and training material developed
- Follow-up system with scorecard for prioritising and monitoring progress defined
- Implementation of the new Cramo Rental Concept started in all operating countries

PRIORITIES FOR 2012–2013

- Implementation of Cramo Rental Concept continues in all operating countries, including training of personnel to ensure common understanding
- Continuous further development of new offerings to Cramo Concept

OUR CUSTOMERS

Cramo acts as a total rental solution provider to the construction industry – both building and civil engineering. A wide range of products is also offered to customers in other industries, the public sector and private customers.

RENEWAL

- *Uniform customer segmentation model divided into value and business segments*
- *Identification of Group key accounts*
- *IT tool requirements for customer segmentation*

SOLUTIONS AND SERVICES

Cramo specialises in equipment rental services and the rental and sale of modular space. Its equipment rental services comprise construction machinery and equipment rentals and rental-related services. These rental-related services include construction site and installation services.

RENEWAL

- *Common Group services, solutions, rental options and customer support elements defined*

TRAINING FOR THE RENEWED CRAMO RENTAL CONCEPT STARTED

At the end of November, all Cramo employees and agents in Lithuania, Latvia and Kaliningrad got familiar with the different parts of the Renewed Cramo Rental Concept in three intensive one-day training sessions.

– The training was very useful in order to get a common view and understanding of the renewed Rental Concept – where to go, how to grow and what services to offer. It shows how we can provide our customers further value through new services, solutions and training, while we have opportunities to develop ourselves and have input in the development of the company, says **Mrs Liene Pakalne**, Depot Manager in Riga.

– The training succeeded well as our local managers took care of it in pairs. It was good to see that we had lively discussions not only on how to bring further value to our customers by harmonising our way to work, but also how to do profitable business in the long run, says **Mr Richard Batarags**, Head of Sales in Latvia and Lithuania, and one of the fourteen trainers.

– All our trainers will now promote the new concept daily at work, and they are also responsible for a certain step in the further implementation. For instance, I'm looking at how the Cramo Flexi will be introduced into the markets here. We will have an e-learning training in local languages in spring 2012 to ensure deeper understanding of the concept.

RENTAL BENEFITS

Cramo is a leader in delivering and demonstrating customer value.

RENEWAL

- *Uniform pricing system for products and services*
- *Pricing tool for product pricing and profitability*

DEPOT NETWORK

Cramo has a distribution network that meets different customer demands for service and equipment availability. With its wide network of interconnected depots, Cramo combines the strengths of a local company with the resources of an international company. The key to success is excellent teamwork through efficient logistics.

RENEWAL

- *Best practice for the depot network structure including hubs*
- *Differentiation between different types of depots and equipment availability strengthened*

OUR PRODUCTS

Cramo provides total rental solutions from start to finish. The rental fleet is divided into four product areas: tools, construction equipment, access equipment and modular space. Cramo offers a full range of machinery and equipment needed in the construction industry. For other customer segments, a full range may be obtained by complementing the range of products that Cramo offers with the offerings of selected strategic partners.

RENEWAL

- *Detailed lists of products suitable for centralised hubs and different depots*
- *Guideline for optimal product mix for all operating countries*
- *Guideline for introducing new products into markets*
- *Product assessment model to introduce new products*

ONE STRONG BRAND

Cramo has one common way to act and look, one brand, for every stakeholder group in every market, and works systematically to develop further the strength of the Cramo brand.

RENEWAL

- *Validation of the adherence to existing identity and communication guidelines and policies*
- *Clarification and updates*

INNOVATION

To meet the challenges set by rapidly changing rental markets, Cramo has a structured way of working with continuous development.

RENEWAL

- *Proposal for a harmonised innovation process on the operating country level*
- *15 ways to create a sustainable culture of innovation*

Development and implementation of uniform rental platform and harmonised key processes proceeded well in 2011, and will continue in 2012.

Cramo creates operational excellence and the possibility to achieve cost leadership through a harmonised rental platform and harmonised business processes. The business processes covered are: basic equipment rental operations, fleet management, modular rental operations, finance processes, offering and product development, depot start-ups, training and quality assurance, sustainability as well as marketing, branding and communications.

Implement Cramo Processes

2

TARGETS FOR 2010–2013

Implement unified Cramo Processes throughout the Group:

- Roll out a consistent rental platform and harmonised key business processes
- Develop uniform quality, safety and environmental processes and standards (QSE)
- Roll out unified tools for business control and fleet management

ACHIEVED IN 2011

- The new rental platform implemented in Finland – the enterprise resource planning system (ERP) was first launched in Sweden in 2010
- Further development of the rental platform – for example, long-term rental business processes functionality within modular space (to be launched in February 2012)
- Further development and fine-tuning of tools within business control, pricing and fleet management – major improvements in Cramo Business Intelligence toolbox
- A new reporting system for steering depot operations implemented in all countries
- Implementation of quality, safety and environmental activities – identified in the QSE Action list in 2010, initiated

PRIORITIES FOR 2012–2013

- Implement the harmonised rental platform (business processes and ERP system) in all Nordic markets and Central Europe
- Initiate development of a new Speed Rental concept for enhancing customer's rental process
- Continue implementation of quality, safety and environmental activities in all Cramo countries
- Roll out of ISO certification outside the Nordic countries
- Extend certification from environmental (ISO 14001) quality management (ISO 9001) to work environmental and safety certification (QHSAS 18001)

UNIFORM RENTAL PLATFORM BRINGS BETTER ACCESSIBILITY

– With the new rental platform we have got more efficient tools for fleet management resulting in increased versatility and customer friendliness. We can provide our customers with quicker information on the available fleet, and have more time for customer service as manual work decreases, says **Mr Sami Tarhi**, Depot Manager at Cramo Finland, speaking about consistent rental platform (ERP) implementation in Finland in 2011.

– The implementation of the ERP has been a success, says **Mrs Petra Munnukka**, Project Manager, responsible for implementation in Finland.

– Our employees have been strongly committed to deploying the new ERP, and our trainers have ensured that there is enough knowledge to use the system at depots. Working with Sweden and Cramo IT continues, and rental business processes functionality within modular space will be added to the system by spring 2012.

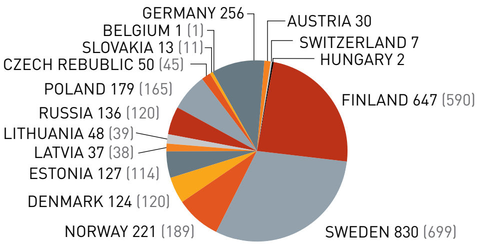
– The common rental platform requires harmonised processes and uniform ways of working in fleet management. Transparency in the fleet is reflected in better accessibility and quality of equipment. At the same time, we can offer more alternatives for invoicing and improved reporting. Our fleet efficiency will be increased through fleet transfers and increased optimisation, adds **Mr Tatu Hauhio**, Senior Vice President and Managing Director of Cramo Finland.

Develop Cramo People

3

Core concepts and models with supporting tools and templates were finalised in all focus areas, and their implementation in the operating countries was initiated.

EMPLOYEES BY COUNTRY 31 DECEMBER 2011 (2010)



KEY FIGURES	2011	2010	Change, %
Average number of employees (FTE)	**2,580**	2,083	23.9
Number of employees at end of period (FTE)	**2,707**	2,131	27.0
Total number of employees	**2,809**	2,205	27.4
permanently employed	**2,630**	2,080	26.4
temporarily employed	**179**	125	43.2
women	**381**	270	41.1
men	**2,428**	1,935	25.5
Personnel Expenses /Employee (1,000 EUR)	**52.6**	48.9	7.5
Personnel Expenses /Sales, %	**20.0**	20.7	-3.6

Cramo aims to have the best people in the market with an entrepreneurial service attitude. The unique Cramo spirit should be second to none.

TARGETS FOR 2010–2013

- Develop Cramo People to be passionate rental business champions
- Roll out new models for training and inter-company job rotation as well as best practice sharing
- Improve employee satisfaction and employee productivity
- Strengthen Cramo's corporate culture and the Cramo spirit

ACHIEVED IN 2011

- Cramopol, a tool for communicating strategy and values, rolled-out in nine operating countries
- A new employee development framework defined including description of competences and skills as well as core training and development offering at the Group and operating country level
- The Cramo Academy, a leadership training programme supporting development and implementation of the Group strategy, carried out second time with some 30 managers and key employees
- The Cramo Assignment policy and the repatriation process defined, their implementation initiated
- The Cramo Dialogue model with supporting tools and templates finalised
- Cramo Performance management model for systematic target setting and follow-up defined

PRIORITIES FOR 2012–2013

- Continue to roll out the new models with focus on the employee development framework, intercompany job rotation, best practise sharing and performance management
- Carry out an uniform employee survey in every country
- Further develop and use Cramopol in international communication

SHARED VALUES AND WAY OF WORKING THROUGH CRAMOPOL

– The communication throughout the organisation is much better now. We asked our employees to speak up, and it's great to realise that they do so! Our service people have brought up many interesting initiatives on how to develop our operations. Our people recognised that everybody counts. These are just a few comments from Polish depot managers on the benefits of Cramopol in 2011.

– Cramopol was an excellent occasion to get familiar with employees from other depots, to learn from others and share knowledge. In addition, one of the lessons learnt was that it is fine to be different, as long as you are at one about the main operating principles, says **Mrs Magda Michniewska**, Marketing Manager at Cramo Poland, responsible for Cramopol in the country.

– Cramopol is clearly the best imaginable way to communicate the values and the vital points of strategy, creating a space where a direct contact between the top management and the rest of the employees is very natural. It provides better understanding of the direction in which we are heading as a company and what tools we have to achieve our goals. The game will be used to on-board new employees in the future. It will also be useful to create new situations and new knowledge questions, as the organisation changes and develops, notes **Mr Bernard Michalczewski**, Country Manager at Cramo Poland.

Be "Best in town", win next markets

In 2011, Cramo's geographical presence was enlarged to cover all the prioritised markets, and the focus was shifted to being "Best in town". Implementation of the "Best in town" strategy got well underway.

Cramo strives to be the best in each "town" of operation. This means being the leading rental solutions provider in each homogeneous local market that is each city, district or region. As a result of continuous evaluation of depot performance, decisions will be made for expansion and development, changes in mode of operations, or closures.

TARGETS FOR 2010–2013

- Roll out the "Best in town" strategy
- Develop a uniform integration model
- Drive growth in Russia
- Enter selected new European markets

ACHIEVED IN 2011

- Depot-level action plans started in 2010 finalised and their implementation initiated
- Position as the leading rental solution provider gained and strengthened in several local markets through acquisitions
- A uniform acquisition integration model developed
- Geographical presence expanded into Germany, Austria, Switzerland and Hungary

PRIORITIES FOR 2012–2013

- Implementation of the "Best in town" concept continues
- Strengthening position in existing markets with leading local position

DESIRED GEOGRAPHICAL PRESENCE REACHED, "BEST IN TOWN" STRATEGY IN FULL SPRING

Cramo pursued its win next markets and be "Best in town" strategy vigorously through acquisitions in the first half of 2011. In January, the company acquired one of the top-three providers of equipment rental services in Germany, Theisen Group.

- As a result, our market position was strengthened, and we became the second largest in the European equipment rental market. Also we got presence in all those markets where we currently want to enlarge our operations, in Europe's third largest equipment rental market Germany, as well as in Austria, Switzerland and Hungary. Hence, we shifted our focus to strengthening our position further in the existing markets through acquisitions and internal activities, says Cramo Group's President and CEO, **Mr Vesa Koivula**.

In June, Cramo became the regional leader in the Gothenburg area in Sweden and in the Oslo area in Norway.

– The acquisition of Tidermans, one of the largest regional rental operators in Western Sweden, was an important part of our strategy. We are now a leading player in all metropolitan areas of our home markets, says **Mr Erik Bengtsson**, Senior Vice President and Managing Director of Cramo Sweden. – This deal is an excellent strategic match, and we have complementing strengths which we can use jointly for the benefit of our customers.

– The acquisition of Stavdal Utleiesenter is in line with Cramo's ambitions for increased activity and enhanced market share in Norway. With it, we gained the leading position in the Oslo area, and got a better foothold in new customer groups of small and medium-sized companies, says Senior Vice President and Managing Director of Cramo Norway, **Mr Finn Løkken**.

Cramo has strengthened its modular space organisation and application offering in order to drive modular space growth in Norway, Denmark and the Eastern European countries.

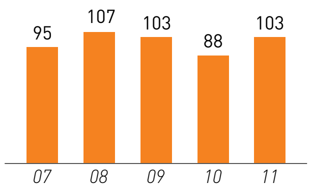
Cramo believes that there is strong underlying growth for modular space applications in the Nordics, and attractive roll-out opportunities to other markets. Modular space business creates stability through long-term agreements and a more balanced customer portfolio due to the importance of the public sector as a key customer. It also differentiates Cramo from its competitors and provides synergies with general rental.

TARGETS FOR 2010–2013

Drive modular space growth specifically in Norway and Denmark and outside the Nordic countries:

- Grow faster than the market
- Maintain the clear leading position in Finland and Sweden
- Strengthen position in Norway and Denmark
- Seize the opportunity of the less mature Central and Eastern European markets

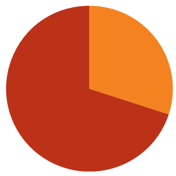
MODULAR SPACE ORDER BOOK MEUR



ACHIEVED IN 2011

- Cross-border support teams were established for marketing and sales, repair, maintenance and assembly of non-construction applications
- Standardised product offering completed. Two high-quality energy-efficient modules for school, day-care and office applications launched: one that meets the highest requirements and another which is easily transferable between countries
- A new concept, Optimised space, was developed to create a uniform base for sales and marketing of Cramo's modular space applications in all markets
- Construction of a hub structure for Norway and Denmark completed
- On-going participation in industry organisations and co-operation with decision makers at local level

SALES OF MODULAR SPACE 2011 (2010)
% OF GROUP SALES



PRIORITIES FOR 2012–2013

- Enhance the rental of new products as well as understanding of the harmonised sales and customer service concept
- Strengthen the network of support people and knowledge transfer to assist new countries
- Develop a modular space strategy for Germany
- Drive modular space growth in Norway, Denmark and Eastern European countries

Drive Modular Space Growth

5

In October 2011, some forty children entered new spacious day care premises based on Cramo's non-construction modular application in Babite municipality in Latvia.

NON-CONSTRUCTION MODULAR SPACE APPLICATIONS GAIN POPULARITY

– With the decreasing birth rate, the number of children in the Babite municipality is decreasing, and thus there is no need for a new day care building in the long-run. Setting up a modular building is considerably cheaper; around 13% of the costs of the construction of a new one. Hence, Cramo's modular space rental for a fixed period was found to be the best solution. It is a comfortable and functional building with spacious rooms for children, says **Mr Andrejs Ence**, Chairman of Babite Municipality Council in Latvia.

– As a result of a public tender, we got our third reference on non-construction modules in the Baltics. Smooth co-operation with our Norwegian colleagues providing the modules and with our local assembly partner making adjustments needed to meet the requirements resulted in delivery within three months from the order, says **Mr Janis Freimanis**, Head of Sales at Cramo Latvia.

– This case clearly demonstrates that our strategy of driving modular space growth works in the markets where modular space solutions for schools, day cares and offices are still relatively unknown, adds **Mr Ossi Alastalo**, Senior Vice President, Modular Space at Cramo.

Cramo Care – harmonised approach to sustainability

In 2011, Cramo Care, a common framework for sustainability and responsibility, was further developed. The first implementations into business plans were carried out in Sweden.

TARGETS OF CRAMO CARE

Cramo Care aims to meet increasing demands on sustainability from key customers, thus also generating higher profits. At the same time, it will build trust in the Cramo brand.

- Become the leader in responsibility and customer care

ACHIEVED IN 2011

- A survey carried out on key customers' demands on sustainability in Finland and Sweden. Their interest in forming strategic partnership in this area verified
- Benchmark against main competitors
- Incremental development of strategy and road map together with planning of organisation, based on already existing positions in the Group continued
- Safety, work environment and environmental issues included in business planning in Sweden
- A pilot on sustainability reporting based on the Global Reporting Initiative (GRI) accomplished in Sweden
- Co-operation with the Swedish Institute initiated to assess further trends and customer demands in the Baltics, Russia and Poland
- A Group-level co-ordinator was appointed to monitor execution of the strategy and roadmap
- Sustainability training was started as part of Cramopol and Cramo Academy

PRIORITIES FOR 2012–2013

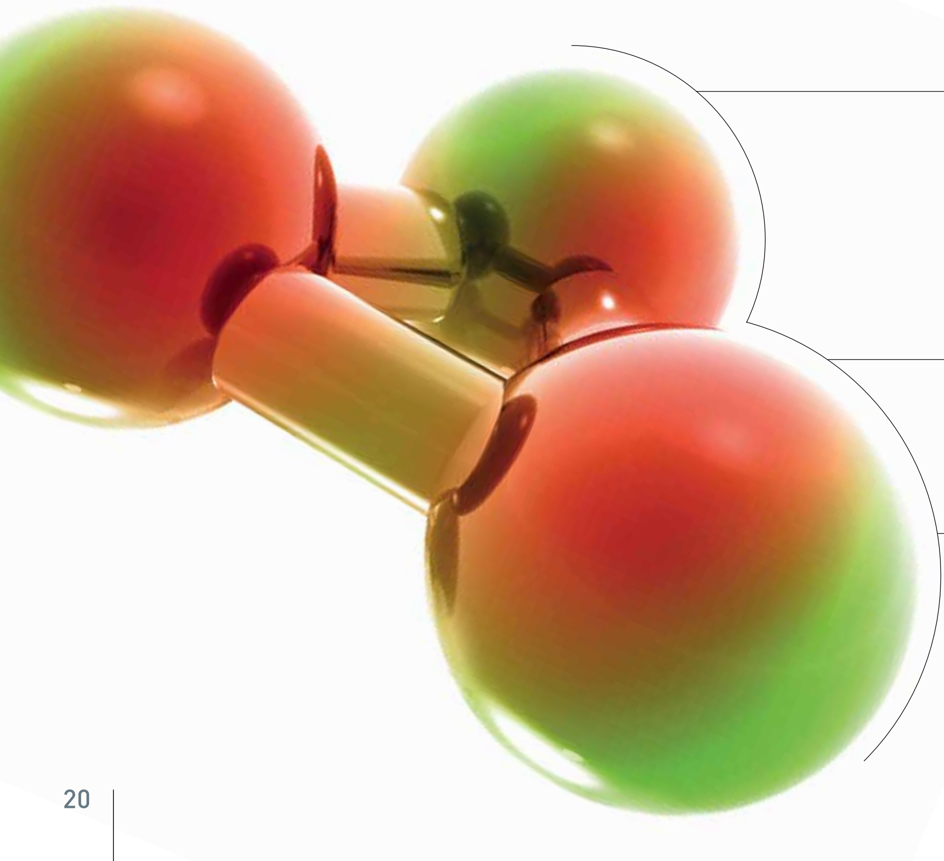
- Step-by-step implementation and adaption of the Cramo Care strategy and organisation, e.g. further development and roll out of GRI-based sustainability reporting
- Full Quality, Safety and Environment (QSE) certification of all operations in Finland

LEADERSHIP IN RESPONSIBILITY AND CUSTOMER CARE

CRAMO CARE'S KEY ISSUES

CLIMATE	Introducing climate calculations in the Nordic countries
SUPPLIERS	Introducing sustainability requirements in our supplier contract
TRAINING	Developing Cramo School, Cramo Academy and rolling out Cramopol
QSE	Implementation of the Quality, Safety, Environment (QSE) Action List in every country
WORKPLACE	Group-level reporting of accidents at work including reduction target
SOCIAL RESPONSIBILITY	We build trust and credibility in the local community
MANAGEMENT SYSTEM	ISO, Code of Conduct, Operating Principles, customer and market surveys
REPORTING	UN Global Compact and Global Reporting Initiative (GRI) as the basis

THE GLOBAL COMPACT
WE SUPPORT



CUSTOMER CARE

- *We help our customers to meet their sustainability targets and strengthen their sustainability profile*
- *We develop market-leading sustainability services in co-operation with key customers*
- *We offer safe products to our customers*

EMPLOYEE CARE & ETHICS

- *We offer attractive working conditions to increase employee and supplier engagement and loyalty*

ENVIRONMENTAL CARE

- *We have high environmental standards in our production and customer offerings*

RESPONSIBILITY TOWARDS THE ENVIRONMENT AND SOCIETY PROVIDES PREREQUISITES FOR LONG-TERM BUSINESS EXCELLENCE AND FINANCIAL PERFORMANCE

MEUR 2011 (2010)

CUSTOMERS

- **Sales**
  679.9 (492.1)
- **Other operating income**
  9.0 (15.1)

CRAMO

SUPPLIERS OF MATERIALS AND SERVICES

Materials and services and other expenses	387.2	(286.1)	↑ 35.3%
Gross capital expenditure	147.1	(52.4)	↑ 174.9%

PERSONNEL

Employee salaries, wages and bonuses	105.8	(78.4)	↑ 35.0%

PUBLIC SECTOR AND SOCIETY

Taxes and social security charges	32.2	(26.0)	↑ 23.7%

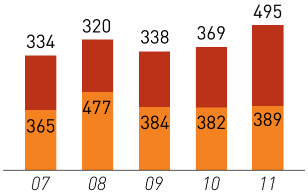
OWNERS AND FINANCIAL COMMUNITY

Finance expenses	29.4	(29.3)	↑ 0.2%
Dividends	3.2	(0.0)	

SOS CHILDREN'S VILLAGES INTERNATIONAL

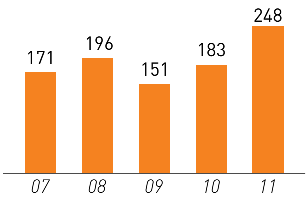
Cramo is a main sponsor to SOS Childrens Villages.

CAPITAL STRUCTURE
NET INTEREST-BEARING LIABILITIES
TOTAL EQUITY MEUR



Cramo strengthened its balance sheet through a rights offering of approximately EUR 100 million.

MATERIALS AND SERVICES PURCHASED MEUR



Due to the increasing business, purchases of materials and services has increased.

IMPLEMENTATION PROGRESSES STEP-BY-STEP

DEPENDING ON THE PRESENT QSE SITUATION IN EACH COUNTRY

– As we are committed to high quality in our operations, we also want to raise the importance of construction quality for a broader discussion. For example, we organised a seminar on "We hate work done poorly" together with the Construction Quality Association and Laatukeskus Excellence Finland for major construction companies, developers and other real estate owners, such as the largest cities, says **Mr Lasse Huuhka**, Marketing Manager at Cramo Finland and one of the organisers of the seminar.

In Sweden, Cramo published its first GRI-based sustainability report for the year 2010.

– We hope that this report offers our customers an overall view of the path we have chosen in order to be a role model within Rental as well as within sustainability, says **Mr Martin Freland**, Environmental and Quality Manager responsible for the QSE program at Cramo.

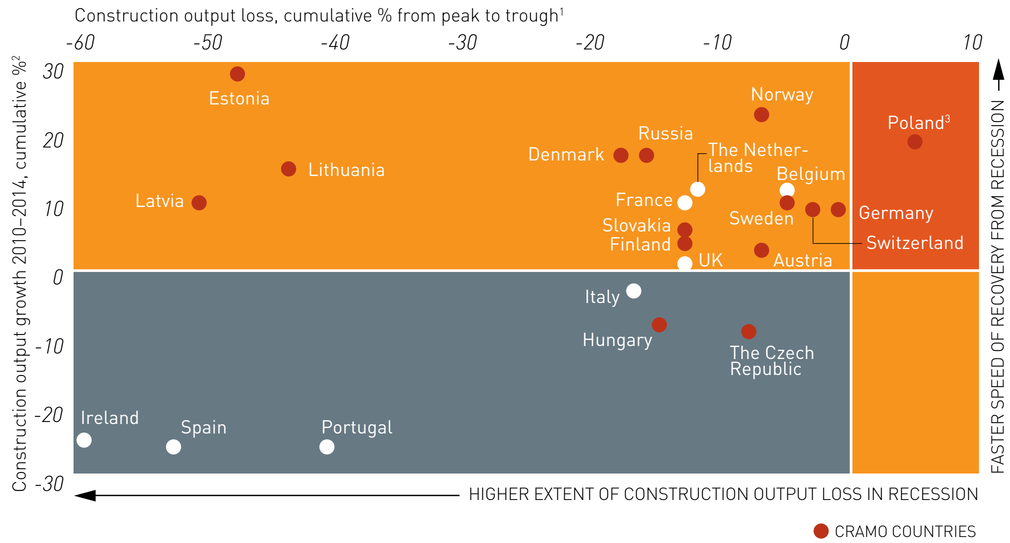
– In addition to being ISO 14001 certified, our goal is to become more climate-friendly and reduce greenhouse gas emissions from our activities. In 2011, this ambition led us to develop a carbon inventory to better manage our climate impact. Our next efforts will include emission reduction targets for the coming years and offer climate neutral office solutions, says **Mr Tor Loraas**, QSE and Purchase Manager at Cramo AS in Norway.

– Continuous improvement in occupational safety plays a vital role. As a part of this, we organise yearly safety training for all technicians and sales people not only to make their work safer but also to enable them to give our customers good advice to make their work places safer too, says **Mr David Vašíček**, Sales Director at Cramo in the Czech Republic and Slovakia.

CRAMO IS WELL POSITIONED

LARGER FOOTPRINT TOGETHER WITH THE ACQUIRED THEISEN GROUP

Cramo is the second largest rental solution provider in Europe, and is well positioned in growing rental markets.



Sources: 1) As presented in Euroconstruct, June 2010 / calculated from VTT, June 2010; 2) Growth estimates from Euroconstruct, November 2011 and VTT, December 2011; 3) Poland: historical output change calculated for 2008–2009, i.e. the year of lowest growth.

TOTAL SOLUTION PROVIDER

Cramo has an extensive, balanced portfolio with over 200,000 units across four product areas combined with an offering of rental-related services enabling early entry in projects.

MODULAR SPACE OPPORTUNITIES

Cramo is the leading player in both construction and non-construction modular space applications in the Nordic markets with growth opportunities in existing and new markets.

OPERATIONAL EFFICIENCY

Cramo has an advanced fleet management and operating platform covering all market areas. The cornerstones for fleet optimisation are standardised fleet, harmonised fleet management processes, fleet optimisation between markets and depots, and active investment management and fleet life cycle optimisation.

STRONG BRAND

Cramo has a well-established brand. It is known as a reliable supplier with a proven track record for short- and long-term rentals and project and outsourcing agreements.

FLEXIBLE BUSINESS MODEL

Cramo has improved flexibility throughout operations. Modular space, outsourcing agreements and a wide geographical footprint bring stability. Increased use of temporary staff, implementation of the franchising concept and increased fleet efficiency and use of flexible means of fleet financing improve Group agility.

CRAMO'S STRENGTHS

OPPORTUNITIES IN RENTAL

BUSINESS DRIVERS

GROWING CONSTRUCTION MARKET

The construction markets are anticipated to grow at a moderate pace in most Cramo countries in 2012–2013. In the long-term, there is growth potential in construction especially in Eastern European markets.[1]

INCREASING RENTAL PENETRATION

Use of rental in construction is still in its infancy in Central and Eastern Europe when compared to other countries.

OUTSOURCING

Interest in fleet outsourcing continues to increase among construction companies, releasing capital and increasing flexibility. The trend is expected to continue both in the short and long term.

TECHNOLOGICAL INNOVATION

General replacement of manpower within technology is underway in construction. The need for efficiency and sustainable rental solutions is expected to remain highest in more mature markets.

RENTAL RELATED SERVICES

Construction companies tend to purchase an increasing amount of external services from rental companies for a well-maintained and operated fleet at the right time at the construction site.

DEMOGRAPHIC CHANGES

Population growth together with increasing migration, urbanisation and aging drives growing demand for improved infrastructures and for more flexible solutions creating demand for modular space.

CONSOLIDATION

Consolidation is expected to continue in the rental industry.

1) Euroconstruct, November 2011

OUTSIDERS´ VIEWS

"Economic recovery in Europe and Scandinavia was encouraging up to spring 2011."

Juhana Vartiainen

Head of Macroeconomic Research
The National Institute of Economic Research (NIER), Sweden

From then onwards the bad news associated with the financial markets have dented business and consumer confidence. The year 2012 will unfortunately be a year of stagnation in large parts of the European economy, with growth hovering around zero in most economies. Provided the European Union gets its house in order and the extreme financial uncertainty dissipates up to summer 2012, growth will resume. The Nordic countries and Sweden and Norway in particular are then well equipped to show a substantial pickup of economic growth from fall 2012 onwards.

"The equipment rental industry is an interesting industry driven by long-term penetration levels of outsourcing in the construction industry."

Truls Haugen

Senior Portfolio Manager
ODIN Fund Management, Norway

The ability to outsource equipment maintenance and reduce capital costs increases flexibility of total equipment costs. This advantage drives long-term increasing demand for equipment rentals.

Another important factor to assess is the positioning and track record of the individual company, and the price we need to pay for the equity.

A challenge in the equipment rental industry is its severe cyclicality, with industry cycles being magnified by underlying cycles in the construction industry. In this perspective, any actions from the companies aimed at reducing cyclicality are welcome. As income volatility comes down, risk premiums attached to the stock by investors will decline as well – thus providing a positive trigger for the stock price.

"Rental revenues in Europe showed solid growth of an estimated 5.5% in 2011."

Lorenz Kleist

IHS EMEA Consulting Services. Author of the ERA European Equipment Rental Industry Reports 2009–2011, Germany

While construction spending in Eastern Europe is expected to finish 2011 with a growth of 5.8%, Western European markets in total are continuing to languish, with spending expected to decline 0.4%.

The IHS five-year outlook sees construction spending in Eastern Europe to grow by nearly 6% per year in average. Because the economic outlook has become cloudy, rental companies remain cautious when it comes to investments. For 2012, we still expect that there will be a solid growth of rental turnover in Poland (14%) and the Nordic countries without Denmark (7%–9%). Growth in Germany, the Benelux and France will be between 3% and 5%, but add on top of the already recovered revenue levels of 2011.

For 2013, we expect a lower - but still positive - rental growth in Europe than in 2012. However, it has to be taken into account that there are downside risks to these forecasts depending on how the sovereign debt crisis will evolve.

→ The complete comment www.cramo.com > Investors > Market data > Outsider view

GROWTH EXPECTED TO BE MODERATE

The recovery which started in the global economy in 2009–2010 continued in the first half of 2011. Since then, however, substantially worse developments in financial markets, combined with a weaker-than-expected global recovery have taken a toll on European economic growth. A general return to the growth path is only expected for late 2012, but growth is projected to remain subdued.[1] Despite increased turbulence, construction order books and equipment rental activity have remained strong throughout 2011 in Cramo's main markets. The outlook for 2012 is nevertheless cautious.

REGIONAL VARIATIONS IN RENTAL BUSINESS CONDITIONS HIGH, CRAMO'S MAIN MARKETS EXPECTED TO PERFORM RELATIVELY WELL

The recovery of rental activity in Europe, which generally started around mid-2010, picked up speed in early 2011. The European rental market is forecasted to have grown by 5.5% in 2011. However, the dampening of rental business confidence levels in the second half of 2011 reflect wider concerns about Europe's economic prospects.[2]

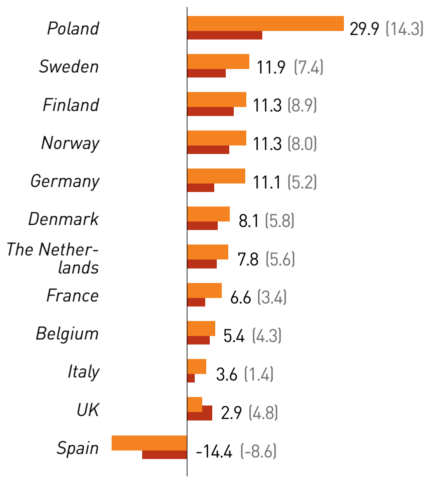
The development in the rental business in Europe continued to be heterogeneous. Cramo's markets performed well, in general, with the strongest growth in 2011 estimated to have taken place in Poland, Russia and the Baltic countries, followed by Germany and the Nordic Countries, with the exception of Denmark, where the recovery started later and has been less substantial. In 2012, Cramo's biggest markets, the Nordic Countries and Germany, are expected to continue growing at 5–9%, while higher growth rates are expected for some of the Eastern European markets, with Poland, for example, expected to grow by 14%.[2]

Rental market growth, in general, was driven by a combination of improving rental rates and utilisations particularly in the first half of 2011. Increasing inflationary pressure fuels expectations about slight increases of rental rates also going forward. Apart from the risks stemming from a difficult economic and political context, rental penetration is expected to further increase in the long term.[2]

Fleet investments of European rental companies increased in 2011 to 14% of the original acquisition cost, which is clearly higher than the levels of the two preceding years. Current expectations are that 2012 investments will stay close to the 2011 level, but as a result of the short-term economic outlook with potential for another economic contraction starting in summer 2012, rental companies remain cautious with respect to their investment strategy.[2]

The European rental market continues to be fragmented, dominated by national players, with a few big international companies. In 2011, however, there was an upturn of M&A activities, particularly in Germany, France and the Nordic Countries. In January 2011, Cramo became the second largest equipment rental services company in Europe by acquiring German-based Theisen Group.

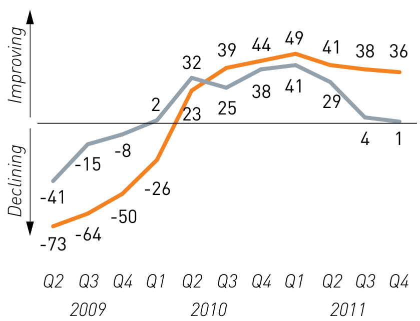
GROWTH IN RENTAL TURNOVER
(NOMINAL) CURRENT PRICES %



2011 ESTIMATE ■ 2012 ESTIMATE ■

Source: European Rental Association, the European Equipment Rental Industry 2011 Report, Autumn 2011

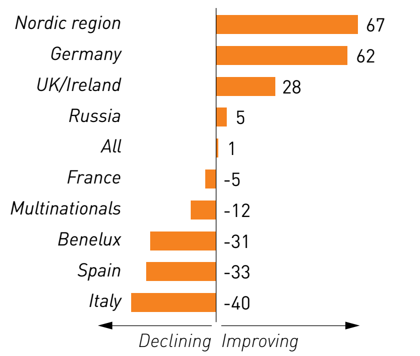
RENTAL ACTIVITY AND BUSINESS CONDITIONS IN EUROPE % (BALANCE BETWEEN POSITIVE AND NEGATIVE OPINIONS)



CURRENT BUSINESS CONDITIONS ■
QUARTERLY ACTIVITY YEAR-ON-YEAR ■

Source: European Rental Association & KHL, January 2012

REGIONAL RENTAL BUSINESS CONDITIONS IN EUROPE Q4/2011 % (BALANCE BETWEEN POSITIVE AND NEGATIVE OPINIONS)



Source: European Rental Association & KHL, January 2012

ECONOMIC GROWTH SLOWS DOWN

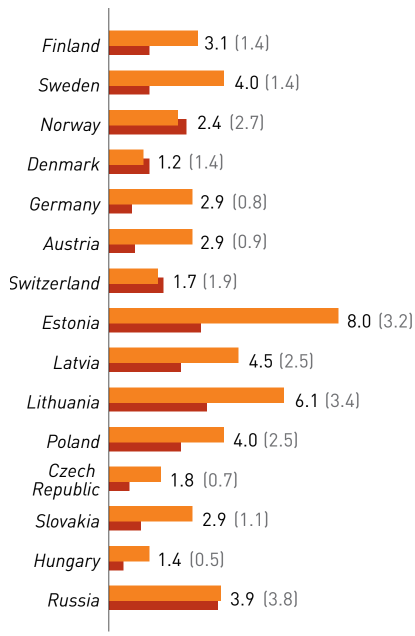
Mostly due to the strong GDP growth in the first quarter, annual GDP growth for 2011 is estimated to remain at 1.5% in the euro area.[1]

The uncertainty related to the sovereign debt crisis and the European banking sector is expected to gradually fade, provided the necessary policy measures are implemented. Nevertheless, growth is likely to be held back by more difficult financing conditions, ongoing deleveraging and sectoral adjustment. Only after some quarters of zero or close-to-zero GDP growth, a gradual and feeble return of growth is projected in the second half of 2012.[1]

As a result, GDP growth of only 0.5% is expected for 2012 in the euro area and of 1.3% for 2013. However, in Europe as a whole, the economic outlook varies considerably from country to country; differences in growth performance relate to the legacy of the credit and housing boom as well as different openness to, and orientation of, international trade.[1]

In Cramo's market area, all economies are expected to have grown in 2011, with the Baltic Countries, Russia, Poland, the Nordic Countries, Germany and Austria enjoying strong economic growth. The outlook for 2012 is more moderate, with the Baltic Countries, Russia, Poland and Norway expected to continue showing good rates of growth, while other economies are forecasted to grow between 0.5% and 1.5%.

GDP (REAL) GROWTH CONSTANT PRICES %



2011 ESTIMATE ■ 2012 ESTIMATE ■

Source: European Commission Economic Forecast, Autumn 2011

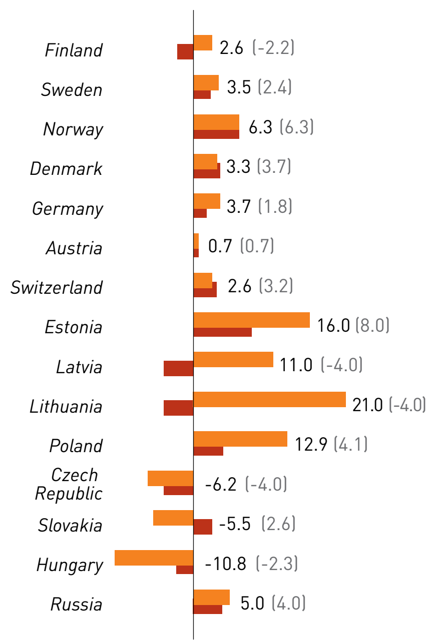
CONSTRUCTION FORECASTS ALSO REDUCED

In 2011, the recovery in European construction was slower than foreseen and the year is expected to have marked another year of decline in construction output for Europe. Consequently, the start-up of a recovery in construction at the total European level is expected to be delayed at least until late 2012.[3]

As expected, regional differences in the rate of construction recovery have remained significant. In Cramo's markets, construction output is expected to have enjoyed double-digit growth in the Baltic Countries and Poland in 2011, with also Russia, the Nordic Countries and Germany forecasted to have seen strong growth. On the other hand, the Czech Republic, Slovakia and Hungary have developed more negatively than expected. Growth in 2011 has been fuelled by a surge in new residential construction in many markets. However, the Nordic Countries, the Baltic Countries, Germany and Russia have experienced relatively balanced recovery across the construction subsegments, with the exceptions of a struggling civil engineering segment in Finland and a new non-residential construction segment in Denmark. Construction growth in Poland continued to be much more driven by the booming civil engineering segment than in other countries.[3]

Forecasts for 2012 indicate positive but fragile growth in construction in most of Cramo's markets. Construction output in Russia, Poland, Estonia, Germany and the Nordic Countries (except Finland) is expected to continue growing at a good rate. Norway and Denmark are expected to improve this year, whereas growth in Sweden and Finland is expected to slow down and Finland is even predicted to fall into negative territory. Residential construction is to remain the main growth driver in most countries even in 2012, but focus is forecasted to shift towards residential renovation from new start-ups. Non-residential construction is expected to remain at a good level in many countries, while the civil engineering segment is forecasted to continue to struggle. In Poland, civil engineering activity is expected to normalise after several boom years.[3]

CONSTRUCTION OUTPUT (REAL) GROWTH CONSTANT PRICES %



2011 ESTIMATE ■ 2012 ESTIMATE ■

Source: Euroconstruct, November 2011/ VTT, December 2011

1) European Commission Economic Forecast, Autumn 2011; 2) European Rental Association, the Equipment Rental Industry 2011 Report, Autumn 2011 and Cramo management estimates; 3) Euroconstruct, November 2011 and VTT, December 2011.

FLEXIBILITY ACCORDING TO YOUR NEEDS

Adapt to changing conditions by adjusting the size of your fleet based on the optimal rental option – short- or long-term, project or Flexi.

FROM START TO FINISH

A full range of machines, equipment, modular space, rental-related services and customer support at every phase of the project. Or as a long-term complement to your own resources.

