TOWARDS OPERATIONAL EXCELLENCE

ANNUAL REPORT 2012

CRAMO

STRATEGIC CORNERSTONE:
CUSTOMER'S FIRST CHOICE

RELIABLE PARTNER

Emporia, one of the biggest shopping centres in Scandinavia, opened in Malmö in October 2012. Total floor space of 93,000 m² combines shopping, food, art and design on three levels. There are also 11,000 m² reserved for offices. Emporia has some 25,000 visitors a day and 3,000 employees. It is the first shopping centre in Sweden with Building Research Establishment Environmental Assessment Method certification.
www.emporia.se

– Our way of building is a little more international since we work with many subcontractors. So it is important to have a single rental partner who sees to it that everything runs smoothly and that relations, skills and resources work well. That is where Cramo comes into the picture. Mr Stefan Olsson, Project Manager at Advansia, in charge of construction management for Emporia

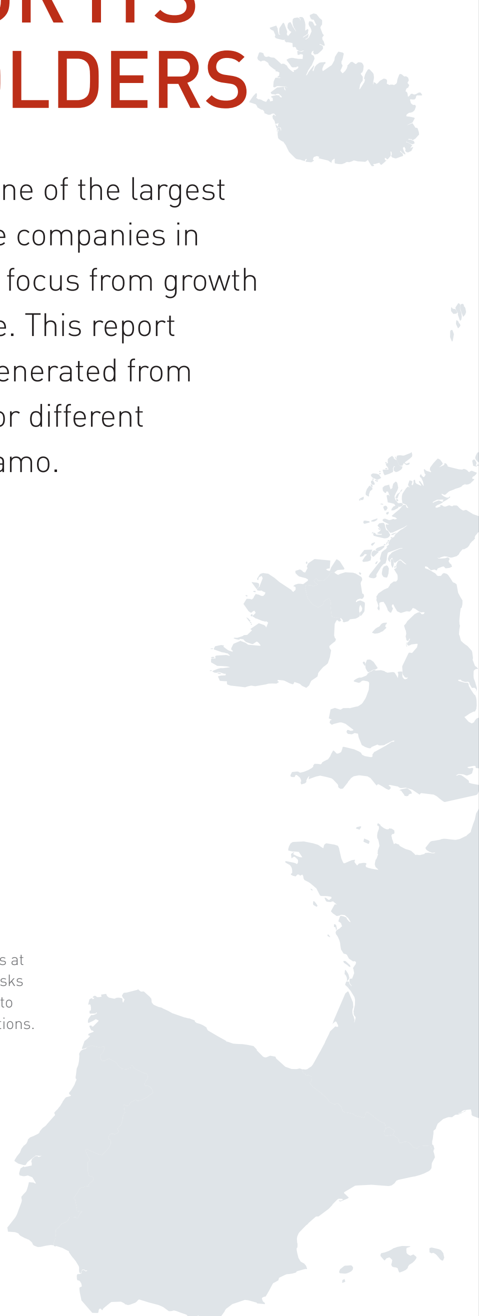
– Satisfied customers are the cornerstone of all successful businesses. We do our utmost to provide our customers access to the best possible solution for each situation every time they do business with us. Emporia's needs have varied a great deal throughout the project. Mr Fredrik Wihlborg, Project Manager at Cramo Sweden

In 2008–2012 Cramo provided Advansia a total concept with a project depot that also served other nearby customers. Using over 200 modules, Cramo built residential facilities for 700 employees and a project office for 35 subcontractors. The contract included the rental of tools, construction machinery, access equipment and 456 lifts at its peak, as well as construction site services. A safety programme with fall protection, lift usage and first aid training was also carried out.

CONTENTS

CRAMO CREATES VALUE FOR ITS STAKEHOLDERS

As Cramo has become one of the largest equipment rental service companies in Europe, it has shifted its focus from growth to operational excellence. This report describes the benefits generated from operational excellence for different stakeholders and for Cramo.



CRAMO'S STRENGTHS

TOTAL SOLUTION PROVIDER
Through the Cramo Rental Concept an extensive, balanced portfolio with over 200,000 units across four product areas combined with a wide offering of rental-related services.

STRONG MARKET POSITION
in Northern, Central and Eastern Europe. The third largest rental solution provider in Europe, well positioned in growing rental markets.

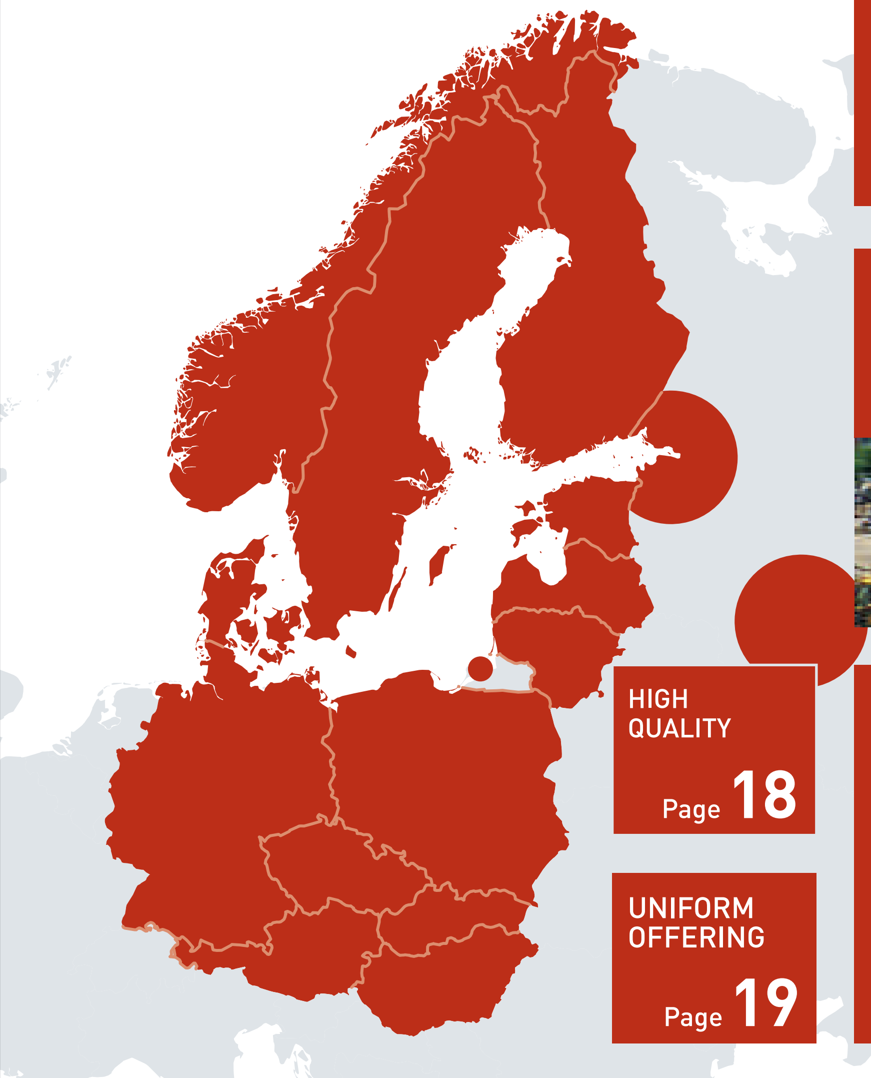
OPERATIONAL EFFICIENCY
An advanced fleet management and operating platform covering all market areas.

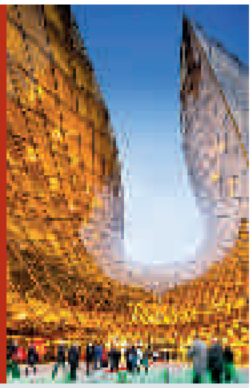
MODULAR SPACE OPPORTUNITIES
The leading player in both construction and non-construction modular space applications in the Nordic markets with growth opportunities in existing and new markets.

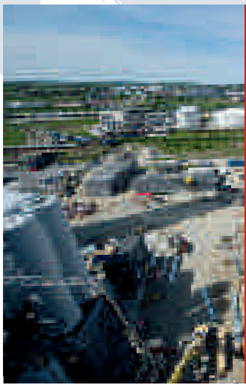
STRONG BRAND
A well-established brand. Cramo is known as a reliable supplier with a proven track record for short- and long-term rentals and for project and outsourcing agreements.

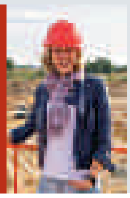
FLEXIBLE BUSINESS MODEL
Improved flexibility throughout operations. Modular space, outsourcing agreements and a broad geographical footprint bring stability. The use of temporary personnel, implementation of the franchising concept and increased fleet efficiency improve Group agility.

READ WHAT OUR CUSTOMERS SAY





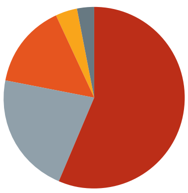




CRAMO
– TOTAL SOLUTION PROVIDER

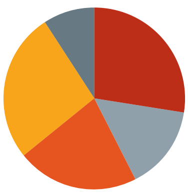
Cramo is a service company specialising in equipment rental services and the rental of modular space solutions. Equipment rental services comprise construction machinery and equipment rental and rental-related services such as construction site and installation services. Cramo is one of the industry's leading service providers in the Nordic countries and in Central and Eastern Europe. Through a network of 376 depots, with the total number of rental items over 200,000, Cramo's 2,555 employees served over 150,000 customers in 14 countries in 2012. The company has been listed on the NASDAQ OMX Helsinki since 1988 and on its main list since 1998.

GROUP SALES BY
CUSTOMER SEGMENT 2012 (2011)
% OF TOTAL SALES



- CONSTRUCTION INDUSTRY 57 (57)
- OTHER INDUSTRY 22 (21)
- PUBLIC SECTOR 15 (14)
- HOUSEHOLDS 3 (3)
- OTHER 4 (4)

GROUP SALES BY
PRODUCT GROUP 2012 (2011)
% OF TOTAL SALES



- TOOLS 28 (28)
- CONSTRUCTION EQUIPMENT 15 (16)
- ACCESS EQUIPMENT 22 (22)
- MODULAR SPACE 27 (26)
- RENTAL-RELATED SERVICES AND OTHER 9 (8)

BUSINESS SEGMENTS IN 2012

	FINLAND	SWEDEN	
SERVICE NETWORK	55 (55) depots, of which 19 franchise Hub structure in place	124 (128) depots, of which 38 franchise Hub structure in place	
RENTAL MARKET SIZE, MEUR[1]	445 (440)	1,372 (1,327)	858 (786)
EQUIPMENT RENTAL FORECAST 2013[2]	Decline of 1.0%	Growth of 2.5%	
CONSTRUCTION MARKET ESTIMATE 2013[3]	Decline of 2.3% as a result of contraction of 2–4% in both residential and non-residential construction	Growth of 0.2%, slightly negative trend in civil engineering and non-residential construction is expected to be nearly offset by moderately growing residential construction	
MARKET POSITION ESTIMATE	Strong #2 in equipment rental, #1 in modular space	Strong #1 in both equipment rental and modular space	
SHARE OF GROUP SALES, %	16.2 (18.5)	46.4 (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), %	19.2 (24.3)	30.2 (28.3)	