INCREASED BUSINESS AGILITY IN ALL MARKETS

Strategic targets for 2010–2013

FINLAND

- Increase market share
- Return EBITA to 2008 levels
- Implement several new service offerings

SWEDEN

- Be "Best in town"
- Increase efficiency
- Improve profitability and return on investment

NORWAY

- Improve profitability and return on investment
- Be "Best in town"
- Grow organically and through outsourcing and acquisitions

Key activities and achievements in 2011

FINLAND

- #2 market position strengthened
- Significant outsourcing agreements signed in late 2010 implemented and customer relations strengthened
- Profitability improved
- Organisation change and further training carried out to increase customer focus

SWEDEN

- #1 market position strengthened through acquisition
- Efficiency improved in fleet management processes
- Profitability improved
- New rental concepts launched

NORWAY

- Profitability turned positive
- Reorganisation of logistics, transport and service network completed
- #1 market position achieved in access equipment
- Position strengthened particularly in the Oslo region and among small and medium-sized construction companies

Operational priorities in 2012

FINLAND

- Leverage the new customer-focused organisation
- Introduce new services and concepts
- Implement "Best in town" strategy

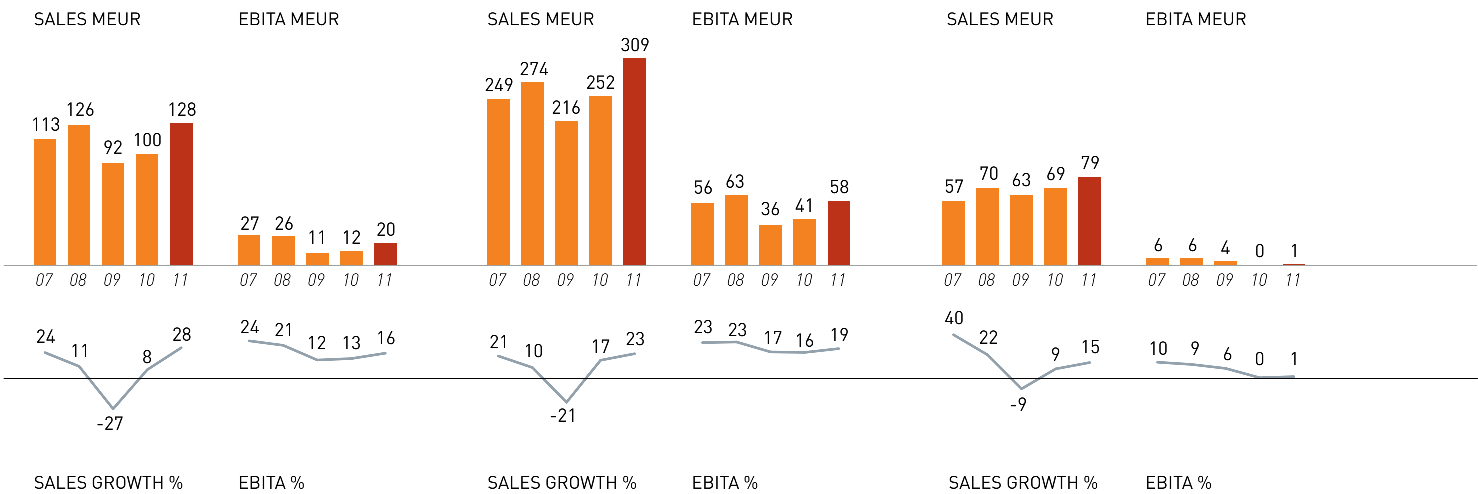
SWEDEN

- Roll out Speed Rental concept
- Further develop effective pricing
- Enhance efficiency

NORWAY

- Further develop effective pricing
- Expand and further build non-construction modular space
- Drive performance management

Financial performance 2007–2011

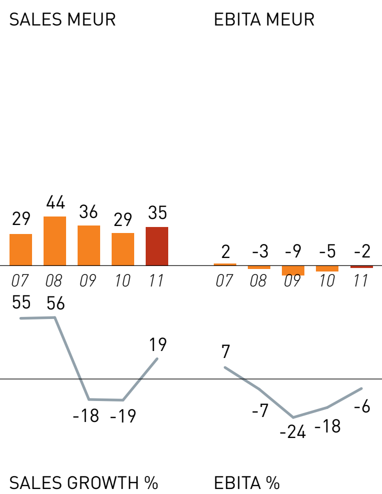


DENMARK

- Achieve acceptable level of profitability
- Be "Best in town" in selected areas
- Seek growth in the modular space business in particular

- Clear improvement in profitability
- Depot structure development initiated in line with the renewed Cramo Concept
- Position strengthened in construction and non-construction modular space

- Further roll-out of the Cramo Rental Concept and "Best in town" approach
- Enhance leading position in non-construction modular space
- Drive performance management



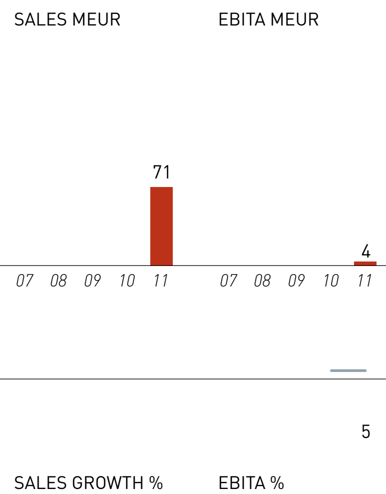
CENTRAL EUROPE

From February 2011 onwards

- Expand product and service offering in stages according to the Cramo Concept
- Improve profitability

- Integration of Theisen Group completed
- Profitability improved in line with Cramo's expectations
- Change of business model initiated, including renewal of depot structure, process harmonisation and enlarging the offering with access equipment and tools

- Roll out the "Best in town" strategy and Cramo Rental Concept in stages
- Enhance process harmonisation
- Develop depot-level steering



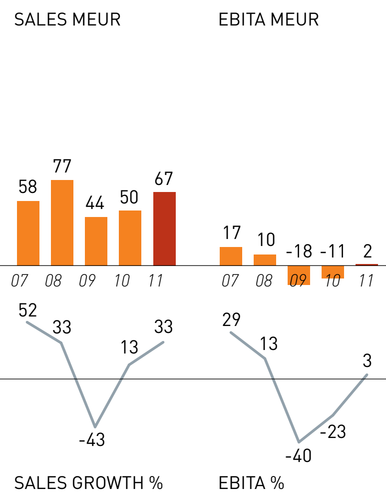
EASTERN EUROPE

From January 2011 onwards, formerly Central and Eastern Europe

- Grow profitably faster than the market
- Be the best rental service provider on the local level in each market
- Decrease dependence on the construction industry

- Profitability and fleet efficiency improved in all markets
- Position strengthened in the Baltic countries and in general rental in the Czech Republic and Slovakia
- Development of organisation and introduction of tools offering in Russia
- Rental of non-construction modular space applications was further developed in the Baltic countries and Russia and was also initiated in Poland

- Drive modular business growth in the Baltic countries and Russia
- Implement the Cramo Rental Concept and harmonised processes
- Drive performance management



PROFITABILITY IMPROVED IN FINLAND

Cramo's sales growth continued in the recovering Finnish markets while profitability improved. New services and harmonised processes came into use. A strengthened market position together with efficient processes provides an excellent base for the future.

CLOSER TO THE CUSTOMER

In 2011, Cramo focused on developing the outsourcing agreements signed with Lemminkäinen and Peab in late 2010, and on strengthening customer relationships.

At the same time, a new customer-focused organisation with customer-oriented sales and delivery processes were prepared. The new organisation was in place at the beginning of 2012. A further vocational qualification for sales personnel was initiated and it will continue throughout 2012. Training for the new Cramo Rental Concept will be organised at the beginning of the year.

A new rental concept, Air Quality management, was introduced. It improves occupational health safety at construction sites by enhancing dust control. A new non-construction modular space application, C80, a harmonised module for all markets, was introduced. This, as well as the C100, an energy-efficient module for school and day care applications, introduced in 2010, was well received and the first pilots were delivered.

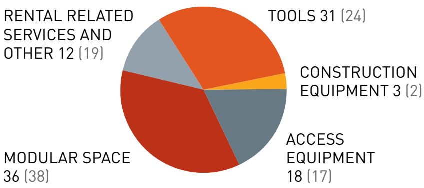
The new enterprise resource planning system was launched at the beginning of February. The Group's new reporting system was introduced during the second quarter for steering depot operations. The systems will further increase Cramo's efficiency and flexibility in 2012. Full QSE certification of all operations was postponed to 2012.

SALES AND EBITA UP

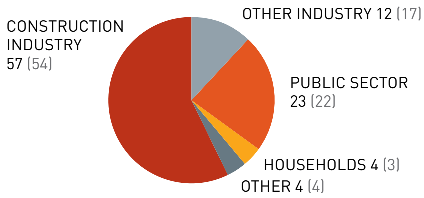
	2011	2010	Change, %
Sales, MEUR	**127.6**	99.6	28.1
EBITA, MEUR	**20.2**	12.5	62.3
EBITA-%	**15.9**	12.5	
Gross capital expenditure, MEUR	**27.6**	34.9	-20.8
Number of depots	**55**	58	-5.2
Average number of employees	**628**	529	18.6

Sales increased as a result of the strong recovery in the markets, and the significant outsourcing agreements signed in late 2010. Profitability improved but was impacted by non-recurring expenses related to the co-operation started with Lemminkäinen and the introduction of the new ERP system. Fleet utilisation rates were at a good level. Demand for modular space remained steady.

SALES BY PRODUCT GROUP 2011 (2010)
% OF SEGMENT SALES



SALES BY CUSTOMER SEGMENT 2011 (2010)
% OF SEGMENT SALES

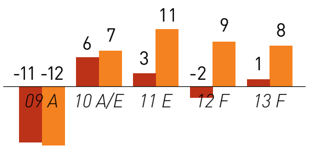


MODERATE CONSTRUCTION DOWNSWING IN SIGHT

The construction growth in Finland, starting in the second half of 2010, is estimated to have continued at between 2.6%[1] and 4.0%[2] in 2011. The main growth driver has been residential construction, which is estimated to have grown over 6% on top of a strong recovery already in 2010. Non-residential construction is estimated to have turned clearly positive in 2011, while civil engineering output is expected to have declined by nearly 5% due to the end of several major projects in 2009–2010.

Thanks to projects already underway, construction activity is anticipated to continue at a moderately good level at the beginning of 2012. However, due to a downswing expected later in the year, construction volume in 2012 is projected to contract about 2%[1] or at best remain on the previous year's level[2]. The decline is mainly driven by a 10% drop in new residential construction, but other construction subsegments are also expected to be set back to a lesser degree. In 2013, construction output in Finland is projected to experience a moderate recovery.[1]

RENTAL DEMAND EXPECTED TO GROW FASTER THAN CONSTRUCTION OUTPUT
A=ACTUAL, E=ESTIMATE, F=FORECAST %



Note: Graph shows nominal rental turnover growth and real construction output growth.
Sources: Construction: Euroconstruct, November 2011
Rental: European Rental Association, the European Equipment Rental Industry 2011 Report, Autumn 2011

The improved business environment contributed to growth in rental revenues in 2011. The rental market is expected to continue growing throughout 2012 on the back of improving rental penetration rates.[3]

1) Euroconstruct, November 2011; 2) The Confederation of Finnish Construction Industries RT, October 2011; 3) European Rental Association, the European Equipment Rental Industry 2011 Report, Autumn 2011.

GOOD PROFITABILITY THROUGH BUSINESS CYCLES IN SWEDEN

Cramo expanded its business in Sweden and profitability improved. The leading market position in equipment rental was further strengthened. The company has a strong presence in all urban areas as well as in most major construction projects.

IMPROVED CUSTOMER SERVICE

Cramo succeeded in increasing its market share. The company became a clear market leader in rental business in the Gothenburg region in western Sweden by acquiring Tidermans, the leading rental operator in the area with sales of around EUR 14.2 million in 2010. A significant new project, the mine project in Pajala, was launched in northern Sweden.

The lean management concept aimed to improve efficiency and professionalism in customer service was introduced in the Stockholm area. The concept will be rolled out in all depots in the Stockholm area in 2012 and later on throughout the country. Moreover, as a part of the lean initiative, a new Speed Rental concept was developed to be launched in 2012. The concept shortens customer's rental process by improving internal efficiency. A lean management concept for managers aimed at knowledge sharing and increased customer satisfaction will also be carried out in 2012.

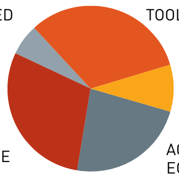
The Dry Construction service concept for preventing damage and delays in the construction process due to weather was well recognised in the Swedish market. The reception of green building – energy-efficient modules with efficient water heating launched in 2009 – continued to be excellent, with one third of new projects already using the new concept.

SALES AND EBITA IMPROVED

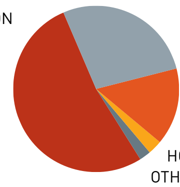
	2011	2010	Change, %
Sales, MEUR	**308.9**	251.9	22.7
EBITA, MEUR	**58.0**	41.2	40.9
EBITA-%	**18.8**	16.4	
Gross capital expenditure, MEUR	**93.5**	35.1	166.2
Number of depots	**128**	119	7.6
Average number of employees	**734**	677	8.4

Sales increased as a result of strong construction growth and industrial investments. Growth was particularly strong in the Stockholm area and in Southern Sweden. Growth in euros was boosted by the Swedish krona which remained stronger year-on-year. Positive development in profitability was due to a more efficient organisation and price increases. Fleet utilisation rates were at a good level. Demand for modular space remained steady.

SALES BY PRODUCT GROUP 2011 (2010)
% OF SEGMENT SALES



SALES BY CUSTOMER SEGMENT 2011 (2010)
% OF SEGMENT SALES

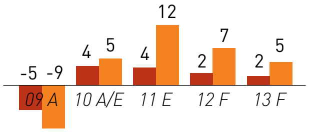


CONSTRUCTION GROWTH TO SLOW DOWN

The general uncertainty of the European economy did not have a major impact on the Swedish construction market in 2011 and construction output continued to develop favourably with growth estimates ranging between 3.5[1]–9.0%[2]. The strongest growth in 2011 is projected to have occurred in residential and non-residential construction, with also civil engineering likely to have seen some growth[1].

In 2012, construction output growth is expected to slow down or even turn negative, driven mainly by a decline in new residential construction activity following two years of strong growth. Other construction subsegments are expected to be less impacted by the downturn, resulting from a lower GDP growth and the European sovereign debt crisis.[1,2]

GROWTH IN RENTAL DEMAND ■ EXPECTED TO MODERATE BUT OUTPACE CONSTRUCTION OUTPUT GROWTH ■ A=ACTUAL, E=ESTIMATE, F=FORECAST %



Note: Graph shows nominal rental turnover growth and real construction output growth.
Sources: Construction: Euroconstruct, November 2011
Rental: European Rental Association, the European Equipment Rental Industry 2011 Report, Autumn 2011

Rental rates are forecasted to continue to increase modestly and the overall business environment to stay favourable. Although construction industry penetration in Sweden is the highest in Europe, it is still projected to increase slightly.[3]

1) Euroconstruct, November 2011; 2) The Swedish Construction Federation (Sveriges Byggindustrier), February 2012; 3) European Rental Association, the European Equipment Rental Industry 2011 Report, Autumn 2011.

POSITION STRENGTHENED IN NORWAY

Measures to improve profitability started to bear fruit and Cramo's profitability turned positive in the third quarter of 2011. At the same time, Cramo strengthened its market position and became a market leader in access equipment.

FOCUS ON EFFICIENCY IMPROVEMENTS

In line with its strategy to be "Best in town" in selected areas, in June, Cramo acquired Stavdal Utleiesenter AS, a leading rental company in the Oslo area, specialised in equipment and construction machinery rental services. Stavdal's sales totalled approximately EUR 7.3 million in 2010. Stavdal's business concept fits well into Cramo's business and depot network in Norway, and the acquisition strengthened Cramo's position among small and medium-sized construction operators, gaining the leading position in access equipment nationwide.

Cramo also focused on improving customer service and efficiency. The depot structure was finalised and two existing modular space hubs were centralised into a new hub aimed at being the best modular space hub in Europe. The management team was strengthened and the organisation for modular space was revised. Key performance indicators for fleet efficiency were further implemented and price level was increased by redefining discount levels.

In modular space, Cramo delivered 300 units of energy efficient modular space for the 2011 Nordic World Ski Championships in Holmenkollen, Oslo, to provide about 6,000 m² of facilities for the press and athletes.

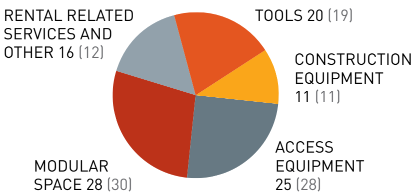
SALES GREW AND PROFITABILITY RECOVERED

	2011	2010	Change, %
Sales, MEUR	**79.3**	69.1	14.7
EBITA, MEUR	**0.9**	0.3	183.0
EBITA-%	**1.1**	0.4	
Gross capital expenditure, MEUR	**26.2**	8.5	209.6
Number of depots	**34**	29	17.2
Average number of employees	**210**	184	14.3

Sales increased due to an upswing in the second half of the year. After a weak second quarter, profitability turned positive. Measures aimed at improving profitability continued, including the reorganisation of operations and increasing the efficiency of processes. The result includes non-recurring reorganisation expenses of EUR 0.3 (0.0) million. Fleet utilisation rates were at a good level. Demand for modular space increased slightly and the price level is moving towards a healthier level.

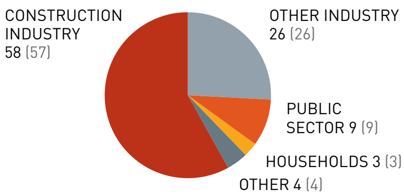
SALES BY PRODUCT GROUP 2011 (2010)

% OF SEGMENT SALES



SALES BY CUSTOMER SEGMENT 2011 (2010)

% OF SEGMENT SALES



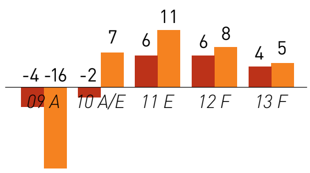
CONSTRUCTION RECOVERY TO CONTINUE

In the first half of the 2011, the rate of recovery in the construction sector in Norway was below industry expectations. However, due to an upswing in construction activity during the summer, construction is estimated to have increased by over 6% in 2011, which is the first positive year following two years of decline. The improvement has been broad-based, spearheaded by a surge in new residential construction activity.[1]

In 2012, growth in construction output is expected to remain on a similar high level as experienced in 2011. Growth in residential construction is expected to slow down slightly, but to remain relatively strong due to increasing population growth, fuelling demand for housing. Other construction sub-segments, particularly civil engineering, which is enjoying a rebound in investment activity, are expected to pick up.[1]

RENTAL DEMAND ■ TO INCREASE NEARLY IN LINE WITH CONSTRUCTION GROWTH ■

A=ACTUAL, E=ESTIMATE, F=FORECAST %



Note: Graph shows nominal rental turnover growth and real construction output growth.
Sources: Construction: Euroconstruct, November 2011
Rental: European Rental Association, the European Equipment Rental Industry 2011 Report, Autumn 2011

As the project pipeline of rental companies was still strong at the end of 2011, the outlook for rental growth until summer 2012 is clearly positive. Demand growth is forecasted to slow down afterwards. Rental penetration is expected to develop modestly until 2013.[2]

1) Euroconstruct, November 2011; 2) European Rental Association, the European Equipment Rental Industry 2011 Report, Autumn 2011.

PROFITABILITY IMPROVED IN DENMARK

Although the Danish market situation remained difficult, Cramo succeeded in improving its operating efficiency. As a result, EBITA turned positive in the third quarter of the year but the full-year result was still negative. In 2012, Cramo will continue to focus on reaching a sustainable profitability level.

EFFICIENCY AND SERVICES IMPROVED

The operational efficiency improvements that have continued from 2009 onwards – fleet adjustments, continuous work on harmonising processes and policies, enhanced fleet management and logistics, streamlining service, maintenance and repair network, best practice sharing between depots as well as fleet activities with Sweden – contributed to increased process efficiency as well as improved fleet utilisation rates and service levels.

Product offering was strengthened especially in general tools and adjusted further to the needs of small and medium-sized companies.

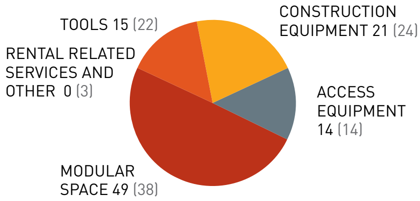
Initiation of implementation of the renewed Cramo Concept resulted in changes in the depot structure. More than half of Cramo's rental depots are now focused on tools and small access and construction equipment rentals. As part of a transition some depots were moved to new locations. Two new depots were opened in metropolitan areas in Copenhagen and Arhus. Furthermore, some services such as cleaning, repair and logistics were centralised. A new modular space hub was opened in the eastern region at the end of the year. As a result, the number of depots was increased by three to 20. The network development and the new customer focused organisation with one face to customers will be in place in early 2012.

POSITIVE DEVELOPMENT IN SALES AND PROFITABILITY

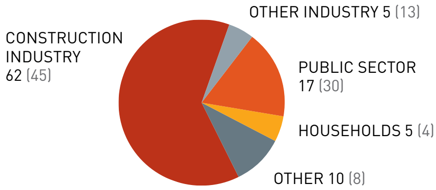
	2011	2010	Change, %
Sales, MEUR	**35.0**	29.5	18.6
EBITA, MEUR	**-2.1**	-5.3	60.0
EBITA-%	**-6.1**	-18.1	
Gross capital expenditure, MEUR	**5.5**	0.7	691.3
Number of depots	**20**	17	17.6
Average number of employees	**123**	117	5.4

After a harsh winter, sales developed positively in the spring. The favourable profit development was particularly attributable to improved fleet utilisation rates and process efficiency. Also price levels were increased. A new project launched in the third quarter concerns the expansion of the Copenhagen Metro. Cramo strengthened its position both in construction and non-construction modular space.

SALES BY PRODUCT GROUP 2011 (2010)
% OF SEGMENT SALES



SALES BY CUSTOMER SEGMENT 2011 (2010)
% OF SEGMENT SALES

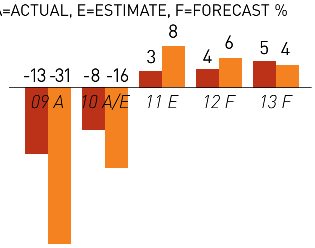


MODERATE RECOVERY OF CONSTRUCTION OUTPUT

Following several years of construction decline, the decrease in Danish construction activity in the first half of 2011 still exceeded expectations. However, as a result of improving construction activity in the second half of the year, the construction industry is predicted to have experienced its first growth year with estimates ranging between 1.5%[1] and 3.3%[2]. Growth was boosted by new residential construction with also civil engineering improving, whereas the non-residential sector is expected to have faced another year of decline.

Construction recovery is set to continue in 2012, with new residential construction start-ups still to grow clearly from the low post-recession base. Civil engineering will also benefit from increased funding and new larger projects, while also non-residential construction is expected to see some recovery starting in 2012. Total construction output is forecasted to grow by 3.7%[2] in 2012. However, according to Dansk Byggeri[2], construction output development could be flat in 2012.

RENTAL DEMAND TO RECOVER TOGETHER WITH CONSTRUCTION OUTPUT
A=ACTUAL, E=ESTIMATE, F=FORECAST %



Note: Graph shows nominal rental turnover growth and real construction output growth.
Sources: Construction: Euroconstruct, November 2011
Rental: European Rental Association, the European Equipment Rental Industry 2011 Report, Autumn 2011

In 2011, balance between the demand for and the supply of rental equipment clearly improved, and a moderate growth of rental activity is estimated in line with slightly recovering rental rates.[3]

1) Euroconstruct, November 2011; 2) Dansk Byggeri, September 2011; 3) European Rental Association, the European Equipment Rental Industry 2011 Report, Autumn 2011.

STRONG POSITION IN CENTRAL EUROPE

Implementation of the Cramo Group strategy in Central Europe is well in progress, and sales and profitability improved as expected. Cramo is well positioned to develop large Central European rental markets which have a relatively low rental penetration.

The Central European business segment consists of the Theisen Group[1], which was acquired in January 2011 and consolidated into Cramo Group on 1 February 2011. The integration into Cramo Group progressed as planned, and was completed by the end of 2011.

NEW PRODUCTS AND HUBS

The change of business model was initiated in stages in line with the "Best in town" strategy and Cramo Rental Concept. Renewal of the depot structure started based on the evaluation of existing depot locations. New hubs were established in the strong economic areas of Frankfurt and Vienna. The product and service offering in the new hubs was extended to include also access equipment and tools, and fleet management processes were harmonised. At the same time, some unprofitable depots were closed down. Step-by-step structure renewal and expansion of the product and service offering will continue in 2012 by establishing next two hubs.

Cramo succeeded in strengthening its position as the third largest rental company in Germany. In Austria, it achieved the leading position.

Fleet expansion was completed through internal transfers between depots and countries and through investments. Flexible fleet optimisation between market areas was reflected in improved efficiency.

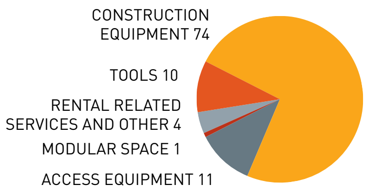
In addition to fleet management, processes were also harmonised in finance and reporting, and in IT and communications. Work on the development of a new pricing model was initiated. HR process harmonisation will start in 2012.

POSITIVE DEVELOPMENT IN SALES AND EBITA

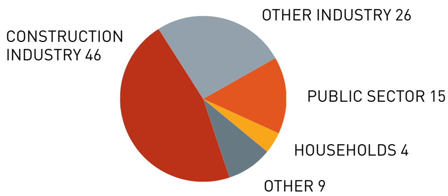
	2–12/2011	
Sales, MEUR	71.2	No comparable figures available
EBITA, MEUR	3.7	
EBITA-%	5.2	
Gross capital expenditure, MEUR	90.0	
Number of depots	96	
Average number of employees	283	

Sales developed favourably, particularly in Germany and Austria. As the focus of the rental fleet is on construction machinery, the segment is more strongly affected by seasonal fluctuations than other business segments. Fleet utilisation rates reached a good level. Profitability continued to improve as expected. The result includes non-recurring reorganisation expenses of EUR 0.3 million.

SALES BY PRODUCT GROUP 2–12/2011
% OF SEGMENT SALES



SALES BY CUSTOMER SEGMENT 2–12/2011
% OF SEGMENT SALES

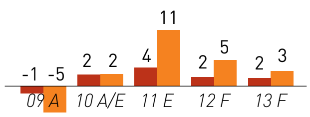


GERMANY DRIVING CONSTRUCTION GROWTH

Stimulated by growth in residential construction and civil engineering, construction output is estimated to have increased in Germany by 3.7% in 2011. Residential and non-residential sectors are expected to have driven construction growth in Switzerland, up by 2.6%, whereas Austria's construction output is expected to have been held back to just 0.7% growth by a clear decline in civil engineering. Hungary has seen another broad-based recessionary year in construction, with an expected decline in output of 10.8%.[2]

In 2012, construction output growth is predicted to continue in Switzerland (3.2%), Germany (1.8%) and to a lesser extent in Austria (0.7%). Hungary is expected to fall into another year of decline (-2.3%) in 2012, with a recovery in sight at the earliest in 2013.[2]

RENTAL GROWTH ■ EXPECTED TO BE MODERATE, CONTINUING TO OUTPACE CONSTRUCTION OUTPUT ■ IN GERMANY
A=ACTUAL, E=ESTIMATE, F=FORECAST %



Note: Graph shows nominal rental turnover growth and real construction output growth.
Sources: Construction: Euroconstruct, November 2011
Rental: European Rental Association, the European Equipment Rental Industry 2011 Report, Autumn 2011

In 2011, a positive market environment in Germany was reflected in strongly increasing demand for equipment rental services. Increasing rental rates and construction industry penetration is expected to keep the rental market strong for most of 2012.[3]

1) Operations in Germany, Austria, Switzerland and Hungary; 2) Euroconstruct, November 2011; 3) European Rental Association, the European Equipment Rental Industry 2011 Report, Autumn 2011.

TURNAROUND IN PROFITABILITY IN EASTERN EUROPE

Cramo achieved sales growth and strengthened its market position in all Eastern European markets. Profitability also improved in all markets, and the quarterly EBITA turned positive in the third quarter. Cramo is well positioned for future profitable growth.

Until 31 December 2010, the name of the segment was Central and Eastern Europe.[1]

NEW SERVICES, DEPOTS AND CUSTOMERS

In Russia, Cramo's business developed favourably in all geographical areas (St. Petersburg, Moscow, Kaluga, Kaliningrad and Yekaterinburg). Cramo reinforced its market position as a partner for Western constructors and industrial investors in particular, and signed master agreements, which are still rare in Russia. For example, an exclusive frame agreement with YIT, a leading European service company in building systems and construction with 14 subsidiaries, covers all major cities in Russia.

Cramo reorganised its Russian operations further, including the management, and continued the transfer of know-how from other Cramo countries. The strategy was revised, focusing on the fast growing St. Petersburg and Moscow regions and international customers. Development of management and the harmonisation of processes continued in the Baltic countries.

The demand for modular space, especially for non-construction applications, increased strongly in Russia, Lithuania and Latvia, and the tools rental services launched in Russia were well received. New depots were opened for the nuclear power plant construction site in the Kaliningrad region, in St. Petersburg and in Estonia.

In Poland, the optimisation of the depot and hub structure continued. Five new depots and a new repair and logistics centre for tools opened, while some old depots were combined. Implementation of key performance indicators for fleet efficiency together with other harmonised processes resulted in a major improvement in fleet utilisation. The growth in site huts exceeded that of the market due to expansion in the fleet. In the Czech Republic and Slovakia, capabilities in tools strengthened and the service structure improved by opening a new service hub in Prague. Fleet efficiency also improved.

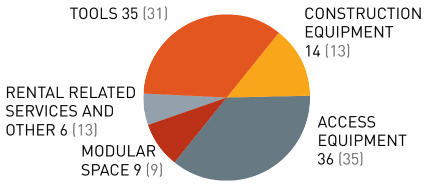
SALES AND PROFITABILITY DEVELOPED FAVOURABLY IN ALL MARKETS

	2011	2010	Change, %
Sales, MEUR	**66.6**	49.9	33.5
EBITA, MEUR	**1.7**	-11.5	114.9
EBITA-%	**2.6**	-23.0	
Gross capital expenditure, MEUR	**18.0**	5.1	249.8
Number of depots	**76**	65	16.9
Average number of employees	**564**	518	8.9

The growth in construction, which started in the second half of 2010, continued in most Eastern European markets in 2011. This is reflected in the growth rate for the segment in 2011. The improvements in profitability were due to higher fleet utilisation rates, the recovery of the markets and price levels, and adjustments concluded previously.

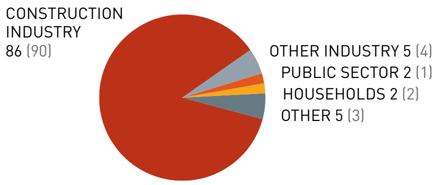
SALES BY PRODUCT GROUP 2011 (2010)

% OF SEGMENT SALES



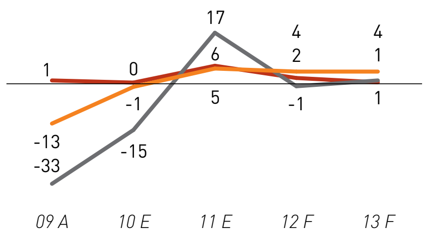
SALES BY CUSTOMER SEGMENT 2011 (2010)

% OF SEGMENT SALES



CONSTRUCTION GROWTH IN EASTERN EUROPE

A=ACTUAL, E=ESTIMATE, F=FORECAST %



RUSSIA ■ BALTIC COUNTRIES ■
POLAND, THE CZECH REPUBLIC AND SLOVAKIA ■

Sources: Euroconstruct, November 2011 / VTT, December 2011

Cramo expects demand for equipment rental to have grown in all of Cramo's Eastern European markets in 2011 and prices and utilisation rates will have improved. Rental penetration is increasing from very low levels. Despite short-term fluctuations, Cramo believes the Eastern European markets present clear long-term growth potential.[3]

REGIONAL VARIATIONS IN CONSTRUCTION GROWTH TO CONTINUE

The Baltic countries have seen a strong and broad-based recovery in construction output of 16.7% in 2011, although from very low base levels after the recession. Polish construction output is expected to have increased, with expected growth of 12.9% last year, followed by Russia's 5% growth. On the other hand, the Czech Republic and Slovakia are underperforming compared to earlier expectations, with both countries hitting the bottom of the cycle as late as in 2011, with forecasted construction output declines of approximately 6% in each country.[2]

In 2012, the Estonian construction sector is expected to remain active and grow by 8% due to new building construction and renovation activity. Unlike Estonia, construction output in Latvia and Lithuania may experience a setback of 4% in 2012 after a very strong recovery in 2011 in building construction. Construction output in Russia and Poland is projected to grow by approximately 4% in 2012. In Poland, growth in civil engineering activity is expected to stabilise at a lower level after several boom years. Construction output in Slovakia is expected to start a modest recovery in 2012, while the Czech Republic is facing another year of decline with recovery not expected before 2013.[2]

1) Operations in Estonia, Latvia, Lithuania, Poland, Russia, Slovakia and the Czech Republic; 2) Euroconstruct, November 2011 and VTT, October 2011; 3) European Rental Association, the European Equipment Rental Industry Report, Autumn 2011.

FOCUS ON THE ESSENTIAL

Use your time on your core business. As specialists in safety and professional support, we will provide a rental solution for all types of equipment to the construction site as well as modular space for offices, schools, day cares, lodging and storing.

CONSISTENT AND TRANSPARENT CORPORATE GOVERNANCE

Corporate governance at Cramo is based on Finnish law and the Company's Articles of Association. The Group complies with the rules of NASDAQ OMX Helsinki Ltd and the Finnish Corporate Governance Code. Cramo issues a Corporate Governance Statement, which is available on the Group's website.

Cramo prepares annual financial statements and interim reports conforming to Finnish law which are published in Finnish and English. The International Financial Reporting Standards (IFRS) were adopted in 2005.

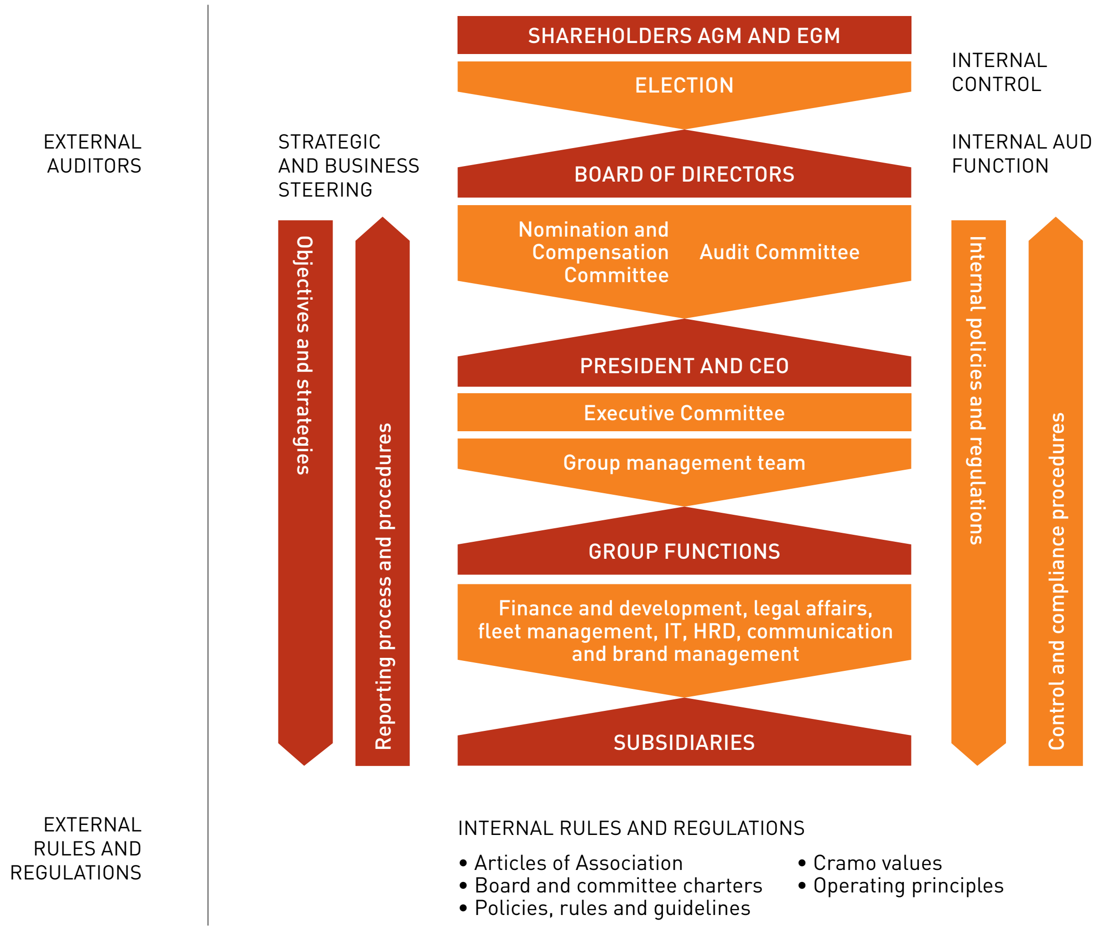
OVERVIEW OF CORPORATE GOVERNANCE COMPONENTS AT CRAMO GROUP

The Group's control and management responsibilities are divided among the General Meeting of Shareholders, the Board of Directors with its two committees, and the President and CEO, assisted by the Executive Committee and the Group management team, managing directors of subsidiaries, and the general management meeting. The Board of Directors supervises the performance of the Company, its management and organisation on behalf of shareholders. The Board of Directors and the Group management team are separate bodies, and no one serves as a member of both.

The below picture provides an overview of corporate governance at Cramo. These components are outlined in more detail in the following sections.

GENERAL MEETING OF SHAREHOLDERS

The right of shareholders to make decisions over Company matters is exercised at an appropriately convened General Meeting of Shareholders by those shareholders present or by their



authorised representatives. Shareholders may also be accompanied by an assistant.

The Annual General Meeting (AGM) is held once a year either in Vantaa or Helsinki by the end of June at the latest. The Board of Directors may call an Extraordinary General Meeting (EGM) of Shareholders whenever necessary.

In accordance with the Articles of Association, a notice to convene the General Meeting of Shareholders is issued by the Board of Directors. Notice is given no later than 21 days prior to the meeting by publishing the notice in a newspaper determined by the Board of Directors and as a stock exchange release available on the Company's website.

Shareholders registered by the record date for the General Meeting as shareholders in the Company's shareholder register, which is maintained by Euroclear Finland Ltd, are entitled to attend the meeting. To take part in the General Meeting of Shareholders, shareholders must register with the Company at the latest by the date mentioned in the notice convening the meeting, which may be no more than 10 days prior to the meeting. If a shareholder wishes to bring up a matter for consideration by the General Meeting of Shareholders, he or she must present the matter in writing to the Board of Directors at the latest four weeks prior to the publication of the notice in order for the matter to be included in the notice convening the meeting.

→ www.cramo.com > Investors > Shareholder meetings.

The financial statements of the Company, as well as any other document to be adopted in the General Meeting and any proposal made by the Board of Directors required by the Finnish Companies Act, shall be made available for examination by shareholders at the Company headquarters and on the Company website 21 days prior to the General Meeting. In accordance with the Finnish Companies Act, copies of these documents will be sent to shareholders upon request. Minutes of the General Meeting, including voting results and the appendices to the minutes that are part of a decision made by the General Meeting, shall be posted on the Company website within two weeks of the General Meeting.

→ Further instructions and contact details are provided on the website.

It is Cramo's intention that all members of the Board of Directors, the President and CEO, and the CFO should be present at the General Meeting. The auditors of a company shall always be present at the Annual General Meeting to answer the shareholders' questions. Any person who is proposed as a director for the first time shall participate in the General Meeting that decides on his or her election unless there are well-founded reasons for that person's absence.

A dividend as decided by the General Meeting is paid to shareholders who are registered as shareholders in the Company's shareholder register on the date of record for dividend payment.

THE DUTIES OF THE ANNUAL GENERAL MEETING INCLUDE

- Approving the parent company and consolidated income statement and balance sheet;
- Agreeing on the amount of dividends;
- Appointing the members of the Board of Directors and deciding on their compensation; and
- Electing the auditors.

EVENTS IN 2011

The 2011 Annual General Meeting was held on 24 March. A total of 222 shareholders representing about 39.5% of the Company's votes participated in the meeting either in person or by proxy. All members of the Board except Mr Eino Halonen, Mr Fredrik Cappelen and Mr Thomas von Hertzen attended the meeting, as did Cramo's President and CEO, CFO and external auditor.

→ www.cramo.com > Investors > Shareholder meetings > Annual General Meeting 2011.

BOARD OF DIRECTORS

Cramo's Board of Directors has defined its roles and responsibilities in the Working Order of the Board and in the Group's Corporate Governance Manual and Operating Principles. If necessary, the Working Order of the Board is revised and modified annually in conjunction with the Board's convening meeting.

The Board of Directors consists of 5–7 members, who are elected at the Annual General Meeting for a one-year term of office, which expires at the end of the first Annual General Meeting following their election. The majority of directors shall be independent of the Company, and at least two of the directors representing this majority shall be independent of significant shareholders of the Company. The composition of Cramo's Board must facilitate discharge of its duties in an efficient manner as well as take into account the needs of Company operations and the development stage of the Company. The Nomination and Compensation Committee's proposal for Board composition as well as biographical details of the candidates shall be included in the notice of the General Meeting. There is no specific order for the appointment of the directors in the Articles of Association.

More than half the members of the Board must be present to constitute a quorum. The President and CEO, his/her deputy and the CFO are entitled to attend Board meetings. Other Group management members may attend the Board meetings when required to provide information to the Board or upon invitation by the Board. The Board has unlimited access to Company information and receives continuous reporting on the Group's operations. New Board members are introduced to the operations of the Company. This is done by arranging

THE MAIN RESPONSIBILITIES OF BOARD OF DIRECTORS

- Responsible for Cramo Group's governance and proper management;
- Ensuring that the business complies with relevant rules and regulations, Cramo's Articles of Association and the instructions given by the General Meeting of Shareholders;
- Responsible for the Company's strategic development and for supervising the business;
- Decides on the Group's key policies and practices, approves the business strategy and budget as well as the financial statements and interim reports;
- Appoints and dismisses the President and CEO and his/her deputy and determines their compensation; and
- Decides the Group's structure, acquisitions and disposals as well as Company finances and investments.

meetings with key persons and by initiating visits to operating units in order for them to become accustomed to Cramo's internal guidance and working methods. Cramo's departing Board members also assist newly elected members in familiarising themselves with the Company and the Board's duties.

The Chairman of the Board, together with the President and CEO, prepares the items to be discussed and decided at Board meetings. The agenda for the Board meetings, with all relevant information about the Company's structure, operations and markets, financial performance and financing issues, personnel and investment resources as well as the risks associated with any of these matters, is distributed at least five days prior to the meetings. The Chairman of the Board also initiates and leads the self-assessment discussion during the relevant Board meeting. The Board of Directors conducts an annual self-assessment in order to develop the work of the Board. The overall self-assessment is carried out by discussing the matter in conjunction with one of the regular Board meetings. Each director and the Board evaluate the independence of the directors on a yearly basis and whenever required.

BOARD OF DIRECTORS 31 DECEMBER 2011

Name	Position	Elected	Board meetings	Audit Committee	Nomination and Compensation Committee
Stig Gustavson	Chairman	2006	15/15	–	2/2
Eino Halonen	Deputy Chairman	2003	15/15	5/5	–
J.T. Bergqvist[2]	Member	2011	9/10	3/4	–
Helene Biström[2]	Member	2011	10/10	–	1/1
Victor Hartwall	Member	2010	15/15	–	2/2
Jari Lainio	Member	2009	14/15	–	2/2
Esko Mäkelä	Member	2007	15/15	5/5	–
Fredrik Cappelen[1]	Member	2008	4/5	1/1	–
Thomas von Hertzen[1]	Member	2010	5/5	1/1	–

1) Until 23 March 2011; 2) Since 24 March 2011

MEMBERS OF THE BOARD OF DIRECTORS IN 2011

At the 2011 Annual General Meeting, the number of members of the Board of Directors was confirmed as seven, and the following persons were reelected to the Board of Directors: Mr Stig Gustavson, Mr Eino Halonen, Mr Esko Mäkelä, Mr Jari Lainio and Mr Victor Hartwall; Mr J.T. Bergqvist and Mrs Helene Biström were elected as new Board members. The Board's convening meeting elected Mr Gustavson as Chairman of the Board and Mr Halonen as Deputy Chairman of the Board. Mr Fredrik Cappelen and Mr Thomas von Hertzen were also members of the Board until 23 March 2011, having been elected by the AGM 2010. → Board and committees members on pages 50–51. Remuneration on pages 43-45.

WORK OF THE BOARD OF DIRECTORS IN 2011

Cramo's Board of Directors meets regularly, about once a month, according to a planned schedule. In 2011, the Board of Directors

THE BOARD'S OPERATING CALENDAR

Quarter	Items	
Q1	• Review and approval of financial statements and external auditors' report • Review and approval of Nomination and Compensation Committees' outcome proposal pertaining to the incentive schemes of management and key employees • Commencement of strategic planning: analysis of operating environment, markets and economic trends • Approval of Annual report and Corporate Governance statement • Preparations for the AGM • Review of operating companies' performance and key performance indicators • Review of financial forecasts, investments, acquisitions and disposals as well as structural issues • Approval of interim reports and assessment of matters pertaining to markets and finances	**Follow-up of strategic outcomes and the previous financial periods**
Q2	• Election of the Chairman and Deputy Chairman of the Board and Committee members • Review and approval of the Group's key policies and practices • Assessment and analysis of strategic issues in connection with the strategy review • Assessment of matters presented by the Audit Committee • Review of operating companies' performance and key performance indicators • Review of financial forecasts, investments, acquisitions and disposals as well as structural issues • Approval of interim reports and assessment of matters pertaining to markets and finances	**Strategy, execution and business development**
Q3	• Commencement of budgeting and operating companies' business planning • Review of operating companies' performance and key performance indicators • Review of financial forecasts, investments, acquisitions and disposals as well as structural issues • Approval of interim reports and assessment of matters pertaining to markets and finances	**Strategy, execution and business development**
Q4	• Approval of budget and review of business plans • Assessment of matters presented by the Audit Committee • Board's self-assessment • Review of operating companies' performance and key performance indicators • Review of financial forecasts, investments, acquisitions and disposals as well as structural issues • Approval of interim reports and assessment of matters pertaining to markets and finances	**Planning of the following financial period**

met 15 times. Three of the meetings were held as a conference call and four as per capsulam. → Member attendance at the meetings and the Board's operating calendar on previous page.

In 2011, the most important issue addressed, apart from the regular operating calendar, was the implementation of the Group's strategy. In order to ensure implementation of this strategy, the Board reviewed the achievement of must-win battles. Cramo Group also completed acquisitions of Theisen Group as well as Tidermans and Stavdal, which all involved the work of the Board in 2011.

Cramo completed its rights offering to support its strategy and balance sheet. The Board continued to focus on improving the Group's profitability and cash flow. In addition, the Board assessed Cramo's balance sheet valuation. Emphasis was also put on further strengthening the Group's internal control process.

BOARD COMMITTEES

Two permanent committees, the Audit Committee and the Nomination and Compensation Committee, assist the Board of Directors. The Board of Directors elects the committee members and appoints the committee chairmen. A quorum is more than half the members. Members are appointed for a one-year term of office, which expires at the end of the first Annual General Meeting following the election. The Board confirms the central duties and operating principles of both committees in a written charter. The main content of these charters is outlined below. The committees report on their work to the entire Board of Directors on a regular basis. These reports include a summary of relevant matters addressed and measures taken by the committee.

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in its supervisory responsibilities.

Until 23 March 2011, the Audit Committee was chaired by Mr Eino Halonen. Mr Fredrik Cappelen, Mr Thomas von Hertzen and Mr Esko Mäkelä served as

THE DUTIES OF THE AUDIT COMMITTEE ACCORDING TO THE FINNISH CORPORATE GOVERNANCE CODE

- Monitoring the reporting process of financial statements;
- Supervising the financial reporting process;
- Monitoring the efficiency of the Company's internal control, internal audit and risk management systems;
- Reviewing the description of the main features of the internal control and risk management systems pertaining to the financial reporting process, which is included in the Company's corporate governance statement;
- Monitoring the statutory audit of the financial statements and consolidated financial statements;
- Evaluating the independence of the statutory auditor or audit firm, particularly the provision of related services to the Company to be audited;
- Preparing the proposal for resolution on the election of the auditor; and
- Assessing the effects of any exceptional or significant business transactions.

THE AUDIT COMMITTEE'S OPERATING CALENDAR

Q1	• Supervise and monitor financial reporting process related to annual accounts • Review annual financial statements and the Board of Directors' report	• Review external audit outcomes and auditor's statement • Review and approve accounting principles pertaining to financial reporting	• Review risks and risk management issues to be presented in the annual report and financial statements
Q2	• Review, update if necessary and affirm internal control policy • Review and approve annual internal audit plan and	assign separate evaluation activities as considered appropriate • Assess results from operating companies'	internal control self-assessments • Review impairment and asset valuation, treasury and operational risks
Q3	• Assess and plan description of the main features of internal control and risk management systems pertaining to the financial reporting process included	in the corporate governance statement • Discuss the external audit plan with the Resposible auditor. Approve the plan consequently	• Review and approve the external audit engagement letter and evaluate the independence confirmation
Q4	• Review the draft corporate governance statement and provide comments • Review internal audit and internal control development plan	• Assess results from operating companies' internal control self-assessments • Prepare proposal for resolution on the election of external auditor	• Review risk assessments concerning asset valuation, treasury and operational risks

QUARTERLY PROCEDURES

- Monitor the reporting process of financial statements by overseeing the quality and integrity of the financial statements and related disclosures
- Supervise the financial reporting process
- Follow up on the financial position by reviewing interim financial statements
- Monitor efficiency of Cramo's internal control, internal audit and risk management systems
- Revise the plans and reports of the Internal Audit function
- Evaluate compliance with laws and regulations
- Communicate with external auditor and review the reports prepared for the Audit Committee

committee members. At its constitutive meeting on 24 March 2011, Mr Eino Halonen was elected Chairman of the Audit Committee, with Mr J.T. Bergqvist and Mr Esko Mäkelä as members. Mr Halonen and Mr Mäkelä are deemed independent of the Company and major shareholders. Mr Bergqvist is deemed independent of the Company, but not independent of the major shareholders.

The Audit Committee met five times in 2011. → Member attendance at the meetings on page 40. Audit Committee's operating calendar on page 41.

NOMINATION AND COMPENSATION COMMITTEE

Until 23 March 2011, the Nomination and Compensation Committee was chaired by Mr Stig Gustavson, with Mr Victor Hartwall and Mr Jari Lainio as committee members. At its constitutive meeting on 24 March 2011, Mr Stig Gustavson was elected Chairman of the Nomination and Compensation Committee, with Mrs Helene Biström, Mr Victor Hartwall and Mr Jari Lainio as members. Mr Gustavson and Mrs Biström and Mr Lainio are deemed independent of the Company and major shareholders. Mr Hartwall is independent of the Company, but not independent of the major shareholders.

The Nomination and Compensation Committee met two times in 2011. → Member attendance at the meetings on page 40.

Primary issues discussed at the meetings were the further development of the remuneration schemes and allocation of the 2011 stock option programme.

THE DUTIES OF THE NOMINATION AND COMPENSATION COMMITTEE

- Preparing a proposal for the Board members and their remuneration to be presented to the Annual General Meeting;
- Preparing a proposal to the Board of Directors for the President and CEO's appointment and his/her employment terms;
- Preparing and evaluating matters pertaining to the remuneration and other financial benefits of the President and CEO as well as the Group management team and making sure that the remuneration principles are appropriate;
- Preparing matters pertaining to the Company's compensation systems including profit-based and long-term incentive schemes as well as allocation of these incentives amongst Cramo's key personnel. The Company's strategy, must-win battles and long-term financial goals are taken into account when deciding on the remuneration schemes; and
- Answering any questions related to the remuneration statement at the Annual General Meeting.

PRESIDENT AND CEO

The Managing Director, who also acts as the President and CEO, is in charge of the Company's day-to-day management in accordance with the Finnish Companies Act and related legislation, instructions and orders given by the Board of Directors. The areas of responsibility of the President and CEO, in addition to meeting the legal requirements mentioned above and implementing the Board's decisions, specifically include achieving objectives of the business; increasing shareholder value, the Company's profitability and the efficiency of the Company's operations; and making investments within the limits defined by the Board. Cramo has an internal document concerning authorisations granted and approval limits for work divided between the Board of Directors, the President and CEO and other management.

The President and CEO is appointed by the Board of Directors. His or her service contract is approved by the Board. The performance of the President and CEO is evaluated annually by the Board of Directors. In addition to a monthly salary and fringe benefits, the President and CEO is eligible for a performance-based bonus on an annual basis. → Remuneration on page 44 and on www.cramo.com.

The President and CEO shall not be elected Chairman of the Board. Furthermore, neither the President and CEO nor other executives of the Company shall be appointed as formal members of the Nomination and Compensation Committee.

The President and CEO is assisted by the Executive Committee and the Group management team.

OTHER EXECUTIVES

EXECUTIVE COMMITTEE

The Group's Executive Committee, comprising the President and CEO, the Deputy CEO and the CFO, is responsible for implementing the Group's strategic objectives, issued by the Board of Directors. The Executive Committee outlines the Group's vision and strategy for the Board's approval and develops operative action plans to ensure achievement of set objectives. Furthermore, the Executive Committee oversees financial matters, top management resources and policy issues concerning the Group as a whole. It also monitors the most essential development projects underway in the Company. The legal nature of the Executive Committee is consultative. It meets regularly to discuss and prepare issues of greatest importance to the Company as well as tasks delegated by the Board of Directors.

EVENTS IN 2011

In 2011, the work of the Executive Committee focused on overseeing and discussing the financial and operative development of the Company. The Executive Committee also discussed and addressed a number of specific tasks assigned by the Board as well as the implementation of the Group's strategy. Special emphasis was placed on ensuring the integration of Theisen operations into Cramo Group.

GROUP MANAGEMENT TEAM

The Group management team consists of the members of the Executive Committee, five Senior Vice Presidents responsible for the Group's business segments, and three corporate support heads. The Group management team meets on a monthly basis.

The Group management team implements the strategic decisions made by the Board, including implementing and monitoring the Corporate Governance Guidelines and Operating Principles, and monitors and steers the performance and operations of subsidiaries on an ongoing basis. The Group management team is responsible for the operative management of Cramo Group. → Group management team members and their individual responsibilities on pages 52–53. Remuneration on page 44.

EVENTS IN 2011

In 2011, the Group management team held ten meetings. The work of the

Group management team focused on the business and financial steering of the Group and its business units. Specific attention was paid to analysing the value drivers of Cramo's business operations to improve the operational and financial performance of units. In addition, the Group management team steered and monitored implementation of the must-win battles and related projects. Development of the Group's new service offerings, fleet optimisation and customer relationships were among the key issues under review in 2011.

GENERAL MANAGERS OF SUBSIDIARIES

The General Manager residing in a subsidiary's country of domicile serves as the Managing Director of the operating subsidiary. When that person is responsible for the business operations of an entire country, he or she also acts as Country Manager.

The General Managers are in charge of the day-to-day management in accordance with Cramo's strategy and Corporate Governance Guidelines and Operating Principles along with other guidelines defined by Cramo Plc and the Board of Directors of the subsidiary. At regular intervals, they report on the financial position and business operations of their company and its subsidiaries to their superior and to the operating company's Board of Directors.

GENERAL MANAGEMENT MEETING

The General Management Meeting (GMM) is a management meeting held once a year and attended by the Group management team, General Managers and other key Group and operating personnel. The GMM lasts two days.

The GMM reviews and discusses strategy and operational objectives. These discussions serve as a basis for the following year's operational and financial planning. Furthermore, the purpose of the GMM is to share information and knowledge amongst management with the intention of ensuring effective implementation of Cramo's best practices.

EVENTS IN 2011

In 2011, the GMM focused on the Cramo Rental Concept and other must-win battles. The GMM also assessed the business planning process of operating companies (OpCos) for 2011–2014 as well as the budget process and initial budget targets for 2012.

REMUNERATION

The Company has published a separate remuneration statement, which can be found on the Company's website. The remuneration statement covers all the Group's key remuneration-related information.

CRAMO'S PRINCIPLES OF REMUNERATION AND DECISION-MAKING ORDER

Cramo's remuneration is based on the Company's remuneration principles. The Group's strategy, must-win battles and long-term financial goals are taken into account when deciding the remuneration schemes. In order to ensure that remuneration is in line with Cramo's financial performance, remuneration principles are based on predetermined and measurable performance and result criteria. The aim of this well-designed remuneration scheme is to attract and engage talented employees and to promote the Company's financial success.

In addition to fixed salaries, Cramo offers a competitive compensation package for management and its key personnel. Management remuneration is based on an individual compensation package that is in compliance with local regulations and includes all taxable fringe benefits. The compensation package is divided into two components - profit-based incentive schemes and long-term incentives.

At the Annual General Meeting, the shareholders decide the remuneration of the Board of Directors based on a proposal from the Nomination and Compensation Committee.

The Nomination and Compensation Committee also prepares for the Board's approval matters pertaining to the Company's compensation systems, profit-based and long-term incentive schemes for management and key employees, and allocation of these incentives.

Cramo's Nomination and Compensation Committee prepares a proposal to the Board of Directors for the President and CEO's employment terms. The Board of Directors approves the employment terms and remuneration of the President and CEO. The Nomination and Compensation Committee prepares a proposal for the Board's approval concerning the fixed annual base salaries of the Group management team.

CRAMO'S BOARD MEMBERS' REMUNERATION RECEIVED IN 2011 ON A CASH BASIS

		Board fees, EUR						
Name	Position	Shares	Fees	Board total	Audit Committee	Nomination and Compensation Committee	Total	Number of shares purchased with the Board's fee
Stig Gustavson	Chairman	27,997	42,003	**70,000**	–	2,000	**72,000**	1,633
Eino Halonen	Deputy Chairman	17,984	27,016	**45,000**	5,000	–	**50,000**	1,049
J.T. Bergqvist[2]	Member	13,990	21,010	**35,000**	3,000	–	**38,000**	816
Helene Biström[2]	Member	13,990	21,010	**35,000**	–	1,000	**36,000**	816
Victor Hartwall	Member	13,990	21,010	**35,000**	–	2,000	**37,000**	816
Jari Lainio	Member	13,990	21,010	**35,000**	–	2,000	**37,000**	816
Esko Mäkelä	Member	13,990	21,010	**35,000**	5,000	–	**40,000**	816
Fredrik Cappelen[1]	Member	–	–	**–**	1,000	–	**1,000**	–
Thomas von Hertzen[1]	Member	–	–	**–**	1,000	–	**1,000**	–
Total		**115,930**	**174,070**	**290,000**	**15,000**	**7,000**	**312,000**	**6,762**

1) Until 23 March 2011; 2) Since 24 March 2011

REMUNERATION FOR BOARD SERVICES

In 2011 the Annual General Meeting approved the following annual remuneration for Board services:

- Chairman of the Board EUR 70,000
- Deputy Chairman of the Board EUR 45,000
- Other Board members EUR 35,000

In addition, the remuneration for each Committee meeting was EUR 1,000.

40% of the remuneration is paid in shares of Cramo Plc, purchased in the market on behalf of the Board members, and 60% is paid in cash. In the event a purchase of shares cannot be carried out for reasons related to either the Company or a Board member, the annual remuneration shall be paid entirely in cash. Reasonable travel expenses will be refunded as per invoice. The Board's members are not covered by the Company's stock option scheme, bonus scheme or pension schemes. No shares or share-related rights were granted to Board members as remuneration during the financial period, except those specified above. → Board's remuneration received in 2011 on cash basis on page 43.

REMUNERATION OF THE PRESIDENT AND CEO AND GROUP MANAGEMENT TEAM

Profit-based incentive schemes

Cramo's short-term incentive system is aimed at supporting the Company's strategic targets by enhancing a strong performance culture. The Executive Committee (President and CEO, Deputy CEO and CFO), other Group management team members, and managers and key personnel from every Cramo country are covered by profit-based incentive schemes that are specific to the Group and operating company.

Management bonuses are tied to the achievement of financial targets for the Group and operating countries, which are determined by the Board of Directors. The targets are set annually, and any compensation is paid once a year after the end of the financial period. In 2011 the main financial targets were linked to both EBITA and ROI. The Nomination and Compensation Committee assesses achievement of set targets and prepares its suggestion for allocation of bonuses for the Board's approval. The size of the annual bonus depends on the Group's financial performance. For the financial year 2011, the maximum bonus level was set at 100%.

Long-term share ownership programme for the Executive Committee

Cramo's Board of Directors accepted a share ownership programme for the Executive Committee in June 2009. The purpose of the arrangement is to commit the Executive Committee members to the Company by encouraging them to acquire and hold the Company's shares and thereby increase long-term shareholder value.

For the purpose of share ownership, Cramo Executive Committee members established a company called Cramo Management Oy in 2009, which acquired 316,288 Cramo Plc shares from the market for a total of approximately EUR 2.48 million. The share purchases were financed by equity investments from the Executive Committee members, totalling EUR 500,000, as well as by an interest-bearing loan of EUR 2.0 million provided by Cramo Plc.

This arrangement is valid until autumn 2012. The transfer of Cramo Plc shares held by Cramo Management Oy is restricted during the validity of the arrangement. All holdings of the Executive Committee members in Cramo Management Oy are valid until the program is terminated.

In 2011, Cramo Plc acquired all the shares in Cramo Management Oy from Cramo Executive Committee members in a share swap. According to the agreements governing Cramo Management Oy, Cramo Management Oy had an obligation to repay the loan granted by Cramo Plc prematurely in case the share price of Cramo Plc exceeds a certain price determined in the agreements other than on a temporary basis. This condition was met on 14 February 2011.

In this arrangement, all the shares in Cramo Management Oy were transferred to Cramo Plc. When the share swap was executed, the previously indirect share ownership of Cramo Executive Committee members became a direct ownership in Cramo Plc. The number of new shares included in the share swap was determined on the basis of Cramo Management Oy's net assets and calculated by using the trade volume weighted-average quotation for the Cramo Plc share on NASDAQ OMX Helsinki Ltd on 14 February 2011, both with respect to the new shares issued and the shares in Cramo Plc that Cramo Management Oy owns. The new shares are subject to the transfer restriction determined by the Board of Directors in June 2009, which expires on 1 October 2012.

Long-term incentives

The Nomination and Compensation Committee has elected and the Board has approved approximately 100 managers and key personnel from every Cramo country, including team members of the Executive Committee and other Group management, to participate in the 2006 stock option scheme. Cramo's stock option schemes for management and key employees, which were launched in 2006 (2006A, 2006B and 2006C), support achievement of the Group's long-term goals by attracting and retaining those identified as key personnel.

In November 2009 and 2010 and in October 2011, the Board approved the allocation of stock options pertaining to the stock option schemes for those

REMUNERATION PAID TO THE PRESIDENT AND CEO AND GROUP MANAGEMENT TEAM IN 2011 ON A CASH BASIS, EUR

Name	Fixed annual base salary	Profit based incentives	Fringe benefits	Share based payment	Post-employment benefits	2011 Total	2010 Total
President and CEO	317,778	102,008	26,767	299,429	83,946	**829,928**	**754,000**
Group management team	1,602,695	309,063	110,115	1,027,301	50,506	**3,099,679**	**2,469,000**
Total	**1,920,473**	**411,071**	**136,882**	**1,326,730**	**134,452**	**3,929,607**	**3,223,000**

REMUNERATION AND SERVICE CONTRACT OF THE PRESIDENT AND CEO CONSISTS OF THE FOLLOWING

Salary and fringe benefits	Base salary EUR 26,000/month. Additionally a car and telephone as fringe benefits.
Short-term incentive systems (bonus)	The bonus tied to the Group's financial targets and/or personal targets as set by the Board. In 2011, the maximum bonus paid to the President and CEO was 100% of base salary.
Long-term incentive system (share ownership and stock option incentive)	As a member of the Executive Committee, the President and CEO participates in a long-term share ownership programme and in all Cramo stock option incentive schemes.
Pension	The retirement age is 63. In addition to the statutory system, Cramo offers voluntary pension insurance. In 2011, the expense of the voluntary pension scheme was EUR 83,946.
Termination of the contract	The notice period is six months, during which time the President and CEO receives a full salary. If the contract is terminated by the employer, there may also be a severance payment of 18 months' salary.

years. There were over 100 managers and key personnel from every Cramo country, including team members from the Executive Committee and other Group management, participating in the 2009, 2010 and 2011 stock option schemes.

In delivering options, the Board assesses which key individuals have also increased their direct shareholding in the company.

A total of 551,809 new Cramo Plc shares were subscribed for under the Company's 2006A stock option rights in 2011. The entire subscription price of EUR 7,261,806.44 was entered in the invested unrestricted equity reserve. As a result of the share subscriptions, the number of Cramo Plc shares increased to 31,354,189.

Pension benefits

Cramo's executives participate in local pension systems for each operating country which provide a retirement benefit based on years of service and earnings according to the prescribed statutory system. Finnish pension legislation offers a flexible retirement age ranging from 63 to 68 without any full pension limits. The President and CEO and three of the Group management team members participate in a voluntary pension system. The voluntary pension system is payment-based. In 2011, the expenses of the voluntary pension system were as follows: EUR 83,946 for the President and CEO and EUR 50,506 for the two members of the Group management team, totalling EUR 134,452.

Remuneration and service contract of the President and CEO

Cramo's President and CEO has a written service contract, which is approved by the Board. → Remuneration and service contract in detail above.

The financial benefits of the President and CEO and the Group management team

→ Remuneration paid to the President and CEO and the Group management team in 2011 on previous page.

INTERNAL CONTROL

According to the Finnish Corporate Governance Code, the Board of Directors is responsible for defining the operating principles of internal control and for monitoring the functioning of the process to ensure the Group's profitable operations.

Cramo has specified internal control as a process that is affected by the Board of Directors, management and every level of Cramo's personnel. The objective of internal control is to give management a reasonable assurance that

- operations are effective, efficient and in line with strategy and targets;
- financial reporting and management information are reliable, complete and timely; and
- the Group is in compliance with applicable laws and regulations as well as Cramo internal policies.

INTERNAL CONTROL FRAMEWORK AT CRAMO

As a model for defining internal control, Cramo has utilised the framework of the Committee of Sponsoring Organisations (COSO), which has been modified for Cramo's purposes, for instance by adding items that support strategic and business objectives. The Group's Board of Directors focuses on shareholder value creation and value protection. In accordance with good corporate governance, the Board ensures that Cramo has internal control principles and also monitors the effectiveness of the Company's internal controls, internal audit and risk management.

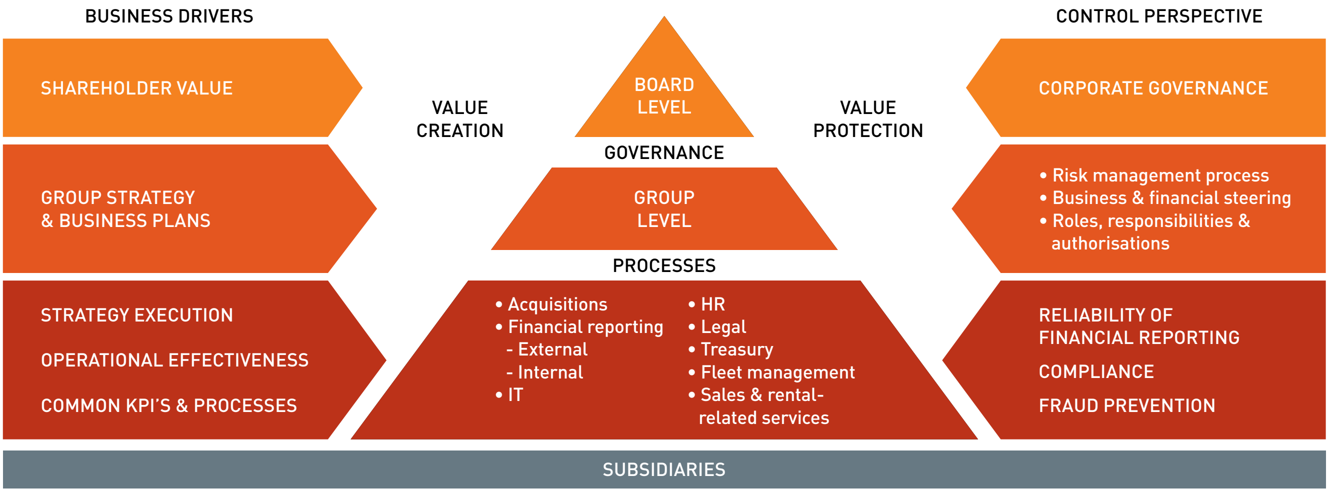
INTERNAL CONTROL ACTIVITIES

Cramo's internal control consists of Board and Group management level activities as well as various controller activities. Control activities are the policies and procedures that help to ensure that management

CRAMO'S INTERNAL CONTROL FRAMEWORK CONSISTS OF

- The internal control, risk management and corporate governance policies and principles set by the Board of Directors;
- Management overseeing the implementation and application of these policies and principles;
- The Group Finance and Development function monitoring the efficiency and effectiveness of the operations and the reliability of financial and management reporting;
- The enterprise risk management process identifying, assessing and mitigating risks threatening the realisation of Cramo's objectives;
- Compliance procedures to make sure that all applicable laws, regulations, internal policies and ethical values are adhered to;
- An effective control environment at every organisational level, including control activities, which is tailored to each process;
- Shared ethical values and a strong internal control culture among all employees; and
- The Board's Audit Committee and the Group's Internal Audit function monitoring the effectiveness of internal controls.

CRAMO'S RISK MANAGEMENT SYSTEM



directives are carried out. They also help to ensure that the necessary actions are taken to address risks in achieving the entity's objectives. Control activities are set throughout the organisation, at every level and in every function in order to ascertain that all applicable laws, regulations, internal policies and ethical values are adhered to. Control activities involve a range of actions including but not limited to approvals, authorisations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

Cramo's business segment and Group function directors are responsible for monitoring developments in legislation and regulations in their own areas and in communicating them to the organisation. Business segment and Group function directors are also responsible for setting up adequate compliance controls and compliance-related training in their units.

RISK MANAGEMENT

An integral part of Cramo Group's monitoring and control system, risk management is aimed at ensuring that the Company identifies its business-related risks and assesses and monitors them on an ongoing basis. In accordance with the Company's risk management policy, risk management refers to continuous and systematic activities aimed at preventing personal injuries and safeguarding the assets of Cramo Group and its Group companies while ensuring stable, profitable business operations.

MAJOR RISKS AND RISK MANAGEMENT MEASURES

Cramo Group's expansion and business development are based in part on corporate acquisitions. Risks associated with acquisitions may involve, for example, knowledge of local markets, customers, key personnel and suppliers. The aim is to take related risks into account through careful advance arrangements and the systematic monitoring of corporate acquisitions.

Risk management measures are aimed at securing Cramo Group's long-term competitiveness. The Board of Directors and management are responsible for managing business, financial and environmental risks as well as the related insurance coverage.

Management of business risks

Cramo Group's business largely depends on construction and property markets, which are characterised by seasonal fluctuations. On the other hand, the Group is not dependent on individual customers or projects, since its extensive customer base is spread across a number of market areas. Furthermore, the continuous management and optimising of utilisation rates for the Company's equipment fleet is a critical success factor for the Group.

The Board of Directors analyses the financial performance of the Group and its business units on a monthly basis. Cramo's business risks are mitigated by the Group's about 400 depots and offices being spread among fifteen countries.

Management of financial risks

In addition to cash flow financing, the Group raises bank loans and concludes equipment lease agreements in financing its operations. Its main financial risks relate to interest rate risks associated with cash flows, currency risks, credit risks and liquidity risks. To manage its interest rate risks, Group borrowings and investments are spread across fixed and floating interest rate instruments. In an effort to manage its interest rate risks, the Group can make use of derivative contracts, such as interest rate swaps. Currency risks mainly involve net investments in foreign units and foreign currency-denominated loans, with currency forward contracts used as hedging instruments. Since Group companies mainly carry out their sales and purchases in the unit's functional currency, the Group is not exposed to any major foreign exchange risks associated with these transactions.

The Group Treasury identifies, analyses and manages financial risks in co-operation with Group companies.

Management of environmental risks

Cramo Group's environmentally sound corporate mission entails high utilisation rates of professionally serviced equipment and minimisation of the environmental impact caused by the use of equipment and energy – aspects that the Group pays special attention to in purchasing its rental machinery and equipment. Cramo Group's quality management system is based on the ISO 9001:2000 quality management certificate granted by Det Norske Veritas, which covers all of the Company's operations and depots in Finland. Cramo's operations in Sweden, Denmark and Norway are based on the ISO 14001 environmental and ISO 9001 quality management certificates.

The Group performs internal auditing on an ongoing basis and occasionally stages audits carried out by external parties.

Insurance coverage

Extensive insurance coverage forms an integral part of Cramo Group's risk management. The Group's management continuously assesses the adequacy and scope of insurance coverage, in view of the extent and nature of Group operations.

ENTERPRISE RISK MANAGEMENT

The enterprise risk management concept forms an important part of Cramo Group's monitoring and control system. It is aimed at ensuring that the Group identifies its business-related risks and assesses and monitors them on an ongoing basis. Enterprise risk management is a continuous process that is integrated into Cramo Group's strategy process, operative planning, daily decision-making and monitoring of operations. It is also part of the Group's internal control environment.

The Board of Directors, the Group management and the Group Finance and Development function are responsible for managing strategic, operational, financial, event and environmental risks as well as the related insurance coverage. The General Managers shall also draft a country-specific risk profile for their operating country annually when preparing the budget. The risk profile and the related risk management policy will have to be adapted by the respective subsidiary.

As part of strategic planning, Cramo has identified risks related to the implementation of the must-win battles at Group and operating country levels. Risk areas have been prioritised with regard to the extent of impact and likelihood, and an action plan has been completed.

Strategy follow-up includes an actively followed set of forward-looking indicators to give an early indication of any changes in the market environment or the operations of the Company. The forward-looking indicators can be divided into external indicators, such as GDP, construction growth rates and confidence indices, and internal indicators, such as time utilisation of the rental fleet and the modular space order book. In addition to the formalised indicators, Cramo follows a number of weak signals originating in the day-to-day rental operations.

OPERATIONAL HEDGES FOR RENTAL BUSINESSES

Cramo has created a number of operational hedges and flexibilities which facilitate increased business agility and reduce exposure to risks in its rental business operations. Firstly, Cramo has worked to reduce business exposure by actively developing its modular space business. The demand for modular space is less dependent on economic cycles, driven by longer rental contracts and the public sector's importance as a key customer segment.

Secondly, Cramo focuses on reducing customer exposure by expanding, broadening and balancing its customer base in order to lessen dependency on individual customers and individual customer segments. Thirdly, Cramo controls its geographic exposure by expanding the geographic footprint of its business.

Furthermore, Cramo limits its asset intensity by implementing a Group-wide fleet management and financing strategy. Cramo's fleet management strategy enables the Group to swiftly respond to changes in demand by either transferring fleet within the broad international network of rental depots or by selling excess equipment through established

ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

ENTERPRISE RISK MANAGEMENT			
STRATEGIC PLANNING	**RISK IDENTIFICATION AND PRIORITISATION**	**PROCESSES AND CONTROLS**	**INVESTMENT MANAGEMENT**
• **Strategic planning provides the basis for ERM** • Strategy and must-win battles • Subsidiary business plans • Other input into ERM	• **Identification of risk areas related to strategy at Group and Operating Company levels** • **Categorisation of risks** • Strategic • Operational • Financial • Event • Environment • Other • **Prioritisation of risk areas with regard to** • Extent of impact • Likelihood • **Action plan**	• Selection of the most important processes impacting the achievement of objectives and implementation of the strategy • Identification of key controls • Review of other processes (e.g. support functions) and key controls	• Investment CAPEX • Acquisition CAPEX • Cost of capital and approvals
		SELECTION OF FORWARD-LOOKING INDICATORS (FLI)	CONTINGENCY PLANNING NORMAL CONDITIONS / DOWNTURN / CRISIS
		• Selection of forward-looking indicators to reflect the priority risk areas and to measure the extent of risks • FLIs include both external (market) and internal (company) indicators • FLIs to be used together with normal management reporting information	• Monitoring process of FLIs • Implications of FLIs to be taken into day-to-day business decisions/ activities • Creation of operational hedges and flexibilities into the business model • Identification and determination of situation severity with the help of FLIs • Contingency planning for the actions to be taken in a given situation • Implementation of contingency plan actions as required

sales channels. The fleet financing strategy helps Cramo in creating a flexible financing mix to address both long-term fleet financing needs and short-term changes in demand in a cost-efficient, risk-optimising manner.

Finally, Cramo has built flexibilities into its business model in a number of ways, for example, by increasing the amount of hired work force and entrepreneur-managed depots.

CONTINGENCY PLANNING THROUGHOUT THE BUSINESS CYCLE

Cramo's contingency plan determines the actions to be taken in a market downturn, both on the Group level and in the subsidiaries. Under normal market conditions, Cramo's contingency plan activities are focused on planning and actively monitoring the business environment. The implications of forward-looking indicators and key performance indicators are taken into day-to-day business decisions regardless of the stage of the overall business cycle. In addition, Cramo focuses continuously on further improving its operational hedges for the rental business.

In a downturn or crisis, forward-looking indicators are further used to identify and determine the severity of the situation. Based on the situation analysis, contingency plans are implemented to the degree required. Contingency plan actions in a downturn include reductions in investment levels, returns of fleet financed through operational leases, restructuring of the organisation and depot network, fleet transfers and sales, reductions in subcontracting work and various types of fixed-cost adjustments.

RISK MANAGEMENT RESPONSIBILITIES

The Board of Directors monitors and is responsible for ensuring that the Group's risk management process functions are comprehensive. It defines risk-bearing tolerance on a continuous basis, according to current conditions.

The Group's operative management is responsible for achieving the goals set as well as controlling and managing risks that threaten them. The operative management is committed to fully supporting implementation of the risk management work and to ensuring the performance of the risk management process and the availability of sufficient resources.

Risk management assessments are coordinated by the Group Finance and Development function, which supports the management, business units and other support functions in implementing the risk management policy. It is responsible for instructions and advice to the units and for monitoring the practical implementations of the process.

The Internal Audit unit and the Group Finance and Development function collaborate closely with corporate risk management and concentrate on assessing risks.

Business units and corporate functions identify and assess significant risks within their area of responsibility in their planning processes, and take necessary corrective measures as well as report in the agreed manner.

RISK MANAGEMENT ACTIONS IN 2011

In 2011, the focus of risk management was on the appraisal of the effects that the uncertain market environment had on business operations and Group functions. Special emphasis was given to risks related to the integration of Theisen operations. In addition, market specific risks were assessed and renewed contingency plans were prepared as part of the business planning process. The Group's risk management concentrated on core processes and control development related to the Company's key processes.

INTERNAL AUDIT

Cramo Group's internal control is based on an independent Internal Audit function, internal policies and guidelines, financial reporting, supervision and documentation, as well as transparent processes and procedures. The Group pays particular attention to systematic operations at its offices, rental equipment management and clear reporting.

The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the governance, risk management process, system of internal control structures and quality of performance of the audited organisation in carrying out assigned responsibilities to achieve the organisation's stated goals and objectives.

The Audit Committee approves the charter and annual audit plan of the Group's Internal Audit unit and assesses its operations. The unit pays regular visits to depots and offices in Cramo countries. In addition, Internal Audit is responsible for the assessment of the efficiency of the Group's various units for operational and compliance auditing. The Head of Internal Audit reports the findings and recommendations to the Audit Committee and the Board of Directors. Administratively, the Head of Internal Audit reports to the CFO and shares the results of audit assignments with the Group management.

INTERNAL AUDIT INCLUDES

- Reviewing the reliability and appropriateness of financial and operating information;
- Reviewing compliance with policies, plans, procedures, laws, and regulations that could have a significant impact on operations;
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Reviewing and appraising the economy and efficiency with which resources are employed, used and protected;
- Reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned;
- Reviewing specific operations at the request of the Board or management, as appropriate;
- Monitoring and evaluating the effectiveness of set common controls; and
- Monitoring and evaluating the effectiveness of the risk identification and management system of the audited organisation.

INTERNAL CONTROL AND RISK MANAGEMENT RELATED TO FINANCIAL REPORTING

→ Further information about internal control and risk management related to financial reporting can be found in the Corporate Governance Statement, which is available online at www.cramo.com > Investors > Corporate Governance.

GENERAL DEVELOPMENT ACTIVITIES IN INTERNAL CONTROL AND RISK MANAGEMENT IN 2011

While implementing Cramo Group's strategy, the Group management team evaluated related risks on an ongoing basis. The evaluations covered such issues as the Group's diverse operational environments and Cramo's positioning in these markets. Risk perspective was also taken into account in assessing depot-level performance.

In 2011, Cramo continued its launch of a One Cramo Enterprise Rental application and further enhanced the Cramo Business intelligence (CraBi) reporting tool to advance harmonisation and development of the Group's reporting.

INTERNAL CONTROL AND RISK MANAGEMENT DEVELOPMENT ACTIVITIES RELATED TO FINANCIAL REPORTING IN 2011

During 2011, the Group Finance and Development function developed and implemented the new controller model to strengthen the monitoring and controlling of operational and financial performance. In addition, the process to push targets down to the depot level was further developed. A monitoring of control activities was carried out at selected OpCos. The monitoring was facilitated by the Group's Internal Audit and was based on a control tool developed and tested in 2009. The tool includes Group-wide control objectives for diverse business processes. Furthermore, the control self-assessment was carried out at the Group IT function, and an audit review for the rental system was conducted at the Group level. Depot-level internal audits were continued as an ongoing control activity.

PRIORITY AREAS IN 2012

Efficient business steering and the integrity of internal and external reporting will continue to be the key themes for 2012. Focus areas will include further implementation of the new controller model to monitor the optimised use of invested capital and to ensure prompt corrective actions if needed. In order to strengthen the integrity of the Group´s financial reporting, the Group Finance and Development will implement the Financial Manual.

In 2012, internal control will also include monitoring of control activities at selected OpCos. The selection of OpCos for review will be risk-based, and the review will be performed by the Group Internal Audit. Consequently, improvement measures will be designed and implemented in order to advance the control maturity. A control self-assessment will be performed at the Group Finance and Development function. The depot audit programme will continue as a sustained control activity.

INSIDER ADMINISTRATION

Cramo observes the Insider Guidelines issued by NASDAQ OMX Helsinki Ltd. Cramo's own internal insider rules are regularly updated and made available to all permanent insiders as well as employees. Euroclear Finland Ltd maintains an insider register for Cramo's permanent insiders. Cramo requires that its employees and partners comply with the Insider Guidelines. The co-ordination and control of insider affairs are included in the responsibilities of the CFO.

EXTERNAL AUDITORS

The Company has a minimum of one and a maximum of two authorised public accountants (APA) or firms of authorised public accountants, chartered by the Central Chamber of Commerce of Finland. Their term of office expires at the end of the next Annual General Meeting following their election. If the AGM elects only one auditor, which is not a firm of authorised public accountants chartered by the Central Chamber of Commerce, it must elect one deputy auditor.

APA Mr Erkka Talvinko was appointed the auditor in charge, and the firm of authorised public accountants Ernst & Young Oy was elected at the Annual General Meeting on 24 March 2011 as the Company's auditor to serve for a term ending at the end of the next Annual General Meeting in 2012. Both Mr Talvinko and Ernst & Young Oy have served as auditors of the Company since 2006.

TOTAL COMPENSATION FOR EXTERNAL AUDITING

EUR 1,000	2011	2010	Change, %
Audit fees	710	654	8.6
Tax consultation	180	94	91.5
Other services	906	249	263.9
Total	**1,796**	**997**	**80.1**

BOARD OF DIRECTORS
31 DEC 2011

Stig Gustavson

Chairman since 2007, Board member since 2006.
Chairman of the Nomination and Compensation Committee.
Born 1945, Finnish citizen, Dr.Tech. (hon) and M.Sc. (Eng.)

Primary work experience:
Konecranes Plc's President and CEO 1994–2005; President of KONE Cranes division 1988–1994; various executive positions with major Finnish companies 1969–1988.

Current positions of trust:
Board Chairman: Konecranes Plc, Svenska Handelsbanken AB (publ) Regional Bank Finland, Technology Academy Foundation, Ahlström Capital Oy
Board Vice Chairman: Mercantile Oy Ab, Dynea Oy
Board member: Vaisala Corporation
Supervisory Board member of Mutual Pension Insurance Company Varma
Senior Regional Advisor of IK Investment Partners

Cramo shares on 31 Dec 2011:
110,440 (31 Dec 2010: 83,697)
Deemed independent of the Company and its major shareholders.