GROUP SALES +1.3%

688.4 MEUR

GROUP EBITA +9.8%

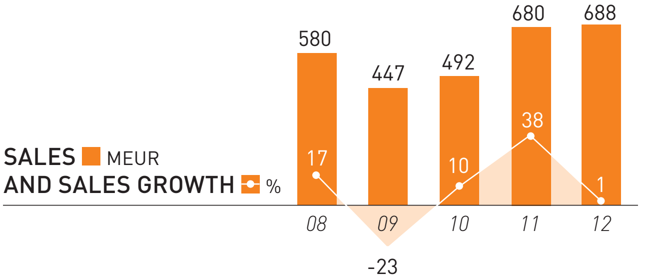
78.0 MEUR

NORWAY	DENMARK	CENTRAL EUROPE[4]	EASTERN EUROPE[5]
31 (34) depots, of which 1 franchise Hub structure in place	7 (20) depots, no franchise Hub structure in place	88 (96) depots, no franchise Hub structure initiated, partly in place	71 (76) depots, of which 11 franchise Hub structure nearly in place
427 (420)	3,800[4] (3,600)		1,100[5] (1,000)
Growth of 4.0%	Growth of 2.8%	Growth of 3.0%, driven by Germany	Growth of 7% in the Baltic area, 7–10% in Russia, decline of 4.1% in Poland, growth of 1% in the Czech Republic, decline of 2% in Slovakia
5.6%, growth is expected to be driven by all construction subsectors	2.2%, growth is expected to be driven by all construction subsectors	Growth of 2.5% in Germany, with a growth of 2.4% in civil engineering, moderate growth of 0.6% in Austria and 0.9% in Hungary	Growth of 2% in Estonia, 4% in Latvia, 3% in Lithuania, 4% in Russia, decline of 3.4% in Poland, 1.9% in the Czech Republic and 1% in Slovakia
#3 in equipment rental, #1 in modular space	#3 in equipment rental, #2 in modular space	#3 in Germany and #1 in Austria	#1 in the Baltic countries, #2 in Russia and Poland. In the Czech Republic and in Slovakia #1 in access equipment and #3 in general rental.
12.1 (11.5)	5.4 (5.1)	9.6 (10.3)	10.1 (9.7)
Three strong players with a number of local and specialist competitors. New local entrants as a result of relatively good market environment. A few players in modular space product area.	Fragmented markets waiting for consolidation. A few small players in modular space product area.	Fragmented markets under consolidation: four stronger players in Germany with a number of smaller local and specialist competitors.	Mainly smaller national and local players with a few Western European competitors. One Western European player exited the Baltic countries. Markets in early phase in modular space market area.
8.3 (8.1)	4.6 (4.8)	11.7 (10.1)	23.6 (21.9)

1,2 Finland, Sweden, Norway and Denmark: ERA European Rental Industry 2012 Report, Autumn 2012 and equipment rental forecast 2013 for Finland: VTT December 2012; Central and Eastern Europe: ERA, Cramo management estimate.
3 Euroconstruct, Country report, November 2012; the Baltic countries and Russia: VTT December 2012.
4 Germany, Austria and Hungary. Approximate, operations in Switzerland were terminated during Q2 2012.
5 Estonia, Latvia, Lithuania, Russia, Poland, the Czech Republic and Slovakia. Russian rental market size estimate does not include rental market with operator.

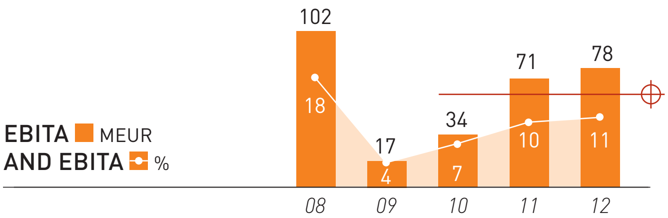
GOOD RESULTS, CONSIDERING THE MARKET SITUATION

Cramo updated its long-term financial targets in 2012. After a period of strong growth in 2005–2011 (compound annual growth rate 43.8%), the company will concentrate on operational excellence, focusing on profitability and stable profit distribution. In a challenging environment, Cramo succeeded in improving its EBITA margin compared to 2011, and the Board proposes a dividend of EUR 0.42 per share for 2012 in line with the new profit distribution policy.



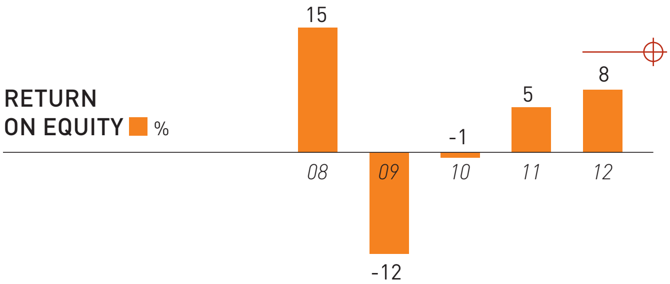
TARGET: Sales growth faster than the market

PERFORMANCE: Sales target was achieved. Sales growth was 1.3%, excluding divested operations 3.3%. Sales were affected by the divestment of Cramo's modular space production and customised modular space rental business in Finland. In addition, increasing financial uncertainty weakened sales performance.



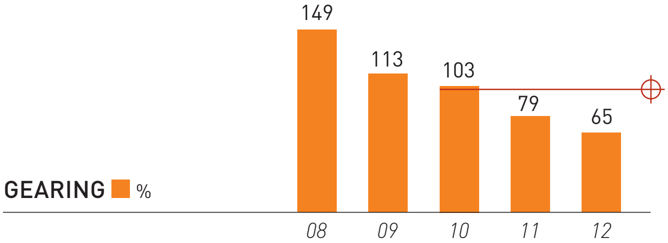
TARGET: EBITA margin above 15% of sales over a business cycle

PERFORMANCE: EBITA margin improved to 11.3% as a result of cost reductions and other performance improvement actions launched in the second quarter. However, EBITA margin still remained below the target level.



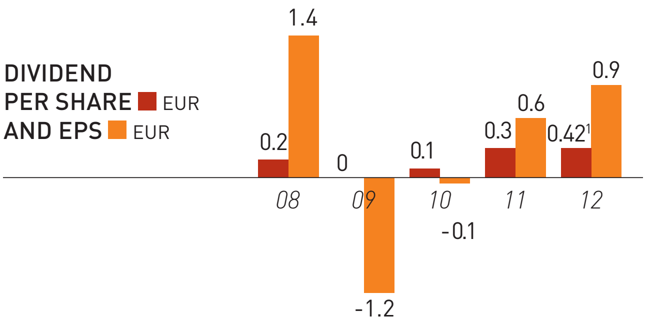
TARGET: Return on equity higher than 12% over a business cycle

PERFORMANCE: Return on equity was 7.5%. Return on equity improved as a result of better profitability and changes in capital structure but still remained below target level.



TARGET: A maximum gearing of 100%

PERFORMANCE: The Group's gearing decreased as planned and was 65.1%. Strong cash flow as a result of improving profitability, decreased investments and decreased net working capital as well as other measures contributed to the achievement of gearing target.



TARGET: Stable profit distribution policy with about 40% of earnings per share paid as dividend

PERFORMANCE: In line with the policy, the Board proposes a dividend of EUR 0.42 per share for the financial year 2012, representing 45.1% of reported earnings per share.

1 Board proposal

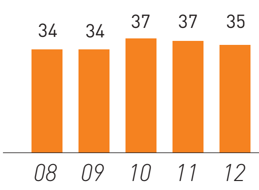
KEY FIGURES AND RATIOS	2012	2011	CHANGE, %
Income statement			
Sales, MEUR	**688.4**	679.9	1.3
EBITA, MEUR	**78.0**	71.1	9.8
EBITA, %	**11.3**	10.5	
Operating profit/loss (EBIT), MEUR	**64.4**	54.3	18.6
Profit/loss before tax (EBT), MEUR	**44.0**	32.2	36.9
Profit/loss for the period, MEUR	**38.5**	23.5	64.0
Balance sheet			
Gearing, %	**65.1**	78.7	
Equity ratio, %	**48.6**	44.4	
Net interest-bearing liabilities, MEUR	**346.9**	389.4	-10.9
Total assets, MEUR	**1,108.1**	1,126.8	-1.7
Shareholders' equity, MEUR	**483.0**	444.2	8.7
Share-related and other information			
Number of employees at year-end (FTE)	**2,555**	2,707	-5.6
Number of depots	**376**	409	-8.1
Return on equity, %	**7.5**	5.4	
Return on investment, %	**7.3**	6.6	
Gross capital expenditure, MEUR	**125.1**	262.5	-52.4
of which business combinations, MEUR	**0.8**	115.4	-99.3
Cash flow from operations, MEUR	**146.0**	138.5	5.4
Earnings per share (EPS) undiluted, EUR	**0.93**	0.60	55.0
Earnings per share (EPS) diluted, EUR	**0.93**	0.60	55.3
Dividend per share, EUR	**0.42**[1]	0.30	40.0
Equity per share, EUR	**11.58**	10.83	6.9
Market capitalisation, MEUR	**332.8**	327.8	1.5

1 Board proposal

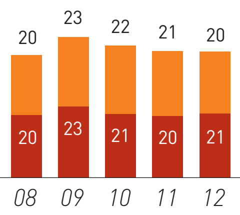
More on key figures and ratios on page 56 and calculations on page 93.

PERFORMANCE IMPROVEMENT ACTIONS BEARING FRUIT

DIRECT COSTS
% OF GROUP SALES

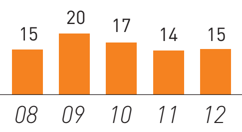


INDIRECT COSTS
% OF GROUP SALES

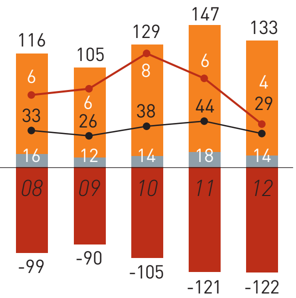


EMPLOYEE BENEFIT EXPENSES
OTHER OPERATING EXPENSES

CAPITAL COSTS (DEPRECIATION)
% OF GROUP SALES



NET WORKING CAPITAL
MEUR
% OF GROUP SALES



INVENTORIES RECEIVABLES
PAYABLES

TOWARDS OPERATIONAL EXCELLENCE

The shift in focus from growth to operational excellence already bore fruit in 2012. Cramo achieved good results, considering the market situation. Profitability improved while gearing decreased. Cramo has proven to have a solid foundation in place for generating value, even in a less favourable business environment.

Why did you shift your strategic theme from growth to operational excellence?

Vesa Koivula: Cramo has enjoyed a period of strong growth since 2005. We have transformed what was a domestic company into one of the largest equipment rental service companies in Europe.

We believe the best way to increase shareholder value is to focus on operational excellence – to concentrate on profitability and stable profit distribution. We also aim to continue growing faster than the market, but growth is not an end in itself.

Stig Gustavson: We saw early on the need to reach a certain size. In our business – as in almost every business – there is a need for scale. For Cramo, scale means better utilisation of our fleet. A bigger rental fleet can provide better service to clients. Being a certain size also gives us a better position when we negotiate purchasing agreements with our suppliers.

Another aspect relates to our international growth. Although Europe functions more and more as one market, there are still big differences in business climate and activity between countries. A wider international spread should ideally yield steadier business overall. Right now the whole of Europe seems to be in recession, so that aspect is on the back burner. And this again has given us a golden opportunity to concentrate on operational matters.

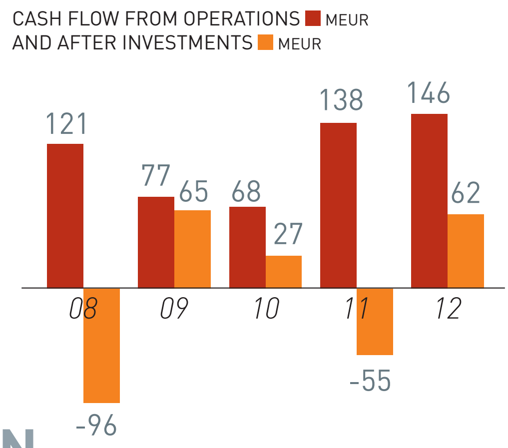
What does this strategic shift mean in practice?

Vesa Koivula: We have made good progress in increasing internal efficiency. We have been successfully implementing our Best in Town strategy. Our fleet

Cramo is a main sponsor to

EBITA improved by the end of the year. The impact of efficiency improvements started to show in the third quarter results.

Both cash flow from operations and cash flow after investments increased to levels above those before the financial crisis.



FOCUS ON 1. PROFITABILITY 2. STABLE PROFIT DISTRIBUTION

management processes have improved and our depot network has undergone continuous developed.

With this strategic shift we aim to optimise our operations in all our markets. That requires further implementation of the uniform Cramo Rental Concept and harmonised processes as well as a stronger expansion of the modular space business outside Sweden and Finland than before. Since we want to maintain our position as a driver in rental development, we will ensure continuous development of the Cramo Rental Concept.

Stig Gustavson: When we look at Cramo´s background, many of our depots have a history as independent companies, with their own way of handling matters. We have naturally strived at acquisition to make the integration process quick and smooth. Yet it is clear that we still have some ground to cover to become a truly lean and efficient company, with modern standard procedures.