J.T. Bergqvist

Board member since 2011.
Member of the Audit Committee.
Born 1957, Finnish citizen, Dr.Tech. (Eng.)
CEO of K. Hartwall Oy Ab

Primary work experience:
Nokia Corporation, Member of the Group Executive Board 2002–2005; Nokia Corporation, Member of the Strategy Panel of the Group Executive Board 2001–2005; Nokia Networks, Global Business Units, Executive/Senior Vice President & General Manager 2000–2005.

Current positions of trust:
Board Chairman: Norvestia Oyj, AinoActive Oy
Board member: Ascom Holding AG, Hartwall Capital Oy, K. Hartwall Oy Ab and Franco-Finnish Chamber of Commerce
Strategy Consultant at various industrial companies

Cramo shares on 31 Dec 2011:
816 (31 Dec 2010: -)
Deemed independent of the Company, but not independent of a major shareholder.

Helene Biström

Board member since 2011.
Member of the Nomination and Compensation Committee
Born 1962, Swedish citizen, M.Sc. (Eng.)
Managing Director of Norrenergi AB

Primary work experience:
Senior Executive Vice President and Head of Business Group Pan Europe of Vattenfall AB 2009–2010 and member of Executive Group Management of Vattenfall 2007–2010; Vice Head of Vattenfall Business Group Nordic 2007–2008; Head of the Nordic Heat Business unit of Vattenfall 2004–2007.

Current positions of trust:
Board member: KTH Royal Institute of Technology

Cramo shares on 31 Dec 2011:
816 (31 Dec 2010: -)
Deemed independent of the Company and its major shareholders.

"Independent" means that the member of the Board does not have a material relationship with Cramo apart from his/her Board membership and that the member is independent of significant shareholders of the Company.

For further information about Board activities, see pages 39–42.

Eino Halonen

Deputy Chairman since 2007,
Board member since 2003.
Chairman of the Audit Committee.
Born 1949, Finnish citizen,
B.Sc. (Econ.)
Primary work experience:
Suomi Mutual Life Assurance Company, President and CEO 2000–2007.
Current positions of trust:
Board member: Metsäliitto Corporation, YIT Corporation
Cramo shares on 31 Dec 2011:
12,255 (31 Dec 2010: 8,620)
Deemed independent of the Company and its major shareholders.

Victor Hartwall

Board member since 2010.
Member of the Nomination and Compensation Committee.
Born 1966, Finnish citizen,
M.Sc. (Econ.)
Managing Director of K. Hartwall Invest Oy Ab
Primary work experience:
Deputy Managing Director of Lankapaja Oy 2001–2006; Controller, K. Hartwall Oy Ab 1999–2001; Product Manager, K. Hartwall Oy Ab 1995–1999.
Current positions of trust:
Board Chairman: Lankapaja Oy
Board member: K. Hartwall Oy Ab, K. Hartwall Invest Oy Ab, Malmgårds bryggeri Ab
Cramo shares on 31 Dec 2011:
36,853 (31 Dec 2010: 1,035)
Deemed independent of the Company, but not independent of a major shareholder.

Jari Lainio

Board member since 2009.
Member of the Nomination and Compensation Committee.
Born 1955, Finnish citizen,
Construction Engineer
Managing Director of Lainio & Laivoranta Ltd., Managing Director of Rakennustoimisto Lainio & Laivoranta Ltd.
Primary work experience:
Managing Director of Rakennustoimisto Laivoranta Ltd. 1989–1994; Technical Director of Rakennustoimisto Laivoranta Ltd. 1986–1989; Managing Director of Rakennustoimisto Lainio & Laaksonen Ltd. 1982–1986.
Current positions of trust:
Board Chairman: Rakennusteollisuus RT, Lounais-Suomi
Board member: Turun Rakentamistaidon edistämissäätiö
Cramo shares on 31 Dec 2011:
4,292 (31 Dec 2010: 2,672)
Deemed independent of the Company and its major shareholders.

Esko Mäkelä

Board member since 2007.
Member of the Audit Committee.
Born 1943, Finnish citizen,
M.Sc. (Eng.), MBA
Primary work experience:
Executive Vice President, CFO of YIT Corporation.
Current positions of trust:
Board Chairman: Everalis Oy
Board member: Convergens Oy
Cramo shares on 31 Dec 2011:
9,069 (31 Dec 2010: 5,041)
Deemed independent of the Company and its major shareholders.

Mika Puittinen
Secretary to the Board
(not member of the Board)

GROUP MANAGEMENT
31 DEC 2011

Vesa Koivula
Born: 1954, Finnish citizen
M.Sc. (Eng.), Tampere University of Technology
Position:
President and CEO since 2003
Employed by Cramo since 2003
Primary work experience:
Fiskars Inha Ähtäri Works, Managing Director 2001–2003 and Deputy Managing Director 1995–2001; Morus Oy, Managing Director 1992–1995.
Current positions of trust:
Board member: Marinetek Group Oy, European Rental Association (ERA)
Cramo shares on 31 Dec 2011:
120,144 (31 Dec 2010: 316,288[1])

Göran Carlson
Born: 1958, Swedish citizen
Engineering, Lund Institute of Technology, University of Lund, Sweden
Position:
Deputy CEO since 2006
Member of the Group management team since 2006
Employed by Cramo since 2005
Primary work experience:
Cramo AB, CEO 2005; FläktWoods Group, SVP 2002–2004; Electrolux South Africa, Managing Director 1998–2001; The Lux Group, CEO 1993–1998; Lux France, Managing Director 1991–1993; Electrolux Philippines, Managing Director 1986–1991; Electrolux Far East, Managing Director 1984–1986.
Cramo shares on 31 Dec 2011:
63,758 (31 Dec 2010: 318,288[2])





Martin Holmgren
Born: 1967, Swedish citizen
B.Sc. (Business Administration), Karlstad University
Position:
Vice President, Fleet Management/Equipment Rental since 2009
Member of the Group management team since 2009
Employed by Cramo since 2003
Primary work experience:
Cramo AB, Product Area Manager Fleet Management 2003–2008; Telia Mobile, Business Development Manager 2000–2003; ABB, Supply Chain Manager 1998–2000; Platzer Bygg, Site Manager 1989–1995.
Cramo shares on 31 Dec 2011:
3,000 (31 Dec 2010: 0)

Jarmo Laasanen
Born: 1950, Finnish citizen
MBA
Position:
Senior Vice President, Russia and Baltics since 2006
Member of the Group management team since 2006
Employed by Cramo since 2004
Primary work experience:
Cramo Suomi Oy, President 2004–2005; Addsoft Solutions Oy, Managing Director 2001–2004; Getronics Oy/Corp., General Manager, North East Europe Area Manager, Vice President 1998–2001; Olivetti Oy, Service Director, Managing Director 1992–1998; Unisys Oy, Sales Manager, Sales Director 1980–1992.
Cramo shares on 31 Dec 2011:
3,611 (31 Dec 2010: 2,450)

Per Lundquist
Born: 1967, Swedish citizen
M.Sc. (Eng.), Institute of Technology, Linköping University, Sweden
Position:
Vice President, CIO since 2010
Member of the Group management team since 2010
Employed by Cramo since 2010
Primary work experience:
Toyota Material Handling Group, CIO/Director IT 2004–2010; Sogeti AB, Key account manager 2000–2004; Cap Gemini Telecom and Media Lab Atherton CA USA, Project manager/System architect 1999–2000; Cap Gemini Sverige AB, Project manager/System architect 1996–1999; Linköping University Hospital, Research engineer neurophysiology and medical imaging 1993–1996.
Cramo shares on 31 Dec 2011:
0 (31 Dec 2010: 0)

Martti Ala-Härkönen

Born: 1965, Finnish citizen
Dr.Sc. (Econ.), Lic.Sc. (Tech.)
Position:
CFO since 2006
Member of the Group management team since 2006
Employed by Cramo since 2006
Primary work experience:
WM-data Oy, SVP, Finance and Administration 2004–2006; Novo Group Oyj, SVP-Business Development, CFO 1998–2003; Postipankki Ltd, Finance manager, Manager-Corporate Finance 1995–1998.
Cramo shares on 31 Dec 2011:
61,203 (31 Dec 2010: 316,288[1])

Ossi Alastalo

Born: 1966, Finnish citizen
Studies at the Tampere University of Technology
Position:
Senior Vice President, Fleet Management / Modular Space since 2006
Member of the Group management team since 2006
Employed by Cramo since 2000
Primary work experience:
Tilamarkkinat Oy (later Cramo Instant Oy), Managing Director 2001–2006; Deputy Managing Director 1999–2001 and Logistic Manager 1989–1999.
Cramo shares on 31 Dec 2011:
18,158 (31 Dec 2010: 14,029)

Erik Bengtsson

Born: 1969, Swedish citizen
M.Sc. (Industrial Engineering)
Position:
Senior Vice President, Sweden since 2008
Employed by Cramo since 2005
Primary work experience:
Cramo Sverige AB, Region Manager East 2005–2008; Toyota materials handling (BT Svenska), Sales Manager 2001–2005; Parker Hannifin, Production Engineer and field sales 1995–2001.
Cramo shares on 31 Dec 2011:
1,000 (31 Dec 2010: 1,000)

Tatu Hauhio

Born: 1970, Finnish citizen
M.Sc. (Econ.), Helsinki School of Economics and Business Administration
Position:
Senior Vice President, Finland since 2006
Member of the Group management team since 2006
Employed by Cramo since 2004
Primary work experience:
RK Group, Director for Project Rental and foreign operations 2004–2005; Suomen Projektivuokraus Oy, Business Development Director 2003; Cap Gemini Oy, IT-consultancy, quality and risk management positions 1997–2002.
Other positions of trust:
Board Chairman: Finnish Technical Traders (Machine rental)
Cramo shares on 31 Dec 2011:
13,432 (31 Dec 2010: 5,750)






Finn Løkken

Born: 1964, Norwegian citizen
Machine technician (Various management programmes)
Position:
Senior Vice President, Norway since 2009
Member of the Group management team since 2009
Employed by Cramo since 2003
Primary work experience:
Cramo Norway, Managing Director since 2003; Bautas, Regions Manager 1998-2003; Stavdal Øst AS, Managing Director 1996–1998; Finn Løkken AS, Managing Director 1992–1996.
Current positions of trust:
Board member: Norwegian Rental Association
Cramo shares on 31 Dec 2011:
0 (31 Dec 2010: 0)

Dirk Schlitzkus

Born: 1964, German citizen
Attorney at law, Julius-Maximilians-University, Würzburg, Germany
Position:
Senior Vice President, Central Europe since 2011
Member of the Group management team since 2011
Employed by Cramo since 2011
Primary work experience:
Theisen Baumaschinen AG, Member of the Board of Directors since 2007; Theisen Baumaschinen Group, Managing Director since 1998; Theisen Baumaschinen Group, Company Lawyer 1994–1998.
Cramo shares on 31 Dec 2011:
0 (31 Dec 2010: -)

1) Shareholdings for 2010 reported through ownership in Cramo Management Oy (page 96).
2) Shareholdings for 2010 reported through ownership in Cramo Management Oy (316,288) and direct (2,000).

ONE CRAMO

We are easy to find and you know what to expect, wherever you are – One Cramo.

AT YOUR SERVICE – CLOSE BY

You can find our rental professionals, efficient logistics and over 400 depots in 15 European countries.

Table of contents of the financial review

BOARD OF DIRECTORS' REPORT ON THE 58TH YEAR OF OPERATION

Cramo is a service company specialising in equipment rental services, as well as the rental and sale of modular space. Its equipment rental services comprise construction machinery and equipment rentals and rental-related services. These rental-related services include construction site and installation services.

Cramo Plc is one of the industry's leading service providers in the Nordic countries and Central and Eastern Europe. At the end of 2011, Cramo Plc operated in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Russia, Germany, Austria, Switzerland and Hungary.

OPERATING ENVIRONMENT[1]

In equipment rental, the year 2011 began favourably. In many markets, construction and industrial investments began to recover in the second half of the previous year. However, economic uncertainty increased in the second half of 2011. Economic uncertainty did not significantly affect Cramo's business during the year. Cramo prepared for the weakening outlook by cutting its fleet investments and, in the second half of the year, shifting its focus from strong growth to securing profitability.

In 2011, construction activity is estimated to have increased in Finland and Germany by 3–4%, in Sweden by 4–9%, in Denmark by 2–3%, in Russia by 5%, in Poland by 13% and in the Baltic countries by 17%. In Norway, estimates of the change in market size vary from -4 to 6%. In the Czech Republic and in Slovakia, investments in construction decreased by about 6%.

VTT and ERA estimate growth in the equipment rental sector at about 10% in Germany and the Nordic countries in 2011, and at about 30% in Poland.

BUSINESS REVIEW

Cramo Group's business segments consist of Finland, Sweden, Norway, Denmark, Central Europe, which includes Germany, Switzerland, Austria and Hungary, and Eastern Europe, which includes Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and Russia. In addition to segment information, Cramo also reports on the order book value for modular space. The order book and profitability of the modular space business remained good throughout the year.

During the financial year, Cramo expanded its operations to Central Europe by way of acquiring 100% of the share capital of the German rental group Theisen Baumaschinen AG. Cramo expects the acquisition to be earnings-accretive from 2012 onwards. In June, Cramo also reinforced its regional market position with the acquisition of Tidermans, a Swedish rental operator in the Gothenburg region, and Stavdal, a Norwegian rental company operating in the Oslo region. The integration of all companies acquired in 2011 into Cramo Group has progressed as planned.

Sales and EBITA increased in all business segments. All segments except Denmark achieved a positive result. Profit development was particularly strong in Central Europe. The recovery in the markets and price levels as well as adjustments made in previous years contributed to the positive development. In Finland, significant outsourcing agreements signed in the second half of 2010 also added to sales growth.

Finland generated EUR 127.6 (99.6) million or 18.5% (19.9) of the total consolidated sales for 2011 (excluding inter-segment sales), Sweden EUR 308.9 (251.9) million or 44.9% (50.4), Norway EUR 79.3 (69.1) million or 11.5% (13.8), Denmark EUR 35.0 (29.5) million or 5.1% (5.9) and Eastern Europe EUR 66.6 (49.9) million or 9.7% (10.0). Central Europe generated EUR 71.2 million or 10.3% of the sales, of which 90% was generated in Germany. The Central European business segment, consisting of Theisen Group, became part of Cramo Group on 1 February 2011.

In order to support the Group's growth strategy and to strengthen its balance sheet, Cramo arranged a rights offering in April. After expenses, the new shareholders' capital amounted to EUR 97.4 million.

SALES AND PROFIT

Cramo Group's consolidated sales in 2011 were EUR 679.9 (492.1) million, showing an increase of 38.2% on the previous year. In local currencies, sales growth was 34.5%, while organic growth was 20.9%. Strong growth was achieved in all markets.

Compared with the previous year, EBITA more than doubled to EUR 71.1 (34.5) million, or 10.5% (7.0) of sales. EBITDA was EUR 168.7 (117.6) million, or 24.8% (23.9) of sales. EBITA excluding non-recurring items was EUR 73.1 (28.7) million, or 10.7% (5.8) of sales. EBITDA excluding non-recurring items was EUR 170.7 (111.9) million, or 25.1% (22.7) of sales. In the first quarter of 2011, non-recurring items included expenses of EUR 2.1 million relating to the acquisition of Theisen Group, while non-recurring items in the first quarter of 2010 included a net capital gain of EUR 5.7 million.

Operating profit (EBIT) for 2011 was EUR 54.3 (27.4) million, or 8.0% (5.6) of sales. The result includes a writedown of EUR 5.5 million of Group goodwill relating to the Danish operations.

The Group's credit losses and credit loss provisions were EUR 5.6 (5.0) million. The result also includes impairment losses on the fleet totalling EUR 1.1 (0.8) million. Expenses associated with options totalled EUR 2.8 (2.3) million. Net finance costs were EUR -22.2 (-22.6) million.

Profit before taxes was EUR 32.2 (4.8) million and profit for the period EUR 23.5 (-2.2) million.

In accordance with the prudence principle, Cramo did not recognise a deferred tax asset for all of its loss-making companies. Unrecognised deferred tax assets for the period was EUR 1.5 (4.8) million.

Earnings per share were EUR 0.60 (-0.06) and diluted earnings per share were EUR 0.60 (-0.06). Return on investment (rolling 12 months) was 6.6% (3.7) and return on equity (rolling 12 months) 5.4% (-0.6).

CAPITAL EXPENDITURE AND DEPRECIATION/AMORTISATION

Gross capital expenditure for the period was EUR 262.5 (86.2) million, of which

1) Market forecasts: Euroconstruct 11/2011, the Confederation of Finnish Construction Industries RT 10/2011, the Swedish Construction Federation (Svensk Byggindustrier) 12/2011, the Danish Construction Association (Dansk Byggeri) 9/2011, Prognosesenteret (Norway) 9/2011 and ERA (European Rental Association) and VTT Technical Research Centre of Finland 11/2011.

EUR 115.4 (32.7) million relates to acquisitions and business combinations. The investment level was reduced from the planned level in the second half of the year.

Reported depreciation and impairment on property, plant and equipment and software were EUR 97.6 (83.1) million for the period.

Amortisation and impairment on intangible assets resulting from acquisitions were EUR 11.2 (7.1) million. Additionally there was also made an impairment loss of 5.5 million relating to goodwill in Danish operations. After the writedown, the Group has no goodwill relating to the Danish operations.

At the end of the period, goodwill totalled EUR 165.3 (148.0) million.

FINANCIAL POSITION AND BALANCE SHEET

In 2011, cash flow from operating activities was EUR 138.5 (68.3) million. Cash flow from investing activities was EUR –193.8 (-40.9) million and cash flow from financing activities was EUR 55.8 (-24.1) million. The Group's cash flow after investments was EUR -55.3 (27.4) million. At the end of the period, the Group's balance sheet included EUR 6.7 (2.7) million of assets available for sale.

After consolidating Theisen Group, Cramo has recognised a pension liability from Germany (EUR 1.4 million on 31 December 2011), which is presented in pension obligations on the balance sheet.

On 31 December 2011, Cramo Group's net interest-bearing liabilities totalled EUR 389.4 (382.0) million. At the end of the financial year, gearing was 78.7% (103.4).

EUR 181.6 (181.3) million of variable-rate liabilities were hedged by way of interest rate swaps on 31 December 2011. Hedge accounting is applied to EUR 145.2 (104.9) million of these interest rate hedges. On 31 December 2011, Cramo Group had undrawn committed credit facilities (excluding leasing facilities) of EUR 166.2 (135.6) million, of which non-current facilities totalled EUR 143.0 (118.0) million and current facilities EUR 23.2 (17.6) million.

Tangible assets amounted to EUR 622.2 (526.3) million of the balance sheet total. Growth is due to organic investments and business combinations. The balance sheet total on 31 December 2011 was EUR 1,1126.8 (965.7) million and the equity ratio was 44.4% (38.7).

Rental liabilities associated with off-balance sheet operational leasing agreements totalled EUR 45.1 (37.6) million on 31 December 2011. Off-balance sheet liabilities for office and depot rents totalled EUR 130.9 (98.3) million. The Group's investment commitments amounted to EUR 10.4 (1.2) million, of which about 75% is related to the acquisition of modular space. At the end of the financial year, the hybrid bond-related off-balance sheet interest liability was EUR 4.0 (4.0) million.

GROUP STRUCTURE

At the end of the financial year, Cramo Group consisted of the parent company Cramo Plc, which provides group-level services, and as operating companies, its wholly-owned subsidiaries in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Russia, Germany, Austria, Switzerland and Hungary. Cramo Plc also owns a financing company in Belgium, a company in Sweden which offers group-level services and Cramo Management Oy, which owns 316,288 Cramo Plc shares.

At the end of the year, equipment rental services were provided through a network of 409 (288) depots, Growth is almost entirely due to acquisitions. 75 (77) of the depots were entrepreneur-managed.

EXECUTIVE COMMITTEE

At the end of the financial year, Cramo Group's Executive Committee was composed of the following persons: Mr Vesa Koivula, President and CEO of Cramo Group; Mr Göran Carlson, Deputy CEO, with added responsibility for the Group's operations in Denmark, Poland, the Czech Republic and Slovakia; and Mr Martti Ala-Härkönen, CFO, with added responsibility for the Group's business development, legal function and human resource development. The other members of the Group management team at the end of the financial year were: Mr Tatu Hauhio, Senior Vice President, Finland; Mr Erik Bengtsson, Senior Vice President, Sweden; Mr Jarmo Laasanen, Senior Vice President, Baltic countries and Russia; Mr Finn Løkken, Senior Vice President, Norway; Mr Dirk Schlitzkus, Senior Vice President, Central Europe; Mr Ossi Alastalo, Senior Vice President, Fleet Management/Modular Space; Mr Martin Holmgren, Vice President, Fleet Management/Equipment Rental; and Mr Per Lundquist, Vice President, CIO.

Mr Dirk Schlitzkus, Attorney, was appointed Senior Vice President, Central Europe, and member of the Cramo Group management team as of 9 May 2011.

Mr Finn Løkken, Managing Director of Cramo Norway AS and Senior Vice President in the Cramo Group management team, announced in December that he would resign from his position to pursue career opportunities outside the rental industry. Mr Løkken will continue at Cramo until a successor has been appointed; however, no later than June 2012.

HUMAN RESOURCES

In 2011, Group personnel averaged 2,580 (2,083). In addition, the Group employed 228 (158) persons as temporary staff. At the end of the financial year, Group

STAFF BY SEGMENT AT THE YEAR END

	Number of employees (FTE)		Percent of the entire staff	
	2011	2010	2011	2010
Finland	623	570	23.0	26.7
Sweden	791	664	29.2	31.2
Norway	221	189	8.2	8.9
Denmark	124	120	4.6	5.6
Central Europe	295		10.9	
Eastern Europe	589	532	21.8	25.0
Group activities	64	56	2.4	2.6
of which in parent company	24	20	0.9	0.9
Group total	**2,707**	**2,131**	**100.0**	**100.0**

STAFF AGE DISTRIBUTION AT THE YEAR END

	Number of employees (FTE)		Percent of the entire staff	
	2011	2010	2011	2010
–23	151	87	5.6	4.1
24–35	822	672	30.4	31.5
36–45	836	638	30.9	29.9
46–59	775	623	28.6	29.2
60–	123	111	4.6	5.2
Group total	**2,707**	**2,131**	**100.0**	**100.0**

personnel numbered 2,707 (2,131). The total amount of salaries and fees paid was EUR 103.0 (76,1) million.

The geographical distribution of personnel at the end of the period was as follows: Finland, 648 (591) employees; Sweden, 830 (699); Norway, 221 (189); Denmark, 124 (120); Central Europe 295; and Eastern Europe, 589 (532).

In human resources development, the focus was on the implementation of group-wide development projects, launched in the previous year. The most important project concerns Cramopol, a communication tool in the form of a game, designed to ensure successful implementation of the Group's common values and strategy. Projects concerned with the development of customer service and sales skills and increasing the efficiency of fleet management processes were continued on a country-specific basis.

SHARES AND SHARE CAPITAL

On 31 December 2011, Cramo Plc's share capital as registered in the Finnish Trade Register was EUR 24,834,753.09 and the number of shares was 41,439,086. Cramo Plc holds 316,288 of these shares through its subsidiary Cramo Management Oy.

As a result of subscriptions made under the stock option rights 2006A, the number of Cramo Plc shares increased by 694,000 new shares, which were registered in the trade register on 13 January and 10 February 2011. The share subscription period for these stock options ended on 31 January 2011. On 18 February 2011, the number of shares increased by 374,532 new shares following a directed share issue to Arrex Beteiligungs-GmbH, the shareholder of Theisen Baumaschinen AG. On 28 February 2011, the number of shares increased by 220,488 new shares due to a share swap in which Cramo acquired all of the shares in Cramo Management Oy from the Cramo Executive Committee.

In a rights offering, the number of Cramo Plc shares increased by 9,489,877 new shares, which were registered in the trade register on 26 April 2011. The subscription price was EUR 10.50 per share, and the subscription right was three new shares for every 10 shares held. The share subscription period was 1 April–15 April 2011, and all shares offered were subscribed for. Cramo's net proceeds from the rights offering amounted to approximately EUR 97.4 million.

On 23 September 2011, Cramo announced it would apply for listing of stock options 2006C on NASDAQ OMX Helsinki to commence on 3 October 2011. A total of 1,000,000 stock options 2006C have been issued, of which 876,500 are held by 86 key employees and 121,500 by a wholly-owned subsidiary of Cramo Plc. The share subscription period started on 1 October 2011 and it will end on 31 January 2013.

The 2,600 new shares subscribed for under the stock option rights 2006C in December were registered in the trade register on 13 January 2012, and trading in them began on 16 January 2012. The entire subscription price of EUR 16,822.00 was entered in the paid-in capital. As a result of the share subscriptions, the number of Cramo Plc shares increased to 41,441,686.

CURRENT OPTION PROGRAMMES

On 31 December 2011, Cramo Group's key personnel held a total of 737,000 stock options 2006B, 876,500 stock options 2006C, 857,000 stock options 2009, 934,500 stock options 2010 and 964,000 stock options 2011.

Stock options 2006B, 2006C, 2009 and 2010 did not entitle their holders to participate in the rights offering decided on by the Board of Directors on 24 March 2011. Therefore, the subscription price and subscription ratio of the stock options was amended in accordance with the terms and conditions of stock options so that the share-specific subscription price is as follows: for stock options 2006B, EUR 22.05; stock options 2006C, EUR 6.47; stock options 2009, EUR 10.85; and stock options 2010, EUR 13.72. Each stock option entitles the holder to subscribe for 1.3 new Cramo Plc shares.

The Annual General Meeting held on 24 March 2011 decided that a maximum of 1,000,000 stock options be issued to the key personnel (stock options 2011). The stock options entitle their owners to subscribe for a maximum of 1,000,000 new shares in the company or existing shares held by the company in total. The share subscription price will be EUR 7.30 and it will be based on the prevailing market price of the Cramo Plc share on the NASDAQ OMX Helsinki Ltd in October 2011. The share subscription period will be 1 October 2014 to 31 December 2015.

ANNUAL GENERAL MEETING 2011 AND BOARD AUTHORISATIONS

Cramo Plc's Annual General Meeting was held in Helsinki on 24 March 2011. The Annual General Meeting approved the consolidated financial statements and the parent company's financial statements for 2010 and discharged the members of the Board of Directors and the President and CEO from liability. The Annual General Meeting decided, as proposed by the Board of Directors, that a dividend of EUR 0.10 per share be paid from the distributable funds.

The number of members of the Board of Directors was confirmed as seven. Mr Stig Gustavson, Mr Eino Halonen, Mr Jari Lainio, Mr Esko Mäkelä and Mr Victor Hartwall were re-elected, and Mr J.T. Bergqvist and Mrs Helene Biström were elected as new Board members.

The Annual General Meeting confirmed the remuneration payable to the chairman of the Board of Directors as EUR 70,000, to the deputy chairman as EUR 45,000 and to the other members of the Board as EUR 35,000 per annum. As a rule, 40% of the annual remuneration will be paid in Cramo Plc shares purchased on behalf of the Board members. In addition, the Board members will receive an attendance fee of EUR 1,000 for committee meetings.

Ernst & Young Oy, a firm of authorised public accountants, was appointed as Cramo Plc's auditor, with Mr Erkka Talvinko as responsible auditor.

The Annual General Meeting authorised the Board of Directors to decide on the repurchase of the company's own shares and/or their acceptance as pledge. The number of own shares to be acquired and/or accepted as pledge shall not exceed 3,000,000. Own shares may only be acquired using the company's unrestricted equity and at a price formed in public trading on the date of the repurchase or otherwise formed on the market. The Board of Directors decides on how own shares will be acquired and/or accepted as pledge. Own shares can be acquired otherwise than in proportion to the shareholdings of the shareholders. Own shares can be acquired, among other things, to limit the dilutive effects of share issues carried out in connection with possible acquisitions, to develop the company's capital structure, to be transferred in connection with possible acquisitions or to be cancelled, provided that the acquisition is in the interests of the company and its shareholders. The authorisation is effective until the close of the next Annual General Meeting of Shareholders, or no later than 24 September 2012.

The Annual General Meeting authorised the Board of Directors to decide on a share issue which includes the right to decide on the transfer of the company's own shares, as well as on the granting of option rights and other special rights entitling to shares as referred to Chapter 10 of the Finnish Limited Liability Companies Act. The shares issued will be new shares in the company or shares owned by the company, and their maximum number is 12,000,000. Shares or special rights entitling to shares may be issued in one or more tranches. The Board of Directors was authorised to decide on all terms for the share issue and the granting of special rights entitling to shares. The authorisation is effective for five years from the date of the decision of the Annual General Meeting.

The Annual General Meeting decided that stock options be issued to the key personnel of Cramo Group. The maximum total number of stock options issued will be 1,000,000 and they will be issued gratuitously. The subscription price will be credited in its entirety to the reserve for invested unrestricted equity.

CHANGES IN SHAREHOLDINGS

On 27 April 2011, Cramo Plc received a notification according to which the combined share of the following companies and individuals of Cramo Plc shares and voting rights had on 26 April 2011 fallen below one-quarter: Hartwall Capital Oy (15.67%), K. Hartwall Invest Oy (6.59%) and Kusinkapital Ab, Gustav Tallqvist, Pinewood Invest OÜ, Christel Hartwall, Pallas Capital Oy, Fyrklöver-Invest Oy Ab, Antonia Hartwall, Emma Hartwall, Axel Hartwall, Gulle Therman, Josefina Tallqvist, Victor Hartwall, Peter Therman and Mats Therman. At the time of the announcement, the combined holding of the parties listed above was 24.14% of Cramo Plc shares and votes.

CORPORATE GOVERNANCE AND AUDITORS

At the end of the financial year, Cramo Plc's Board of Directors was composed of Mr Stig Gustavson, Mr Eino Halonen, Mr Jari Lainio, Mr Esko Mäkelä, Mr Victor Hartwall, Mr J.T. Bergqvist and Mrs Helene Biström. The Audit Committee members were Mr Eino Halonen (Chairman), Mr J.T. Bergqvist and Mr Esko Mäkelä. The members of the Nomination and Compensation Committee were Mr Stig Gustavson (Chairman), Mrs Helene Biström, Mrs Jari Lainio and Mr Victor Hartwall.

Until the Annual General Meeting held on 24 March 2011, Cramo Plc's Board of Directors consisted of Mr Stig Gustavson, Mr Eino Halonen, Mr Jari Lainio, Mr Esko Mäkelä, Mr Fredrik Cappelen, Mr Victor Hartwall and Mr Thomas von Hertzen.

On 31 December 2011, the Board members, the President and CEO and his deputy held, either directly or through companies in which they exercise control, a total of 2,770,443 Cramo Plc shares, which represents 6.69% of the company's shares and votes, and a total of 318,000 stock options.

The company's auditors were Ernst & Young Oy, Authorised Public Accountants, with Mr Erkka Talvinko, APA, as responsible auditor.

Cramo Plc observes the Finnish Corporate Governance Code, which entered into force on 1 October 2010. Cramo Plc's insider guidelines are based on the Finnish Securities Markets Act, rules and regulations issued by the Financial Supervision Authority and the insider guidelines of the stock exchange. Euroclear Finland Ltd maintains an insider register of Cramo Plc's permanent insiders, whose holdings are also available on Cramo Plc's website.

The Corporate Governance statement issued by Cramo Plc's Board of Directors can be found on the Cramo Plc website.

STRATEGIC TARGETS

Cramo's strategic targets for 2010–2013 are to be the customers' first choice as well as the "Best in town" in the rental business. Other strategic targets are to grow profitably faster than the market and to act as a driver of rental development.

Cramo Group's financial targets for 2010–2013 are as follows: sales growth above 10% per annum, EBITA margin above 15% of sales, return on equity (ROE) above 15% and maximum gearing at 100%.

Achieving the strategic targets requires the roll-out of a uniform Cramo Concept and harmonised key processes in all markets, the roll-out of the "Best in town" strategy in existing and new geographical areas in Europe, and expanding the modular space business outside Finland and Sweden more strongly than before. Success naturally also requires the input of competent and committed personnel.

ESSENTIAL RISKS AND UNCERTAINTIES

The main sources of uncertainty in Cramo's business are related to global economic developments, as well as the economic cycles and financial development of each country, fluctuations in interest and exchange rates, availability of financing, credit loss risks, the success of the Group's acquisitions and information system projects, personnel-related risks, availability of competent management and recruitment-related risks, tax risks and other business risks. As a result of the economic downturn, the risks related to rental prices in different markets as well as credit loss risks have increased. In addition, the downturn increased the impairment risks to the balance sheet values resulting from acquisitions.

The recent debt crisis in certain euro zone countries has increased the uncertainty of near-term economic development in Europe, which has increased the levels of risks associated with Cramo's business operations. The economic uncertainty may be visible in Cramo's operations as weakening demand on one or several market areas, lower rental prices, higher finance costs or customers experiencing financial difficulties.

Cramo Group's risk management is aimed at ensuring that the company identifies its business-related risks and assesses and monitors them on an ongoing basis.

STRATEGIC RISKS

The Group's business is closely linked to general economic development and the construction and property markets. Unfavourable development in these markets may have a negative impact on the Group's operations, profit and financial position. Efforts have been made to reduce the risks associated with demand and price development by dividing the business into different product and customer segments and by reducing dependence on a single geographic market.

The construction industry is characterised by seasonal fluctuations, and the Group's sales and profit vary in different quarters in a manner typical of equipment rental operations. The modular space business is less dependent on economic cycles than the equipment rental business. The Group also strives to minimise the impact of economic trends through continuous optimisation of the rental equipment fleet's utilisation rate.

Expansion and business development are partly based on acquisitions. The risks of acquisitions are in part related to knowledge of local markets, customers, key persons and suppliers. Expansion into new geographical areas means exposure to cultural, political, economic, regulatory and legal risks. The target is to take the risks into consideration through careful preparation and, in particular, by investing in the integration of acquisitions.

In addition, there are risks associated with the amount, allocation and timing of Group investments, and with other business decisions at the strategic level. The aim is to control the risks associated with investments by means of a careful approval process for investments, optimising fleet use on a group-wide basis, financing some investments through operative leasing, and utilising external and internal indicators to forecast future market development. Indicators that illustrate the future are monitored by each country company on a monthly basis. Strategy follow-up includes an actively followed set of forward-looking indicators to give an early indication of any changes in the market environment or the operations of the company.

OPERATIVE RISKS

The Group's most significant operative risks include risks associated with the business and the staff, contract risks, occupational safety risks, IT-related risks, risks associated with compliance with general laws and regulations, and risks related to the Group's administrative principles. In order to control the most significant strategic and operative risks, the Group and its subsidiaries have their own contingency plans.

ECONOMIC AND FINANCING RISKS

The objective of economic and financing risk management is to safeguard the company's high-quality external and internal financial reporting and the availability of Group financing, as well as to minimise the harmful impacts that changes in the operating environment and financial markets have on the Group's profit and financial position.

The Group's primary financing risks are interest risk on cash flow, currency rate risk, credit risk and liquidity risk. In order to manage the interest risk, Group borrowing and investments have been dispersed to fixed and variable interest instruments. Derivative contracts, such as interest rate swaps, are also used to manage the interest risk. The exchange rate risk mainly comprises net investments in foreign units and currency-denominated loans, with currency forwards as protection instruments. The Group's financing policy specifies the responsibilities and procedures of the financing function as well as the targets and principles of protection activities. Group financing is handled in a centralised manner, primarily through internal Group loans.

TRANSACTION RISKS

The Group's transaction risks include risks associated with uninterrupted equipment rental and operations, which can be managed by means of insurance. Comprehensive insurance coverage is an essential part of Cramo Group's risk management.

ENVIRONMENTAL RISKS

Environmental responsibility is an important part of Cramo's business model. The Group seeks to reduce the environmental load of construction by maintaining high utilisation rates for its equipment. Cramo's environmental responsibility involves ensuring that its rental equipment and modular space solutions are of high quality and carefully serviced and overhauled. The environmental load caused by equipment manufacture and use is taken into consideration before purchasing. The Group strives to minimise the environmental load by delivering its equipment fully tested and without unnecessary packaging. Long equipment service life is maintained through careful maintenance. All material from equipment that is removed from use is recycled as effectively as possible. Regional profit centres are responsible for the appropriate storage and reprocessing of chemicals and hazardous waste. Cramo's processes in Sweden, Denmark and Norway are based on the ISO 14001 environmental certificate and the ISO 9001 quality system certificate. In Finland, the Group's quality management system is based on the ISO 9001:2000 quality management certificate granted by Det Norske Veritas.

OUTLOOK FOR 2012

The general economic uncertainty is still at a high level in Europe. So far the uncertainty has not had any significant effects on Cramo's business.

Euroconstruct, the construction market analyst, predicted in its November-December market forecast a two per cent decline for construction activity in Finland in 2012. However, VTT Technical Research Centre of Finland predicts a growth rate of four per cent for equipment rental in Finland. For construction in Sweden, Norway, Denmark and Germany, Euroconstruct forecasts growth ranging between two and six per cent in 2012. Consequently, also equipment rental is expected to grow. In Eastern Europe, the outlook is positive, particularly in Russia, Poland and Estonia.

Cramo is maintaining contingency plans for the event of a weaker market in the second half of 2012.

Cramo believes that in spite of the general economic uncertainty, rental services continue to be a growth industry. Arrangements whereby companies outsource their equipment fleet to a rental service company are attractive to many companies, especially in periods of uncertainty.

The Board of Directors expect the Group's sales will grow in 2012 and the EBITA margin will improve compared with 2011. Gearing will decrease due to positive cash flow.

PROFIT DISTRIBUTION POLICY AND BOARD OF DIRECTORS' PROPOSAL FOR PROFIT DISTRIBUTION

Cramo Plc's profit distribution goal is to distribute around one-third of the Group's annual profit in terms of share buybacks and/or dividends. The aim is to maintain a steadily improving flow of dividends, while taking into account the Group's investment requirements for growth.

Cramo Plc's distributable profits are EUR 160,216,615.40, of which the profit for the period is EUR 12,710,949.54.

The Board of Directors proposes to the Annual General Meeting to be held on 23 March 2012 that the distributable profits be used as follows: a dividend of EUR 0.30 per share and the rest carried forward in equity.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date.

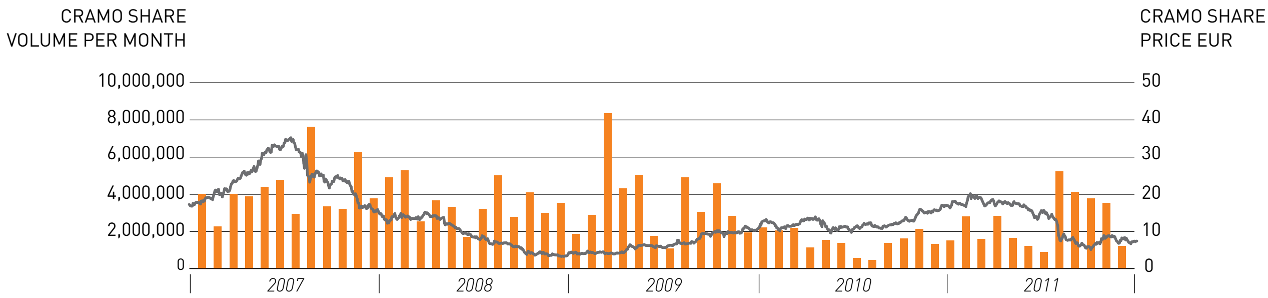
KEY FIGURES AND RATIOS

KEY FIGURES ON FINANCIAL PERFORMANCE		IFRS 2011	IFRS 2010	IFRS 2009	IFRS 2008	IFRS 2007
Sales	MEUR	679.9	492.1	446.7	579.8	496.4
Change -%	%	+38.2	+10.2	-23.0	+16.8	+23.4
Operating profit/loss	MEUR	54.3	27.4	-11.5	91.8	91.8
% of sales	%	8.0	5.6	-2.6	15.8	18.5
Profit/loss before taxes	MEUR	32.2	4.8	-34.2	63.7	75.8
% of sales	%	4.7	1.0	-7.7	11.0	15.3
Profit/loss for the year	MEUR	23.5	-2.2	-39.9	48.7	57.5
% of sales	%	3.5	-0.4	-8.9	8.4	11.6
Return on equity	%	5.4	-0.6	-12.1	14.9	18.4
Return on investment	%	6.6	3.7	-1.2	12.0	13.7
Equity ratio	%	44.4	38.7	37.4	32.3	37.3
Gross capital expenditure	MEUR	147.1	53.5	31.5	201.2	175.5
% of sales	%	21.6	10.9	7.0	34.7	35.4
Gross capital expenditure (including acquisitions)	MEUR	262.5	86.2	31.9		
% of sales	%	38.6	17.5	7.1		
Equity	MEUR	494.8	369.4	338.4	319.5	333.7
Net interest-bearing liabilities	MEUR	389.4	382.0	383.7	477.1	365.0
Gearing	%	78.7	103.4	113.4	149.3	109.4
Average number of personnel	No.	2,580	2,083	2,356	2,688	2,070

PER-SHARE RATIOS						
Earnings per share[2]	EUR	0.60	-0.06	-1.18	1.43	1.70
Earnings per share diluted[1,2]	EUR	0.60	-0.06	-1.16	1.43	1.69
Shareholders' equity per share[2]	EUR	10.83	9.50	8.58	9.41	9.83
Dividend per earnings	%	49.9*	Neg.	0.0	12.6	34.6
Dividend per share[2]	EUR	0.30*	0.09	0.00	0.18	0.59
Trading volume of shares[2]	No.	30,446,719	18,051,757	42,673,720	43,085,115	50,614,901
% of total number	%	74	53	126	127	149
Issue-adjusted average number of shares[2]	No.	39,098,751	33,596,870	33,794,653	33,947,065	33,864,967
Issue-adjusted average number of shares at year end[2]	No.	41,122,798	33,596,870	33,596,870	33,947,065	33,947,065
P/E ratio		13.2	Neg.	Neg.	2.9	9.2
Effective dividend yield	%	3.8*	0.5	0.0	4.3	3.8
Market capitalisation of share capital	MEUR	327.8	585.0	367.6	141.0	531.0
Average price[2]	EUR	11.89	12.84	6.97	9.90	24.08
Closing price at year end[2]	EUR	7.91	17.23	10.83	4.15	15.64
Lowest quotation[2]	EUR	5.68	9.97	4.32	3.84	15.13
Highest quotation[2]	EUR	20.23	17.56	11.80	16.71	35.04

1) Adjusted by the dilution effect of shares entitled by warrants
2) Previous years have been adjusted retrospectively for the bonus element of the rights issue completed in April 2011, see note 1
*) The Board proposes to the Annual General Meeting a dividend of EUR 0.30

DISCLAIMER
The report includes certain forward-looking statements based on management's expectations at the time they are made. Therefore, they involve risks and uncertainties and are subject to change due to changes in general economic and industry conditions.



CONSOLIDATED BALANCE SHEET

EUR1,000	Note	31 Dec 2011	31 Dec 2010
ASSETS			
Non-current assets			
Tangible assets	4	622,214	526,326
Intangible assets	3	288,567	249,999
Deferred tax assets	15	15,312	14,301
Available-for-sale financial assets	7	350	347
Shares in joint ventures	29	48	
Derivative financial instruments	14		1,053
Trade and other receivables	9	3,553	3,613
Total non-current assets		**930,043**	**795,638**
Current assets			
Inventories	10	18,310	13,803
Trade and other receivables	9	142,954	125,333
Income tax receivables		5,563	5,114
Derivative financial instruments	14	730	825
Cash and cash equivalents	11	22,532	22,313
Total current assets		**190,089**	**167,388**
Assets available for sale	5	6,680	2,671
TOTAL ASSETS		**1,126,812**	**965,697**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	24,835	24,835
Share issue	12	17	1,871
Other reserves	12	300,723	186,926
Fair value reserve	12	119	117
Hedging fund	12	-5,168	-1,197
Translation differences	12	1,041	3,426
Retained earnings	12	123,604	103,309
Equity attributable to equity holders of the parent company		445,172	319,287
Non-controlling interest	12		503
Hybrid capital	12	49,630	49,630
Total equity		**494,802**	**369,420**
Non-current liabilities			
Interest-bearing liabilities	13	310,511	346,776
Derivative financial instruments	14	6,775	2,543
Deferred tax liabilities	15	85,399	78,348
Pension obligations	32	1,448	
Other non-current liabilities	16	3,369	4,207
Total non-current liabilities		**407,502**	**431,875**
Current liabilities			
Interest-bearing liabilities	13	101,422	57,569
Derivative financial instruments	14	1,838	1,853
Trade and other payables	17	116,485	100,984
Income tax liabilities		4,763	3,997
Total current liabilities		**224,508**	**164,403**
Total liabilities		**632,010**	**596,277**
TOTAL EQUITY AND LIABILITIES		**1,126,812**	**965,697**

CONSOLIDATED INCOME STATEMENT

EUR 1,000	Note	1 Jan–31 Dec 2011	1 Jan–31 Dec 2010
Revenue		**679,892**	**492,103**
Other operating income	19	9,042	15,110
Change in inventories of finished goods and work in progress	20	-425	1,015
Production for own use	20	10,302	4,694
Materials and services	20	-248,393	-183,479
Employee benefit expenses	21	-135,751	-101,939
Depreciation and impairment on tangible assets and assets available for sale	22	-97,624	-83,145
Amortisation and impairment on intangible assets resulting from acquisitions	22	-16,751	-7,089
Other operating expenses	23	-145,971	-109,880
Operating profit		**54,320**	**27,389**
Financial income	24	1,215	733
Financial expenses	24	-23,384	-23,318
Total financial income and expenses		-22,169	-22,586
Income from joint ventures	29	22	
Profit before tax		**32,173**	**4,804**
Income taxes	25	-8,668	-7,007
Profit/loss for the year		**23,505**	**-2,203**
Attributable to			
Equity holders of the parent company		23,505	-2,142
Non-controlling interest			-61
		23,505	**-2,203**
Earnings per share for profit attributable to the equity holders of the parent company			
Basic, EUR	27	0.60	-0.06
Diluted, EUR	27	0.60	-0.06
CONSOLIDATED COMPREHENSIVE INCOME			
Profit/loss for the year		23,505	-2,203
Other comprehensive income			
Change in hedge fund, net of tax		-3,971	1,099
Change in exchange rate differences, net of tax		301	33,956
Total other comprehensive income		-3,670	35,055
Total comprehensive income		**19,835**	**32,852**
Attributable to			
Equity holders of the parent company		19,835	32,913
Non-controlling interest			-61
		19,835	32,852

CHANGES IN CONSOLIDATED STATEMENT OF EQUITY

EUR 1,000	Attributable to equity holders of the parent company											
	Share capital	Share issue	Other reserve	Fair value reserve	Hedging fund	Translation difference	Invested unrestricted equity	Retained earnings	Total	Non-controlling interest	Hybrid capital	Total equity
At 1 Jan 2010	**24,835**		**186,910**	**117**	**-2,296**	**-12,431**		**91,117**	**288,252**	**503**	**49,630**	**338,385**
Translation difference						15,857		20,011	35,868			35,868
Tax on translation difference*								-1,912	-1,912			-1,912
Hedging fund					1,099				1,099			1,099
Loss for the year								-2,203	-2,203			-2,203
Comprehensive income					1,099	15,857		15,896	32,852			32,852
Exercise of share options		1,871							1,871			1,871
Share-based payments								2,312	2,312			2,312
Hybrid capital								-6,000	-6,000			-6,000
Changes within equity			16					-16				
At 31 Dec 2010	**24,835**	**1,871**	**186,926**	**117**	**-1,197**	**3,426**		**103,309**	**319,287**	**503**	**49,630**	**369,420**
At 1 Jan 2011	**24,835**	**1,871**	**186,926**	**117**	**-1,197**	**3,426**		**103,309**	**319,287**	**503**	**49,630**	**369,420**
Translation difference						-2,385		2,662	277			277
Tax on translation difference*								23	23			23
Hedging fund					-3,971				-3,971			-3,971
Profit for the year								23,505	23,505			23,505
Comprehensive income					-3,971	-2,385		26,190	19,834			19,834
Exercise of share options		-1,854					9,133		7,279			7,279
Rights issue							97,398		97,398			97,398
Direct share issue**							7,266		7,266			7,266
Dividend distribution								-3,163	-3,163			-3,163
Share-based payments								2,843	2,843			2,843
Non-controlling interest								427	427	-503		-76
Hybrid capital								-6,000	-6,000			-6,000
Changes within equity				2				-2				
At 31 Dec 2011	**24,835**	**17**	**186,926**	**119**	**-5,168**	**1,041**	**113,797**	**123,604**	**445,172**		**49,630**	**494,802**

*) Unrecognised tax asset on equity hedge value change.
**) Issue of shares related to business combinations.
Further information about share capital and equity funds is given in note 12.

CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	Note	1 Jan–31 Dec 2011	1 Jan–31 Dec 2010
Cash flow from operating activities			
Profit before tax		32,173	4,804
Non-cash adjustments			
Depreciation, amortisation and impairment charges	22	114,375	90,234
Income from joint ventures	29	-22	
Other non cash corrections	26	-584	-9,558
Finance cost (net)	24	22,169	22,586
Operating profit before changes in working capital		168,111	108,066
Change in working capital			
Change in inventories		-2,053	-1,313
Change in trade and other receivables		3,101	-14,535
Change in trade and other payables		1,891	6,789
Cash generated from operations		171,050	99,007
Interest paid		-20,546	-19,427
Interest received		942	670
Other financial items		-1,607	-2,239
Income taxes paid		-11,343	-9,678
Net cash flow from operating activities		**138,496**	**68,333**
Cash flow from investing activities			
Investments in tangible and intangible assets		-149,485	-50,354
Sale of tangible and intangible assets		19,307	35,634
Acquisition of subsidiaries and business operations, net of cash aquired		-63,626	-26,220
Net cash flow from investing activities		**-193,804**	**-40,940**
Cash flow from financing activities			
Change in interest-bearing receivables		244	-610
Change in finance lease liabilities		-32,944	-35,309
Proceeds from interest-bearing liabilities		13,607	24,278
Repayments of interest-bearing liabilities		-20,571	-8,326
Hybrid capital		-6,000	-6,000
Proceeds from share options exercised		7,279	1,871
Proceeds from share issue		97,397	
Non-controlling interest		-76	
Dividends paid	12	-3,163	
Net cash flow from financing activities		**55,773**	**-24,095**
Change in cash and cash equivalents		**465**	**3,298**
Cash and cash equivalents at beginning of the year		22,313	18,520
Translation differences		-246	495
Cash and cash equivalents at year end	11	**22,532**	**22,313**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS

COMPANY PROFILE

Cramo is a service company specialising in equipment rental services, as well as the rental and sale of modular space. Cramo operates in fifteen countries in the Nordic and in Central and Eastern Europe with 409 depots and 2.580 employees.

The Group's parent company, Cramo Plc, is a Finnish public limited company, established in accordance with Finnish legislation, and its Business ID is 0196435-4. The address of Cramo Plc's registered office is Kalliosolantie 2, 01740 Vantaa. Cramo Plc has its listing on the main list of NASDAQ OMX Helsinki Ltd.

A copy of the consolidated financial statements is available on the internet at www.cramo.com or can be obtained at the parent company's head office, address Kalliosolantie 2, 01740 Vantaa.

In its meeting on 13 February 2012, the Board of Directors approved these consolidated financial statements for issue. According to the Finnish Companies Act, the shareholders have the opportunity to approve or reject the financial statements at the Annual General Meeting held after their publication. Furthermore, the Annual General Meeting can decide on modifications to be made to the financial statements.

BASIS OF PREPARATION

The consolidated financial statements of Cramo have been prepared in accordance with International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and the SIC and IFRIC interpretations valid on 31 December 2011. In the Finnish Accounting Act and ordinances based on the provisions of the Act, IFRS refer to the standards and their interpretations adopted in accordance with the procedures laid down in regulation (EC) No.1606/2002 of the European Parliament and of the Council. The notes of the consolidated financial statements also conform to the demands of the Finnish accounting and corporate legislation which supplement the IFRS.

The consolidated financial statements have been prepared under the historical cost convention, except the available-for-sale financial assets, which have been recognised at fair value and share-based payments measured at fair value at the grant date (granted option rights). The information in the financial statements is presented in thousands of euros.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2011 that would be expected to have a material impact on the Group.

The preparation of financial statements in accordance with IFRSs requires the performance of certain assessments by the Group management and data about the judgements they have made. The data about such judgements the management have used in applying the Group's accounting principles for the preparation of financial statements and which affect the consolidated financial statements most significantly is presented in Accounting Principles under the section "Accounting principles requiring the management's judgement and the principal uncertainties of estimates."

COMPARATIVE FIGURES

Basic and diluted earnings per share (and any other share related key ratio) have been adjusted retrospectively using the adjustment factor 1.11 as a consequence of that Cramo's right issue in 2011 includes a bonus element. The adjustment factor has been calculated according to IAS 33. See note 27 "Earnings per share" for more information.

CONSOLIDATION PRINCIPLES

SUBSIDIARIES

The consolidated financial statements include the parent company, Cramo Plc, and those subsidiaries over which the Group has control. The Group has control of an entity when it has an interest of more than one half of the voting rights or otherwise exerts control. The existence of potential voting rights has also been taken into consideration in estimating the conditions of control when the instruments entitling an entity to potential voting rights are viable at the time of the consideration. Control refers to the power to govern the financial and operating policies of a business so as to obtain benefits from its activities. Acquired subsidiaries are consolidated from the date on which control is transferred to the Group, and are no longer consolidated from the date that control ceases. The subsidiaries are listed in note 37.

The Group's mutual holding of shares is eliminated by the purchase method. The acquisition cost is based on the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The separately identifiable assets, liabilities and contingent liabilities of the acquisition are estimated at their fair value at the acquisition date, without deducting non-controlling 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.

All of the Group's intercompany transactions, receivables, liabilities and unrealised gains, as well as its internal profit distribution are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. The distribution of the financial year's profit or losses to the owners of the parent company and the non-controlling interest is presented in a separate income statement, and the distribution of the comprehensive income to the owners of the parent company and the non-controlling interest is presented with the statement of comprehensive income. The non-controlling interest's share of capital and reserves is presented in the balance sheet as a separate item as part of the shareholders' equity. The non-controlling interest's share of the accumulated losses is limited to the amount of non-controlling investment.

ASSOCIATES AND JOINT VENTURES

The consolidated financial statements include those entities in which the Group holds 20–50% of the voting power and has a participating interest of at least 20% or in which the Group has considerable influence. Investments in associated companies are accounted for in the consolidated financial statements under the equity method. Group's share of the profit or loss of an associated company is shown in the consolidated statement of income as a separate item, and its investments in the associated companies upon the date of acquisition, adjusted for changes in the associated companies' equity after the date of acquisition, are shown in the consolidated statement of financial position under "Shares in joint ventures". The share of associated companies net income includes also the revaluations of the previously held interest in connection with step acquisitions.

SPECIAL PURPOSE ENTITY

In accordance with SIC 12, Cramo Management Oy, which was established for the share holding programme of the members of the Group's Executive Committee, has been consolidated until 31 January 2011. On 15 February 2011 Cramo Plc acquired all the shares in Cramo Management Oy from Cramo Executive Committee members through a share swap. In this arrangement Cramo Plc received 316,288 own Cramo Plc shares through Cramo Management Oy as well as the Company's loan receivable from Cramo Management Oy. For more information is included in the section on accounting policies called Share-based payment.

FOREIGN CURRENCY TRANSLATION

Items concerning the performance and financial position of the Group's units are measured using the currency of the primary economic environment in which the entities operate ("the functional currency"). The consolidated financial information is presented in euros, which is the functional and presentation currency of the parent company.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded in the functional currency using the rate of exchange prevailing at the transaction date. In practice, it is often necessary to use a rate that is close to the rate of the transaction date. Foreign currency monetary items are translated into the functional currency using the rates of the last trading day of the reporting period. Foreign currency non-monetary items, which have been recognised at fair value, are translated into the functional currency using the rate of fair value measurement date. Otherwise, non-monetary items are translated using the rate of the transaction date. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities are reported through profit and loss. The foreign exchange gains and losses from operating activities are included in the respective items above operating profit. The currency exchange gains and losses are included in the finance income and financing costs except for exchange differences for those loans, which are set as hedges for the net investments made in foreign entities and which are effective as such. These exchange differences are stated in other items of the comprehensive income and the accumulated exchange differences are presented as a separate item in equity until the foreign entity is partially disposed of or sold.

TRANSLATING THE CURRENCY OF THE FINANCIAL STATEMENTS OF FOREIGN ENTITIES

Income statements of foreign entities are translated into euros at the weighted average exchange rates for the year, while balance sheets are translated using the exchange rates of the last trading day of the reporting period. The translation of the profit (loss) for the period using different rates in the income statement and the balance sheet causes a translation difference in the balance sheet which is recognised in equity and whose adjustment is recognised in other items of the comprehensive income. The translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and the translation of the accumulated equity items after the acquisition as well as the change in hedging result of net investments made in them are recognised in other items of the comprehensive income. When a subsidiary is partially or completely sold, the accumulated translation differences are recognised as part of capital gain or loss. The translation differences generated before 1 January 2004, which is when the Group transferred to IFRSs, have been recognised in retained earnings in accordance with the exemption rule allowed by IFRS 1 at the time the Group transferred to these standards, and they will not later be recognised through profit and loss in connection with the sale of a subsidiary. Since the date of this transfer, the translation differences created while preparing the consolidated financial statements have been presented in equity as a separate item.

Since 1 January 2004, the fair value adjustments and goodwill arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity in the functional currency of the entity. They are translated into euros at the rate of the last trading day of the reporting period. The goodwill and fair value adjustments which have occurred before 1 January 2004 are stated in euros.

INTANGIBLE ASSETS

GOODWILL

Goodwill represents the excess of the cost of an acquisition at the date of the transaction over the net fair value of the Group's share of the separately identifiable assets, liabilities and contingent liabilities of the subsidiary acquired after 1 January 2004. In addition, the acquisition cost includes other costs caused directly by the acquisition, such as expert remuneration where acquisition has taken place before 1.1.2010. The goodwill arising from the acquisitions before 2004 represents the book value of the previous financial reporting framework, which has been used as a deemed cost in accordance with IFRSs. Goodwill is not amortised but tested annually for impairment. For this purpose, goodwill is allocated to cash-generating units. Goodwill is carried at cost less accumulated impairment losses.

CUSTOMER RELATIONSHIPS AND DEPOT NETWORK

Initial measurement of customer relationships has been prepared by applying the Multi-period Excess Earnings Method. The depot network has been measured based on estimated benefit gained, compared to the earnings of a depot in the normal course of business with the earnings of a start-up depot.

BRAND AND CO-BRAND

Group's main brand is "Cramo", which useful life has been defined indefinite because there is no foreseeable limit to the period over which the asset is expected to generate cash flows. The Cramo brand is not amortised but tested annually for impairment. The Cramo brand has been considered a corporate-level asset and for testing purposes the brand is reallocated to cash generating units annually based on sales. The reallocation of assets to units is presented in note 6. The brand is carried at cost less accumulated impairment losses.

In acquisitions brand related to acquired entity transfers to Cramo Group. The fair value of co-brand has been determined by applying the relief-from-royalty method regardless of whether the Group intends to use the brand. The- co-brand is of a temporary nature and they are amortised on a straight-line basis over the economic useful lives of 1–10 years. The co-brand has bigger importance right after the acquisition. The co-brand is allocated to same segment as the acquired entity.

RESEARCH AND DEVELOPMENT

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

Currently the development work the entity is performing is of such a 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 are recorded in the balance sheet initially at cost if the cost can be reliably measured and if it is probable that the anticipated future economic benefit resulting from the asset will benefit the Group. Those intangible assets with a finite useful life are amortised through profit and loss on a straight-line basis over their expected lives. Intangible assets with indefinite useful lives are not amortised but tested annually for impairment.

Estimated useful lives are:

Customer relationships	3–10	years
Depot network	20	years
Co-brands	1–10	years
Other intangible assets	2–5	years

PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are stated at cost less accumulated depreciation and less any impairment losses. This cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset when it is probable that the future economic benefits associated with the item will flow to the Group, and the cost can be measured reliably. The expenditure on repairs and maintenance of property, plant and equipment are recognised as expense when incurred.

Property, plant and equipment are depreciated on a straight-line basis over the estimated economic useful lives as follows:

Buildings and structures	15–50	years
For rental:		
• Modular space	10–15	years
• Machinery and equipments	3–10	years
Machinery and equipment for services	6–10	years
Machinery and equipments for own use	3–6	years
Other tangible assets	3–10	years

The residual value and useful life of the assets are reviewed at least at the end of each financial year and, if necessary, adjusted to reflect any changes in expectations of economic value.

The depreciation of property, plant and equipment ceases when the asset is classified as held for sale in accordance with *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.*

Gains or losses on decommissioning and disposal are recognised through profit and loss.

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 the carrying amount, and are included in the operating profit.

GOVERNMENT GRANTS

Grants from the government are recognised as reductions of the carrying amount of property, plant and equipment where there is a reasonable assurance that the grant will be received and the Group will comply with all inherent conditions. Grants are recognised in the income statement in the form of smaller depreciation over the economic life of the related asset. Research and development grants and grants received as reimbursement for actual costs are charged to profit during the period in which the right to collect the grant emerge. Grants such as these are presented in other operating income.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The Group assesses at each balance sheet date whether there are indications that the carrying amount of an asset may not be recoverable. If such indications exist, the recoverable amount of the asset in question will be measured. In addition, the recoverable amount will be estimated annually from the following assets whether there are indications of impairment or not: goodwill, intangible assets with indefinite useful lives and in-process intangible assets. For the purposes of assessing impairment, assets are examined at the level of cash-generating units, i.e. at the lowest level that is mainly independent of other units and for which there are separately identifiable cash flows, largely independent from those of corresponding units.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use is determined by reference to discounted future cash flows expected to be generated by the asset. The discount rate used is pre-tax and reflects the time value of money and asset specific risks.

Impairment loss is recognised when the carrying amount of the asset is greater than its recoverable amount. Impairment loss is charged directly to the income statement. If a cash-generating unit is subject to an impairment loss, it is allocated first to decrease the goodwill and subsequently, to decrease the other assets of the unit. At recognition of the impairment loss, the useful life of the assets amortised is reassessed. Impairment loss from other assets than goodwill is reversed in the case that a change has occurred in the estimates used in measuring the recoverable amount of the asset. 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. Previously recognised impairment loss of goodwill is not reversed in any circumstance.

RENTAL CONTRACTS

LESSEE

The rental agreements concerning property, plant and equipment where the Group carries a significant share of the risks and rewards incidental to ownership are classified as financial leasing contracts. Assets acquired through financial leasing are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The property, plant and equipment acquired under finance leases are depreciated over the economic useful life of the asset or the lease term, if there is uncertainty about acquisition of ownership at the end of the rental period. The payable leasing rates are divided into the interest element of the finance cost and the decrease in liabilities over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Rental liabilities are included in financial liabilities.

Leases where the risks and rewards of ownership are retained by the lessor are treated as operating leases. Other operating lease payments are treated as rentals and charged to the income statement on a straight-line basis over the lease term.

LESSOR

The Group leased assets whose risks and rewards of ownership have essentially been transferred to the lessee are treated as financial leasing contracts and recognised as receivables in the balance sheet. Receivables are recognised at their present value. Other assets not leased under financial leasing contracts are included in property, plant and equipment in the balance sheet. They are depreciated over their useful lives in the same way as corresponding property, plant and equipment in the company's own use are.

Rental revenue recognition is presented in Accounting Principles under the section "Principles of revenue recognition".

FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS

The Company classifies its financial assets in the following categories; a) financial assets at fair value through profit and loss, b) loans and receivables, and c) available-for-sale investments. The classification of assets is performed upon the initial recognition and determined in line with the aim of the asset, and re-evaluation is done on a regular basis. Assets with maturities under 12 months are included in balance sheet under current assets, and those with maturities over 12 months under non-current assets.

a) *Financial assets at fair value through profit and loss*
   Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless hedge accounting is applied. Assets in this category are classified as current assets.

b) *Loans and receivables*
   Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet in Note 9.

c) *Available-for-sale financial assets*
   Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They 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 financial assets are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss.

Financial assets carried at fair value through profit and loss, are initially recognised at fair value, and transaction costs are expensed in the income statement. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest rate method.

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 recorded in equity are included in the income statement in financial income and expenses.

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

IMPAIRMENT OF FINANCIAL ASSETS

The book values of assets are reviewed regularly, at least annually, in order to assess whether an asset has been impaired. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In assessing impairment both external and internal sources, of information are considered. External sources include a significant decline in market value that is not result of the passage of the time or a normal use of the assets or increase in interest rates. Internal sources of information include evidence of the obsolescence of, or damage to, an asset.

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

FINANCIAL LIABILITIES

Financial liabilities are initially recognised at fair value, and transaction costs are included in the initial carrying amount. Subsequently, all financial liabilities are measured at amortised cost using the effective interest rate method. Financial liabilities are included in both current and non-current liabilities. Unless the Group has a non-contingent right to postpone the amortisation of a liability by a minimum of 12 months from the balance sheet date, it is classified as current.

Borrowing costs are recognised in the accounting period during which they have incurred. Credit fees related to loan commitments are recognised as transaction costs to the extent that it is probable that the total loan commitment or a part of it will be raised. This means that the fee is recognised in the balance sheet until the loan is raised. In connection with the drawdown, the credit fee related to loan commitments is recognised as part of the transaction costs. To the extent that it is probable that the loan commitment will not be raised, the credit fee is recognised as prepaid expense in respect of the liquidity related services and is accrued for period of the loan commitment.

For the measurement policies of the fair values of all financial assets and liabilities, refer to note 8 "Fair values of financial assets and liabilities".

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

a) Hedges of the fair value of recognised liabilities (fair value hedge);
b) Hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge); or
c) Hedges of a net investment in a foreign operation (net investment hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement and classified in finance cost.

Amounts accumulated in equity are recognised in the income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of an interest rate swap hedging variable rate borrowings is recognised in the income statement within finance costs. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within finance cost.

Derivatives, for which hedge accounting is not applied are measured at fair value through profit and loss. Changes in the fair value of these derivative instruments are recognised immediately in the income statement, and classified in finance cost.

The Group had loans in Swedish crone which loans are considered as a hedge to net investment in a foreign operation on the balance sheet date. Hedges of net investments in foreign operations are treated in a manner similar to that of cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in translation differences in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement and classified in net finance expenses. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 14. Movements on the hedging reserve in shareholders' equity are shown in note 12. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Derivatives, for which hedge accounting is not applied, are classified as a current asset or liability.

INVENTORIES

Inventories are measured at the lower of cost and 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 labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of selling.

TRADE RECEIVABLES

Trade receivables are recognised in the amount of their initial billing. Impairment is recognised when there is objective evidence suggesting that impairment loss has been identified. In addition, impairment is recognised if there is otherwise some evidence of the debtor's insolvency, bankruptcy or liquidation. Credit losses are recognised as an expense in the income statement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents, which include cash accounts and short-term cash deposits at banks, have maturities of up to three months. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or a group of disposed items) and the assets and liabilities related to discontinued operations are reclassified as held for sale if their amount corresponding to their carrying amount will accrue principally from the sale of assets instead of continuing use. The conditions for the classification of a held for sale asset are considered to be met when its sale is very probable and the asset (or the group of disposed items) is directly saleable in its current condition under general and customary conditions after management has committed itself to the sale and the transaction is expected to occur within a year of the classification.

Immediately before being classified as held for sale, the assets or the assets and liabilities of the disposed groups are measured according to the applicable IFRSs. From the date of the classification, the assets held for sale (or groups of disposed items) are measured at their carrying amount or at the lower of the fair value, less costs to sell. Depreciation of these assets is ceased on the date of classification.

The group of disposed items include assets which are not included in the scope of the IFRS 5 valuation regulation, and liabilities are measured according to the applicable IFRSs also after the date of classification.

The result of discontinued operations is presented as a separate item in the Group's consolidated income statement. Assets held for sale, groups of disposed items, items related to assets held for sale and recognised in other items of the comprehensive income and the liabilities included in the groups of disposed items are presented separately from other items in the balance sheet.

SHARE CAPITAL

SHARE CAPITAL ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY

Equity shares are presented as issued share capital. Costs related to the issue of equity instruments or to an acquisition are presented as a reduction in share capital.

When a company of the Group purchases own shares, the amount paid and the directly attributable incremental costs 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 retained earnings within equity. The treasury shares held by Cramo Management Oy are presented in retained earnings as a deduction of equity.

In the option plans as well as in directed share issues in 2011 , the proceeds gained from share subscriptions, adjusted by possible transaction costs, are recorded according to the conditions of the plans into the invested unrestricted equity fund.

NON-CONTROLLING INTEREST

Cramo Management Plc's equity is presented in its entirety as the non-controlling interest of the Group until 31 January 2011.

HYBRID BOND

A hybrid bond is an equity bond with no maturity that is subordinated to a company's other debt instrument. However, it is senior to other equity instruments. The interest on hybrid bond is paid if the Annual General Meeting decides to pay a dividend or in other ways to distribute capital to shareholders. If a dividend is not paid the company has the right to decide on the possible payment of interest at its own discretion. Non-payable interest accumulates and is disclosed as off-balance sheet commitment. Payable interest is presented as a reduction of equity and as liability from the date the liability to pay arises to the date it is paid. Hybrid bond do not confer to holders the right to vote at shareholder meetings.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognised when the Group 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. Provisions are measured at the present value of the required costs to cover the obligation. For the calculation of the present value, the chosen discount rate is one that reflects the time value of money and the risks included in the obligation at the time of observation. If it is possible to receive reimbursement for part of the obligation from a third party, the reimbursement is stated as a separate asset when receipt is practically certain.

A contingent liability is a possible obligation, incurred as a result of earlier events, whose existence is confirmed only when an uncertain event outside the control of the Group is realised. An existing liability that does not likely require the fulfilment of a payment obligation or whose amount cannot be reliably measured is also considered a contingent liability. Contingent liability is disclosed in note 18.

EMPLOYEE BENEFITS

PENSION OBLIGATIONS

Currently all pension plans are classified as defined benefit or defined contribution plans. In defined contribution plans, the Group makes fixed payments to separate entities. The Group has no legal or constructive obligation to make additional payments if the party receiving them is unable to pay the pension benefits in question. All arrangements that do not fulfil these conditions, are considered defined benefit pension plans. The payments made to defined contribution pension plans are recognised through profit and loss in the accounting period to which the payment pertains.

On January 2011 Cramo Plc acquired all the shares in Theisen Baumaschinen AG. In this acquisition all the pension obligations related to defined benefit plan have been transferred to Cramo Group. The defined benefit plan applies to retired employees of Theisen Group. The net present value of the pension obligation is calculated by using discount rate, which reflects the market yield of high quality corporate bonds. The net present value in the balance sheet is reduced by benefits paid less interest cost during the period as well as by unrecognised actuarial gains and losses. Unrecognised actuarial gains and losses are recognised through profit and loss account. The benefit plan doesn't include any funded assets.

All the other Group's pension plans are defined contribution plans.

SHARE-BASED PAYMENTS

The Group has the following current share-based compensation plans: stock option plan 2006 with two current series 2006B and 2006C and stock option plans 2009, 2010 and 2011. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. The amount of the share-based compensation plan is allocated as an expense over the vesting period and the corresponding adjustment is charged to equity. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable and recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The expense measured on the date that the options were granted is based on the Group's estimate of the number of options expected to become exercisable at the end of the vesting period. The Group updates the assumption of the total number of options on each final day of the reporting period. The change in estimates is treated through profit and loss. The fair value of the option plans is defined using the Black-Scholes option pricing model. Apart from market conditions, such as profitability and a given growth target for earnings, conditions are not taken into account when defining the fair value of an option, but they affect the estimation of the total number of options.

PRINCIPLES OF REVENUE RECOGNITION

The revenue presented includes the fair value of revenues acquired through the sale of goods and services adjusted by indirect tax, discounts and the exchange differences of currency sales.

RENTAL INCOME

Rental revenues from the rental agreements of machines, devices and modular space are recognised as income in equal items over the lease term.

The sales of modular space, which also include a rental agreement with the third party, and when the modular space has been sold to a finance company on a repurchase commitment, has been considered a lease agreement, because the significant risks and rewards incidental to ownership are not considered to transfer to the finance company. The proceeds of the sale 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.

When assets are leased out under a finance lease, the lease income is recognised over the term of using the net investment method, which reflects a consistent periodic rate of return. Capital gain is recognised in a manner similar to sale of goods.

GOODS AND SERVICES SOLD

Sales of goods are recognised when the significant risks and rewards of ownership, interests and control have been transferred to the buyer. This mainly occurs in connection with the contractual transfer of the goods. Revenues from the services are recognised in the accounting period during which the service is performed.

CONTRACT REVENUE

The Group has from time to time larger contracts as well. These contracts may include several components such as a lease or sale items, as well as significant services, such as assembly, transport and disassembly. The contract revenue is recognised according to IAS 11 as revenue respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

INTEREST AND DIVIDENDS

Interest income is recognised using the effective interest rate method. Dividend yield is recognised when the right to dividend is established.

BORROWING COSTS

Borrowing costs are recognised as an expense when incurred. Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised as part of the asset.

TAXES BASED ON TAXABLE INCOME AND DEFERRED TAXES

Tax expense consists of the taxes based on taxable income and deferred taxes for the current accounting period. Taxes are recognised through profit and loss, except when they relate directly to equity or the items recognised in the comprehensive income statement. In such cases, tax is also charged to these items. The taxes based on taxable income for the current accounting period are calculated for taxable profit on the basis of the effective tax rate of each country.

Deferred taxes are calculated for temporary differences between the book values of assets and liabilities and the tax basis of assets and liabilities. Deferred tax liabilities are not recognised, however, if they are attributable to the initial recognition of an asset or liability in a transaction other than business combination and the transaction, at the time it occurs, does not affect the accounting profit or taxable profit.

The deferred tax for investments in subsidiaries and associated companies is recognised, except when the Group is able to determine the timing of the temporary difference and it is probable that the temporary difference will not be cancelled in the foreseeable future.

The most significant temporary differences arise from the depreciation of property, plant and equipment items; the measurement of derivative financial instruments at fair value; unutilised tax losses and fair value adjustments made in connection with acquisitions.

Deferred taxes are calculated using the tax rates enacted by the final day of the reporting period or those which have, in practice, been accepted by the final day of the reporting period.

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.

DIVIDEND DISTRIBUTION

The dividend proposed by the Board of Directors to the Annual General Meeting has not been deducted from equity; instead, dividends will be recognised after a decision has been made on the matter at the Annual General Meeting.

EBITA

IAS 1 Presentation of Financial Statements does not define the concept of operating profit. The Group uses the term EBITA for operating profit and has defined it in the following way: operating profit is a net amount which is formed when other operating income is added to revenue and when the following expenses are deducted from it: materials and services adjusted by the changes in the inventories of finished goods and work in progress, expenses caused by production for own use, employee benefit expenses, depreciation and possible impairment losses (except for intangible assets attributable to acquisitions) and other operating expenses. All other income statement items aside from those mentioned above are presented under operating profit. Exchange differences and the changes in fair value of derivatives are included in operating profit if they arise from operating items; otherwise they are recognised in financial items.

ACCOUNTING POLICIES REQUIRING DISCRETION BY MANAGEMENT AND CRITICAL FACTORS OF UNCERTAINTY ASSOCIATED WITH ESTIMATES

Estimates and assumptions regarding the future have to be made during the preparation of financial statements, and the outcome may differ from the estimates and assumptions made. Furthermore, the application of accounting policies requires consideration.

MANAGEMENT CONSIDERATION IN CHOOSING AND APPLYING ACCOUNTING POLICIES TO FINANCIAL STATEMENTS

It is the duty of the Group's management to make judgements relating to the choice and application of the accounting policies of the financial statements. This is especially true in those cases where the operative IFRSs allow alternative ways of recognition, measurement or presentation.

The most significant sector in which the management has applied the above-described discretion regards rental agreements of property, plant and equipment (with the Group as lessee). The Group has both financial leasing contracts and rental agreements classified as other types of leases.

FACTORS OF UNCERTAINTY ASSOCIATED WITH ESTIMATES

The estimates made when preparing the financial statements are based on the management's best knowledge of current events and actions at balance sheet date. Forming the background of these estimates are previous experiences and assumptions of the future which are considered the most probable at the date of the financial statement's preparation. These assumptions concern, among other things, the development of the Group's sales and level of costs. The management together with business units follow the realisation of these assessments and assumptions and the changes in background factors regularly using several internal as well as external sources of information. Possible changes to estimations and assumptions are recorded in accounting in the reporting period during which one or both of them are adjusted and in all consecutive years.

The critical assumptions concerning the future and the factors of uncertainty associated with estimates made on the final day of the reporting period which cause a significant risk to the stability of the Group's book value of assets and liabilities during the following financial year are presented below. The Group's management consider these sections of the financial statements the most crucial, because the accounting principles involved are the most complicated from the point of view of the Group and their application requires the use of significant estimations and assumptions more than any other in, for example, the measurement of assets. Furthermore, the effects of possible changes on the actual facts behind these assumptions and assessments are expected to be the greatest.

Impairment testing

In order to observe possible impairment and to prevent it, the Group performs annual tests of goodwill, intangible assets not yet available for use and intangible assets with indefinite useful life. In addition, any signs of impairment are carefully estimated following the principles described above in accounting policies. The recoverable amounts of the cash generating units are defined using calculations based on value in use. In these calculations, cash flows are based on the financial plans approved by the management which cover a period of 5 years.

More information on the sensitivity of recoverable amounts to changes in used assumptions is provided in the note 6 Impairment testing of goodwill and other intangible assets with indefinite useful life.

Income taxes

The Group is subject to tax in several countries. Determining the Group's income tax requires significant assessment. The quantification of the final tax for many transactions and calculations of normal business is uncertain. Deferred taxes are presented in note 15 Deferred taxes.

Share-based payments

The Group has share-based compensation plans. The fair value of options is estimated on the grant date using the Black-Scholes model and basing the assessment on certain assumptions. The assumptions relate, among other things, to expected dividend yield, volatility and term. These variables make fair value estimation of options difficult. These assumptions are described in note 28 Share-based payments.

Valuation of the rental equipment fleet

The optimisation of the rental equipment fleet's utilisation rate is managed on the Group level. The valuation of the rental equipment fleet is based on calculations of value in use, taking into account the possibility of transferring it to another entity of the Group. The preparation of these calculations requires estimations.

Determining the fair value of the assets acquired through business combinations

With regard to tangible assets, the Group's financial department and if necessary the Fleet Management make the comparisons to the market prices of corresponding assets, as well as estimate of the decrease in value attributable to the age, wear and tear and other similar factors of acquired assets. The determination of the fair value of intangible assets is based on assessments concerning the cash flows of assets, because information on the sales of similar assets has not been available. More information on the measurement of intangible assets acquired through business combinations is presented in note 30 Business combinations. The management believes that the estimations and assumptions used are a sufficiently accurate basis for the determination of fair value. In major business combinations, the Group utilises an outside advisor to estimate the fair values of tangible and intangible assets. Furthermore, possible signs of impairment in both tangible and intangible assets are discussed and considered at the least at each balance sheet date.

APPLYING THE NEW AND REVISED IFRSS

IASB has published the following new or revised standards and interpretations which the Group has not yet applied. They will be adopted in the Group from the date they come into force or, if that date is not the first day of the financial year, from the beginning of the next financial year after it has come into effect.

- IAS 1 *Financial Statement Presentation – Presentation of Items of Other Comprehensive Income* (effective on financials periods beginning on or after January 2013). The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be classified (or 'recycled') to profit or loss at a future point in time could be presented separately from items that will never be reclassified. The amendment affects presentation only and has there no impact on the Group's financial position or performance.
- Amendments to IAS 19 *Employee Benefits* (effective on financials periods beginning on or after January 2013). The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording.
- Revised to IAS 28 *Investments in Associates and Joint Ventures* (effective on financials periods beginning on or after January 2013). As a consequence of the new IFRS 11 and IFRS 12. IAS 28 has been renamed IAS 28 *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates.
- IFRS 9 *Financial Instruments: Classification and Measurement* (effective on financials periods beginning on or after January 2013). IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The Group is yet to assess the full impact of the amendments.
- IFRS 10 *Consolidated Financial Statements* (effective on financials periods beginning on or after January 2013). IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 *Consolidation — Special Purpose Entities*. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27.
- IFRS 11 *Joint Arrangements* (effective on financials periods beginning on or after January 2013). IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities — Non-monetary Contributions by Venturers.* IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The Group accounts for jointly controlled entities using the equity method. Thus the application of this new standard has no impact on the financial position of the Group.
- IFRS 12 *Disclosure of Involvement with Other Entities* (effective on financials periods beginning on or after January 2013). IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.
- IFRS 13 *Fair Value Measurement* (effective on financials periods beginning on or after January 2013). IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance.

2. SEGMENT REPORTING

The business segment structure of Cramo Group was slightly modified in 2011. A new business segment Central Europe was formed in connection with the acquisition of Theisen Baumachinen AG in January 2011. The business segment consists of Theisen Group which has operations in Germany, Switzerland, Austria and Hungary. Theisen Group was consolidated into Cramo Group as from 1 February 2011. As announced at the time of the acquisition, Cramo will not publish comparison data for Central Europe for 2010. Due to this new business segment, the name of the former business segment Central and Eastern Europe was changed to Eastern Europe.

The business segment structure reflects the Group's internal reporting structure, in which equipment rental and modular space businesses have been combined under the management of each country. In addition to segment information, Cramo has continued to report the order book value for modular space.

Consequently, Cramo Group's business segments in 2011 were as follows:
- Finland
- Sweden
- Norway
- Denmark
- Central Europe
- Eastern Europe

In all of its business segments, Cramo provides modern rental solutions through the Cramo Concept. Under the Cramo Concept, construction companies and customers in trade, industry and the public sector, as well as private customers, are provided with machinery, equipment and modular space through different rental solutions and services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on EBITA which refers to operating profit before amortisation and impairment on intangible assets resulting from acquisitions. According to management's view, this is the most appropriate measure when comparing how the segment performance and the performance of other companies engaged in the same industry stand vis-à-vis each other. The Group management, as the highest operative decision-making body, is responsible for the abovementioned decisions about resource allocation and performance assessments.

Segment assets and liabilities are business items that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to segment on a reasonable basis. However, Group financing (including finance costs and finance income), income taxes as well as other items that are managed on a group basis are not allocated to operating segments. Capital expenditure refers to the additions to segment assets that are expected to be used during more than one period (property, plant, equipment, and intangible assets).