How do you see the benefits from this shift for different stakeholders?

Vesa Koivula: We believe that increased operational excellence and agility will be reflected in further enhanced customer service. This, together with more efficient internal operations and use of capital, will be reflected in improved profitability.

At the same time, our commitment to the United Nation's Global Compact means working under the UN's fundamental principles in the areas of human rights, labour rights, environmental sustainability and anti-corruption. Page 24.

Stig Gustavson: Efficiency is good for everyone, everywhere and always.

We hope the benefits for our customers will be obvious: Fast and uncomplicated service, with a complete range of modern, efficient equipment at reasonable prices.

Although some of our employees might find themselves made redundant in the process, the end result is a company that provides good, secure employment.

Our lenders love efficiency. Because the rental business is capital-intensive, we must maintain good relationships with all our finance providers at all times.

Finally, our shareholders have the right to expect a good, steady dividend stream – which has not been the case in these recent turbulent years. We see it as the ultimate goal of our current work to achieve shareholder value.

Econimic uncertainty was the driving force in 2012. How has it affected your business?

Vesa Koivula: 2012 started on a positive note. Demand for equipment rental remained high in most of our market areas although harsh winter conditions slowed construction activity down in many Central and Eastern European countries. During the spring problems in Southern Europe affected the economic climate throughout Europe as well as in our markets. However, in some markets, especially Norway, the Baltic countries and Russia, demand continued to grow.

Continued economic uncertainty in the second half of the year was reflected in the postponement of investment decisions. This also slowed down the demand for equipment rental in most of our markets. Meanwhile, market-specific differences in demand for equipment rental increased. However, the demand in our main market areas remained satisfactory.

Stig Gustavson: We have certainly not been sitting still just waiting for better times. The efficiency programmes referred to above have been a must.

On a strategic note I want to mention our new approach in Russia. Russian market conditions differ significantly from those in the West. We found that we are too small to carry the inherent risks of doing business there. We therefore made the unorthodox move of merging our operations in a joint venture with our close rival, Ramirent. In doing so, we created a viable platform for further growth in this interesting but difficult market.

How would you assess Cramo's financial performance in 2012?

Vesa Koivula: I am pleased to say that Cramo achieved good results, considering the market situation. Despite increased financial uncertainty and the divestment of our modular space production and customised space rental business in Finland, Group sales remainded at about the same level as in 2011. Our EBITA margin improved compared with 2011, and gearing decreased as a result of positive cash flow. I can add that we have succeeded in implementing our short-term performance improvement actions, which were initiated in the second quarter of the year.

I am happy to say that we are one of those companies that have been able to show improved results year after year in this challenging environment.

Stig Gustavson: It is true that 2012 was yet another difficult year. Still, it is quite rewarding to see how we tackled the difficulties. The results, good cash flow and improving profitability, are proof of progress.

Nevertheless, the Board is fully committed to pressing on with further substantial improvements.

Cramo celebrates its 60th anniversary in 2013. What kind of starting point do you have for 2013 and for the next 60 years?

Vesa Koivula: We made good progress in implementing our revised strategy, as our results show. Alignment of our Central European business with the rest of the Group and the change in Norwegian operations initiated in 2011 have proceeded as planned. Our performance in the Baltic countries, especially Estonia, has been very good, while operations in Switzerland were terminated. Implementation of our harmonised Performance Management Model to improve efficiency at the depot level is also off to a good start. At the same time, the work to be the industry leader in responsibility and customer care continued, as the certificates granted to our Swedish and Finnish operations indicate.

With the divestment of modular space production in March, we freed up management resources and capital for our core modular space operations, the further development of our standardised modular space rental business and its geographical expansion. In order to capitalise on growth opportunities in the Russian and Ukrainian markets, we formed a joint venture.

We believe that we have strengthened our competitiveness in the past few years thanks to development projects based on the Group strategy as well as corporate acquisitions. We are more agile than ever, and we have our contingency plans in place in the event of a weaker market.

Stig Gustavson: Our business is closely linked to construction and manufacturing. Old Europe is still far from complete when it comes to infrastructure, housing or commercial construction. And with so many sectors opting for cheaper labour elsewhere, European industry must reinvent itself with new products, new efficiency and increased competitiveness.

The rental business is simply a very efficient way for a contractor or an industrial enterprise to get access to modern productive equipment without the burden of ownership.

From our present platform of scale and service, a good network and fast procedures, we will claim our fair and growing share of tomorrow's rental business.

2012 has been a tough year. What is your message to Cramo's employees?

Vesa Koivula: Unfortunately, efficiency improvements in this uncertain time have also entailed staff reductions. I am pleased that the Cramo spirit has remained good in spite of them. I would like to thank you all for your strong commitment. We really have passionate rental champions. And as the uncertainty persists, I ask you once again to stay prepared.

I was also delighted to see that almost a quarter of our employees enrolled in the first phase of the One Cramo Share Plan launched this year. The plan is one way to reward your efforts in working towards our goals.

Stig Gustavson: We want to take good care of our staff. During the year we launched a stock savings plan for all employees.

The employee puts aside a certain percentage of his/her monthly pay, and that money is used to buy company shares for the employee's share-holding account. After three years of saving and investing, the company is committed to giving one bonus share free of charge for every two shares owned by the employee. We now have some 520 new shareholders on our staff.

We strongly believe in the benefit of increasing the "sense of ownership" among staff.

What is your message to shareholders and investors?

Vesa Koivula: As a result of a strategy revision, our focus has become highly shareowner-centric. Our aim is to have a stable profit distribution policy with increased dividends. Our capital structure is stable and our balance sheet is strong.

I want to thank you for your continued trust in us. We will continue to implement our strategy vigorously, excel in our operations and adjust with agility to the challenges to be met. We will work to generate value for all of us.

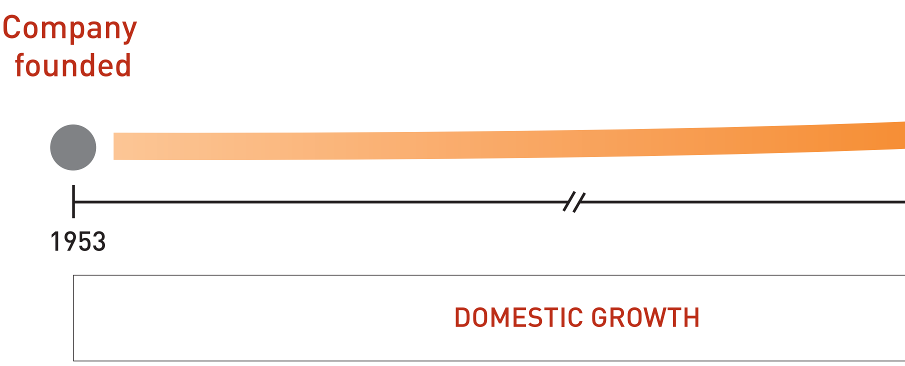
Stig Gustavson: Unfortunately, we cannot promise a better market environment in the near future. However, the results of our diligent work are forthcoming. We are well under way to further profitable growth.

I would like to thank all our loyal shareholders and welcome all new ones. Together with our competent staff we are looking forward to a rewarding future.

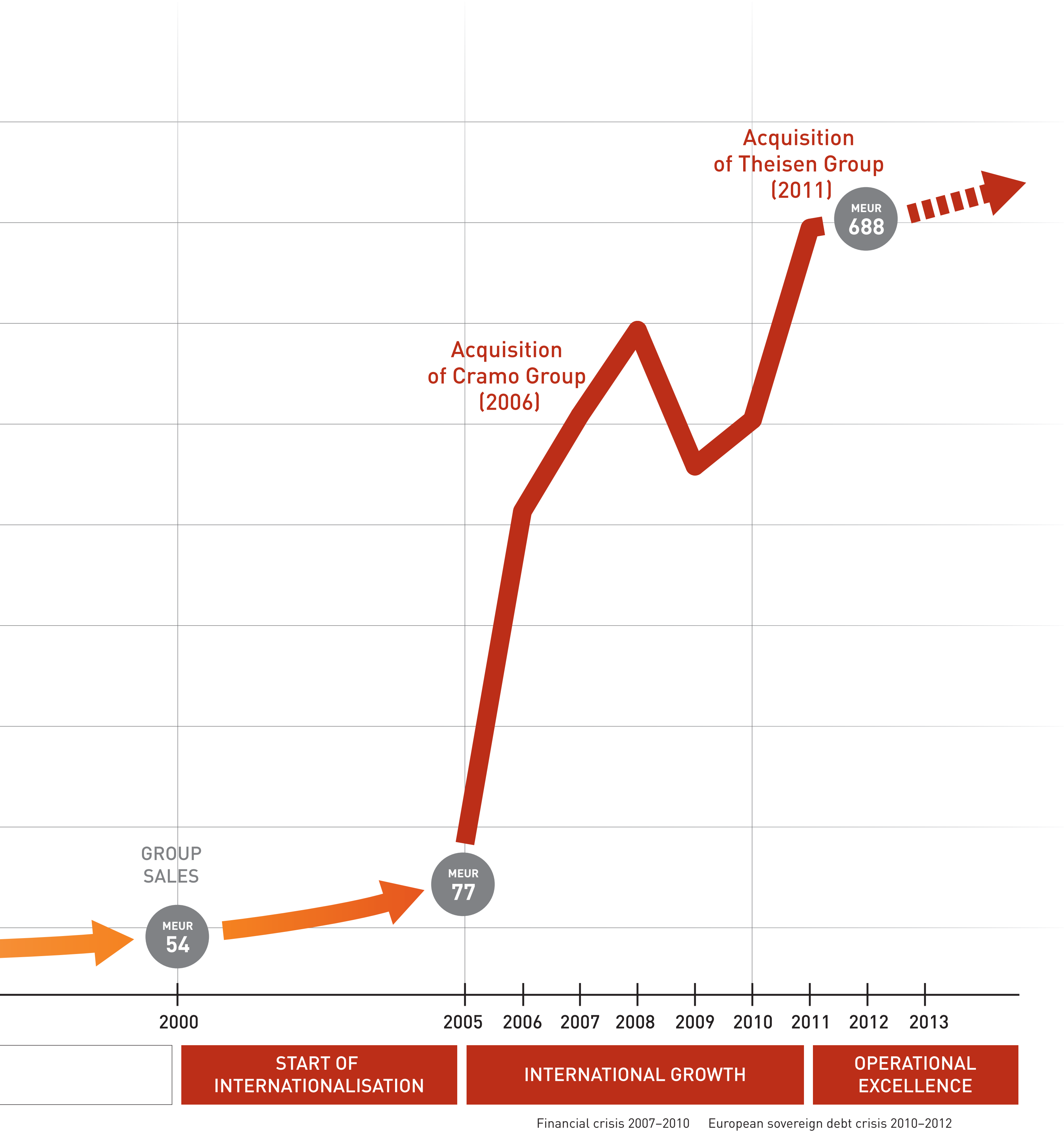
Sincerely,

Vesa Koivula
President and CEO

Stig Gustavson
Chairman of the Board



SHIFT IN FOCUS FROM GROWTH TO PROFITABILITY AND CASH FLOW



UPDATED GROUP STRATEGY

In autumn 2012, Cramo updated its strategic cornerstones as well as its long-term financial targets. The company continues to roll out the Cramo Rental Concept with Cramo Processes and Cramo People.

VISION – what we want to be

The role model in rental

FINANCIAL TARGETS – what we aim to achieve

PROFITABILITY – EBITA margin above 15% of sales over a business cycle
CAPITAL STRUCTURE – To maintain a solid capital structure and to have a maximum gearing of 100%
SALES GROWTH – To grow faster than the market
RETURN ON EQUITY – ROE higher than 12% over a business cycle
PROFIT DISTRIBUTION – To follow a stable profit distribution policy and to pay about 40% of earnings per share (EPS) as dividends

MUST-WIN BATTLES – current strategic actions we are pursuing to achieve our targets

1. **ROLL OUT THE CRAMO RENTAL CONCEPT** – Implement renewed Cramo Rental Concept in all operating countries, using Best in Town task forces in selected areas Page 18
2. **IMPLEMENT CRAMO PROCESSES** – Implement the process organisation, Cramo business platform and core processes in selected operating countries Page 19
3. **DEVELOP CRAMO PEOPLE** – Develop Cramo People to be passionate rental business champions Pages 20–21
4. **IMPLEMENT CRAMO PERFORMANCE MANAGEMENT** – Implement Cramo Performance Management Model in all depots Page 22
5. **DRIVE PROFITABLE GROWTH IN MODULAR SPACE** – Drive profitable modular space growth in Denmark and Norway Page 23

STRATEGIC CORNERSTONES – fundamentals we pursue in the long term

CUSTOMER'S FIRST CHOICE – Satisfied customers are the cornerstone of all successful businesses: our customers assess our competitiveness every time they do business with us Pages 2–3

BEST IN TOWN – Rental business is a local business: strong local market position enables healthy profitability Pages 30–31

DRIVER OF RENTAL DEVELOPMENT – No business can rest on its laurels: continuous innovation is needed to ensure business success in the future as well Pages 38–39

COMBINING MATURE AND GROWTH MARKETS – We leverage our know-how and best practices between different types of markets, that is, between more developed markets and markets with high growth potential Pages 48–49

OPERATIONAL AGILITY – Rental business is cyclical by nature: we are quick to react to emerging threats and possibilities Pages 106–107

STRATEGY – how we compete and achieve our targets

Rolling out the Cramo Rental Concept with Cramo Processes and Cramo People

MISSION – why we exist, what business we are in

Building flexibility and efficiency through rental solutions

VALUES – what we believe, what our guiding principles are

CREDIBILITY – We are ethical, professional, reliable and dedicated to quality and safety
CREATIVITY – We are open minded, proactive, innovative and entrepreneurial
COMMITMENT – We show commitment to customers, employees, shareholders and society

STRATEGY IMPLEMENTATION THROUGH MUST-WIN BATTLES

Cramo has progressed well in implementing its new strategy through must-win battles. As a result Cramo's competitiveness has strengthened and agility has further improved.

MUST-WIN BATTLES AS DEFINED IN 2012	ASSESSMENT OF DEVELOPMENT IN 2010–2011	TARGETS FOR 2012–2013
1 Roll out the Cramo Rental Concept	• Cramo Rental Concept renewed • Group-wide concept training with sales and training material developed • Rolling out the concept started in stages	Implement renewed Cramo Rental Concept in all operating countries, using Best in Town task forces in selected areas
2 Implement Cramo Processes	• Unified process definitions decided • Rental platform, enterprise resource planning system (ERP) harmonised and implemented in Finland and Sweden • New business intelligence systems including business control, pricing and fleet management developed • Quality, safety and environmental activities identified, their implementation initiated	Implement the process organisation, Cramo business platform and core processes in selected countries
3 Develop Cramo People	• Cramopol, a tool for communicating strategy and values, developed and introduced • Cramo Dialogue model with supporting tools and templates developed • Cramo Assignment policy and repatriation process defined, implementation initiated • Cramo Academy, a leadership training programme, held a second time • Cramo Development, a new employee development framework, defined	Develop Cramo People to be passionate rental business champions
4 Implement Cramo Performance Management	• Implement Cramo Performance Management was added as a must-win battle in autumn 2012	Implement Cramo Performance Management Model in all depots
5 Drive Profitable Growth in Modular Space	• Optimized Space concept developed to create uniform base for sales and marketing in all markets • Standardised product offering completed • New fleet optimisation procedures introduced • Cross-border support teams established, hub structure completed in the Nordic countries, resources assigned and offering broadened in Central and Eastern Europe • First public sector projects delivered in the Baltic countries • New energy-efficient modules introduced	Drive profitable modular space growth in Denmark and Norway

ASSESSMENT OF DEVELOPMENT IN 2012	PRIORITIES FOR 2013
• Implementation in Finland and Sweden almost completed • Substantial progress in implementation in Norway and Germany • Roll-out in other operating countries initiated, targets set for the year achieved	• Further implementation of Cramo Rental Concept in all operating countries with higher target level, specific focus on Norway and Germany • Continuous development of new offerings
• Cramo business platform and core processes implemented in Norway • Long-term rental business process functionality in modular space implemented in Finland and Norway • New business intelligence system rolled out in the Nordic countries • Quality, safety and environmental activities delegated to operating countries as part of normal operations	• Implement harmonised core processes and Cramo business platform in Central Europe • Implement new long-term rental business processes in modular space in Sweden • Speed Rental concept roll-out to all depots in Sweden
• Implementation of Cramo Development started in Finland, Sweden, Lithuania and Latvia • One Cramo Share Plan for employees launched • Cramopol carried out in all operating countries • Implementation of Cramo Dialogue model almost completed • Cramo Assignment implemented • Employee survey carried out in all countries	• Complete implementation of Cramo Training and Career Development Programme in Finland, Sweden, Lithuania and Latvia • Include career planning as an element of the framework • Finalise implementation of new HR models at the country level and through HR network with focus on employee development, job rotation and best practice sharing
• Harmonised Cramo Performance Management Model with training and support materials created, implementation roadmap developed for all operating countries • Implementation completed in Finland • Implementation started in Norway and Germany	• Roll-out in stages in all Cramo operating countries
• Divestment of modular space production and customised modular space rental businesses in Finland • Platform for growth in place in Denmark and Norway • Fleet-related efficiency improved • Harmonisation of sales, marketing, delivery and fleet management processes in the Nordic countries started	• Specific focus on Norway and Denmark • Drive market demand in Eastern Europe • Assess opportunities in Germany • Optimise fleet synergies in the Nordic countries • Implement harmonised processes in the Nordic countries

CUSTOMER BENEFITS THROUGH THE CRAMO RENTAL CONCEPT

Implementation of the renewed Cramo Rental Concept ensures a uniform customer experience, harmonised high-quality rental offerings from start to finish and efficient, secure deliveries. At the same time, it creates economies of scale and scope while improving operational efficiency.

SUBSTANTIAL PROGRESS

The renewal of the Cramo Rental Concept was successfully completed in 2011. The focus was shifted to rolling out the renewed concept in all operating countries using Best in Town task forces in selected areas. Special attention was given to the relatively new operation in Germany acquired in 2011 and to Norway.

By the end of 2012, the concept was almost fully rolled out in Finland and Sweden. In Norway and Germany compliance with the concept increased significantly. A compliance assessment was finalised in all markets as a basis for business development prioritisation.

GUARANTEED FAST SERVICE

– Cramo Express is a brand new depot type. With it we deliver professional services and high availability for contractors and craftsmen, property managers and private individuals involved in construction work in city centres. We also reduce transport costs significantly, which also has a positive impact on the environment, says Ms Anna-Lena Berg, Head of Business Development at Cramo Sweden.

– The new concept is perfect for those of us who work primarily with renovations in the city centre. It is easy to drop in at the depot and rent machines fast. The product range is always sufficient and there is no need to worry about availability. We also buy quite a lot of construction consumables such as saw blades, roof materials and such, explains Mr Jon Magnérus, Managing Director of Stor Jon Bygg, which is involved in apartment renovation in the Stockholm city centre and vicinity.

In 2012, Cramo opened one Cramo Express depot in Stockholm and two in Malmö, Sweden. The express depot has about a hundred of the most commonly rented small machines, and the availability of these is always guaranteed. In addition, a variety of products can be purchased. Customers can also order products not included in the Cramo Express product line and have them delivered to their worksite.

HIGH QUALITY

Implementation of the Cramo Rental Concept in Central Europe started in the Munich region.

– I get better advice and quicker responses with specialist staff for customer and technical services. Furthermore, the quality of all machines is now higher and more even in all the depots, says Mr Jürgen Kreutzer at Bauer Spezialtiefbau GmbH, Schrobenhausen.

Roll out the Cramo Rental Concept

1

FOUNDATION FOR OPERATIONAL EFFICIENCY

By developing harmonised processes Cramo strengthens uniform customer service, reliable high quality equipment and on-time deliveries for its customers throughout Group.

Implement Cramo Processes

2

UNIFORM OFFERING

– Many national and international customers focus on having rental partners that work efficiently with quality at all levels and operations in the same markets. With our increasingly standardised offering, processes and ways of working, customers know what to expect no matter which Cramo depot they turn to. Our new rental platform also brings more transparency to the fleet, says Mr Per Lundquist, Senior Vice President, Operations at Cramo.

– Including long-term functionality for modular space in the platform also makes our modular space fleet more visible. For our customers this means, for example, better and faster information about the availability and quality of equipment as well as better on-time delivery and customer service. At the same time, our efficiency is increased through optimisation and fleet transfers, says Mr Juha Antola, Director, Modular Space Finland at Cramo.

TOWARDS CONTINUOUS DEVELOPMENT

The implementation of the Cramo business platform with harmonised processes has progressed well. By the end of 2012, approximately 75% of Group revenues were generated by using them.

In autumn 2012 focus was shifted from the implementation of the Cramo business platform to improvement and fine-tuning of all business processes.

CRAMO PEOPLE – THE HEART OF EXCELLENT PERFORMANCE

At the end of the day, Cramo People are those who develop and deliver operational excellence both to the company and to customers.

UNDERSTANDING OUR NEEDS

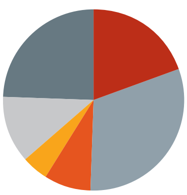
– We have a good, long-term relationship with Cramo. They understand our needs and clearly care about our business. Furthermore, Cramo has without a doubt the best product range in aerials, which is our biggest need, remarks Mr Ivan Bezak, Project Manager at INGSTEEL, spol. s.r.o., the construction company responsible for building a new stamping plant at the vehicle assembly factory in Bratislava for Volkswagen Slovakia.

THE RIGHT PEOPLE IN THE RIGHT PLACE

– I believe that the further education this award allows will help me to improve my management skills and find new and more innovative ideas for our business processes, services and solutions or their implementation that are useful to Cramo and our customers. I also hope to be able to share the knowledge I gain with my colleagues and thus increase our team competence and competitiveness, says Mr Mindaugas Silobritas, Fleet Manager at Cramo Lithuania, Latvia, Kaliningrad and the 2012 winner of the EUR 15,000 Gunnar Glifberg Award.

– The training and career development framework is an excellent tool for developing passionate rental business champions, motivation and a good service attitude. It also enables us to ensure that we have the right competencies in the right place, develop competencies where they are needed and recruit the right people in order to achieve our operational goals and ensure high-quality customer service, says Ms Gunta Špīse, HR Manager at Cramo Latvia, Lithuania and Kaliningrad.

EMPLOYEES BY COUNTRY (FTE)
31 DECEMBER 2012 (2011)



- FINLAND 452 (647)
- SWEDEN 832 (830)
- NORWAY 223 (221)
- DENMARK 97 (124)
- CENTRAL EUROPE 327 (295)
  - GERMANY 295 (256)
  - AUSTRIA 29 (30)
  - HUNGARY 3 (2)
  - SWITZERLAND 0 (7)
- EASTERN EUROPE 623 (589)
  - ESTONIA 138 (127)
  - LATVIA 44 (37)
  - LITHUANIA 51 (48)
  - RUSSIA 191 (136)
  - POLAND 150 (179)
  - CZECH REBUBLIC 39 (50)
  - SLOVAKIA 10 (13)
- BELGIUM 1 (1)

GAINING INSIGHT

– It is a great initiative to gain insight in our workday and to improve efficiency, says Mr Henrik Geber, Project Manager at Peab, one of the Nordic region's leading construction and civil engineering companies, on Cramo employees working as apprentices at a customer site.

Develop Cramo People

3

MOTIVATED TO WORK

– The One Cramo Share Plan provides a great opportunity to invest money in the company I work at and increases the feeling of being part of a larger organisation. I find the shares to be an excellent way to invest and have a cushion for the future, notes Ms Gintarė Junevičiūtė, Marketing and Communications Manager at Cramo Lithuania.

– The conditions for participation were really inviting, so I found no reasons not to. Participating motivates me to invest maximum effort to realise company goals and grow company value, says Mr Aurimas Giedraitis, Project Manager at Cramo Lithuania.

The aim of the One Cramo Share Plan launched in 2012 is to encourage employees to become shareholders and reward them for their efforts in working towards Cramo's goals. At the same time, it builds further on the Cramo spirit, a common interest and understanding as well as strengthening the tie between Cramo shareholders and employees. About 22% of all employees across the Group enrolled in the plan in the first phase. Pages 42 and 89.