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

BUSINESS SEGMENTS 2011

EUR 1,000 Income statement	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Non-allocated	Elimi-nations	Total Group
External revenue	124,810	303,522	79,265	34,681	71,125	66,489			679,892
Inter-segment revenue	2,754	5,428		284	88	86		-8,640	
Total revenue	**127,565**	**308,949**	**79,265**	**34,965**	**71,213**	**66,575**		**-8,640**	**679,892**
Depreciation	-17,873	-36,573	-10,808	-3,988	-8,991	-19,512	-507	628	**-97,624**
EBITA	**20,238**	**58,047**	**857**	**-2,132**	**3,708**	**1,708**	**-11,756**	**402**	**71,072**
Amortisation and impairment on intangible assets resulting from acquisitions	-2,297	-4,707	-931	-5,729	-1,738	-1,349			**-16,751**
Net finance items									**-22,169**
Share of profit from associate									**22**
EBT									**32,173**
Income taxes									**-8,668**
Profit for the year									**23,505**
Segment assets and liabilities									
Intangible assets	43,808	129,600	25,404	1,997	29,955	23,782	34,021		**288,567**
Tangible and other assets	132,499	377,739	86,638	42,378	66,010	115,649	18,906	-1,575	**838,245**
Total assets	**176,307**	**507,339**	**112,042**	**44,376**	**95,965**	**139,431**	**52,927**	**-1,575**	**1,126,812**
Non-financial liabilities	**30,329**	**115,490**	**15,335**	**7,388**	**17,520**	**14,272**	**26,942**	**-7,198**	**220,078**
Other disclosures									
Capital expenditure	27,594	93,519	26,174	5,460	90,043	17,989	1,727		**262,506**
Number of employees 31 Dec	623	791	221	124	295	589	64		**2,707**
Average number of employees	628	734	210	123	260	564	62		**2,580**

VALUE OF OUTSTANDING ORDERS FOR THE SALES AND RENTAL OF MODULAR SPACE 2011

EUR 1,000	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Non-allocated	Elimi-nations	Total Group
Sales	6,350			694					**7,044**
Rental	36,584	44,156	4,578	10,298					**95,615**
Total	**42,934**	**44,156**	**4,578**	**10,992**					**102,660**

BUSINESS SEGMENTS 2010

EUR 1,000 Income statement	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Non-allocated	Elimi-nations	Total Group
External revenue	97,745	246,612	69,120	29,344		49,281			**492,103**
Inter-segment revenue	1,838	5,245		148		604		-7,837	
Total revenue	**99,583**	**251,857**	**69,120**	**29,493**		**49,886**		**-7,837**	**492,103**
Depreciation	-14,566	-31,916	-9,613	-5,692		-21,399	-497	538	**-83,145**
EBITA	**12,466**	**41,186**	**303**	**-5,328**		**-11,464**	**-2,634**	**-52**	**34,478**
Amortisation and impairment on intangible assets resulting from acquisitions	-626	-3,820	-620	-219		-1,803			**-7,089**
Net finance items									**-22,586**
EBT									**4,804**
Income taxes									**-7,007**
Loss for the year									**-2,203**
Segment assets and liabilities									
Intangible assets	45,380	114,732	21,101	7,719		25,625	35,441		**249,999**
Tangible and other assets	119,526	334,859	77,314	41,431		121,278	23,163	-1,872	**715,698**
Total assets	**164,906**	**449,591**	**98,415**	**49,150**		**146,903**	**58,604**	**-1,872**	**965,697**
Non-financial liabilities	**33,653**	**106,344**	**13,538**	**7,106**		**13,074**	**24,486**	**-6,270**	**191,932**
Other disclosures									
Capital expenditure	34,854	35,133	8,453	690		5,143	1,946		**86,219**
Number of employees 31 Dec	570	665	189	120		532	56		**2,131**
Average number of employees	529	677	184	117		518	59		**2,083**

VALUE OF OUTSTANDING ORDERS FOR THE SALES AND RENTAL OF MODULAR SPACE 2010

EUR 1,000	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Non-allocated	Elimi-nations	Total Group
Sales	4,424								**4,424**
Rental	29,019	36,776	7,067	10,399					**83,261**
Total	**33,443**	**36,776**	**7,067**	**10,399**					**87,685**

3. GOODWILL AND OTHER INTANGIBLE ASSETS

EUR 1,000	Goodwill	Other intangible assets: Cramo-brand	Co-brands	Customer relation-ships	Depot network	Non-competition agreement	Other intangible assets	Software	Total
Acquisition cost									
At 1 Jan 2010	**158,711**	**29,500**	**986**	**29,047**	**47,160**	**4,306**	**4,172**	**8,400**	**282,281**
Translation differences	11,573		50	2,607	4,142	357	26	925	**19,679**
Additions				675			240	1,584	**2,499**
Business acquisitions (note 31)	900			13,172					**14,072**
Reductions	-1,564						-2,294		**-3,858**
At 31 Dec 2010	**169,620**	**29,500**	**1,036**	**45,501**	**51,302**	**4,663**	**2,145**	**10,908**	**314,674**
Accumulated depreciation, amortisation and impairment									
At 1 Jan 2010	**-21,373**		**-986**	**-14,576**	**-11,191**	**-2,595**	**-1,338**	**-2,043**	**-54,100**
Translation differences	-248		-50	-1,291	-935	-234	-26	-92	**-2,876**
Reductions							263		**263**
Reclassification between asset categories								-6	**-6**
Depreciation (note 22)							-292	-573	**-865**
Amortisation resulting from acquisitions (note 22)				-3,485	-2,417	-1,187			**-7,089**
At 31 Dec 2010	**-21,621**		**-1,036**	**-19,352**	**-14,544**	**-4,016**	**-1,392**	**-2,714**	**-64,674**
Acquisition cost									
At 1 Jan 2011	**169,620**	**29,500**	**1,036**	**45,501**	**51,302**	**4,663**	**2,145**	**10,908**	**314,674**
Translation differences	154		-24	-10	25	-37	1	-320	**-211**
Additions							67	1,370	**1,437**
Business acquisitions (note 31)	22,632		7,341	2,637	19,906	2,023		385	**54,925**
Reductions	-5,510							-173	**-5,683**
Reclassification between asset categories							44	-45	**0**
At 31 Dec 2011	**186,896**	**29,500**	**8,352**	**48,128**	**71,233**	**6,648**	**2,257**	**12,126**	**365,141**
Accumulated depreciation, amortisation and impairment									
At 1 Jan 2011	**-21,621**		**-1,036**	**-19,352**	**-14,544**	**-4,016**	**-1,392**	**-2,714**	**-64,674**
Translation differences	43		20	38	-28	37	-1	122	**232**
Reductions	5,510							161	**5,671**
Reclassification between asset categories								-7	**-7**
Depreciation (note 22)							-265	-779	**-1,044**
Amortisation resulting from acquisitions (note 22)			-1,216	-5,811	-3,376	-838			**-11,241**
Impairment loss (note 22)	-5,510								**-5,510**
At 31 Dec 2011	**-21,578**		**-2,233**	**-25,124**	**-17,948**	**-4,816**	**-1,658**	**-3,217**	**-76,574**
Net book value:									
At 1 Jan 2010	**137,339**	**29,500**		**14,471**	**35,969**	**1,711**	**2,835**	**6,357**	**228,182**
At 31 Dec 2010	**147,998**	**29,500**		**26,149**	**36,758**	**647**	**752**	**8,194**	**249,999**
At 31 Dec 2011	**165,318**	**29,500**	**6,119**	**23,004**	**53,285**	**1,832**	**599**	**8,909**	**288,567**

Net book value of goowill and intangible assets increased by EUR 38.6 million from EUR 250.0 million to EUR 288.6 milllion in 2011. Increase in net book value was due to business acquisitions, which resulted in an increase of EUR 54.9 million in intangible assets (see more in note 31). The increase outweigthed the annual amortisation and depreciation on intangible assets (EUR 12.3 million) and impairment loss realised on goowill in Denmark (EUR 5.5 million).

4. TANGIBLE ASSETS

EUR 1,000	Land	Buildings and improvements	Machinery and equipment	Uncompleted purchases	Total
Acquisition cost					
At 1 Jan 2010	**2,148**	**19,787**	**738,132**		**760,067**
Translation differences	94	762	65,534		**66,390**
Additions		828	49,906	265	**50,999**
Business acquisitions (note 31)			18,649		**18,649**
Reductions	-116	-2,674	-31,531		**-34,320**
Reclassification between asset categories	98	33	1,399	90	**1,621**
Reclassification to assets available for sale (note 5)			-10,729		**-10,729**
At 31 Dec 2010	**2,225**	**18,736**	**831,361**	**355**	**852,677**
Accumulated depreciation and impairment					
At 1 Jan 2010	**-15**	**-11,359**	**-226,501**		**-237,875**
Translation differences		-508	-29,072		**-29,580**
Reductions		2,268	12,195		**14,463**
Reclassification between asset categories		-4	-804		**-808**
Reclassification to assets available for sale (note 5)			9,518		**9,518**
Depreciation (note 22)		-1,566	-79,963		**-81,529**
Impairment loss (note 22)		-19	-519		**-538**
At 31 Dec 2010	**-15**	**-11,189**	**-315,146**		**-326,350**
Acquisition cost					
At 1 Jan 2011	**2,225**	**18,736**	**831,361**	**355**	**852,677**
Translation differences	-60	-141	-1,697	-7	**-1,905**
Additions		3,041	142,511	85	**145,638**
Business acquisitions (note 31)		2,359	58,147		**60,506**
Reductions		-168	-47,774	-20	**-47,962**
Reclassification between asset categories	-3	-61	6,649	-297	**6,288**
Reclassification to assets available for sale (note 5)			4,334		**4,334**
At 31 Dec 2011	**2,162**	**23,766**	**993,531**	**116**	**1,019,575**
Accumulated depreciation and impairment					
At 1 Jan 2011	**-15**	**-11,189**	**-315,146**		**-326,350**
Translation differences		8	946		**954**
Reductions		75	33,038	20	**33,134**
Reclassification between asset categories		3	-6,027		**-6,024**
Reclassification to assets available for sale (note 5)			-2,793		**-2,793**
Depreciation (note 22)		-1,795	-93,675		**-95,471**
Impairment loss (note 22)		-6	-784	-20	**-810**
At 31 Dec 2011	**-15**	**-12,905**	**-384,441**		**-397,361**
Net book value:					
At 1 Jan 2010	**2,133**	**8,428**	**511,631**		**522,191**
At 31 Dec 2010	**2,210**	**7,547**	**516,215**	**355**	**526,326**
At 31 Dec 2011	**2,147**	**10,861**	**609,090**	**116**	**622,214**

Net book value of tangible assets increased by EUR 95.9 million from EUR 526.3 million to EUR 622.2 million in 2011. The net book value increased due to investments (EUR 145.6 million) and business acquisitions (EUR 60.5 million), which were higher than depreciation (EUR 95.5 million) and asset sales (EUR 14.9 million). Impairment loss of EUR 0.8 (0.5) million was recognised on tangible assets in 2011.

Machinery and equipment includes assets acquired through finance lease contracts. Acquisition cost of such equipment at the end of period was EUR 241.5 million (243.5), accumulated depreciation EUR 93.0 (89.4) million and net book value EUR 148.5 (154.1) million.

5. ASSETS AVAILABLE FOR SALE

EUR 1,000	2011	2010
Net book value at 1 Jan	**2,671**	**6,148**
Translation differences	24	114
Additions	2,505	
Business acquisitions (note 31)	4,310	
Reclassification to assets available for sale	-1,540	1,211
Reductions	-992	-4,589
Impairment loss	-299	-213
Net book value at 31 Dec	**6,680**	**2,671**

Impairment loss of EUR 0.3 (0.2) million was recorded on assets available for sale. Assets available for sale is measured at lower of its carrying amount and fair value less costs to sell.

6. IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

The allocation of goodwill and other intangible assets with indefinite useful lives
Goodwill and other intangible assets with indefinite useful lives acquired through business combinations have been allocated to cash-generating units for impairment testing. A CGU encompasses the business operations of the segment in each country, except for Central Europe, Latvia and Lithuania, and the Czech Republic and Slovakia. Central Europe consists of business in Germany, Austria, Switzerland and Hungary. From 2011 onwards Latvia and Lithuania has been combined as one CGU and Russia as one CGU due to operational changes. The Cramo brand has been considered as a corporate-level asset which is annually allocated to CGUs for impairment on the basis of CGU sales. Sales is believed to best reflect the future cash inflows the brand generates.

Goodwill and the Cramo brand have been allocated to CGUs as follows:

EUR 1,000	2011 Goodwill	2011 Cramo brand	2010 Goodwill	2010 Cramo brand
Finland	30,119	6,095	30,119	5,856
Sweden	91,144	14,761	80,237	14,811
Norway	18,199	3,787	15,844	4,065
Denmark		1,671	5,508	1,734
Central Europe	9,946			
Estonia	11,806	602	11,806	551
Latvia and Lithuania	948	678	948	672
Poland	3,119	733	3,498	712
The Czech Republic and Slovakia		358		315
Russia	38	816	38	785
Total	**165,318**	**29,500**	**147,998**	**29,500**

Basis for impairment testing
Goodwill is tested for impairment annually, or on a more frequent basis should there be an indication of a potential impairment. The latest impairment test has been performed in December 2011. The test was based on the balance sheet as at 31 October 2011. In impairment testing the assets of a CGU are compared to its recoverable amount. The recoverable amount of a CGU has been determined based on value in use which is calculated by using the discounted cash flow method. The cash flow projections used in the calculations are based on the next year's financial budget and the forecasts for the subsequent four years approved by management. The cash flow projections, covering all together a period of five years, are based on experience as well as on the estimated future development of the markets. The projections are in line with the external information to the extent such projections are available. Management has approved the plans upon which the impairment tests are based.

Summary development in 2011
The rental market has continued to recover in 2011. Utilisation rates have continued to increase during 2011. Also the rental prices have continued to increase during 2011. In order to support profitable growth the Group also started to invest during 2011. As a result net sales and profitability have improved compared to 2010. The pace of recovery has varied country by country.

Impairment loss in 2011
As a result of the impairment test performed in conjunction with preparation of financial statements 2011, an impairment loss of EUR 5.5 million was recognised in 2011. The impairment loss was recorded in Denmark segment. The impairment loss of EUR 5.5 million was recorded against goodwill. The impairment loss is attributable to difficult rental market in Denmark, which has not recovered at the pace earlier expected. As a result of continued recovery, utilisation rates and prices have increased. However, the price level is still low.

Key assumptions used in value-in-use calculations:

2011	EBITA-%	Compound annual growth rate five-year period, %	Growth rate beyond the five-year period, %	Discount rate, %
Finland	17.4–20.9	1.3	1.0	7.53
Sweden	17.6–21.3	1.8	1.0	7.53
Norway	7.8–13.8	5.5	1.0	7.98
Denmark	3.6–9.2	2.0	1.0	8.28
Central Europe	6.0–14.0	2.4	1.0	7.98
Eastern Europe	7.2–21.5	3.0–8.3	2.0	8.28–9.93

2010	EBITA-%	Compound annual growth rate five-year period, %	Growth rate beyond the five-year period, %	Discount rate, %
Finland	18.3–21.0	3.6	1.0	7.44
Sweden	19.9–22.0	4.1	1.0	7.44
Norway	9.3–10.5	3.5	1.0	7.89
Denmark	1.5–7.5	6.8	1.0	8.19
Eastern Europe	-6.3–19.3	7.3–19.8	2.0	8.19–10.29

EBITA margin

In 2011 profitability has improved mainly due to increasing utilisation rates and rental prices. Utilisation rates and prices are still expected to gradually improve, which is expected to improve the profitability of Cramo's CGUs during the forecasting period 2012–2016. The forecasted EBITA margins of 3.6–21.5% within 2012–2016 (-6.3–22.0 within 2011–2015) do not, however, exceed the profitability level of years 2007–2008 in CGUs other than Norway, Central Europe and Denmark. In Norway, the market recovery together with efficiency improvements will assist EBITA margin improvement from current low level. In Central Europe, profitability is expected to improve as the Group gradually implements its "Best in town" strategy. There has been a severe downturn in the Danish construction market, which has led to heavy adjustments in operations. Medium-term estimates have been increased from the previous year due to a more positive outlook than a year ago. Increased prices and utilisation rates are expected to improve profitability from the current low level. In Eastern Europe, there has been clear turnaround in profitability during 2011. Overall, the Group's EBITA margins vary still significantly between CGUs.

Growth rate for the five year period

There has been a clear recovery in utilisation rates during 2011. However, the Group still expects to improve its utilisation rates from the current level during the forecast period. Rental price level has gradually improved, but it still does not reflect the long-term outlook in most of the Group's market areas. Sales is expected to reach an annual average growth rate of 1.3–8.3% (3.5–19.8) in 2012–2016. Growth is based on improving price levels, utilisation rates and on the forecasted investments. Major growth investments have been adjusted away. In the Nordic countries the annual average growth rate is expected to vary between 1.3–5.5% (3.5–6.8), depending on the unit. In Russia the growth in sales is expected to be the strongest, an annual average rate of 8.3% in 2012–2016. In the Baltic countries, the annual average growth rate is expected to be 4.4–5.2% (7.3–10.6). Baltic countries have shown faster recovery than earlier expected.

Growth rate beyond the five years

The growth rate beyond five years for Eastern Europe countries equals two percent per year and for the Nordic and Central Europe businesses equals one percent per year. This is predicted to reflect a moderate long-term inflation forecast.

Fleet mobility

The value-in-use calculations take into account the plans for the adjusments of rental fleet through both sales and transfers between the countries.

Discount rate

Cramo Group's pre-tax weighted average cost of capital (pre-tax WACC) consitutes the basis for the determination of the discount rate. In determining the unit-specific discount rates the weighted average cost of capital is increased by a CGU specific risk factor which is determined for each unit separately. The CGU specific discount rate reflects the markets risks inherent to each CGU under testing.

The pre-tax WACC of the Group has decreased by 0.06% units from the impairment test performed in 2010.

The pre-tax WACC of the Group has been determined based on the following factors: Equity and debt finance are expected to consitute 60% (60) and 40% (40), respectively, of the capital structure in the long haul. The capital structure is inline with the Group's financial targets.

The cost of debt has decreased by 0.18% units from the test performed in 2010. This is due to decrease in the risk free rate.

The cost of equity has remained stable since 2010. The market risk premium has increased by 0.20% units from the 2010 level. Cramo's company-specific risk level (beta) has remained at same level as in 2010. Both market risk premium and equity beta are based on long-term data.

	2011	2010
Capital structure		
Share of equity capital, %	60.0	60.0
Share of debt capital, %	40.0	40.0
Cost of debt		
Risk-free rate, %	2.60	2.81
Credit spread, %	1.83	1.80
Cost of debt, %	**4.43**	**4.61**
Cost of equity		
Market risk premium, %	5.00	4.80
Cost of equity (market), %	7.60	7.61
Beta	1.20	1.20
Cost of equity, %	**8.60**	**8.57**
Cramo pre-tax WACC, %	**6.93**	**6.99**

The CGU-specific market risk factor is determined by assessing the country, currency and price risks inherent to each unit. Each component of risk is given a value ranging from 0 to 10, whereby the risk points range from 0 to 30. One risk point equals an increase of 0.15% in interest rate. Altogether, the market risk factor can range from 0% to 4.5%, depending on the risk points. See below for the CGU specific discount rates, which reflect the senior management's view on the CGU specific market risks of Cramo's business. Unit-specific risks are not readily available from a single source. Instead, they are based on senior management's best assessment which relies on various kinds of market and risk estimates. Compared to 2010, the CGU-specific market risks have decreased or remained stable in relatively high-risk CGUs, but increased in relatively low-risk CGUs.

2011	Country risk, 0–10 p.	Currency risk, 0–10 p.	Price risk, 0–10 p.	Market risk, total 0–30 p.	Cash generating unit specific market risk, %	Cramo's pre-tax WACC, %	CGU specific discount rate, %
Finland	0	1	3	4	0.60	6.93	7.53
Sweden	0	3	1	4	0.60	6.93	7.53
Norway	0	3	4	7	1.05	6.93	7.98
Denmark	0	2	7	9	1.35	6.93	8.28
Central Europe	2	1	4	7	1.05	6.93	7.98
Eastern Europe	3–8	1–6	4–7	8–20	1.20–3.00	6.93	8.13–9.93

2010	Country risk, 0–10 p.	Currency risk, 0–10 p.	Price risk, 0–10 p.	Market risk, total 0–30 p.	Cash generating unit specific market risk, %	Cramo's pre-tax WACC, %	CGU specific discount rate, %
Finland	0	0	3	3	0.45	6.99	7.44
Sweden	0	2	1	3	0.45	6.99	7.44
Norway	0	2	4	6	0.90	6.99	7.89
Denmark	0	1	7	8	1.20	6.99	8.19
Eastern Europe	4–9	0–6	4–7	8–22	1.20–3.30	6.99	8.19–10.29

Sensitivity analysis of the main assumptions
The figures below represent the maximum changes of the main assumptions, for each assumption separately, after which the carrying amount of the unit equals its recoverable amount. In the sensitivity analysis, each parameter was varied independently whilst holding the other parameters constant.

	Change in EBITA margin Max. decrease in %-units	Compound annual growth rate, five-year period Max. decrease in %-units	Growth rate beyond five-year period Max. decrease in %-units	Discount rate Max. increase in %-units	The amount by which the recoverable amount exceeds the carrying amount, EUR million	The amount by which the recoverable amount exceeds the carrying amount, %-range
Finland	-10.7	-20.0	-36.8	10.5	215.5	> 100
Sweden	-9.5	-15.9	-16.6	7.3	459.5	> 100
Norway	-1.9	-5.5	-3.0	2.0	27.9	20–50
Denmark	0.0	0.0	0.0	0.0	0.0	0.0
Central Europe	-1.3	-2.6	-1.2	0.9	14.2	10–20
Eastern Europe	-6.8– -1.5	-15.3– -3.3	-18.8– -1.7	1.1–7.4	2.0–16.1	10–100

Summary of the sensitivity analysis
In Denmark recoverable amount equals the carrying amount after impairment loss of EUR 5.5 million. Denmark has improved its profitability during 2011. The utilisation rates are at a good level, but prices are still low. A better supply and demand balance of rental fleet is expected to improve price levels and profitability in 2012.

In the Czech Republic and Slovakia recoverable amount exceeds carrying amount by EUR 2.0 (0.1) million. The Czech Republic and Slovakia has clearly improved profitability in 2011 as a result of improved prices and utilisation rates. Profitability is still at unsatisfactory level, but improvement is expected to continue in 2012. Unless the expected improvement does not continue impairment may be required.

In Sweden and Finland recoverable amount exceeds carrying amount by over 100%. At the end of period, the total amount of goodwill allocated to CGUs in Finland and Sweden totalled EUR 121.3 (110.4) million. i.e. 73.4% (74.6) of the Group's goodwill. The total amount of Cramo brand allocated to these countries totals approximately EUR 20.9 (20.7) million.

In Norway recoverable amount exceeds carrying amount by 20–50% (50–100).

In Central Europe recoverable amount exceeds carrying amount by 10–20%.

In Eastern Europe the recoverable amount exceeds carrying amount by 20–50% (50–100) in Russia, by 20–50% (20–50) in Estonia, by 50–100% in Latvia and Lithuania and Poland.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

EUR 1,000	2011	2010
At 1 Jan	**347**	**340**
Translation differences	1	8
Disposals		1
Reclassification from non current receivable	2	
At 31 Dec	**350**	**347**
Total non-current available-for-sale financial assets	350	347

During 2011 and 2010 the Group has not reclassified financial assets at fair value through profit and loss or financial assets at amortised cost.

Available-for-sale financial assets consist of shares in As Oy Saarihely, Golf Sarfvik, Rym Shok Oy and Ehitustööriist OÜ as well as of unquoted shares in telephone companies. The unquoted shares in telephone companies are measured at historical cost. The value of other shares is based either on the assessment of an external expert or on the reference from the market.

8. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

EUR 1,000 At 31 Dec 2011	Note	Financial asset/liability at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets	Loans and borrowings	Hedge accounted derivatives	Book value	Fair value	Fair value hierarchy
Non-current financial assets									
Available-for-sale financial investments	7			350			350	350	–
Derivative financial instruments	14								
Trade and other receivables	9		3,553				3,553	3,553	–
Current financial assets									
Derivative financial instruments	14	730					730	730	2
Trade and other receivables	9		142,954				142,954	142,954	–
Cash and short-term deposits	11		22,532				22,532	22,532	–
Total		**730**	**169,039**	**350**			**170,119**	**170,119**	
Non-current financial liabilities									
Interest-bearing liabilities	13				310,510		310,510	310,718	–
Derivative financial instruments	14	1,855				4,920	6,775	6,346	2
Other non-current liabilities	16				3,369		3,369		–
Current financial liabilities									
Interest-bearing liabilities	13				101,422		101,422	101,422	-
Derivative financial instruments	14	1,837					1,837	1,837	2
Trade and other payables	17				116,485		116,485		–
Total		**3,692**			**531,786**	**4,920**	**540,398**	**420,323**	

EUR 1,000 At 31 Dec 2010	Note	Financial asset/liability at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets	Loans and borrowings	Hedge accounted derivatives	Book value	Fair value	Fair value hierarchy
Non-current financial assets									
Available-for-sale financial investments	7			347			347	347	–
Derivative financial instruments	14	1,053					1,053	1,053	2
Trade and other receivables	9		3,613				3,613	3,613	–
Current financial assets									
Derivative financial instruments	14	825					825	825	2
Trade and other receivables	9		125,333				125,333	125,333	–
Cash and short-term deposits	11		22,313				22,313	22,313	–
Total		**1,878**	**151,259**	**347**			**153,484**	**153,484**	
Non-current financial liabilities									
Interest-bearing liabilities	13				346,776		346,776	349,802	–
Derivative financial instruments	14	926				1,617	2,543	2,543	2
Other non-current liabilities	16				4,207		4,207	4,207	–
Current financial liabilities									
Interest-bearing liabilities	13				57,569		57,569	57,569	–
Derivative financial instruments	14	1,853					1,853	1,853	2
Trade and other payables	17				100,984		100,984	100,984	–
Total		**2,779**			**509,536**	**1,617**	**513,932**	**516,958**	

Available-for-sale financial assets
Available-for-sale financial assets consist of shares in Ehitustööriist OÜ, As Oy Saarihely, Golf Sarfvik and Rym Shok Oy as well as of unquoted shares in telephone companies. The unquoted shares are measured at historical cost due to missing markets, and because the Group has no intention to sell these shares. The value of other shares is based either on the assessment of an external expert or on the reference from the market.

Derivative financial instruments
The fair value of forward contracts is determined by using the forward rates of 31 December for respective contracts. For interest rate swaps the fair value is computed by discounting the future cash flows using the market rates at annual closing. If the market value given by a counterparty is utilised, company produces also its own calculation using generally accepted valuation methods.

Interest-bearing liabilities
The fair value of loans is based on the discounted cash flows. The rate used for measurement, is the rate which would apply for the Group's new external financing. The overall rate consists of risk free rate and the risk premium for the company. The fair value of leasing contracts is computed by discounting the cash flows with a rate corresponding with similar contracts.

Trade and other receivables and liabilities
The fair value of trade and other receivables and liabilities corresponds with the historical cost. The effect of discounting is not relevant due to short maturity of the instrument.

Fair value hierarchy disclosures for each class of financial instruments:
Effective 1 January 2009, the Group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements according to the fair value measurement hierarchy.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

9. TRADE AND OTHER RECEIVABLES

EUR 1,000	2011	2010
Non-current receivables		
Interest-bearing non-current receivables		
Finance lease receivables	2,238	2,523
Non-interest-bearing non-current receivables		
Other receivables	1,316	1,089
Reclassification to available-for-sale financial assets	-2	
Total	**3,553**	**3,613**
Current receivables		
Interest-bearing current receivables		
Finance lease receivables	285	241
Other receivables	32	9
Non-interest-bearing current receivables		
Trade receivables	125,035	105,019
Other receivables	2,744	5,879
Prepaid expenses and accrued income	14,858	14,185
Total	**142,954**	**125,333**
Finance lease receivables fall due as follows		
Not later than one year	429	400
Later than one year and not later than five years	1,265	1,566
Later than five years	2,114	2,242
Gross investment in finance leases	**3,808**	**4,208**
Present value of minimum lease receivables		
Not later than one year	285	241
Later than one year and not later than five years	872	1,107
Later than five years	1,366	1,417
Present value of minimum lease receivables	**2,523**	**2,764**
Unearned financial income	1,285	1,444
Gross investment in finance leases	**3,808**	**4,208**

Trade receivables are non-interest-bearing and are generally on 14–60 day terms.

A total amount of EUR 5,565 (4,950) thousand of trade receivables has been recognised in the income statement as impairment losses. See below for the movements in the provision for impairment of receivables. For further guidance, see credit risk note 14.

EUR 1,000 Movements in the provision for impairment of receivables	2011	2010
At 1 Jan	**7,762**	**7,783**
Charge for the year	5,565	4,950
Utilised	-5,395	-4,972
At 31 Dec	**7,931**	**7,762**

The balance sheet values best correspond to the amount which is the maximum credit risk exposure before deducting the fair value of collateral in case other contractual parties fail to meet their obligations related to the financial instruments. The manner in which the Group operates does not require the obtaining of collateral in respect of trade and other receivables. Trade and other receivables do not contain any significant concentration of credit risk. The management considers that the carrying amount of trade and other receivables approximates their fair value.

Material items included in prepaid expenses and accrued income relate to prepaid premises and leasing expenses, and investments.

EUR 1,000 Ageing analysis of trade receivables	2011	2010
Trade receivables, not due at reporting date	89,032	85,373
Trade receivables 1–30 days overdue	24,635	11,507
Trade receivables 31–60 days overdue	3,459	3,487
Trade receivables 61–90 days overdue	2,725	1,771
Trade receivables 91–180 days overdue	2,594	1,687
Trade receivables more than 180 days overdue	2,590	1,193
Total	**125,035**	**105,019**

EUR 1,000 Trade receivables by currencies	2011	2010
EUR	28,480	14,320
SEK	62,112	59,105
NOK	14,192	12,992
DKK	8,477	7,929
PLN	3,217	3,243
RUB	3,841	3,395
Other	4,716	4,033
Total	**125,035**	**105,019**

Trade receivables are arising from a large number of customers and are mainly denominated in SEK, EUR and NOK, therefore mitigating the concentration of risk.

10. INVENTORIES

EUR 1,000	2011	2010
Materials and supplies	12,800	9,317
Work in progress	5,510	4,485
Total	**18,310**	**13,803**

At the end of the period, inventories have been written down by EUR 172 (180) thousand to correspond to their net realisable value. The amount of write-down is recognised in cost of sales.

11. CASH AND CASH EQUIVALENTS

EUR 1,000	2011	2010
Cash in hand and at banks	22,532	22,313
Total	**22,532**	**22,313**

Cash and cash equivalents include cash in hand and bank deposits available at call. Cash and cash equivalents have original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash at banks earns interest at floating rates based on daily bank deposit rates.

At 31 December 2011, the Group had available EUR 166.2 (135.6) million of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the abovementioned figures for cash in hand and at banks at 31 December.

12. SHARE CAPITAL AND EQUITY FUNDS

EUR 1,000 Share capital	Number of shares	Share capital	Share issue	Other reserves	Total
At 1 Jan 2010	30,660,189	24,835	1,871	186,926	213,632
At 31 Dec 2010	**30,660,189**	**24,835**	**1,871**	**186,926**	**213,632**
Exercise of share options	694,000		-1,854	9,133	**7,279**
Rights issue	9,489,877			97,398	**97,398**
Direct share issue	595,020			7,266	**7,266**
At 31 Dec 2011	**41,439,086**	**24,835**	**17**	**300,723**	**325,575**

A total of 2,600 new shares were subscribed for under the company's stock option rights 2006C by 31 December 2011. The number of shares will increase to 41,441,686 when the shares subscribed will be entered in the trade register. The entire subscription price will be entered in the invested unrestricted equity fund. Cramo Plc has three option right plans in force and an analysis of the share-based payments is given in note 28.

Each share entitles the holder to one vote at the Annual General Meeting and to an equal dividend. At the balance sheet date share capital was fully paid and entered in the trade register.

Other reserves
Other reserves includes the premium received on exercise of share options and other share issues under the old Limited Liability Companies Act.

EUR 1,000 Other equity funds	Fair value reserve	Hedging fund	Total
At 1 Jan 2010	117	-2,296	**-2,179**
Cash flow hedges			
Fair value losses in period		1,486	**1,486**
Tax on fair value losses		-387	**-387**
At 31 Dec 2010	**117**	**-1,197**	**-1,080**
Cash flow hedges			
Fair value gains in period		-5,228	**-5,228**
Tax on fair value losses		1,257	**1,257**
Effect of change in tax percent	2		**2**
At 31 Dec 2011	**119**	**-5,168**	**-5,049**

Fair value reserve
The fair value reserve includes fair value changes of assets classified as available-for-sale financial assets.

Hedging fund
The Group applies hedge accounting for some interest rate derivatives that are designated as cash flow hedges. The effective portion of changes in the fair value of those derivatives is recognised in hedging fund. The gain or loss relating to the ineffective portion is recognised immediately in the income statement and classified within finance expenses.

NATURE AND PURPOSE OF OTHER RESERVES AS STATED IN THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Translation differences
Translation differences arise from the consolidation of the results of subsidiaries outside the Euro zone.

At the balance sheet date the Group had hedged Swedish crone -denominated equity with an external currency loan. The effective portion of foreign exchange difference arising from the loan is recognised in translation differences. The gain or loss relating to the ineffective portion is recognised immediately in the income statement and classified in finance expenses.

Hybrid capital
Cramo Plc issued in April 2009 a EUR 50 million hybrid bond to Finnish investors. The coupon rate of the bond is 12.0% per annum. The bond has no maturity but the company may call the bond after four years. The bond is treated as equity in the Group's IFRS financial statements. The issuance of the bond does not dilute holdings of Company's shareholders.

Non-controlling interest
The Board of Directors of Cramo Plc accepted in June 2009 a new share ownership program for Cramo's Executive Committee. For the purpose of the share ownership, Cramo Executive Committee members established a company called Cramo Management Oy. In the Group's IFRS financial statements, Cramo Management Oy is reported as a special purpose entity until 31 January 2011. Because the limit-values of the agreement were exceeded, Cramo Plc acquired all the shares in Cramo Management Oy.

DIVIDENDS
The Board proposes to the AGM a dividend of EUR 0.30 (0.10) per share for year 2011. The total dividend amounting to EUR 3,163 thousands was paid on 5 April 2011.

13. INTEREST-BEARING LIABILITIES

EUR 1,000 Non-current interest-bearing liabilities	2011 Book value	Fair value	2010 Book value	Fair value
Syndicated bank loan	230,581	230,581	254,119	255,161
Other bank loans	761	761	1,967	1,967
Pension loans	1,271	1,277	3,814	3,876
Repurchase liabilities	1,807	2,009	1,807	1,981
Finance lease liabilities	76,090	76,090	85,068	85,068
Total	**310,510**	**310,718**	**346,776**	**348,053**
Current interest-bearing liabilities	**Book value**		**Book value**	
Syndicated bank loan				
Other bank loans	1,166		1,293	
Pension loans	2,543		2,543	
Repurchase liabilities			802	
Finance lease liabilities	34,137		29,484	
Commercial papers	63,576		23,447	
Total	**101,422**		**57,569**	
Total interest-bearing liabilities	**411,932**		**404,345**	

Book values of current liabilities approximate their fair values. All bank loans are at floating rate and thus their fair values do not differ materially from their carrying amounts. Pension loans and repurchase liabilities are at fixed rate and their fair values are calculated by discounting contract amounts with the market rate.

Other bank loans mainly consist of overdraft limits and hire purchase liabilities.

At the year end the Group had available undrawn committed credit facilities totalling EUR 166.2 (135.6) million, of which long-term EUR 143.0 (118.0) million and short-term EUR 23.2 (17.6) million.

The main financial covenants of the syndicated loan facility are the net debt to EBITDA ratio and gearing. In addition, there are other general terms related to the loan facility. Net debt is the actual value on a testing date and EBITDA is calculated as accumulated EBITDA of the previous 12 months including pro forma EBITDA of the acquisitions and business combinations made during the period. Taking pro forma EBITDA of the acquisitions and business combinations into account balances the growth of Net Debt caused by acquisitions and business combinations and results somewhat lower values for Net Debt to EBITDA. Gearing is calculated by dividing the net debt by the total equity. Net debt to EBITDA determines the applied margin for the syndicated loan quarterly. The maximum values of the financial covenants will change during the loan period. The maximum and actual values of the financial covenants as at 31 December 2011 are presented below:

			Value of covenants		
EUR 1,000	Actual 2011	Actual 2010	2010–2011	2012	2013–
Net debt to EBITDA, maximum	2.28	3.13	4.00	3.50	3.50
Gearing, maximum	78.70	103.41	130.00	120.00	115.00

The following table presents a sensitivity analysis of financial covenants with the actual values at 31 December 2011. The table shows the maximum deviation of each essential parameter before breaking the financial covenant value.

	Net debt	EBITDA	Equity
EUR millions	Max increase	Max decrease	Max decrease
Net debt to EBITDA, maximum	292.5	73.1	
Gearing, maximum	253.8		195.3

EUR 1,000 Interest-bearing liabilities mature as follows, 2011	2012	2013	2014	2015	2016	2017+	Total
Syndicated bank loan			230,581				**230,581**
Other bank loans	1,166	585	62	62	53		**1,927**
Pension loans	2,543	1,271					**3,814**
Repurchase liabilities			1,069	140	46	553	**1,807**
Finance lease liabilities	34,137	29,590	12,818	12,754	8,501	12,427	**110,227**
Commercial papers	63,576						**63,576**
Total	**101,422**	**31,446**	**244,530**	**12,956**	**8,600**	**12,980**	**411,932**

EUR 1,000 Syndicated loan by currency and maturity, 2011	2012	2013	2014	2015	2016	2017+	Total
EUR			153,986				**153,986**
SEK			76,595				**76,595**
Total			**230,581**				**230,581**

EUR 1,000 Interest-bearing liabilities mature as follows, 2010	2011	2012	2013	2014	2015	2016+	Total
Syndicated bank loan				254,119			**254,119**
Other bank loans	1,293	1,628	339				**3,260**
Pension loans	2,543	2,543	1,271				**6,357**
Repurchase liabilities	802			1,069	140	598	**2,609**
Finance lease liabilities	29,484	25,636	20,148	13,512	12,310	13,462	**114,552**
Commercial papers	23,447						**23,447**
Total	**57,569**	**29,807**	**21,758**	**268,700**	**12,450**	**14,060**	**404,345**

EUR 1,000 Syndicated loan by currency and maturity, 2010	2011	2012	2013	2014	2015	2016+	Total
EUR				177,982			**177,982**
SEK				76,137			**76,137**
Total				**254,119**			**254,119**

Finance lease liabilities

The Group has entered into financial leases on certain vehicles and items of machinery. These leases have an average life of between three and five years. Financial lease liabilities mainly have floating rates based on market rates between one and three months. Tables below specify the future minimum cash flows under financial leases by maturity and by currency as at 31 December.

EUR 1,000 Finance lease liabilities by currency	2011	2010
SEK	45,354	54,472
NOK	20,831	21,626
DKK	3,446	4,361
EUR	25,703	20,984
Other	14,893	13,109
Total	**110,227**	**114,552**

EUR 1,000 Gross finance lease liabilities – minimum lease payments	2011	2010
Payable < 1 year from balance sheet date	41,243	32,007
Payable 1–5 years from balance sheet date	62,669	75,685
Payable > 5 years from balance sheet date	12,781	13,865
Total	**116,694**	**121,557**
Future finance charges on finance leases	6,467	7,005
Present value of minimum future finance lease payments	**110,227**	**114,552**

	2011		2010	
Weighted average maturity and interest rates at 31 Dec	**Maturity, years**	**Interest, %**	**Maturity, years**	**Interest, %**
Bank loans	3.0	3.70	2.7	3.55
Bank loans including interest rate swaps	3.0	4.48	2.7	4.41
Pension loan	0.9	4.75	1.4	4.75
Finance leases	2.3	3.82	2.4	4.62
Repurchase liabilities	3.7	4.15	3.0	3.97
Commercial papers	0.2	2.14	0.2	1.78

14. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The objective of the Group's risk management is to minimise the negative effects on the Group's financial performance caused by changes in financial markets. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury function (Group Treasury). The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units according to the Treasury policy approved by the Board. The objective of treasury management is to secure sufficient funding for business operations, avoiding financial constraints at all times, to provide business units with financial services, to minimise the costs of financing, to manage financial risks (currency, interest rate, liquidity and funding, credit and operational risks) and to provide the management with information on the financial position and risk exposures of Cramo and its business units. In addition, Group Treasury actively monitors the actual values of Group's financial covenants and anticipated financial headroom in relation to maximum values of these financial covenants as part of the Group's business planning.

MARKET RISK

Interest rate risk

Fluctuations in market interest rates have an effect on consolidated interest outflows and the fair value of interest-bearing receivables, loans payable and derivative instruments. The objective of interest rate risk management is to mitigate the impact of interest rate changes on the income statement, balance sheet and cash flow, while also taking into account the market value of net debt.

The Group's interest rate risk arises mainly from its long-term borrowings. The Group is mainly exposed to cash flow interest rate risk, which arises from liabilities at variable rates. At the balance sheet date, 47.6% (51.6) of outstanding interest-bearing liabilities were at fixed interest rates when including the effect of derivatives used. During 2011 and 2010, the Group's borrowings at variable rate were denominated in the EUR and the SEK. The currency specification of financial lease liabilities is presented in table later in this note. The weighted average fixing period for loan portfolio was 1.8 years (2.0 years). The Treasury Policy states the limit for the portion of fixed interest to be 20–60% of the whole loan portfolio and duration to stay in a range from one to three years. During the financial period the Group moved slightly downwards in both values.

The Group manages its cash flow interest rate risk by using interest rate swaps in accordance with the Treasury Policy. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. The nominal value of the Group's interest rate swaps was EUR 181.6 million at 31 December 2011 (2010: EUR 181.3 million). IAS 39 hedge accounting was applied to a part of these interest rate swaps representing a total nominal value of EUR 145.2 (EUR 104.9) million. The maturity structure of these derivatives is presented in a table following in this note.

For interest rate sensitivity analysis in accordance with IFRS 7, if interest rates at 31 December 2011 on EUR-denominated borrowings had been 1 % higher/lower with all other variables held constant, pre-tax profit for the year would have been EUR 0.4 (1.4) million lower/higher, as a result of changes in the interest flows on floating rate borrowings and hedging instruments and the change of market value of the non-hedge accounted interest rate swaps; other components of equity would have been EUR 4.6 (3.3) million higher/lower, as a result of a change in the fair value of interest rate swaps for which hedge accounting is applied. The following table illustrates the sensitivity analysis.

	2011				2010			
	Income statement		Equity		Income statement		Equity	
	+ 1%	- 1%	+ 1%	- 1%	+ 1%	- 1%	+ 1%	- 1%
Interest-bearing liabilities	-2.9	2.9			-2.8	2.8		
Interest rate derivatives								
Hedge accounted	1.1	-1.1	4.6	-4.6	0.8	-0.8	3.3	-3.3
Non-hedge accounted	1.5	-1.5			3.4	-3.4		
Total	**-0.4**	**0.4**	**4.6**	**-4.6**	**1.4**	**-1.4**	**3.3**	**-3.3**

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing liabilities and their average interest rates are presented in note 13.

Foreign exchange risk

The Group operates internationally and is exposed to risks arising from foreign exchange rate fluctuations, primarily from exposures with respect to the Swedish crone. Foreign exchange risk arises primarily from internal funding and net investments in foreign operations as well as from recognised assets and liabilities.

Since Cramo has subsidiaries outside the Euro zone, the euro denominated value of the shareholders' equity is exposed to fluctuations in exchange rates. Equity changes caused by movements in foreign exchange rates are shown as a translation difference in the Group consolidation. The Group Treasury regularly monitors and evaluates the translation risk. At the balance sheet date the Group had hedged Swedish crone -denominated equity with an external currency loan. The foreign exchange difference arising from the loan is recognised in equity under translation differences.

Foreign exchange risk arising from internal funding, recognised assets and liabilities is managed primarily through forward contracts. A table following in this note presents the maturity structure of these derivatives. The changes in the fair value of derivatives are recognised in the income statement.

Sales in Group companies are carried out in the functional currency of the local entities. These transactions do not expose the Group to significant foreign exchange risk. Purchases are carried out both in Euros and local currencies. The currency risk arising from purchases is considered insignificant. Hence, according to the Treasury Policy, future purchase commitments are not hedged.

Sensitivity analysis, in accordance with IFRS 7, aims to represent the sensitivity of the consolidated income and equity with respect to foreign exchange rate fluctuations. The open Euro exposure against other functional currencies arises from account payables, leasing liabilities in other than local currency, as well as from the open exposure of the Group Treasury.

The following table presents the Group's currency exposure and the sensitivity effects to profit before tax results in the income statement and to equity. The sensitivity calculation is based on a change of 5% in the Euro exchange rate against all the functional currencies that the Group operates in.

EUR 1,000 Translation risk and hedging 31 Dec 2011	**SEK**	**NOK**	**DKK**	**LVL**	**LTL**	**PLN**	**RUB**	**CZK**	**CHF**	**HUF**	**Total**
Net investment exposed to translation risk	316,138	31,323	5,566	3,021	1,789	10,857	-3,331	9,369	-260	20	**374,492**
Lending designated as part of net investment							14,965				**14,965**
Hedging loans	-76,593										**-76,593**
Open exposure	**239,545**	**31,323**	**5,566**	**3,021**	**1,789**	**10,857**	**11,634**	**9,369**	**-260**	**20**	**312,864**

EUR 1,000 Sensitivity analysis, 5% depreciation of each currency against Euro	**SEK**	**NOK**	**DKK**	**LVL**	**LTL**	**PLN**	**RUB**	**CZK**	**CHF**	**HUF**	**Total**
Net investment exposed to translation risk	-15,807	-1,566	-278	-151	-89	-543	167	-468	13	-1	**-18,725**
Lending designated as part of net investment							-748				**-748**
Hedging loans	3,830										**3,830**
Total	**-11,977**	**-1,566**	**-278**	**-151**	**-89**	**-543**	**-582**	**-468**	**13**	**-1**	**-15,643**

EUR 1,000 Translation risk and hedging 31 Dec 2010	SEK	NOK	DKK	LVL	LTL	PLN	RUB	CZK	CHF	HUF	Total
Equity exposed to translation risk	296,805	33,249	14,968	2,974	1,735	11,843	-1,144	11,662			**372,092**
Lending designated as part of net investment				9,233			15,311				**24,544**
Hedging loans	-76,136										**-76,136**
Open exposure	**220,669**	**33,249**	**14,968**	**12,207**	**1,735**	**11,843**	**14,167**	**11,662**			**320,500**

EUR 1,000 Sensitivity analysis, 5% depreciation of each currency against Euro	SEK	NOK	DKK	LVL	LTL	PLN	RUB	CZK	CHF	HUF	Total
Equity exposed to translation risk	-14,840	-1,662	-748	-149	-87	-592	57	-583			**-18,605**
Lending designated as part of net investment				-462			-766				**-1,227**
Hedging loans	3,807										**3,807**
Total	**-11,033**	**-1,662**	**-748**	**-610**	**-87**	**-592**	**-708**	**-583**			**-16,025**

A proportion of the Group's SEK -denominated borrowing amounting to EUR 76.6 (76.1) million is designated as a hedge of the net investment in the Group's Swedish subsidiaries. The fair value of the borrowing at 31 December 2011 was EUR -0.1 (0.3) million. The foreign exchange loss of EUR 0.5 (loss 8.2) million on translation of the borrowing to currency at the end of the reporting period is recognised in translation differences, in shareholders' equity.

A proportion of the Group's RUB- and LVL -denominated lending to its subsidiaries totalling EUR 15.0 (24.5) million has been designated as a part of the net investment in the respective subsidiaries. The fair value of the lending at 31 December 2011 was EUR -3.2 (-2.9) million. The foreign exchange loss of EUR 0.3 (0.8) million on translation of the borrowing to currency at the end of the reporting period is recognised in translation differences, in shareholders' equity.

EUR 1,000 Transaction risk and hedging 31 Dec 2011	SEK	NOK	DKK	LVL	LTL	PLN	RUB	CZK	CHF	HUF	Total
Transaction exposure	33,949	45,762	28,957	2,135	2,774	9,342	20,082	3,345	875		**147,221**
Hedges	-34,728	-44,429	-27,441	-2,001	-2,683	-9,197	-18,089	-3,296	-836		**-142,700**
Open exposure	**-779**	**1,333**	**1,516**	**134**	**91**	**145**	**1,993**	**49**	**39**		**4,521**

EUR 1,000 Sensitivity analysis, 5% depreciation of each currency against Euro	SEK	NOK	DKK	LVL	LTL	PLN	RUB	CZK	CHF	HUF	Total
Transaction exposure	-1,697	-2,288	-1,448	-107	-139	-467	-1,004	-167	-44		**-7,361**
Hedges	1,736	2,221	1,372	100	134	460	904	165	42		**7,135**
Total	**39**	**-67**	**-76**	**-7**	**-5**	**-7**	**-100**	**-2**	**-2**		**-226**

EUR 1,000 Transaction risk and hedging 31 Dec 2010	SEK	NOK	DKK	LVL	LTL	PLN	RUB	CZK	CHF	HUF	Total
Transaction exposure	-8,645	27,919	24,183	9,527	3,276	7,062	12,995	2,716			**79,033**
Hedges	6,692	-28,782	-22,808		-3,186	-6,918	-10,534	-2,514			**-68,050**
Open exposure	**-1,953**	**-863**	**1,375**	**9,527**	**90**	**144**	**2,461**	**202**			**10,983**

EUR 1,000 Sensitivity analysis, 5% depreciation of each currency against Euro	SEK	NOK	DKK	LVL	LTL	PLN	RUB	CZK	CHF	HUF	Total
Transaction exposure	432	-1,396	-1,209	-476	-164	-353	-650	-136			**-3,952**
Hedges	-335	1,439	1,140		159	346	527	126			**3,403**
Total	**98**	**43**	**-69**	**-476**	**-5**	**-7**	**-123**	**-10**			**-549**

Price risk
The Group holds a minor amount of unquoted shares, which do not expose to material price risk. The Group is not exposed to commodity price risk.

DERIVATIVE FINANCIAL INSTRUMENTS

EUR 1,000 Fair values 31 Dec 2011	Positive fair value	Negative fair value	Net fair value
FX forward contracts	730	-1,837	-1,107
Interest rate swaps, non-hedge accounting		-1,855	-1,855
Interest rate swaps, cash flow hedges		-4,920	-4,920
Total	**730**	**-8,612**	**-7,882**
Non-current portion			
FX forward contracts			
Interest rate swaps, non-hedge accounting		-1,855	-1,855
Interest rate swaps, cash flow hedges		-4,920	-4,920
Non-current portion		**-6,775**	**-6,775**
Current portion	**730**	**-1,838**	**-1,108**

EUR 1,000 Fair values 31 Dec 2010	Positive fair value	Negative fair value	Net fair value
FX forward contracts	825	-1,853	-1,028
Interest rate swaps, non-hedge accounting	1,053	-926	127
Interest rate swaps, cash flow hedges		-1,617	-1,617
Total	**1,878**	**-4,396**	**-2,518**
Non-current portion			
FX forward contracts			
Interest rate swaps, non-hedge accounting	1,053	-926	127
Interest rate swaps, cash flow hedges		-1,617	-1,617
Non-current portion	**1,053**	**-2,543**	**-1,490**
Current portion	**825**	**-1,853**	**-1,028**

EUR 1,000 Nominal values of derivative financial instruments	2011	2010
FX forward contracts	202,932	177,380
Interest rate swaps	181,645	181,331
Total	**384,577**	**358,711**

The derivatives used in 2011 and 2010 were currency forward contracts and interest rate swaps.These were used for hedging purposes in line with the Group's hedging policy.

The fair value of currency derivatives and non-hedge accounted interest rate derivatives has been recognised in the income statement. The fair value of hedge accounted interest rate derivatives has been recognised equity, as net of tax, and other items of comprehensive income. At 31 December 2011 the open derivative exposure reflects well the exposure retained during the financial year.

EUR 1,000 Derivative instruments mature as follows, 2011	2012	2013	2014	2015	2016	2017+	Total
Currency derivative instruments	202,932						**202,932**
Interest derivative instruments							
EUR		10,000			91,000	20,000	**121,000**
SEK	54,197						**54,197**
NOK			6,448				**6,448**
Total interest derivative instruments	**257,129**	**10,000**	**6,448**		**91,000**	**20,000**	**384,577**

EUR 1,000 Derivative instruments mature as follows, 2010	2011	2012	2013	2014	2015	2016+	Total
Currency derivative instruments	177,380						**177,380**
Interest derivative instruments							
EUR			10,000			111,000	**121,000**
SEK		53,921					**53,921**
NOK				6,410			**6,410**
Total interest derivative instruments	**177,380**	**53,921**	**10,000**	**6,410**		**111,000**	**358,711**

CREDIT RISK

The Group's policy identifies counterparty credit rating requirements and principles of investment for clients, investment transactions and derivative financial instruments. The Group has no significant credit risk concentrations since it has a broad clientele, which is geographically spread over a wide area. Credits are granted to companies and private persons, which have proper credit information. The Group's maximum exposure to credit risk is represented by the fair values of receivables and other financial assets at 31 December 2011.

The maturity structure of accounts receivables is presented in note 9.

Also the credit losses and increase of provision for bad debts are presented in note 9. Receivables do not include significant credit risk concentrations.

REFUNDING AND LIQUIDITY RISK

The Group Treasury manages the Group's liquidity risk and ensures flexibility in funding by maintaining availability under committed credit lines. The Group uses diverse funding sources and borrowings are primarily long-term. The Group has committed borrowing facilities or other lines of credit that it can access to meet liquidity needs. At 31 December 2011 undrawn committed credit facilities totalled EUR 166.2 (135.6) million.

In order to decrease the refinancing risk the Group aims to diversify the maturity structure of its interest-bearing debt and negotiates new committed credit lines well in advance of need. The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative instruments are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

EUR 1,000 Maturities of financial liabilities at 31 Dec 2011	Less than 1 year	1–2 years	2–5 years	Over 5 years	Total
Derivatives					
FX forward contracts, outflow	-1,442				**-1,442**
FX forward contracts, inflow	789				**789**
Interest rate swaps, outflow	-5,020	-3,389	-8,254	-567	**-17,230**
Interest rate swaps, inflow	3,343	1,730	4,139	345	**9,557**
Derivatives, net	**-2,330**	**-1,659**	**-4,115**	**-222**	**-8,326**
Accounts payable and other non-interest bearing liabilities	-116,487				**-116,487**
Borrowings (excl. finance lease liabilities)	-76,640	-10,428	-235,027		**-322,095**
Finance lease liabilities	-41,244	-26,420	-36,249	-12,781	**-116,694**
Repurchase liabilities	-75	-75	-1,304	-564	**-2,018**
Total	**-234,446**	**-36,923**	**-272,580**	**-13,345**	**-557,294**

EUR 1,000 Maturities of financial liabilities at 31 Dec 2010	Less than 1 year	1–2 years	2–5 years	Over 5 years	Total
Derivatives					
FX forward contracts, outflow	-1,390				**-1,390**
FX forward contracts, inflow	852				**852**
Interest rate swaps, outflow	-4,845	-4,998	-9,230	-2,981	**-22,054**
Interest rate swaps, inflow	2,362	2,406	3,518	1,135	**9,421**
Derivatives, net	**-3,020**	**-2,592**	**-5,712**	**-1,846**	**-13,170**
Accounts payable and other non-interest bearing liabilities	-100,984				**-100,984**
Borrowings (excl. finance lease liabilities)	-36,787	-13,464	-260,124		**-310,375**
Finance lease liabilities	-36,567	-26,276	-44,850	-13,865	**-121,558**
Repurchase liabilities	-890	-72	-1,257	-610	**-2,829**
Total	**-175,228**	**-39,812**	**-306,231**	**-14,475**	**-535,746**

CAPITAL STRUCTURE

The Group's objectives when managing capital structure are to safeguard the Group's ability to continue as a going concern and to maintain the optimum capital structure. The targets for capital structure are determined by the Board of Directors. The Group's treasury regularly monitors the development of the capital structure. In April, Cramo carried out a rights offering, which yielded EUR 97.4 million in new equity after expenses.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. Gearing is calculated as the ratio of interest-bearing liability to total equity. During 2011 one of the essential targets of the Group was to further decrease the gearing ratio. This target was met (gearing at 31 December 2011 78.7%, 31 December 2010 103.4%).

The net interest-bearing liability of the Group at 31 December 2011 totalled EUR 389.4 million, while at 31 December 2010 EUR 382.0 million.

Net debt and gearing are represented in the table beside.

EUR 1,000	2011	2010
Interest-bearing liabilities	411,932	404,345
Cash and cash equivalents	-22,532	-22,313
Net interest-bearing liabilities	**389,400**	**382,032**
Total equity	**494,802**	**368,203**
Gearing, %	**78.7**	**103.4**

15. DEFERRED TAXES

EUR 1,000	2011	2010
Deferred tax assets		
Tax losses carried forward	5,937	4,647
Financial leases	8,306	9,977
Fair value of hedging fund	1,677	420
Exchange rate difference of net investments	969	1,059
Derivative financial instruments	433	672
Elimination of internal profit	1,912	1,751
Other temporary differences	2,012	1,653
Total	**21,246**	**20,179**
Deferred tax liabilities		
Depreciation difference and other untaxed reserves	49,476	46,476
Financial leases	9,601	9,931
Exchange rate difference of net investments	969	1,059
Derivative financial instruments	179	488
Valuation of assets to fair value in business combinations	28,885	21,889
Unrealised exchange rate gains	0	1,689
Other temporary differences	2,223	2,694
Total	**91,333**	**84,226**
Deferred tax liabilities net	**70,087**	**64,047**
Reflected in the balance sheet as follows		
Deferred tax asset	15,312	14,301
Deferred tax liabilities	85,399	78,348
Deferred tax liabilities net	**70,087**	**64,047**
Change in deferred tax liabilities and assets recognised in the balance sheet		
Deferred tax liabilities net at beginning of the year	64,047	59,899
Acquired and disposed subsidiaries	10,516	1,512
Change in tax rates	-390	
Other items recognised in the income statement	-3,320	-3,799
Items recognised in equity	-1,257	387
Exchange rate differences	491	6,048
Deferred tax liabilities net at year end	**70,087**	**64,047**

Deferred tax liability has not been recognised on Estonian undistributed earnings because distribution is in the control of the Group and such distribution is not probable within foreseeable future.

Deferred tax assets arising from tax loss carried forward of EUR 1,523 (4,766) thousand have not been recognised in the consolidated financial statements in respect of subsidiaries that are currently making loss. As for the subsidiaries that are expected to return to black, deferred tax assets have been recognised to the extent that the realisation of the related tax benefit through future profits is probable. Of this amount, EUR 167 thousand expires year 2014 and the remainder thereafter.

16. OTHER NON-CURRENT LIABILITIES

EUR 1,000 Other non-current liabilities	2011	2010
Advances received	3,243	3,914
Other non-current liabilities	127	293
Total	**3,369**	**4,207**

17. TRADE AND OTHER PAYABLES

EUR 1,000	2011	2010
Trade payables	50,420	46,163
Advances received	8,214	7,114
Accrued expenses and deferred income	48,881	39,155
Other current liabilities	8,970	8,552
Total	**116,485**	**100,984**

Material items included in accrued expenses and deferred income consist of personnel expenses and periodised customer bonuses.

The management considers that the carrying amount of trade and other liabilities approximates their fair value.

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 14–60 day terms
- Other current liabilities are non-interest bearing and have an average term of three months
- For explanations on the Group's credit risk management processes, refer to note 14.

18. COLLATERALS AND CONTINGENT LIABILITIES

EUR 1,000	2011	2010
Collateral given on own behalf		
Debts, secured by collateral		
Finance lease liabilities	110,227	114,552
Collateral given		
Pledges, finance lease	148,502	154,091
Commitments, secured by collateral		
Construction and warranty guarantees	643	580
Other contingent liabilities		
Contingent interest liability on hybrid capital*	4,022	4,044
Investments	10,431	1,226

*) In April 2009 Cramo Plc issued a EUR 50 million hybrid bond with a coupon rate of 12.0% per annum. The bond has no maturity but the company may call the bond after four years. Obligation to pay cumulated interest to the investors comes into effect when the board declares payment of dividend.

EUR 1,000 Commitments to office and depot rents	2011	2010
Payable < 1 year from balance sheet date	26,795	22,052
Payable 1–5 years from balance sheet date	76,133	56,618
Payable > 5 years from balance sheet date	27,951	19,601
Total	**130,880**	**98,271**

EUR 1,000 Operational lease payments	2011	2010
Payable < 1 year from balance sheet date	22,976	21,712
Payable 1–5 years from balance sheet date	22,107	15,890
Total	**45,084**	**37,602**

The Group has entered into commercial leases on certain vehicles and items of machinery. These leases have an average life of between three and five years. The maximum maturity of operational lease payments is five years. Operational lease liabilities mainly have floating rates and are based on Euribor, Stibor, Nibor or Cibor varying between 1 and 3 months.

19. OTHER OPERATING INCOME

EUR 1,000	2011	2010
Capital gain on sale of tangible assets	4,772	12,875
Rent on premises	810	615
Income from insurance companies	691	21
Income from education provided for customers	1,123	460
Other income	1,646	1,139
Total	**9,042**	**15,110**

20. MATERIALS AND SERVICES

EUR 1,000	2011	2010
Purchases	-49,543	-29,774
External services	-198,850	-153,705
Total	**-248,393**	**-183,479**
Change in inventories of work in progress (-) decrease/(+) increase	-425	1,015
Production for own use	10,302	4,694

21. EMPLOYEE BENEFIT EXPENSES

EUR 1,000	2011	2010
Wages and salaries, including restructuring costs EUR 640 (2010: 1,073)	-102,996	-76,091
Social security costs	-20,200	-15,218
Share-based payment transaction expense	-2,843	-2,312
Pension costs – defined contribution plans	-9,711	-8,318
Total	**-135,751**	**-101,939**
Average number of personnel	**2,580**	**2,083**

The employee benefits of the Group's management are disclosed in note 30 and information concerning stock option plans are presented in note 28.

22. DEPRECIATION AND IMPAIRMENT

EUR 1,000	2011	2010
Depreciation of tangible assets	-95,471	-81,529
Depreciation of intangible assets*	-1,044	-865
Total depreciation	**-96,515**	**-82,394**
Impairment of tangible assets	-810	-538
Impairment of assets available for sale	-299	-213
Depreciation and impairment related to tangible and intangible assets	**-97,624**	**-83,145**
Amortisation on intangible assets resulting from acquisitions	-11,241	-7,089
Impairment related to intangibles resulting from acquisitions	-5,510	
Amortisation and impairment resulting from acquisitions	**-16,751**	**-7,089**
Total depreciation, amortisation and impairment	**-114,375**	**-90,233**
Depreciation of tangible assets	-95,471	-81,529
Depreciation of intangible assets*	-1,044	-865
Amortisation of intangible assets resulting from acquisitions	-11,241	-7,089
Total depreciation and amortisation	**-107,756**	**-89,482**
Impairment of tangible assets	-810	-538
Impairment of assets available for sale	-299	-213
Impairment related to intangibles resulting from acquisitions	-5,510	
Total impairment	**-6,619**	**-751**
Total depreciation, amortisation and impairment	**-114,375**	**-90,233**

Total depreciation, amortisation and impairment losses increased by EUR 24.1 million to EUR 114.4 (90.2) million in 2011. Depreciation increased by EUR 14.1 million to EUR 96.5 (82.4) million mainly as a result of increased investments in rental machinery. Amortisation of intangible assets resulting from acquisitions increased by EUR 4.2 million to EUR 11.2 (7.1) million as a result of business combinations made in 2010 and 2011. Impairment losses increased by EUR 5.9 million to EUR 6.6 (0.8) million mainly as a result of an impairment loss of EUR 5.5 million which was recorded on goodwill in Denmark. See impairment testing note 6.

* Depreciation of intangible assets relates to depreciation of software and other intangibles, which are, among others, capitalised transport and assembly costs which are charged from customers and depreciated over the rental period.

During 2011, an impairment loss of EUR 810 (538) thousand was recorded on tangible assets. During 2011, an impairment loss of EUR 299 (213) thousand was recorded on assets available for sale.

23. OTHER OPERATING EXPENSES

EUR 1,000	2011	2010
Rent for premises	-29,722	-22,579
Other expenses for premises	-13,802	-10,475
Operational leases	-30,203	-20,418
Bad debts	-5,565	-4,951
Marketing	-9,375	-8,326
Temporary staff	-12,695	-7,632
Other personnel related expenses	-10,625	-8,453
Other administrative expenses	-32,640	-25,220
Capital loss on sale of tangible assets	-1,345	-1,004
Other expenses		-822
Total	**-145,971**	**-109,880**
Audit fees		
Authorised Public Accountants Ernst & Young		
Audit fees	-710	-654
Tax consultation	-180	-94
Other services	-906	-249
Total	**-1,796**	**-997**
Other auditing firms	**-130**	

24. FINANCIAL INCOME AND EXPENSES

EUR 1,000	2011	2010
Interest income on loans receivable and cash and cash equivalents	942	671
Other financing income	273	62
Financial income, total	**1,215**	**733**
Interest expenses on financial liabilities measured at amortised cost	-13,626	-13,475
Interest expenses on financial leases	-4,941	-4,033
Interest income and expenses on interest rate derivatives, cash flow hedges	-1,292	-2,552
Interest income and expenses on interest rate derivatives, non-hedge accounted	-643	-1,083
Change in fair value of interest rate derivatives, non-hedge accounted	13	645
Change in fair value of foreign exchange rate derivatives, non-hedge accounted	-116	-1,226
Other exchange rate differences	-392	1,125
Arrangement and commitment fees relating to interest-bearing loans	-2,079	-2,179
Other financing expenses	-309	-541
Financial expenses, total	**-23,384**	**-23,318**
Net financial expenses	**-22,169**	**-22,586**

In accordance with the Treasury Policy, the Group uses interest rate swaps as the hedging instruments designated as cash flow hedges. All terms of these hedges match with the terms of the hedged instrument (loan). Hedges are effective and therefore no gains or losses arising from ineffectiveness have been recognised in net finance expenses during the period.

25. INCOME TAX EXPENSE

EUR 1,000	2011	2010
Current tax	-11,848	-9,929
Tax from previous financial periods	-140	-877
Change in deferred taxes	3,320	3,799
Total	**-8,668**	**-7,007**

The difference between income taxes at the domestic tax rate in Finland 26% and income taxes recognised in the consolidated income statement is reconciled as follows:

	2011	2010
Profit before tax	32,173	4,804
Tax calculated with domestic corporate tax rate	-8,365	-1,249
Foreign subsidiaries divergent tax rate +/-	-687	-2,724
Change in tax rates	390	
Non-taxable income	-26	468
Non-deductable expenses	-2,587	-1,867
Items not recognised in accounting	2,865	3,049
Share based payments	-739	-601
Tax losses for which no deferred income tax asset was recognised	-1,523	-4,766
Interest of Hybrid capital	1,560	1,560
Cost of rights issue	584	
Tax from the previous financial periods	-140	-877
Taxes in income statement	**-8,668**	**-7,007**
Group's effective tax rate, %	**26,9**	**145,9**

Deferred taxes have been recalculated due to the following changes in tax rates: Finland (2011: from 26% to 24.5%)

There are no income tax consequences attached to the payment of dividends in either 2011 or 2010 by the Group to its shareholders.

26. OTHER NON-CASH CORRECTIONS

EUR 1,000	2011	2010
Capital gain on sale of tangible assets	-4,772	-12,875
Capital loss on sale of tangible assets	1,345	1,004
Share-based payments	2,843	2,312
Total	**-584**	**-9,558**

27. EARNINGS PER SHARE

	2011	2010
Profit/loss for the year attributable to equity holders of the parent company, EUR 1,000	**23,505**	**-2,142**
Number of shares		
Basic weighted average number of shares outstanding at the beginning of the year	30,343,901	30,343,901
Avarage number of issued shares before the rights issue	1,136,051	
Weighted avarage number of shares outstanding before bonus elements and new issue of shares	31,479,952	30,343,901
Bonus element[1]	1,014,884	3,252,969
Weighted avarage number of shares outstanding before new issue of shares	32,494,837	33,596,870
Avarage number of shares related to the rights issue	6,603,914	
Basic weighted average number of shares outstanding	**39,098,751**	**33,596,870**
Effect of options granted	281,776	1,406,840
Diluted weighted average number of shares outstanding	**39,380,527**	**35,003,710**
Earnings per share from profit/loss attributable to equity holders of the parent company		
Basic, EUR	0,60	-0,06
Diluted, EUR	0,60	-0,06

Basic earnings per share is calculated by dividing the net profit attributable to the parent's equity holders by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of all shares to assume conversion of all potentially dilutive shares. The Group operates a share option scheme with a dilutive affect, which increases the number of the shares. The share options have a dilutive affect when their exercise price is lower than the fair value of a share.

The dilutive effect is the number of the shares which has to be issued without consideration, because the Group could not use the assets received from the exercise of the share at fair value. The fair value of a share is based on the average share price during the period.

1) The number of ordinary shares in issue in prior years have been adjusted retrospectively for the bonus element of the rights issue complemented in April 2011.

28. SHARE-BASED PAYMENTS

In the end of the period Cramo had option plans 2006, 2009, 2010 and 2011 in operation. Under the plans the Board of Directors is authorised to grant up to 5 milloin stock options to the key employees of Cramo Group or to the subsidiary of Cramo for future grants. The options are forfeited if the employee leaves the Group before the options vest. When the excercise period has commenced, the options can be freely transferred or exercised. Key characteristics and terms of Cramo option schemes are listed in the table below.

OPTIONS Basic information	Stock Options 2006 2006A	 2006B	 2006C	Stock Options 2009	Stock Options 2010	Stock Options 2011
Annual General Shareholders' Meeting date	20-Nov-06	20-Nov-06	20-Nov-06	26-Mar-09	13-Apr-10	24-Mar-11
Grant dates	21-Dec-06	14-Nov-07	10-Nov-08	2-Nov-09	4-Nov-10	Oct-2011
	27-Feb-07	2-Apr-08	21-Dec-09			
		12-May-08				
Maximum number of stock options	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
The number of shares subscribed by one option*	1	1.3	1.3	1.3	1.3	1
Initial exercise price, EUR	14.51	26.47	5.56	11.06	14.79	7.3
Dividend adjustment	Yes	Yes	Yes	Yes	Yes	Yes
Exercise price Dec. 31, 2009, EUR	13.16	25.62	5.36	11.06	–	–
Exercise price Dec. 31, 2010, EUR	13.16	25.62	5.36	11.06	14.79	–
Exercise price Dec. 31, 2011, EUR*	-	22.05	6.47	10.85	13.72	7.30
Beginning of exercise period, date (vesting)	1-Oct-09	1-Oct-10	1-Oct-11	1-Oct-12	1-Oct-13	1-Oct-14
End of excercise period, date (expiration)	31-Jan-11	31-Jan-12	31-Jan-13	31-Dec-13	31-Dec-14	31-Dec-15
Remaining contractual life Dec. 31, 2011, years	–	0.1	1.1	2.0	3.0	4.0
Number of persons Dec. 31, 2011	expired	vested	vested	98	111	119

*) Based on a rights offering decided by the Board of Directors of Cramo on 24 March 2011, the Board of Directors has decided to amend the subscription price and subscription ratio of the Stock Options 2006B, 2006C, 2009 and 2010 to ensure the equal treatment of stock option holders and shareholders and in accordance with the terms and conditions of the Stock Options.

OPTIONS Changes during the period 2011	Stock Options 2006 2006A	 2006B	 2006C	Stock Options 2009	Stock Options 2010	Stock Options 2011	Total	Weighted average exercise price in EUR*	Weighted average remaining life, years
1 Jan 2011									
Outstanding at the beginning of the period	551,809	737,000	882,500	895,000	1,000,000		**4,066,309**	13.66	
Changes during the period									
Granted						964,000	**964,000**	7.30	
Forfeited			4,000	38,000	65,500		**107,500**	12.44	
Exercised	551,809		2,000				**553,809**	13.14	
Expired									
Weighted average share price, EUR	19.51	–	7.94	–	–	–			
31 Dec 2011									
Outstanding at the end of the period		737,000	876,500	857,000	934,500	964,000	**4,369,000**	11.69	2.15
Exercisable at the end of the period		737,000	876,500				**1,613,500**	13.59	

*) Exercise price in the beginning of the period is status at 31 December, 2010. Exercise price for the options forfeitured during the period is based on the status at 31 December, 2011. Exercise price for the options exercised during the period is based on the realised excercise price.

OPTIONS Changes during the period 2010	Stock Options 2006 2006A	 2006B	 2006C	Stock Options 2009	Stock Options 2010	Total	Weighted average exercise price in EUR*	Weighted average remaining life, years
1 Jan 2010								
Outstanding at the beginning of the period	694,000	820,000	949,500	955,000		**3,418,500**	13.40	
Changes during the period								
Granted					1,000,000	**1,000,000**	14.79	
Forfeited		83,000	67,000	60,000		**210,000**	15.00	
Exercised	142,191					**142,191**	13.16	
Expired								
Weighted average share price, EUR	14.22	16.48	–	–	–			
31 Dec 2010								
Outstanding at the end of the period	551,809	737,000	882,500	895,000	1,000,000	**4,066,309**	13.66	2.31
Exercisable at the end of the period	551,809	737,000				**1,288,809**	20.29	

*) Exercise price in the beginning of the period is status at 31 December, 2009. Dividend adjustment has been taken into account during the period and exercise price is based on the status at 31 December, 2010.

Determination of fair value

The fair value of options have been determined upon grant and the fair value is recognised to personnel expenses during the vesting period. The decision of the board of directors to grant stock options is considered as the grant period. The change in the share subscription ratio and share subscription price triggered by the rights offering in 2011, did not change the fair value of stock options due to changes being made according to the terms and conditions of the Stock Options and by ensuring the equal treatment of the stock options holders and shareholders, so that the changes equalled the change in the fair value of the Company share. The fair value of stock options have been determined by using Black–Scholes valuation model. The most significant inputs used to estimate the fair value are presented on the table below. The total fair value of options granted during the year was EUR 1.31 million. The effect of all employee stock options on the Company's earnings in 2011 was EUR 2.84 million (2010: EUR 2.31 million) of which 2006C options accounted for EUR 0.31 million, 2009 options accounted for EUR 0.88 million, 2010 options accounted for EUR 1.57 million and 2011 options accounted for EUR 0.08. Illiquidity of the employee stock options secondary market has been taken into account in the stock options 2006 valuation: 90% of the theoretical B&S value is assumed to be realised. Illiquidity discount of 10% will decreased the IFRS2 expense in 2009: EUR 0.75 million, in 2010: EUR 0.14 million and in 2011: EUR 0.03 million.

	Granted in 2011	Granted in 2010	Granted in 2009		Granted in 2008	
Most significant inputs in Black–Scholes model	**2011**	**2010**	**2010**	**2006C**	**2006B**	**2006C**
Number of granted options	964,000	1,000,000	957,000	13,000	30,000	1,000,000
Average price of share at grant date, EUR	7.3	16.56	10.90	11.02	15.86	5.4
Subscription price, EUR*	7.3	14.79	11.06	5.36	26.25	5.6
Interest rate, %	1.25	1.52	2.4	1.7	3.8	3.3
Maturity, years*	3.5	4.0	3.5	2.6	3.8	4.2
Volatility, %**	29	35	35	35	32	31
Expected dividends, EUR***	0	0	0	0	0	0
Fair value totally, EUR	1,306,407	4,694,601	2,674,754	70,976	22,549	1,102,926

*) It has been assumed that the options 2006C and onwards will be exercised steadily during the subscription period.

**) Volatility has been estimated on the basis of historical data during a five year period regarding the valuation of stock options 2006A and 2006B. Regarding the stock options 2006C and onwards historical data of 10 years is used to estimate expected volatility. Implied volatility has been taken into account, if available from other Cramo stock options trading upon grant.

***) From the share subscription price of stock options will be deducted the amount of the dividend distributed annually. Thus expected dividends are not taken into account when estimating the fair value.

29. JOINT VENTURES

EUR 1,000 **Net book value 1 Jan**	**2011**	**2010**
Business acquisitions (note 31)	26	
Share of net profit	22	
Translation differences		
Net book value 31 Dec	**48**	

The Group has 50% share in a joint venture Fellesutleie AS. The company became part of the Group as a result of Stavdal acquisition. The company operates in machinery rental in Norway. The table below shows the joint venture's assets, liabilities and income and expenses since the consolidation. Fellesutleie AS has been consolidated to the Group since 30 June 2011. The joint venture is consolidated with equity mentod i.e. the joint venture's net result is consolidated to the Group's result before taxes.

Assets		
Non-current	728	
Current	100	
Total	**828**	
Liabilities		
Non-current	670	
Current	61	
Total	**730**	
Net assets	**97**	
Income	253	
Expenses	-208	
Net result	**45**	

30. RELATED PARTY TRANSACTIONS

EUR 1,000 Executive remuneration	2011	2010
Compensation to President and CEO		
Salaries, bonuses and fringe benefits	447	427
Post-employment benefits	84	84
Share-based payments	299	243
Total	**830**	**754**
Compensation to the Group management team		
Salaries, bonuses and fringe benefits	2,022	1,583
Post-employment benefits	51	23
Share-based payments	1,027	863
Total	**3,100**	**2,469**
Total compensation to President and CEO and other Group management	**3,930**	**3,223**

The value of share-based payments represents the IFRS 2 expense of the stock options held by the President and CEO and other Group management.

The retirement age for the President and CEO is 63 years. In addition to the statutory pension system, Cramo offers a voluntary pension insurance for the President and CEO and for three Group management team members. The period of notice on the President and CEO's executive contract is 6 months, during which time he receives a full salary. In case that the contract is terminated by the employer, there can additionally be a severance payment of 18 months salary.

EUR 1,000 Compensation to Board members	2011	2010
Stig Gustavson	72	63
J.T. Bergqvist	38	
Helene Biström	36	
Eino Halonen	50	45
Victor Hartwall	37	32
Jari Lainio	37	33
Esko Mäkelä	40	35
Fredrik Cappelen	1	34
Thomas von Hertzen	1	34
Erik Hartwall		2
Hannu Krogerus		1
Gunnar Glifberg		1
Total	**312**	**280**

An amount of EUR 116 (100) thousand of the Board fees has been paid in the form of Cramo shares.

Related party transactions

Tatu Hauhio, Senior Vice President of Finland is a joint-owner of Kiinteistö Oy Hosionrinne, to which Cramo paid real estate rents amounting to EUR 1,551 (1,171) thousand in 2011.

Loans to related parties

Loans to key management of the Group

EUR 1,000	2011	2010
1 Jan	**2,087**	**2,027**
Amortisations during the period	-2,000	
Accrued interest	8	60
Paid interest	-95	
31 Dec		**2,087**

The Board of Directors of Cramo Plc accepted during 2009 a new share ownership program for Cramo's Executive Committee. As part of management incentive arrangement, Cramo Plc granted to Cramo Management Oy an interest-bearing loan amounting to EUR 2.0 million to finance the acquisition of the Cramo Plc shares. In the arrangement the loan was agreed to be repaid in full by 31 December 2012. Cramo Management Oy had an obligation to repay the loan prematurely by selling Cramo Plc shares held by it in case the share price of the company other than temporarily exceeded a certain level determined in the arrangement. This condition was met on 14 February 2011.

In 2011 Cramo Plc acquired all the shares in Cramo Management Oy from Cramo Executive Committee members through a share swap. To implement the share swap, the Board of Directors of Cramo Plc decided on a directed share issue in which the Company offered, in derogation from the shareholders' pre-emptive subscription rights, 220,488 new Cramo Plc shares to the shareholders of Cramo Management Oy against share consideration (Share Swap). In the Share Swap, the shareholders of Cramo Management Oy conveyd the Cramo Management Oy shares they hold and received new Cramo Plc shares in return.

In this arrangement, all the shares in Cramo Management Oy were transferred to Cramo Plc. Through Cramo Management Oy, the Company received 316,288 own Cramo Plc shares as well as the Company's loan receivable from Cramo Management Oy. Afterwards the intention is to merge Cramo Management Oy with Cramo Plc through a subsidiary merger. In this connection the loan granted to Cramo Management Oy will be set off and the Cramo Plc shares held by Cramo Management Oy will transfer to the Company's direct ownership.

31. BUSINESS COMBINATIONS

BUSINESS COMBINATIONS 2011

Theisen Baumaschinen AG
On 11 January 2011 Cramo announced that it has acquired Theisen Group. Theisen has some 280 employees and operates in Germany, Austria, Switzerland and Hungary in 95 depots. Theisen Group was consolidated to the Group as of 1 February 2011. Theisen forms a new operating segment Central Europe for Cramo Group. Theisen Group is among the top-three providers of equipment rental services in Germany with a rental fleet consisting primarily of construction machinery, but also of access equipment and tools. In addition to equipment rental, the company carries out a smaller equipment trading operation.

Total purchase price for Theisen Group shares was EUR 45.9 million out of which EUR 38.6 million was paid in cash and EUR 7.3 million in Cramo plc shares (374,532 shares). Additionally the Group assumed net debt of EUR 35.3 million. During 2011 Theisen contributed to the Group sales by EUR 71.2 million and to the Group EBITA by EUR 3.7 million. There were EUR 2.1 million expenses related to acquisition of Theisen Group in the 2011. These expenses have not been allocated to any of the segments.

Had the acquisition occurred on 1 January 2011, the Group's sales would have increased by some EUR 2.9 million and EBITA decreased by some EUR 1.7 million.

EUR 1,000 Purchase price	
Total purchase price	45,914
Fair value of the net assets acquired	35,968
Goodwill	9,946

Acquisition resulted in a goodwill of EUR 9.9 million, which consists of expected synergy benefits, e.g. in purchasing operations and financing, as well as skilled personnel.

Acquired assets and liabilities have been valued at fair value at the acquisition date. Below is presented the carrying amount, fair value and fair value at balance sheet date's exchange rates.

EUR 1,000	Fair value at balance sheet date's exchange rate	Translation differences	Fair value at acquisition date	Acquiree's carrying amount
ASSETS				
Non-current assets				
Brand	4,988		4,988	
Depot network	15,839		15,839	
Non-competion agreement	591		591	
Goodwill	9,946		9,946	
Software	385		385	385
Tangible assets	40,485	38	40,448	40,448
Deferred tax assets	1,823		1,823	1,823
Total non-current assets	**74,057**	**38**	**74,019**	**42,656**
Current assets				
Inventories	2,160	2	2,158	2,158
Trade and other receivables	14,937	14	14,923	14,923
Cash and cash equivalents	7,017	6	7,011	7,011
Assets available for sale	4,315	4	4,311	4,311
Total current assets	**28,429**	**26**	**28,403**	**28,403**
TOTAL ASSETS	**102,486**	**64**	**102,422**	**71,059**
LIABILITIES				
Interest-bearing liabilities	42,346	39	42,307	42,307
Deferred tax liabilities	6,460		6,460	
Pension liabilities	1,495	1	1,494	1,494
Trade and other payables	6,252	6	6,247	6,247
TOTAL LIABILITIES	**56,553**	**46**	**56,507**	**50,048**
NET ASSETS	**45,932**	**18**	**45,914**	**21,011**

Tidermans Hyrmaskiner and Stavdal Utleiesenter
The Group announced on 23 June 2011, that it had acquired Norwegian Stavdal Utleiesenter AS and Stavdal Invest AS ("Stavdal"). The company has headquarters in Oslo with a total of 25 employees. Stavdal has a solid portfolio of small and medium-sized customers and is well established in the Oslo region with 4 depots. Stavdal was consolidated to the Group under Norway segment as of 30 June 2011.

The Group announced also on 23 June 2011, that it had acquired all shares in Tidermans Hyrmaskiner AB and Tidermans Hyrmec AB. The company has four depots in Sweden's second largest city Gothenburg and one depot in nearby Falkenberg. The company has 60 years history as a rental company during which it has gained strong market position in Western Sweden. Tidermans was consolidated to the Group under Sweden segment as of 30 June 2011.