KEY FIGURES	2012	2011	Change, %
Average number of employees (FTE)	**2,664**	2,580	3.3
Number of employees at year-end (FTE)	**2,555**	2,707	-5.6
Total number of employees	**2,637**	2,809	-6.1
permanently employed	**2,520**	2,630	-4.2
temporarily employed	**117**	179	-34.6
women	**375**	381	-1.6
men	**2,262**	2,428	-6.8
Personnel expenses/ employee (EUR 1,000)	**54.0**	52.6	2.5
Personnel expenses/ sales, %	**20.9**	20.0	

GENERATING IDEAS

– Cramopol was found to be a good tool for communicating our strategy and way of working as well as for strengthening the Cramo team spirit. At the same time we got plenty of good ideas from our employees for practical improvements. For example, we have improved our spare parts logistics, invoicing and sub-rental processes based on these ideas, says Mr Ladislav Takac, Managing Director at Cramo Czech Republic and Slovakia, where Cramopol will be played again in 2013.

The Cramopol game project received an honourable mention at the Henkilöstöteko 2012 competition, organised under the theme "Innovative solutions for developing the work community" by the Finnish Association for Human Resource Management – HENRY ry and Ilmarinen Mutual Pension Insurance Company. The jury appreciated the fact that Cramo Group, operating in a traditional industry, has identified an optimal way to implement their strategy in practice.

FOCUS ON UNIFORM TRAINING AND DEVELOPMENT

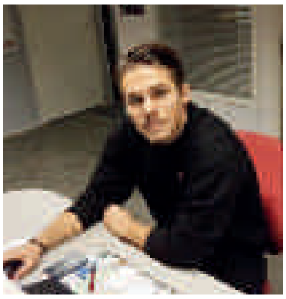
Following finalisation of the core concepts and models as well as support tools and templates in all HR focus areas, implementation was launched in 2011. In 2012 the focus at corporate HR shifted to further developing the unified training and career development framework. Implementation began in Finland, Sweden, Lithuania and Latvia in 2012.

HARMONISED PERFORMANCE MANAGEMENT MODEL

A harmonised Cramo Performance Management Model improves understanding and empowerment at the depot level as well as best practice sharing. By enabling benchmarking between depots in different countries, it promotes development of uniform high-quality customer experiences and improves performance and results.

IMMEDIATE ACTION WHEN NEEDED

– Continuous monitoring enables us to identify performance gaps at our depots. Increased empowerment and responsibilities allow us to decide on the immediate actions needed on a daily basis since key indicators monitor issues we can have an impact on at the depot level. A systematic way of working facilitates personnel management. Everyone knows better what is expected of them and how they are performing. At the same time people take more responsibility, and there is a better sense that your work really matters. Harmonised key indicators also increase cooperation since development ideas are exchanged between depots, says Mr Ville Karttunen, Depot Manager at Cramo Finland in Kuopio.



BETTER UNDERSTANDING

– A regular monthly performance review motivates me to always do my work in the best possible way. Concrete feedback about my work helps me to see changes I have to make in order to improve the overall performance of our depot. Yearly customer satisfaction surveys also help to keep customer service at a good level and in line with Cramo's way of working in all situations, says Mr Tuomas Haapala, an employee at Cramo Finland in Seinäjoki.

RESULTS THROUGH EMPOWERMENT

– The new management model is based on simplicity, depot-level empowerment, prioritisation and focus as well as on forward-looking analysis. With its implementation we will develop even better managers with an improved understanding of cause-effect relations, a proactive empowered management approach and improved daily management. Job satisfaction will increase as employees become more aware of their role in achieving the objectives, says Mr Wolfgang Stümpfl, Theisen Depot Manager in Munich.

Implement Cramo Performance Management

CONTINUOUS IMPROVEMENT AND LEARNING

The new management model, Cramo Performance Management, is the latest addition in the development of harmonised financial steering in Cramo Group, started in 2006. The aim is to develop a competitive advantage by creating a culture of continuous improvement and learning.

After a pilot carried out in Finland in 2011–2012, implementation was started in stages in Germany and Norway in 2012. Roll-out in stages will continue in all Cramo operating countries in 2013.

Drive Profitable Growth in Modular Space

5

STABILITY AND FLEXIBILITY

Modular space creates stability for Cramo's operations through long-term agreements and a more balanced and different customer portfolio. The aim is to ensure better services and provide solutions more efficiently and flexibly.

DELIVERED ON PROMISES

– Cramo offers an extensive range of rental solutions for accommodation and other buildings, as well as equipment and services used in all projects of this type. They also have the capacity to be our partner in most markets. Together we are able offer complete rental solutions for customers in the construction of large-scale power plants, notes Mr Aaron Michelin, CEO of Enersense International.

– With our extensive range of modular space solutions we can offer temporary premises cost-effectively for the short- or long-term based on the customer's needs, without having to sacrifice standards, comfort or the environment. Since space can be reduced or expanded depending on those needs, investments in premises can be kept to a minimum, says Mr Petri Moksén, Senior Vice President, Modular Space at Cramo.

In addition to continuous product and service development Cramo has strengthened cooperation in the Nordic countries in order to enhance the transfer of know-how and increase efficiency in fleet procurement and management.

FURTHER IMPLEMENTATION CONTINUES

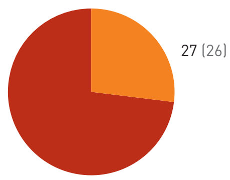
Implementation of the new standardised modular space concept has progressed according to plan. By the end of 2012, a platform for growth was in place in the Nordic countries. In 2013, further implementation will continue, especially in Norway and Denmark, while capitalisation on the potential in Central and Eastern Europe will be started.

In March, Cramo divested its non-core modular space activity – the production and customised modular space rental businesses in Finland. The divestment freed up management resources and capital for further development of the standardised modular space rental business and its geographical expansion.

TEMPORARY FACILITIES QUICKLY

– We had to get temporary office facilities fast for our technical department at Gardermoen Airport in Oslo. As we looked for potential suppliers, we also used Cramo's web solution to create our own office space and got a proposal together with an offer within a few days of our request. A good working environment for our employees was another important criterion. Despite the tight schedule Cramo delivered on time, and we are satisfied with their service, says Mr Mats Torbiornsson, Technical Manager at the Norwegian Air Ambulance.

SALES OF MODULAR SPACE 2012 (2011)
% OF GROUP SALES



Sales includes both construction and non-construction modular space.

CRAMO CARE – HARMONISED APPROACH TO SUSTAINABILITY

By helping its customers to meet their sustainability targets, developing market-leading sustainability services in cooperation with key customers, offering attractive working conditions and having high environmental standards in its customer offerings, Cramo creates performance excellence and competitive advantages.

Sustainability at Cramo means responsiveness to customer needs, development of sustainable products and services and conducting all operations with sustainability considerations.

At Cramo fair and mutually rewarding relations with all stakeholders form the platform for value creation and sustainable business. Sustainability management is based on the UN Global Compact as well as Cramo's Code of Conduct and Quality, Safety and Environment policies. Cramo has developed Group-level policies within the frame of the UN Global Compact and Cramo Care, a Group-wide sustainability program. The implementation of sustainability work is decentralised and adapted to the local business environment.

www.cramo.com > Sustainability

DEVELOPMENTS IN 2010–2011	TARGETS FOR CRAMO CARE	ASSESSMENT OF DEVELOPMENTS IN 2012	PRIORITIES FOR 2013
• A common framework for sustainability – Cramo Care – developed, with roadmap and organisation • First implementations in business plan carried out in Sweden • A pilot report based on the Global Reporting Initiative (GRI) completed in Sweden	**Become the leader in responsibility and customer care**	• Further development of the framework, such as identifying focus areas of key stakeholders www.cramo.com > Sustainability • Step-by-step implementation and adaptation of Cramo Care and quality, safety and environment Action List in operating countries, such as OHSAS 18001 certificate for Cramo Sweden, ISO 14001 certificate for Cramo Finland • New sustainability section on the corporate website • GRI-based reports in Sweden and Norway	• Further roll-out of Cramo Care • Develop common GRI-based KPIs and implement them in all countries • Implement model for misconduct reporting ("whistleblowing") • GRI-based sustainability reporting at the Group level in the Nordic countries • UN Global Compact compliancy included for supplier chain management

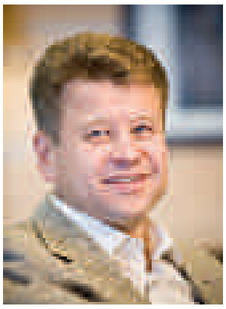
GOOD EMPLOYEE CARE

– Cramo is a company with a good reputation, and our team is great and friendly to work with. I like working at Cramo because it offers continuous growth and learning opportunities. I like to be involved in different projects that will enhance my skills, and new challenges make work interesting and gratifying", says Mr Rait Hiie, Depot Manager of Construction Machinery, with 17 years of experience at Cramo Estonia.

Pages 20–21.

GOOD CUSTOMER CARE

– Our aim is to develop passionate rental champions that understand customers' needs and take good care of them. In order to identify any difference between customers' expectations and our performance and focus our development activities in the right places, we carried out a sustainability survey with the Swedish Institute in 2011. As a result, we started preparing for the implementation of QSE standards in LitLat, explains Mr Darius Norkus, Managing Director at Cramo Lithuania, Latvia and Kaliningrad.



CRAMO'S ECONOMIC IMPACTS IN 2012

GENERATION OF ADDED VALUE

Customers
- Cramo provides machinery and equipment rental, rental-related services and rental of modular space
- Over 150,000 customers in 14 countries

EUR 688.4 (679.9) million

Suppliers of materials and services
- Materials, services and other purchases from local and global suppliers EUR 373.6 (387.2) million
- Gross capital expenditure EUR 124.3 (147.1)[1] million

EUR 497.9 (534.3) million

CRAMO

DISTRIBUTION OF ADDED VALUE

EUR 39.6 (32.5) million

Owners and financial community
- 9,096 shareholders
- Dividends EUR 12.4 (3.2) million
- Interest on hybrid capital EUR 6.0 (6.0) million
- Financial expenses EUR 21.3 (23.4) million

EUR 112.4 (105.7) million

Personnel
- Cramo employed an average of 2,664 (2,580) people
- Women accounted for 14.2% (13.6) of personnel on 31 Dec 2012

EUR 43.0 (41.9) million

Public sector and society
- Cramo's taxes, pension expenses and social security charges

1 Excluding acquisitions

HIGH STANDARDS

Health, safety and the work environment are on the agenda four times a year when Cramo and Veidekke meet.

– A unique proactive collaboration with regular face-to-face meetings to also monitor health and safety issues. The most important thing is that Cramo's personnel have acted quickly in an exemplary manner to address issues we raised instead of digging "trenches" and meeting only when we have a serious conflict. Cramo's training of our employees in operating lifts is another good example of proactive safety work in our relationship, says Ms Elisabet Langbråten, HSE Manager at Veidekke Construction AB, Bygg Stockholm, in Sweden.

– Safety and the working environment have a central role in the industries we operate in. We create benefits for both customers and employees through new sustainable services and solutions as well as through concepts to reduce the risk of accidents, emergencies and injuries. Our three certificates in the area, ISO 9001 on quality, ISO 14001 on environment and OHSAS 18001 on safety, show that we are a credible partner, says Ms Marika Örnstlig, Safety Coordinator at Cramo Sweden.

– Our aim is to effectively minimise the environmental impact caused by processes, products and services such as new energy-efficient modular space solutions. By taking care of environmental and quality issues in our operations, we help our customers to meet their sustainability targets, notes Ms Mirja Juslin, Quality Manager at Cramo Finland where ISO 14001 and ISO 9001 are certified and OHSAS 18001 is under way.

SUPPORTING CHILDREN

On the Group level Cramo continued its support as an international partner of SOS Children's Villages, and most operating companies also participated in more local projects as part of the company's social responsibility program.

▶ www.cramo.com > Sustainability > Cramo Care > Community Care

LONG-TERM GROWTH POTENTIAL IN RENTAL

Despite the economic recession, Cramo believes that the positive long-term growth drivers of the equipment rental industry have remained essentially unchanged.

RENTAL GROWTH DRIVERS

DRIVER	CHANGE FROM 2011[1]	DEVELOPMENTS ...IN 2012	...STARTING IN 2013
Growing construction market	↔	Uncertainty in the economy slowed down growth. Significant variation between Cramo countries is anticipated, from growth of approximately 10% in the Baltic countries to a decline of about 2–4% in Finland and Sweden and over 13% in Slovakia.[2]	Moderate growth anticipated in most Cramo countries. In the long term, there is growth potential in construction, especially in Eastern European markets.[2]
Increasing rental penetration	↗	Despite uncertainty, demand for equipment rental grew faster than construction output in the main Cramo market areas.[2,3]	Use of rental in construction is expected to increase, especially in Central and Eastern Europe, where rental is still in its infancy compared to other countries.[1,3]
Outsourcing	↗	Interest in fleet outsourcing continued among construction and industrial companies, in the Nordic countries in particular, since it frees up capital and increases flexibility.[1]	The trend is expected to continue both in the short and long term.[3]
Technological innovation	↗	General replacement of manpower in technology continued in construction.[1]	The trend is expected to continue both in the short and long term. The need for efficiency and sustainable rental solutions is expected to remain highest in more mature markets.[1]
Rental-related services	↗	Demand for rental-related services continued to increase in mature markets.[1]	The trend of purchasing an increasing volume of rental-related services from rental companies is expected to continue.[1]
Demographic changes	↗	Population growth with increasing migration, urbanisation and ageing continued to drive growing demand for improved infrastructure and for more flexible solutions, creating demand for modular space.[1]	The trend is expected to continue both in the short and long term.[1]
Consolidation	↔	Markets awaiting consolidation.[1]	Moderate level of consolidation is expected to continue.[1]

1 Management estimate
2 Euroconstruct, November 2012
3 European Rental Association, European Equipment Rental Industry 2012 Report

WHAT THE EXPERTS SAY ABOUT...

THE TRENDS IN 2012...

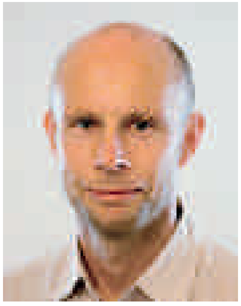
How would you describe trends in Cramo's market in 2012? What were the driving forces?

THE TRENDS STARTING IN 2013...

What do you believe the trend will be in Cramo's market from 2013 onwards? Challenges and opportunities?

The European construction industry is struggling. In the most affected markets we have not seen any recovery since the financial crisis, and in 2012 investments declined on all fronts. The Nordic region is more robust thanks to a large and stable R&M market, and the public sector economy is still strong enough to get most projects started according to plan.

The activity should turn slightly to the better in 2013, but we do not expect a swift recovery, and how the Eurozone turbulence is handled will be decisive for short- and mid-term growth potential. The negative risks are mainly connected to how domestic demand and the labour market develop. The most important markets for Cramo (the Nordic countries, the Baltics and Germany) are among the European countries that should perform better than average in the coming years.



Bengt Henricson
Partner Prognoscentret AB and Swedish representative of Euroconstruct

Construction contractors in Europe will not look back fondly on 2012. Forecasts for the industry indicate that construction activity fell by about 2% over the course of the year. This made it the only region in the world where the construction industry has slipped back into recession following the crash of 2009 and subsequent rebound.

The market is now at least 20% smaller than at the peak in 2007 and 2008, and there is little prospect of a recovery before 2014.

The complete article www.cramo.com > Investors > Market data > Expert view.

European GDP is expected to show marginal growth in 2013, but it remains to be seen whether the region's construction sector will grow. Although key markets for Cramo such as Sweden, Finland, Germany and Norway have not been as badly affected as the peripheral countries in Southern Europe, the outlook is not particularly buoyant for these regions either.

The fact is that there is so much economic uncertainty in the world that it is very difficult to forecast market conditions. This has a dual impact, because uncertainty discourages companies from investing, which pushes down investment, including investment in the built environment.

Chris Sleight
Editor
International Construction

The positive performance of the rental business in 2012 more or less met our expectations, although our expectations for both consolidated sales and profitability were higher at the beginning of the year. In spring of 2012, we lowered our expectations for the construction sector in the Nordic countries, which naturally also had an effect on expectations for the rental business as a whole. While the positive trend in consolidated sales was interrupted, in my opinion, this can even be seen as favourable since it resulted in decreased capital expenditure in the industry, thus reducing the risk of overcapacity.

To my knowledge, organic growth in consolidated sales will remain at a similar level as in 2012, if not slightly lower. Nonetheless, I believe there is room for increased profitability if companies focus on strict cost management. Cramo will certainly keep this in mind. Cash flow, which is crucial to investors, will be quite good because the desire to boost capital expenditure is weak among operators in the industry. In this regard, the largest companies in the business are likely to have the best potential to further develop their operations.

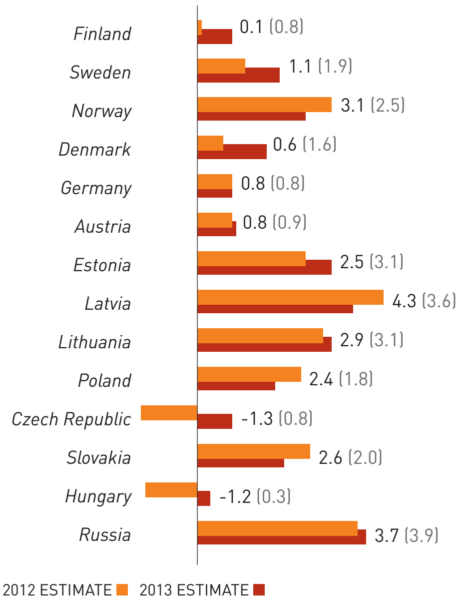
Tommy Ilmoni
Company Analyst, Carnegie Investment Bank AB, Finland Branch

RENTAL MARKET OVERVIEW:

MODERATE GROWTH PROJECTED IN RENTAL

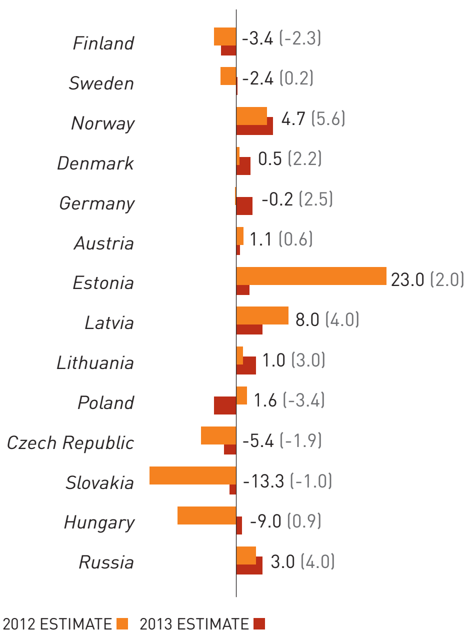
After stagnation in the first quarter of 2012, the euro area economies contracted in the second quarter, reflecting a decrease in domestic demand and lower net export growth. A dampening of confidence levels was reflected in lower rental activity in most of Cramo's main markets. The outlook for 2013 remains challenging.

GDP (REAL) GROWTH
CONSTANT PRICES %



Source: European Commission Economic Forecast, Autumn 2012

CONSTRUCTION OUTPUT (REAL) GROWTH
CONSTANT PRICES %



Source: Euroconstruct, November 2012 / VTT, December 2012

WHERE THE MARKETS WERE IN 2012

GDP GROWTH: FROM CONTRACTION...

The ongoing post-financial crisis correction continued to weigh heavily on economic activity in the EU, and economic sentiment resumed its decline, dropping significantly in the summer months. For 2012 as a whole, GDP is expected to contract by almost 0.5% in the euro area.[1]

In Cramo's market area, economic activity is expected to vary considerably as a result of the legacy of the credit and housing boom as well as different degrees of openness to, and orientation of, international trade.

Growth in excess of 2% is anticipated in Norway, the Baltic countries, Poland, Slovakia and Russia, as Latvia leads the way with expected growth of 4.3%. While the other Nordic countries, Germany and Austria are expected to have experienced modest GDP growth of between 0.1% and 1.1%, a slight decline is expected in Hungary and the Czech Republic.[1]

CONSTRUCTION OUTPUT: A YEAR OF DECLINE...

Heavily negative sentiment continued in 2012 in Europe and is expected to have resulted in a decline of 4.7% in construction output.[2]

Regional differences in the rate of construction recovery remained significant. In Cramo's markets, the Baltic countries, Russia and Norway are expected to post growth rates of between 3% and 9% a year on average thanks to a positive contribution from all construction sectors. However, in Finland, Sweden, the Czech Republic, Slovakia and Hungary, declines in excess of 2% are anticipated. In Finland, the decline is expected to be attributable to all construction sectors, whereas in Sweden the contraction is believed to be predominantly due to a clear drop in residential construction. Construction growth in the rest of the Cramo countries is projected to vary between flat and modest.[2]

RENTAL MARKET: FROM DAMPENED CONFIDENCE WITH HIGH REGIONAL VARIATION

The dampening of confidence levels in Europe's rental sector evident since the summer of 2011 – associated with the euro zone debt crisis – continued in the fourth quarter of 2012 with about a third of companies reporting worsening conditions. As a result of the cloudier economic environment, the European rental market is forecast to have grown by only 0.1% in 2012.[3]

The national rental markets across Europe remained fairly heterogeneous. Cramo's markets generally performed satisfactorily, with the strongest growth in 2012 estimated to have taken place in Norway, Russia and the Baltic countries. In general, price pressure again increased in 2012.[3]

Moderate merger and acquisition (M&A) activities continued in most countries as market consolidation continued.[3]

AND WHERE THEY ARE GOING IN 2013

...TOWARDS MODERATE ECONOMIC GROWTH

As a result of gradual restoration of confidence, GDP in the euro area is expected to start growing again after the turn of the year and gradually move towards moderate expansion. Given the weak starting point, the gradual recovery getting underway in 2013 will result in unchanged annual GDP in the euro area. Positive results from the ongoing adjustment of imbalances and recently undertaken structural reforms are expected to start materialising in 2014 and result in GDP growth of around 1.5% in 2014.[1]

Wide cross-country divergences in outlook are also anticipated in 2013, with the Baltic countries and Russia projected to see the highest gains in GDP in 2013. Essentially every economy in Cramo's market area is expected to grow moderately, ranging from 0.3% in Hungary to 3.9% in Russia.[1]

...WITH NO REAL INCREASE IN ACTIVITY SEEN BEFORE 2014

Forecasts for 2013 indicate slightly positive but fragile growth in construction in most of Cramo's markets. Growth in excess of 2% a year on average is expected in the Baltic countries, Russia, Denmark, Germany and Norway, while Sweden is expected to have only moderate growth. In Norway and Denmark, the growth is expected to be driven by all construction sectors whereas construction in Germany and the Baltic countries is projected to benefit from the growing residential segment. In Sweden, on the other hand, the slightly negative trend in civil engineering and non-residential construction is expected to be nearly offset by moderate growth in residential construction.[2]

The Czech Republic, Slovakia, Poland and Finland are likely to struggle with recovery. In Finland, the decline is projected to be attributable to contraction in residential and non-residential construction, with growth in civil engineering expected to remain flat, while in Poland declines in all construction sectors are anticipated.[2]

Overall, construction activity in Europe is expected to see no real increase in activity before 2014.[2]

...TO MODERATE RENTAL GROWTH

In 2013, only moderate growth in rental volumes is expected in most of the Cramo countries. Exceptionally high growth, as seen in some countries in 2011–2012, is not likely to be repeated. Furthermore, the cloudy economic outlook is likely to have a downward impact on rental volumes.[3]