In 2010, the companies (Stavdal and Tidermans) had together sales about EUR 21.1 million. The purchase price for the companies shares was EUR 32.1 million. Additionally the Group assumed net debt of some EUR 4.5 million as a result of acquisitions. During 2011 the acquired companies contributed to the Group sales by EUR 13.3 million and EBITA by EUR 3.4 million. Had the acquisition occurred on 1 January 2011, the Group's sales would have increased by some EUR 12.5 million and EBITA increased by some EUR 1.1 million.

EUR 1,000 Purchase price	
Total purchase price	32,070
Fair value of the net assets acquired	19,691
Goodwill	12,379

Business combinations resulted in a goodwill of EUR 12.4 million, which consists of expected synergy benefits, e.g. gross selling to existing customers, optimisation of depot network in transport, repairs and also skilled employees.

Acquired assets and liabilities have been valued at fair value at the acquisition date. Below is presented the carrying amount, fair value and fair value at balance sheet date's exchange rates.

EUR 1,000	Fair value at balance sheet date's exchange rate	Translation differences	Fair value at acquisition date	Acquiree's carrying amount
ASSETS				
Non-current assets				
Customer relationship	2,637	75	2,562	
Brand	2,353	58	2,295	
Depot network	4,067	67	4,000	
Non-competion agreement	1,432	30	1,402	
Goodwill	12,686	307	12,379	
Tangible assets	20,018	426	19,591	16,240
Shares in joint venture	26		26	14
Current assets				
Inventories	266	8	258	258
Trade and other receivables	4,955	107	4,849	4,849
Cash and cash equivalents	484	4	480	480
TOTAL ASSETS	**48,924**	**1,082**	**47,842**	**21,840**
LIABILITIES				
Interest-bearing liabilities	5,025	46	4,979	4,979
Deferred tax liabilities	5,770	133	5,637	2,001
Trade and other payables	5,267	112	5,155	5,155
TOTAL LIABILITIES	**16,062**	**291**	**15,771**	**12,135**
NET ASSETS	**32,862**	**791**	**32,070**	**9,704**

BUSINESS COMBINATIONS 2010

During 2010 the Group concluded six business combinations. Total purchase price for the business combinations concluded in 2010 was EUR 32.4 million. During 2010 business combinations contributed to the Group sales by some EUR 3.0 million. Total unpaid amount for the business combinations made in 2010 was EUR 2.0 million at the year end. Acquisition of Svensk Byggleasing and outsourcing agreement with Frijo AB were made in Sweden. In Finland the Group made three outsourcings with Lemminkäinen Group. Two of them were treated as business combinations. Additionally the Group concluded one outsourcing in Finland with Lambertsson and at the same time extended frame agreement with Peab in Sweden. In Norway the Group made one business combination.

EUR 1,000 Purchase price	
Total purchase price	32,425
Fair value of the net assets acquired	31,525
Goodwill	900

Business combinations resulted in a goodwill of EUR 0.9 million, which is attributable mainly to synergy benefits expected from Lemminkäinen outsourcing.

Acquired assets and liabilities have been valued at fair value at the acquisition date. Below is presented the carrying amount, fair value and fair value at balance sheet date's exchange rates.

EUR 1,000	Fair value at balance sheet date's exchange rate	Translation differences	Fair value at acquisition date	Acquiree's carrying amount
ASSETS				
Customer relationship	13,172	107	13,065	
Goodwill	900		900	
Tangible assets	18,649	117	18,531	16,831
Trade and other receivables	419	8	411	411
Cash and cash equivalents	2,857	119	2,738	2,738
Total assets	**35,997**	**352**	**35,645**	**19,980**
LIABILITIES				
Deferred tax liabilities	1,512	33	1,479	
Interest-bearing liabilities	1,478	26	1,452	1,452
Trade and other payables	294	5	288	288
Total liabilities	**3,284**	**64**	**3,220**	**1,740**
Net assets	**32,713**	**288**	**32,425**	**18,240**
Unpaid amount of the purchase price at the end of 2010				2,000

32. PENSION OBLIGATIONS

EUR 1,000	2011	2010
Liabilities in the balance sheet		
Pension benefits	1,448	
Total	**1,448**	

The Group has pension plans in Germany which are considered defined benefit plans. The pension obligations transferred to the Group as part of Theisen acquisition. The pension obligations are directly at the Group's own responsibility. The defined benefit plan applies to already retired employees of Theisen Group. There are no funded assets for the pension obligations.

Present value of unfunded obligations	1,448	
Fair value of plan assets		
Unrecognised actuarial gains and losses		
Total	**1,448**	

Defined benefit obligation has change during the period as follows:

Net book value at 1 Jan		
Obligations acquired through business combinations (note 31)	1,494	
Benefits paid	-134	
Interest cost	64	
Actuarials gains (-) / losses (+)	25	
Net book value at 31 Dec	**1,448**	

Expense in the income statement has been defined as follows:

Interest cost	64	
Total	**64**	

The principal assumtions used in determining pension benefit obligations for the Group's plans are shown below:

Discount rate, %	4.90	
Expected salary increase rate, %	0.00	
Expected pension increase rate, %	2.00	

In Sweden the ITP pension plans operated by Alecta are multi-employer benefit plans. It has not been possible to receive sufficient information for the calculation of obligation and assets by employer from Alecta and due to that the plan has been treated as a defined contribution plan in the financial statements. In addition, the Group has defined benefit plans in Norway which are not significant and those plans are considered to be treated as defined contribution plans.

33. EVENTS AFTER BALANCE SHEET DATE

The 2,600 new shares subscribed for under the stock option rights 2006C in December were registered in the trade register on 13 January 2012, and trading in them began on 16 January 2012. As a result of the share subscriptions, the number of Cramo Plc shares increased to 41,441,686.

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

On 27 April 2011, Cramo Plc received a notification according to which the combined share of the following companies and individuals of Cramo Plc shares and voting rights had on 26 April 2011 fallen below one-quarter: Hartwall Capital Oy (15.67%), K. Hartwall Invest Oy (6.59%) and Kusinkapital Ab, Gustav Tallqvist, Pinewood Invest OÜ, Christel Hartwall, Pallas Capital Oy, Fyrklöver-Invest Oy Ab, Antonia Hartwall, Emma Hartwall, Axel Hartwall, Gulle Therman, Josefina Tallqvist, Victor Hartwall, Peter Therman and Mats Therman. At the time of the announcement, the combined holding of the parties listed above was 10,001,681 shares or 24.14% of Cramo Plc shares and votes.

35. CALCULATION OF THE KEY FIGURES AND RATIOS

KEY FIGURES ON FINANCIAL PERFORMANCE:

Return on equity, %

$$= \frac{\text{Profit for the period}}{\text{Total equity (average)}} \times 100$$

Return on investment, %

$$= \frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing liabilities (average)}} \times 100$$

Equity ratio, %

$$= \frac{\text{Total equity}}{\text{Balance sheet total – advance payments received}} \times 100$$

Net interest-bearing liabilities

= Interest-bearing liabilities – cash and cash equivalents

Gearing, %

$$= \frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$$

Personnel on average

= The average number of employees at the end of each calendar month during the accounting period, adjusted with the number of part-time employees

PER-SHARE RATIOS:

Earnings per share (EPS)

$$= \frac{\text{Net income attributable to the shareholders of the parent company}}{\text{Average number of issue-adjusted shares during the period}}$$

Shareholders' equity per share

$$= \frac{\text{Shareholders' equity}}{\text{Number of issue-adjusted shares at the end of the period}}$$

Dividend per share

$$= \frac{\text{Dividend distribution for the period}}{\text{Number of issue-adjusted shares at the end of the period}}$$

Dividend per earnings, %

$$= \frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

Effective dividend yield, %

$$= \frac{\text{Dividend per share}}{\text{Issue-adjusted closing price at the end of the period}} \times 100$$

Price/earnings ratio (P/E)

$$= \frac{\text{Issue-adjusted closing price at the end of the period}}{\text{Earnings per share}}$$

Market capitalisation

= Number of shares at the end of the period x closing price at the end of the period

36. SHARES AND SHAREHOLDERS

All shares are issued, registered and fully paid. Each share entitles the holder to one vote.	2011		2010	
	No	EUR 1,000	No	EUR 1,000
Shares	41,439,086	24,835	30,660,189	24,835

Shareholders
The Group had 8,625 shareholders in the share register as at 31 December 2011.

Major shareholders 31 Dec 2011	Number of shares	%	Voting rights	%
Hartwall Capital Oy Ab	6,491,702	15.67	6,491,702	15.67
K. Hartwall Invest Oy	2,232,000	5.39	2,232,000	5.39
Rakennusmestarien Säätiö (Construction engineers' fund)	2,129,422	5.14	2,129,422	5.14
Mariatorp Oy	1,400,000	3.38	1,400,000	3.38
Wipunen varainhallinta Oy	850,000	2.05	850,000	2.05
Odin Finland	843,188	2.03	843,188	2.03
Nordea Nordenfund	773,530	1.87	773,530	1.87
Fondita Nordic Micro Cap	640,000	1.54	640,000	1.54
Investment fund Aktia Capital	457,458	1.10	457,458	1.10
Fennia Life Insurance Company Ltd	401,500	0.97	401,500	0.97
Nordea Life Assurance Finland Ltd	400,000	0.97	400,000	0.97
Kusinkapital Ab	393,800	0.95	393,800	0.95
Rakennusmestarit ja -insinöörit AMK RKL ry	391,220	0.94	391,220	0.94
Arrex Beteiligungs-GmbH	374,532	0.90	374,532	0.90
Cramo Management Oy	316,288	0.76	316,288	0.76
Ilmarinen Mutual Pension Insurance Company	288,931	0.70	288,931	0.70
Savings Bank Finland Fund	287,958	0.69	287,958	0.69
OP-Delta Fund	280,000	0.68	280,000	0.68
OP-Finland Value Fund	265,000	0.64	265,000	0.64
Sijoitusrahasto Taaleritehdas Arvo Markka Osake	250,000	0.60	250,000	0.60
Nordea Avanti Fund	247,328	0.60	247,328	0.60
Mutual Fund Evli Finnish Equity	199,705	0.48	199,705	0.48
Fondita Equity Spice	184,500	0.45	184,500	0.45
Helsingin Rakennusmestarit ja -insinöörit AMK ry	173,973	0.42	173,973	0.42
Mutual Fund Evli Select	169,000	0.41	169,000	0.41
Other	13,522,130	32.63	13,522,130	32.63
Nominee registered	7,467,002	18.02	7,467,002	18.02
Transferred to book-entry securities system total	41,430,167	99.98	41,430,167	99.98
Not transferred to book-entry securities system total	8,919	0.02	8,919	0.02
Total	**41,439,086**	**100.00**	**41,439,086**	**100.00**

Distribution of shareholding by size range 31 Dec 2011 Number of shares	Number of shareholders	% of shareholders	Number of shares	% of share capital
1–100	1,626	18.85	92,545	0.22
101–1000	5,043	58.47	2,004,248	4.84
1001–10 000	1,748	20.27	4,627,072	11.17
10 001–100 000	165	1.91	5,156,104	12.44
100 001–500 000	32	0.37	6,924,296	16.71
500 001–	11	0.13	22,625,902	54.60
Transferred to book-entry securities system total	8,625	100.00	41,430,167	99.98
Not transferred to book-entry securities system total			8,919	0.02
Total			**41,439,086**	**100.00**

Distribution of shareholding by sector 31 Dec 2011 Shareholding by sector	Number of shareholders	% of shareholders	Number of shares	% of share capital	Number of votes	% of votes
Corporations	561	6.50	14,454,450	34.88	14,454,450	34.88
Financial and insurance companies	50	0.58	11,852,093	28.60	11,852,093	28.60
General Government	13	0.15	529,781	1.28	529,781	1.28
Non-profit institutions	123	1.43	3,585,248	8.65	3,585,248	8.65
Households	7,837	90.86	8,555,689	20.65	8,555,689	20.65
Foreign shareholders	41	0.48	2,452,906	5.92	2,452,906	5.92
Transferred to book-entry securities system total	8,625	100.00	41,430,167	99.98	41,430,167	99.98
Not transferred to book-entry securities system total			8,919	0.02	8,919	0.02
Total			**41,439,086**	**100,00**	**41,439,086**	**100.00**

Shareholding of Board members and CEO of the Group
On 31 December 2011, the Board members, the President and CEO, and his Deputy held, either directly or through companies in which they exercise control, a total of 2,770,443 Cramo Plc shares, representing 6.69% of the company's shares and votes, and a total of 318,000 stock options.

Insider guidelines
Cramo Plc observes the Finnish Corporate Governance Code that entered into force on 1 October 2010. Cramo Plc's insider guidelines are based on the Finnish Securities Markets Act, rules and regulations issued by the Financial Supervision Authority, and the insider guidelines of the stock exchange. Euroclear Finland Ltd maintains an insider register of Cramo Plc's permanent insiders, whose holdings are also available on Cramo Plc's website.

37. GROUP COMPANIES

The Group consists of Cramo Plc and the following subsidiaries.
There are no associated companies in the Group.

			% of shares	
Subsidiaries	**Domicile**		**Parent company**	**Group**
Cramo A/S	Glostrup	Denmark	100	
Cramo AS	Oslo	Norway	100	
Cramo AS Estonia	Tallinn	Estonia	100	
Cramo Finance NV	Antwerp	Belgium	99.9	100
Cramo Finland Oy	Vantaa	Finland	63.3	100
Cramo Holding BV	Amsterdam	Netherlands	100	
Cramo Instant AB	Sollentuna	Sweden	100	
Cramo JV Oy	Vantaa	Finland	100	
Cramo Kaliningrad OOO	Kaliningrad	Russia	100	
Cramo New Holding AB	Sollentuna	Sweden	100	
Cramo Management Oy	Vantaa	Finland	100	
Cramo Production Oy	Ylöjärvi	Finland	100	
Cramo s.r.o.	Prague	the Czech Republic	100	
Cramo SK s.r.o.	Bratislava	Slovakia	100	
Cramo Sverige AB	Sollentuna	Sweden	100	
Cramo UAB	Vilnius	Lithuania	100	
Construction Vehicles Karvina s.r.o.	Karvina	the Czech Republic	100	
SIA Cramo	Riga	Latvia	100	
Suomen Tähtivuokraus Oy	Vantaa	Finland	100	
Cramo AB	Sollentuna	Sweden		100
Cramo Dutch Holding BV	Rotterdam	Netherlands		100
Cramo Scaffolding Oy	Kemi	Finland		100
Cramo Sp.zo.o	Warszawa	Poland		100
Ehitustööriist OÜ	Tallinn	Estonia		100
Entreprenad Telearbeten AB	Sollentuna	Sweden		100
EUDAT Verwaltungs GmbH	Nuremberg	Germany		100
EUDAT Verwaltungs KG	Feldkirchen	Germany		100
Fastigheten Tändstiftet HB	Sollentuna	Sweden		100
Hamar Liftutleie AS	Hamar	Norway		100
Hans Eriksson Förvaltnings AB	Stockholm	Sweden		100
Mupol Förvaltnings AB	Stockholm	Sweden		100
Stavdal Utleisenter AS	Oslo	Norway		100
Theisen Baumaschinen AG	Feldkirchen	Germany	100	
Theisen Baumaschinen Handels GmbH	Munich	Germany		100
Theisen Baumaschinen Handels KG	Feldkirchen	Germany		100
Theisen Baumaschinen International GmbH	Feldkirchen	Germany		100
Theisen Baumaschinen Mietpark GmbH	Munich	Germany		100
Theisen Baumaschinen Mietpark GmbH	Regensdorf	Switzerland		100
Theisen Baumaschinen Mietpark KG	Feldkirchen	Germany		100
Theisen Építöipari Munkagép Kölcsönzö Kft.	Budapest	Hungary		100
Theisen Mietpark Baumaschinen GmbH	Wien	Austria		100
Theisen Mietpark Baumaschinen KG	Wien	Austria		100
Tidermans Hyrmaskiner AB	Gothenburg	Sweden		100
Tidermans Hyrmec AB	Gothenburg	Sweden		100
ZAO Cramo	St. Petersburg	Russia		100
ZAO Cramo Rus	Moscow	Russia		100

The Group has ownership in the following joint venture. See more in note joint ventures.

			% of shares	
Joint ventures	**Domicile**		**Parent company**	**Group**
Fellesutleie AS	Oslo	Norway		50

BALANCE SHEET OF THE PARENT COMPANY (FAS)

EUR 1,000	Note	31 Dec 2011	31 Dec 2010
ASSETS			
Non-current assets			
Intangible assets	11	8	23
Tangible assets	11	1,087	847
Investments			
Shares in Group companies	11	584,206	546,346
Shares in other companies	11	119	119
Non-current receivables	12	89,368	58,206
Total non-current assets		**674,788**	**605,540**
Current assets			
Current receivables	13	91,362	66,761
Cash and cash equivalents		7,667	8,311
Total current assets		**99,029**	**75,071**
TOTAL ASSETS		**773,817**	**680,612**
EQUITY AND LIABILITIES			
Equity			
Share capital	14	24,835	24,835
Share premium	14	3,331	3,331
Share issue	14	17	1,871
Invested unrestricted equity	14	116,043	
Retained earnings	14	31,463	35,063
Profit/loss of the period	14	12,711	-437
Total equity		**188,399**	64,663
Appropriations	15	**58**	**47**
Liabilities			
Non-current liabilities	16	454,448	483,230
Current liabilities	16	130,911	132,671
Total liabilities		**585,359**	**615,901**
TOTAL EQUITY AND LIABILITIES		**773,817**	**680,612**

INCOME STATEMENT OF THE PARENT COMPANY (FAS)

EUR 1,000	Note	1 Jan–31 Dec 2011	1 Jan–31 Dec 2010
Revenue	2	**1,318**	**1,179**
Other operating income	3	104	31
Personnel expenses	4	-3,147	-2,741
Depreciation and amortisations	5	-104	-92
Other operating expenses	7	-10,129	-5,325
Operating loss		**-11,958**	**-6,949**
Financial income	8	39,212	65,475
Financial expenses	8	-46,193	-66,115
Total financial income and expenses		-6,981	-640
Loss before extraordinary items		**-18,939**	**-7,589**
Extraordinary income and expenses	9	31,661	7,147
Profit/loss before appropriations and taxes		**12,722**	**-442**
Appropriations	6	-11	5
Income taxes	10		
Profit/loss for the year		**12,711**	**-437**

CASH FLOW STATEMENT OF THE PARENT COMPANY (FAS)

EUR 1,000	1 Jan–31 Dec 2011	1 Jan–31 Dec 2010
Cash flow from operating activites		
Profit/loss before tax	12,722	-442
Non-cash adjustments		
Depreciation	104	92
Financial income and expenses	6,981	640
Other non-cash corrections	184	475
Extraordinary items	-32,154	-15,150
Operating loss before change in working capital	-12,163	-14,385
Change in working capital[1]	20,192	-854
Cash generated from operations	8,029	-15,239
Taxes paid		1,907
Dividends received	20,079	22,251
Interest received	5,149	14,320
Interest and other financial expenses paid	-27,595	-48,712
Net cash flow from operating activities	**5,662**	**-25,474**
Cash flow from investing activities		
Investments in tangible and intangible assets	-301	-4
Sale of tangible and intangible assets		0
Acquisition of subsidiaries	-40,330	-42,170
Non-current loans granted	-32,769	
Proceeds from repayments of non-current loans	1,616	40,297
Current loans granted	-10,220	
Proceeds from repayments of current loans	23,479	
Cash flow used in investing activities	**-58,525**	**-1,877**
Cash flow from financing activities		
Proceeds from issue of share capital	99,644	
Proceeds from share options exercise	7,279	1,871
Proceeds from non-current liabilities		256,779
Payment of non-current liabilities	-27,543	-251,862
Proceeds from current liabilities	191,554	173,265
Payment of current liabilities	-215,804	-150,029
Dividends paid	-3,162	
Net cash flow from financing activities	**51,968**	**30,025**
Change in cash and cash equivalents	**-895**	**2,674**
Cash and cash equivalents at beginning of the year	8,311	5,887
Exchange rate difference	251	-251
Cash and cash equivalents at year end	7,667	8,311
[1] Change in working capital		
Increase (-)/decrease (+) in short-term receivables	20,197	-1,208
Increase (+)/decrease (-) in short-term non-interest bearing liabilities	-5	354
Total	**20,192**	**-854**

PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (FAS)

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. Maintenance and repair costs are recognised 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 years
Machinery and equipment	3–6 years
Other tangible assets	10 years
Intangible assets	5 years

Items denominated in foreign currencies
Assets and liabilities denominated in currencies other than those of the euro zone are translated into euros at the exchange rates prevailing at the date of the transactions. 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 into the company's balance sheet. Deferred tax liabilities and assets significant to the company are disclosed in the notes.

Revenue and revenue recognition
Revenue consists of service charges to subsidiaries. Sales are recognised on an accrual basis. 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 as well as gain/loss from mergers. Other operating income is recognised on an accrual basis.

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 for the President and CEO is 63 years.

Extraordinary items
Extraordinary items include income and expenses which are based on material and non-frequent transactions departing from ordinary business or changes of accounting policies as well as received and given Group contributions.

Valuation of financial derivative instruments
Financial instruments are measured according to Accounting Act 5:2§, at the lower of acquisition cost and net realisable value.

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

2.SALES BY GEOGRAPHICAL SEGMENTS

EUR 1,000	2011	2010
Service Charges		
Finland	119	102
Sweden	293	231
Norway	80	72
Denmark	49	41
Eastern Europe	777	732
Total	**1,318**	**1,179**

3. OTHER OPERATING INCOME

EUR 1,000	2011	2010
Rental of premises	22	22
Other	82	8
Total	**104**	**31**

4. PERSONNEL EXPENSES

EUR 1,000	2011	2010
Wages and salaries	-2,520	-2,204
Pensions	-508	-447
Other statutory employer contributions	-119	-90
Total	**-3,147**	**-2,741**
Average number of personnel		
Clerical personnel	23	22
Executive remuneration		
Wages and salaries with fringe benefits		
President and CEO	-447	-427
Management team	-616	-516
Board members	-312	-280
Total	**-1,375**	**-1,222**

5. DEPRECIATION AND AMORTISATION

EUR 1,000	2011	2010
Amortisation according to plan on intangible assets	-15	-15
Depreciation according to plan on tangible assets	-89	-77
Total	**-104**	**-92**

6. APPROPRIATIONS

EUR 1,000	2011	2010
Depreciation difference, increase (-)/ decrease (+):		
Machinery and equipment	-11	5
Total	**-11**	**5**

7. OTHER OPERATING EXPENSES

EUR 1,000	2011	2010
Investor relations	-2,188	-331
Expert services	-4,025	-1,903
Intra-Group services	-2,351	-1,896
Other administrative expenses	-1,564	-1,196
Total	**-10,129**	**-5,325**
Audit fees		
Authorised Public Accountants Ernst&Young Oy		
Audit fees	-94	-105
Tax consultation	-95	-15
Other services	-978	-106
Total	**-1,167**	**-227**

8. NET FINANCIAL ITEMS

EUR 1,000	2011	2010
Dividend income		
From Group companies	20,079	22,251
From others	0	0
Total dividend income	**20,079**	**22,251**
Interest income		
From Group companies	6,694	5,608
From others	253	126
Total interest income	**6,948**	**5,734**
Interest expenses		
To Group companies	-7,072	-4,988
To others	-20,633	-22,227
Total interest expenses	**-27,705**	**-27,215**
Other financial expences		
To Group companies		
To others	-11,845	-2,254
Total financial expenses	**-11,845**	**-2,254**
Exchange gains and losses		
To Group companies	5,343	8,598
To others	199	-7,755
Total exchange gains and losses	**5,542**	**844**
Net financial items	-6,981	-640

Cramo Finance NV is Cramo Group's finance company having as key objective to provide liquidity to Group's subsidiaries, while Cramo Plc still manages Group's financial risks.

According to service level agreement between Cramo Finance NV and Cramo Plc, the foreign exchange gains/losses recognised in Cramo Finance NV resulting from loans receivable in foreign currencies will be credited or debited to/from Cramo Plc, which has respectively recognised foreign exchange losses/gains from hedging the foreign exchange risk of these loans receivable.

The routine profitability level for Cramo Finance NV has been determined by setting limits for its return on equity. The gains or losses exceeding the limits will be credited or debited to/from Cramo Plc to safeguard reasonable compensation to finance company for the services provided.

9. EXTRAORDINARY ITEMS

EUR 1,000	2011	2010
Group contributions received	32,154	15,150
Monetary contribution given to subsidiary	-492	-8,003
Total extraordinary items	**31,661**	**7,147**

10. INCOME TAXES

EUR 1,000	2011	2010
Current tax	8,360	3,939
Taxes on extraordinary income	-8,360	-3,939
Total		

11. NON-CURRENT ASSETS

TANGIBLE ASSETS EUR 1,000	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Total tangible assets
Acquisition cost at 1 Jan 2011	**339**	**40**	**94**	**557**	**1,031**
Additions			168	161	**329**
Acquisition cost at 31 Dec 2011	339	40	262	719	**1,360**
Accumulated depreciation		-20	-55	-109	**-184**
Depreciation for the financial year 2011		-5	-22	-62	**-89**
Net book value at 31 Dec 2011	**339**	**15**	**185**	**548**	**1,087**
Acquisition cost at 1 Jan 2010	**339**	**40**	**90**	**557**	**1,027**
Additions			4		**4**
Acquisition cost at 31 Dec 2010	339	40	94	557	**1,031**
Accumulated depreciation		-15	-36	-55	**-107**
Depreciation for the financial year 2010		-5	-18	-54	**-77**
Net book value at 31 Dec 2010	**339**	**20**	**39**	**448**	**847**

INTANGIBLE ASSETS EUR 1,000	Intangible assets	Total intangible assets
Acquisition cost at 1 Jan 2011	76	76
Additions	1	1
Acquisition cost at 31Dec 2011	77	77
Accumulated amortisations	-53	-53
Amortisation for the financial year 2011	-15	-15
Net book value at 31 Dec 2011	8	8
Acquisition cost at 1 Jan 2010	76	76
Acquisition cost at 31 Dec 2010	76	76
Accumulated amortisations	-38	-38
Amortisation for the financial year 2010	-15	-15
Net book value at 31 Dec 2010	23	23

INVESTMENTS EUR	Shares in Group companies	Shares in other companies	Total investments
2011			
Acquisition cost at 1 Jan 2011	546,346	119	546,465
Additions	47,596		47,596
Disposals	-9,735		-9,735
Net book value at 31 Dec 2011	584,206	119	584,325
2010			
Acquisition cost at 1 Jan 2010	493,472	120	493,592
Additions	52,873		52,873
Disposals		0	0
Net book value at 31 Dec 2010	546,346	119	546,465

For shares and shareholdings, see consolidated financial statements in note 37.

ACCUMULATED DEPRECIATION DIFFERENCE EUR 1,000	2011	2010
Machinery and equipment		
Accumulated difference in total depreciation and depreciation according to plan at 1 Jan.	47	52
Increase/decrease in accumulated depreciation difference for the period of 1 Jan–31 Dec.	11	-5
Accumulated difference in total depreciation and depreciation according to plan at 31 Dec.	58	47

Change in depreciation difference of machinery and equipment 1 January–31 December includes depreciation difference received through mergers.

12. NON-CURRENT RECEIVABLES

EUR 1,000	2011	2010
From Group companies		
Loan receivables	86,354	52,188
From others		
Loan receivables		2,000
Prepaid expences and accrued income	3,014	4,018
Total	89,368	58,206

13. CURRENT RECEIVABLES

EUR 1,000	2011	2010
From Group companies		
Loan receivables	87,405	44,470
Accounts receivables	390	181
Prepaid expenses and accrued income	3,183	19,832
From others		
Other receivables	130	2,039
Prepaid expenses and accrued income	254	239
Total	91,362	66,761
Prepaid expenses and accrued income		
From Group companies		
Accrued interest	2,651	3,309
Other prepaid expences and accrued income	532	16,523
From others		
Prepaid taxes	6	24
Other prepaid expences and accrued income	248	216
Total	3,437	20,071

14. EQUITY

EUR 1,000	2011	2010
Share capital	24,835	24,835
Share issue	17	1,871
Share premium fund	3,331	3,331
Invested unrestricted equity	116,043	
Retained earnings at 1 Jan	22,007	22,444
Reduction of par value	12,619	12,619
Dividend distribution	-3,163	
Retained earnings at 31 Dec	31,463	35,063
Profit/loss for the year	12,711	-437
Total equity	188,399	64,663
Distributable funds		
Retained earnings at 31 Dec	31,463	35,063
Profit/loss for the year	12,711	-437
Invested unrestricted equity	116,043	
Total	160,217	34,626

SHARE CAPITAL

	2011		2010	
	No.	EUR	No.	EUR
Share capital	41,439,086	24,834,753.09	30,660,189	24,834,753.09

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

15. APPROPRIATIONS

EUR 1,000	2011	2010
Accumulated depreciation difference	58	47

16. LIABILITIES

EUR 1,000	2011	2010
Non-current liabilities		
Hybrid bond	50,000	50,000
Loans from credit institutions	234,866	264,495
Loans from Group companies	169,582	168,735
Total	**454,448**	**483,230**
Current liabilities		
To Group companies		
Liabilities to Group companies	54,304	94,502
Accounts payables	367	334
Accrued liabilities and deferred income	7,902	5,702
Total	**62,573**	**100,538**
To others		
Loans from credit institutions	2,543	
Accounts payables	86	131
Accrued liabilities and deferred income	1,844	8,282
Commercial papers	63,576	23,447
Other current liabilities	290	272
Total	**68,338**	**32,132**
Total current liabilities	**130,911**	**132,671**
Total liabilities	**585,359**	**615,901**
NON-INTEREST BEARING AND INTEREST BEARING LIABILITIES		
Non-current		
Interest bearing	454,448	483,230
Total	**454,448**	**483,230**
Current		
Interest bearing	120,422	110,196
Non-interest bearing	10,489	22,475
Total	**130,911**	**132,671**
ACCRUED LIABILITIES AND DEFERRED INCOME		
To Group companies		
Interest expenses	4,704	4,132
Other accruals	3,198	1,571
To others		
Interest expenses	661	549
Personnel expenses	780	620
Unrealised exchange rate gains for non-current loans		6,497
Unrealised interest rate swap agreements	149	135
Other accruals	254	481
Total	**9,746**	**13,984**

17. OTHER NOTES

EUR 1,000	2011	2010
CONTINGENT LIABILITY OFF-BALANCE SHEET		
Accrued interest of Hybrid bond	4,022	4,044
Hybrid bond is presented in consolidated financial statements, see note 18		
COLLATERAL AND CONTINGENT LIABILITIES		
Guarantees given on own behalf		
Debts, secured by collateral		
Loans from credit institutions (used 31 Dec)		
Loans and overdraft limits (unused 31 Dec)		128,074
Total amount of credit facility		128,074
Other contingent liabilities		
Leasing liabilities in the following year	129	113
Subsequent leasing liabilities	124	106
Leasing liabilities are 3–4 year contracts without redemption clauses.		
Rental liabilities in the following year	1,707	1,653
Subsequent rental liabilities	9,106	10,470
Rental liabilities of business premises are 10-year contracts without redemption clauses.		
Guarantees given on behalf of the Group		
Securities given	38,997	53,597

18. INTEREST RATE DERIVATIVES

	2011		2010	
EUR 1,000	Notional value	Fair value	Notional value	Fair value
Interest rate swap	181,645	-6,775	181,331	-375
Positive fair value		1,925		1,053
Negative fair value		-8,700		-1,428

19. CURRENCY DERIVATIVES

	2011		2010	
EUR 1,000	Notional value	Fair value	Notional value	Fair value
Forward contracts	202,932	-1,107	177,380	-1,028
Positive fair value		730		825
Negative fair value		-1,837		-1,853

Financial derivarive agreements of parent company which are valid at the closing date, will mature during financial years 2012–2018.

Financial derivative instruments consist of interest rate derivatives and currency derivatives. The forward exchange agreements designate as hedges of cash flow changes in foreign currency. Interest rate swaps are recognised under hedge accounting. The effects of hedge instruments are recognised in the income statement as an adjustment to interest expenses which are based on the hedged item.

20. DEFERRED TAXES

EUR 1,000	2011	2010
Deferred tax asset from currency derivates	478	482
Deferred tax asset from interest rate derivatives	2,262	371
Deferred tax liability from depreciation difference	-15	-12
Deferred tax liability from currency derivatives	-190	-215
Deferred tax liability from interest rate derivatives	-501	-274
Total	**2,034**	**352**

SIGNATURES

Signatures

Vantaa, 13 February 2012

Stig Gustavson	*Eino Halonen*	*J.T. Bergqvist*	*Helene Biström*
Victor Hartwall	*Jari Lainio*	*Esko Mäkelä*	*Vesa Koivula* *President and CEO*

AUDITOR'S REPORT

TO THE ANNUAL GENERAL MEETING OF CRAMO PLC

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Cramo Plc for the financial period 1.1.–31.12.2011. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the Group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

OPINION ON THE COMPANY'S FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Vantaa, February 17, 2012

Ernst & Young Oy
Authorized Public Accountant Firm

Erkka Talvinko
Authorized Public Accountant

INFORMATION TO SHAREHOLDERS

ANNUAL GENERAL MEETING

Time: Friday, 23 March 2012, at 10.00 am (EET)
Venue: Finlandia Hall
Address: Mannerheimintie 13 e,
main entrance M4 / K4, Helsinki Hall, Helsinki.
Admission of registered shareholders begins at 9.00 am.

Shareholders who wish to attend the AGM must be registered on 13 March 2012 in the company's shareholders' register held by Euroclear Finland Ltd. Shareholders shall also give prior notice of their attendance to the company by 19 March 2012 at 6.00 pm. Such notice can be given:

- on the company website: www.cramo.com
- calling +358 10 661 1242 (Mon–Fri 8 am–6 pm)
- faxing to +358 10 661 1298
- writing to Cramo Plc, "Annual General Meeting", Kalliosolantie 2, FI-01740 Vantaa

Any proxy documents should be delivered in the originals before the final date for registration. If shareholders wish to bring up a matter for consideration by the General Meeting of Shareholders, they must present the matter in writing to the Board of Directors at the latest four weeks before the publication of the notice in order for the matter to be included in the notice convening the meeting.

DIVIDEND PAYMENT

The Board proposes a dividend of EUR 0.30 per share for the financial year 2011.

CHANGES IN SHARE CAPITAL

As a result of share subscriptions based on stock options 2006A, a directed share issue in connection with the acquisition of Theisen Baumaschinen AG and a rights offering of some EUR 100 million, as well as a share swap in which Cramo acquired all of the shares in Cramo Management Oy, the number of Cramo Plc's shares was increased to 41,439,086 shares in 2011.
→ Pages 84 and 94–96.

CRAMO BASIC SHARE INFORMATION

- Listed at the NASDAQ OMX Helsinki Ltd
- List: Nordic Mid Cap
- Trading code: CRA1V
- ISIN code: FI0009900476
- Sector: Industrials
- Industry: Trading Companies & Distributors
- Number of shares, 31 December 2011: 41,439,086
- Listing date: 1 August 1988

SHAREHOLDERS

Cramo had 8,307 shareholders as of 1 January 2011 and 8,625 as of the 31 December 2011. → The largest shareholders are listed on page 100. Shares held by the management team can be viewed on the website www.cramo.com > Investors > Share > Insiders, and more about remuneration is found on pages 43–45.

MANAGEMENT INTEREST 31 DECEMBER 2011

At year end, the members of the Board of Directors, the President and CEO and other members of the Cramo management team and their interest parties held altogether 2,869,975 Cramo Plc shares (3,015,424 in 2010) representing approximately 6.93% (9.83) of the total shares and of the voting rights in the company. → See Cramo's long-term incentive schemes on page 44–45 and note 28 on page 94–95.

VALID BOARD AUTHORISATIONS

The Board of Directors has been authorised to decide on the acquisition of a maximum of 3,000,000 of the company's own shares and/or on the acceptance as pledge the company's own shares. Under the authorisation, Cramo's own shares may only be acquired using the company's unrestricted equity; the Board of Directors may act on this authorisation in connection with possible acquisitions, to develop the company's capital structure, to be transferred in connection with possible acquisitions or to be cancelled, provided that the acquisition is in the interests of the company and its shareholders.

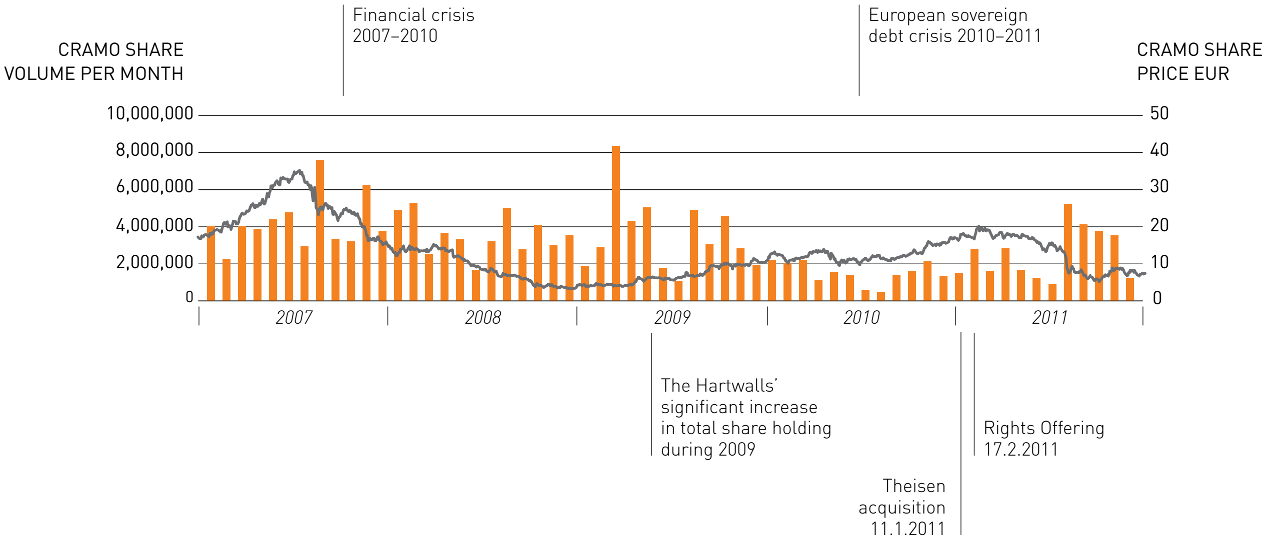
The Board also has an authorisation to decide on a share issue for a maximum of 12,000,000 shares, which includes the right to decide on the transfer of the company's own shares and on granting option rights and other special rights entitling to shares as referred to in Chapter 10 of the Companies Act as follows. → Pages 59–60.

FINANCIAL REPORTING

→ The annual reports and interim reports are available in Finnish and English and can also be read on Cramo's website at www.cramo.com > Investors.

Cramo's management provides analysts and the media with regular press conferences. Management also gives interviews on a one-on-one and group basis. Cramo participates in various conferences for investors. Cramo observes a three-week closed period preceding the publication of its results.

Week 9 2012	Annual report, electronic version
23 March 2012	Annual General Meeting
4 May 2012	Interim report for January–March
8 August 2012	Interim report for January–June
31 October 2012	Interim report for January–September



ANALYSTS

To the best of our knowledge, the following financial analysts follow Cramo's performance on their own initiative. They have analysed Cramo, prepared reports and comments and they are able to evaluate the company as an investment target. Cramo takes no responsibility for the opinions expressed.

- Carnegie
- Danske Markets
- Deutsche Bank AG
- Evli Bank Plc
- FIM
- Nordea Markets
- Pohjola Bank plc
- SEB Enskilda Equities
- Swedbank Markets
- Ålandsbanken Equities Research

→ Updated contact information for the analysts following Cramo is available at www.cramo.com > Investors.

→ Additional information about shares and shareholders is presented in note 36 in the consolidated financial statements on page 100.

INVESTOR RELATIONS

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Merja Naumanen, IR Communication Officer
tel: +358 10 661 1211
e-mail: merja.naumanen@cramo.com

Financial documents can be obtained from
Cramo Plc
Kalliosolantie 2
FI-01740 Vantaa
tel. +358 10 661 1211
e-mail: investor.relations@cramo.com

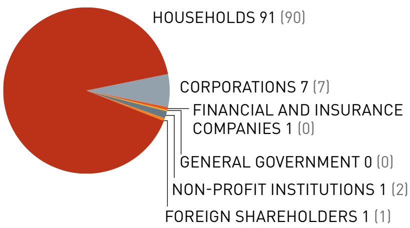
→ Investor information is available online at www.cramo.com > Investors. The investor section contains the information presented here, together with other IR-related information, including a share monitor, delayed by 15 minutes, a list of the company's public permanent insiders and their holdings, a collection of presentation materials and current market data as well as services such as an investment calculator.

CHANGE OF ADDRESS

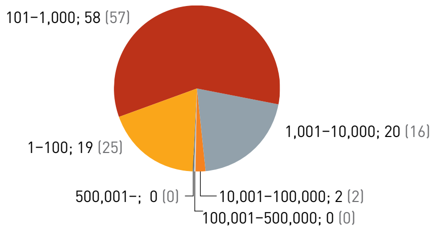
If your address or account number for dividend payment changes, we request that you send a written notification of this to the particular register holding your Book Entry Account. If your account is held at the Euroclear Finland Ltd's account operator, please send the written notification to: Euroclear Finland Ltd., P.O. Box 1110, FI-00101 Helsinki, or fax it to +358 20 770 6656.

→ Releases for 2011 can be found at www.cramo.com > Investors > Releases.

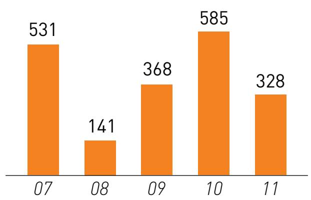
SHAREHOLDING BY SECTOR 31 DEC 2011
(2010) %



SHAREHOLDING BY SIZE 31 DEC 2011
(2010) %



MARKET CAPITALISATION ON NASDAQ OMX HELSINKI 2007–2011 MEUR



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