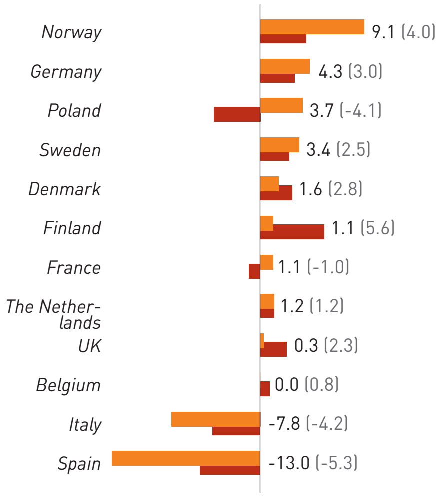
Cramo's largest markets, the Nordic countries and Germany, are expected to continue growing at 2–5%, while growth in other Cramo markets is forecast to remain lower. The Polish market is even expected to decline because of significant decreases in public infrastructure spending and weak private demand. In Russia, renting is expected to increase, with an average growth rate of 7–10%.[3]

Rental companies are expected to remain cautious on investments in 2013.[3]

Despite the risks stemming from a difficult economic and political context, there are indications that rental penetration rates will increase in the long term.[3]

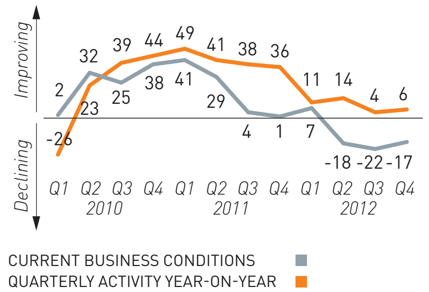
M&A activities are expected to continue.[3]

GROWTH IN RENTAL TURNOVER
(NOMINAL) CURRENT PRICES %



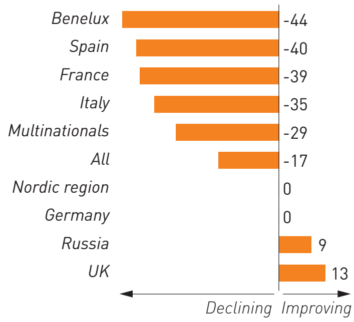
Source: European Rental Association, European Equipment Rental Industry 2012 Report, November 2012

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



Source: European Rental Association/KHL, January 2013

REGIONAL RENTAL BUSINESS CONDITIONS IN EUROPE Q4/2012 % (BALANCE BETWEEN POSITIVE AND NEGATIVE OPINIONS)



Source: European Rental Association & KHL, January 2013

1 European Commission Economic Forecast, Autumn 2012
2 Euroconstruct, November 2012 and VTT, December 2012
3 European Equipment Rental Industry 2012 Report, November 2012

STRATEGIC CORNERSTONE:
BEST IN TOWN

BEST SERVICE

– Cramo's standards, flexibility, values and wide offering of services and products at a reasonable price were ideal for us. Their depot is close by, and their team understands our needs and always finds the most appropriate solution. And in modular space solutions they are clearly the strongest. Our cooperation with Cramo has been really successful from the very beginning of the project. Mr Ingus Kaprāns, Project Manager, Fortum Biofuel Combined Heat and Power Plant (CHP) in Jelgava, Latvia

– Rental business is a local business. A strong local market position enables the best service and offering. It has been so much easier for us to build and maintain this strong local position as a part of the Cramo Group. Mr Jurij Vasiljev, Head of Sales, Cramo Lithuania, Latvia, Kaliningrad

The new biofuel combined heat and power (CHP) plant in Jelgava will be the most modern and technologically advanced CHP plant in Latvia to use renewable energy resources. The plant's annual production will be about 230 GWh of heat and 110 GWh of electricity when it is completed in 2013.

Cramo started as a major rental supplier for all contractors on the Jelgava plant site in 2011. In the early phase of the project, it supplied building site facilities. Since then Cramo has delivered more than 50 modules and a wide range of equipment, machinery and services.

IMPROVED OPERATIONAL EFFICIENCY AND PROFITABILITY IN FINLAND

Cramo succeeded in improving both its operational efficiency and customer service in Finland. A strong market position was maintained in the construction industry and enhanced in industrial maintenance. As a result profitability improved in a weakening market environment.

CLOSER TO THE CUSTOMER

In 2012, Cramo focused on strengthening the role and competencies of first-line managers and implementing its Performance Management Model in all rental depots. Page 22. Customer relationship management was further developed with the aim of enhancing seamless cooperation with depot and sales networks and focusing more on small and medium-size customers. Further vocational training for sales personnel was continued.

The position in industrial maintenance was strengthened and Cramo signed agreements, for example with Metso Corporation, to centralise its fleet management and related installation services with Cramo. A long-term agreement with Enersense was signed on complete rental solutions for accommodation, offices and other buildings as well as construction equipment.

– Cooperation with Cramo will increase efficiency in our fleet management and reduce logistics costs in particular. We will expand it from Finland to other countries in Europe in the near future, says Mr Henri Mäkelä, Sourcing Manager, Indirect Procurement at Metso Corporation.

NEW VALUE-ADDED OFFERINGS

A new rental concept, Cramo Security, a portal improving property security and access control at sites, was introduced. New harmonised energy-efficient modular space applications for school and day care were well received.

– With Cramo Security service we can ensure that unauthorised people cannot enter the worksite and we know who moves at our worksite. In addition to electronic access control, the service allows us to comply with the Finnish Act on the Contractor's Obligations and Liability, among other things, downloading required reports directly from the database. We also use the service in site orientation and print electronic site access cards with photos from it, says Mr Mikko Yrtti, Site Engineer at Lemminkäinen Talo Oy's worksite for KPMG premises in the Helsinki city center.

FLEXIBILITY AND EFFICIENCY INCREASED

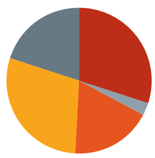
Improvements in project operation efficiency introduced in February such as developing the subcontracting process for modules and integrating modular space processes with rental processes were reflected in increased efficiency and improved process transparency. A new electronic tool, Handyman, for work order planning and reporting aimed at running work tasks faster and more effectively was piloted to be fully rolled out by March 2013. Work on environmental processes was rewarded with the ISO 14001 certificate. Certification for OHSAS 18001 was started. Page 25.

SALES DOWN, EBITA UP

	2012	2011	Change, %
Sales, MEUR	**112.7**	127.6	-11.7
EBITA, MEUR	**21.0**	20.2	3.6
EBITA, %	**18.6**	15.9	
Gross capital expenditure, MEUR	**23.6**	27.6	-14.5
Number of depots	**55**	55	0.0
Number of employees at year-end	**428**	623	-31.3

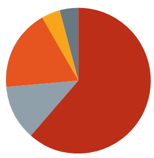
Sales decreased as a result of weakening demand in construction and the divestment of Cramo's modular space production and customised modular space rental business. Demand for modular space was steady year-on-year. Thanks to efficiency improvements profitability improved. Fleet utilisation rates remained at a good level.

SALES BY PRODUCT GROUP 2012 (2011)
% OF SEGMENT SALES



- TOOLS 30 (31)
- CONSTRUCTION EQUIPMENT 3 (3)
- ACCESS EQUIPMENT 18 (18)
- MODULAR SPACE 29 (36)
- RENTAL-RELATED SERVICES AND OTHER 20 (12)

SALES BY CUSTOMER SEGMENT 2012 (2011)
% OF SEGMENT SALES



- CONSTRUCTION INDUSTRY 61 (57)
- OTHER INDUSTRY 12 (12)
- PUBLIC SECTOR 18 (23)
- HOUSEHOLDS 4 (4)
- OTHER 4 (4)

GOOD PERFORMANCE IN SWEDEN

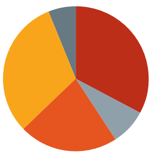
Activities aimed at promoting operational excellence further improved customer service and delivery times as well as internal efficiency in Sweden. The clear leading position was maintained and good results were achieved given the market situation.

SALES UP, EBITA STABLE

	2012	2011	Change, %
Sales, MEUR	322.4	308.9	4.3
EBITA, MEUR	57.6	58.0	-0.8
EBITA, %	17.9	18.8	
Gross capital expenditure, MEUR	55.2	93.5	-41.0
Number of depots	124	128	-3.1
Number of employees at year-end	793	791	0.3

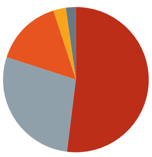
New construction activity began to decline in the second quarter, which was also reflected in the demand for equipment rental services. Demand remained good in the Stockholm and Gothenburg regions and in northern Sweden. Rental periods generally became shorter. Demand for modular space remained steady. As a result of adjustments, profitability stayed at the 2011 level. Fleet utilisation rates were good.

SALES BY PRODUCT GROUP 2012 (2011)
% OF SEGMENT SALES



- TOOLS 33 (32)
- CONSTRUCTION EQUIPMENT 8 (9)
- ACCESS EQUIPMENT 22 (23)
- MODULAR SPACE 31 (29)
- RENTAL-RELATED SERVICES AND OTHER 6 (6)

SALES BY CUSTOMER SEGMENT 2012 (2011)
% OF SEGMENT SALES



- CONSTRUCTION INDUSTRY 52 (53)
- OTHER INDUSTRY 28 (28)
- PUBLIC SECTOR 15 (15)
- HOUSEHOLDS 3 (3)
- OTHER 2 (2)

BETTER SERVICE, MORE EFFICIENCY

In 2012, Cramo increased its operational efficiency with various activities. For example, in the Malmö and Gothenburg areas, new call centres were opened to reduce waiting times and improve transport coordination. Specialist crews were set up to ensure quick deliveries from hubs. The lean management concept, aimed at improving efficiency and professionalism in customer service, was rolled out in all depots in the Stockholm area and a pilot of the new Speed Rental concept, shortening the customer's rental process by improving internal efficiency, was launched.

– There is no need to visit the depot since my calls are answered very quickly with competence and equipment delivered promptly to the site. Better coordination of delivery is also good for the environment, says Mr Emil Norén, Site Manager at JM and Cramo's customer in southern Malmö.

BEST IN TOWN POSITION STRENGTHENED

Cramo increased its cooperation with most of its major customers. For example, in Kiruna, Cramo today operates as many as three depots, both above and under ground. New project agreements were signed, for instance, on power plant projects in Växjö and Malmö. The position in southern Sweden was strengthened by acquiring the rental fleet and brand of Maskincity i Oskarshamn.

– We have positive long-term experience of working with Cramo. They are flexible and responsive to our requests as a customer, and they can meet many different types of service commitments, notes Mr Kjell Olovsson, Project Leader KUJ 1365 at LKAB Kiruna.

NEW DEPOTS AND SERVICES

Cramo Express, a new type of depot designed for the city centre environment Page 18 and a solution for monitoring and controlling workplace humidity and temperature via a mobile phone were launched. New express depots were opened in Stockholm and in two Malmö locations. In May, Cramo Sweden was awarded the OHSAS 18001 certificate. Page 25.

STRONG PLATFORM FOR PROFITABLE GROWTH IN PLACE IN NORWAY

In Norway 2012 was marked by change and restructuring with the aim of improving profit. As a result, with a strong platform now in place, good progress was achieved and Cramo is prepared to grow and take the next step towards operational excellence.

FOCUS ON CUSTOMERS AND COMPETENCES

Activities aimed at improving customer service and efficiency continued. Sales training was organised, the organisation was further developed and a new managing director started in May while the strengthening of the product organisation launched in 2011 was completed. Integration of Stavdal Utleiesenter AS, one of the leading rental companies in the Oslo area, was completed. In December Cramo announced that it was in the process of acquiring the rental business operations of Lambertsson and Kranpunkten and increasing cooperation with Peab.

– In the bid request process for a professional rental partner, Cramo stood out as the most professional and proactive participant. We found that Cramo understood our needs and demonstrated an ability and willingness to develop cooperation, explains Ms Linda Milford, Chain and Procurement Coordinator at Polygon, the largest player in the fire and water damage restoration business in Norway.

MODULAR SPACE STRENGTHENED

The organisation for site huts and modular space was reinforced with a temporary competency transfer from Sweden in the form of a senior advisor as well as new recruits. The environmentally-friendly, energy-saving modular space solutions were well received in markets. The market position in both site huts and modular space was strengthened.

– Mesta has chosen to outsource its need for site huts and machinery because this gives us a more cost-effective solution. Our main criterion has been to choose a professional partner with the right customer focus and understanding of project challenges. For the past seven years, Cramo has provided us with excellent service and flexibility in a way that secures further success in our future cooperation, says Mr Leif L. Ludvigsen, Executive Vice President of Mesta.

EFFICIENCY IMPROVED

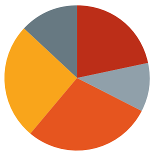
Implementation of the Group's new enterprise resource planning and reporting system was finalised in Q2 and has already improved efficiency and transparency. A tool resource centre was established in the Oslo region to improve the tools offering, and the centralising of fleet repair and maintenance operations was started. To respond to the operating environment and improve cost efficiency, the depot network was streamlined and three depots were closed.

SALES RECOVERED, EBITA IMPROVED

	2012	2011	Change, %
Sales, MEUR	**84.2**	79.3	6.2
EBITA, MEUR	**5.3**	0.9	515.6
EBITA, %	**6.3**	1.1	
Gross capital expenditure, MEUR	**10.9**	26.2	-58.4
Number of depots	**31**	34	-8.8
Number of employees at year-end	**223**	221	0.9

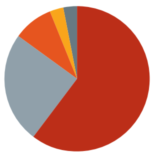
Increased construction activity and equipment rental in general was reflected in sales. Demand for modular space was at a good level. Cramo executed a turnaround plan initiated last year and closed weakly performing businesses and projects. Profitability improved thanks to a successfully executed turnaround plan, tight cost control and a better market situation. Fleet utilisation rates improved to acceptable levels in most areas.

SALES BY PRODUCT GROUP 2012 (2011)
% OF SEGMENT SALES



- TOOLS 22 (20)
- CONSTRUCTION EQUIPMENT 11 (11)
- ACCESS EQUIPMENT 29 (25)
- MODULAR SPACE 26 (28)
- RENTAL-RELATED SERVICES AND OTHER 13 (16)

SALES BY CUSTOMER SEGMENT 2012 (2011)
% OF SEGMENT SALES



- CONSTRUCTION INDUSTRY 61 (58)
- OTHER INDUSTRY 25 (26)
- PUBLIC SECTOR 9 (9)
- HOUSEHOLDS 3 (3)
- OTHER 3 (4)

FURTHER RESTRUCTURING IN DENMARK

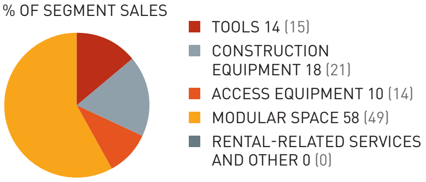
Cramo continued to further optimise organisation towards a lean operational set-up in selected locations according to its Best in Town strategy. The modular space business grew in line with targets with a significant Copenhagen metro camp project, which proceeded according to plan.

STRONG SALES GROWTH, EBITA IMPACTED BY RESTRUCTURING

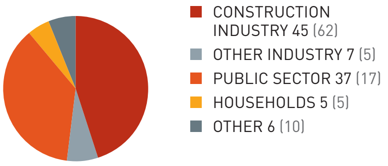
	2012	2011	Change, %
Sales, MEUR	**37.7**	35.0	7.8
EBITA, MEUR	**-5.0**	-2.1	135.6
EBITA, %	**-13.3**	-6.1	
Gross capital expenditure, MEUR	**2.4**	5.5	-55.4
Number of depots	**7**	20	-65.0
Number of employees at year-end	**97**	124	-21.8

Sales increased as a result of significant modular space sales deliveries and a long-term rental agreement signed with the Copenhagen Metro project as well as modular office and site space delivery to the Esbjerg harbour area. EBITA decreased as a result of restructuring costs and a deteriorating market situation. EBITA includes EUR 2.1 million in non-recurring expenses related to restructuring operations. Fleet utilisation rates were at a good level except for access equipment, where prices were increased substantially. In general, prices for many product areas were still relatively low.

SALES BY PRODUCT GROUP 2012 (2011)
% OF SEGMENT SALES



SALES BY CUSTOMER SEGMENT 2012 (2011)
% OF SEGMENT SALES



FURTHER ACTIONS TO IMPROVE PROFITABILITY AND EFFICIENCY

In late 2012, Cramo took further action to respond to challenging market conditions in Denmark. Under its Best in Town strategy eleven depots were closed and operations were centralised in seven locations. A smaller footprint in the strongest locations enables improved cost efficiency and a reduction in indirect costs. The total decrease in the depot network in 2012 was thirteen, since two depots were already closed earlier in the year. During the year operational efficiency was improved with further enhanced fleet management and logistics as well as centralised price and discount management.

FOCUS ON THE DEPOT LEVEL

A new, local performance management tool with an incentive model was implemented. It enables a structured focus on the depot management level and increases transparency between depots. Customers have benefitted considerably, since the combined transparency and incentive system has enabled and encouraged more efficient use and delivery of equipment than previously.

– We chose Cramo as our key rental supplier for the Copenhagen Metro project given our positive history, with Cramo supplying us equipment and site facilities for many years. Although Cramo had only been contracted to deliver site huts, Cramo is now also delivering tools and equipment, says Mr Kenneth Møller, Senior Project Manager at the Danish construction company CG Jensen.

QUALITY ELEVATED IN MODULAR SPACE

When a combined modular space and site huts hub in the Copenhagen area ramped up in full during the first quarter of the year, the quality of the site huts was elevated to an outstanding level. The market position in site huts was strengthened and demand for modular space increased. For example, Cramo delivered the first phase of a camp with accommodation and recreational facilities for 373 people working for the Copenhagen Metro Team. The modules were transferred internally from Sweden. Page 38.

The new customer-focused organisation started as of 1 January. The product portfolio was further developed to match market demand by focusing more on tools and exploiting the size of the Group and cooperation between operating countries. As a result the fleet has been renewed and expanded. At the same time fleet maintenance processes have been improved.

TRANSFORMATION WELL UNDER WAY IN CENTRAL EUROPE

2012 was a year of transformation and restructuring for Cramo in Central Europe. Modification of operations based on the Cramo Rental Concept and Best in Town strategy got well under way. A redesigned structure, an expanded offering of products and services and the development of fleet optimisation and process harmonisation create efficiency and improve customer service.

REDESIGNED ORGANISATION

The change in business model was further implemented. Operations were modified throughout Central Europe. The depot network was further reshaped and operations were further centralised in areas with a strong economy. In Germany, the depot network was expanded by four new depots while five small unprofitable depots were closed. One depot was closed in Austria, and operations in Switzerland were terminated. The German organisation was merged into one company.

– We appreciate Theisen's flexibility, fair rates, quick availability of machines and all-around customer service. That is why we have developed our cooperation with them for more than 3 years, says Mr Andreas Scholtz, Site Manager at Saule GmbH, who is in charge of the redesign of Olbrichtplatz, the square in front of the military history museum in Dresden.

PROACTIVE APPROACH, EXPANDED OFFERING

The fleet and service offering was increased in selected Best in Town areas. Two new access equipment centres were opened and the tools offering was further enhanced. New dedicated resources were recruited, and ramp-up of a proactive customer-focused organisation was initiated with a pilot in Munich. Page 18. Implementation in other areas began.

– Cramo's depots are located nearby so it is easy to drop in. With their extended product range we can get all the equipment we need from one place and return it to the nearest depot on time, says Ms Laura Lammel, Managing Director of Lammel Bau Munich.

INCREASED HARMONISATION

Fleet optimisation continued. HR processes, reporting and monitoring were harmonised. Implementation of the Cramo Performance Management Model and new management practices to improve customer service and results was launched. Page 22.

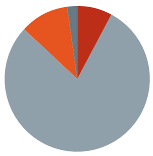
SALES AND EBITA DECREASED

	2012	2011	Change, %
Sales, MEUR	**67.0**	71.2	-6.0
EBITA, MEUR	**-0.2**	3.7	-106.4
EBITA, %	**-0.4**	5.2	
Gross capital expenditure, MEUR	**19.6**	90.0	-78.3
Number of depots	**88**	96	-8.3
Number of employees at year-end	**327**	295	10.8

General economic uncertainty in Germany and Austria decreased demand for civil engineering, the focus of Cramo's product and service portfolio in Central Europe, which affected sales. Modification of operations to fit the Cramo Rental Concept and centralisation of operations according to the Best in Town strategy had an adverse effect on both sales and profitability during the transition period. The harsh winter slowed down construction activities in the beginning of the year, which was also reflected in profitability. Fleet utilisation rates were at a relatively good level.

SALES BY PRODUCT GROUP 2012 (2011)

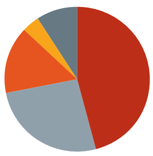
% OF SEGMENT SALES



- TOOLS 8 (10)
- CONSTRUCTION EQUIPMENT 79 (74)
- ACCESS EQUIPMENT 11 (11)
- MODULAR SPACE 0 (1)
- RENTAL-RELATED SERVICES AND OTHER 2 (4)

SALES BY CUSTOMER SEGMENT 2012 (2011)

% OF SEGMENT SALES



- CONSTRUCTION INDUSTRY 46 (46)
- OTHER INDUSTRY 26 (26)
- PUBLIC SECTOR 15 (15)
- HOUSEHOLDS 4 (4)
- OTHER 9 (9)

PROFITABILITY UP IN EASTERN EUROPE

In Eastern European markets Cramo focused on developing better services reflecting customer needs and having solid platforms in place for further operational efficiency. Its position was strengthened while profitability and efficiency trends were favourable in most of the countries.

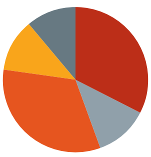
SALES GREW, EBITA IMPROVED

	2012	2011	Change, %
Sales, MEUR	70.3	66.6	5.5
EBITA, MEUR	6.7	1.7	293.6
EBITA, %	9.6	2.6	
Gross capital expenditure, MEUR	12.5	18.0	-30.4
Number of depots	71	76	-6.6
Number of employees at year-end	623	589	5.8

Sales performance was good in Russia, Estonia and Latvia. The harsh winter in Central Europe reduced construction activity and demand for rental services in Poland, the Czech Republic and Slovakia. Due to a continued decline in demand, Cramo adjusted its operations in these markets. Profitability improved as a result of earlier adjustments, higher fleet utilisation rates and good demand, particularly in Estonia and Russia.

SALES BY PRODUCT GROUP 2012 (2011)

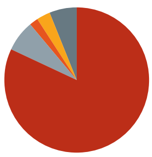
% OF SEGMENT SALES



- TOOLS 33 (35)
- CONSTRUCTION EQUIPMENT 12 (14)
- ACCESS EQUIPMENT 33 (36)
- MODULAR SPACE 12 (9)
- RENTAL-RELATED SERVICES AND OTHER 11 (6)

SALES BY CUSTOMER SEGMENT 2012 (2011)

% OF SEGMENT SALES



- CONSTRUCTION INDUSTRY 82 (86)
- OTHER INDUSTRY 7 (5)
- PUBLIC SECTOR 2 (2)
- HOUSEHOLDS 3 (2)
- OTHER 6 (5)

CUSTOMER FOCUS

In Russia, Cramo reinforced its position in line with its revised strategy in St. Petersburg, Moscow, Kaluga and Kaliningrad as well as with international constructors and industrial investors. The rental fleet was expanded, particularly in tools and modular space. Advanced modular buildings were developed, for example, modules with glass front walls suitable for showrooms and shops.

Operations were expanded with a new depot in Rostov-on-Don, in southern Russia as a result of cooperation with YIT, a leading European company in building systems and construction and manufacturing services.

LNG terminal under construction in Świnoujście, Poland page 106.

RUSSIAN JOINT VENTURE

In October 2012, Cramo announced the formation of a 50/50 joint venture with Ramirent for their Russian and Ukrainian businesses, excluding Kaliningrad. The joint venture will be a strong enough player to present a compelling value proposition to both new and current customers and further develop the rental industry as a whole. In the group financial statements the Russian business is classified as held for sale. The assets and liabilities relating to Russian operations are presented separately from other assets and liabilities in the group balance sheet.

PROACTIVE APPROACH

Further implementation of the Cramo Rental Concept with its proactive customer approach and expansion of the product portfolio was reflected in the Baltic countries in a stronger position, particularly in the energy sector and infrastructure projects.
Pages 30, 48 and 106.

HARMONISED PROCESSES

Harmonisation of processes reached a good level in the Baltic countries, Russia and Poland, and efficiency was improved. In Poland, the new organisation with a hub structure in place and development of an IT platform to support operational excellence started having a further impact on efficiency. In Estonia, one new depot was opened and a demo centre for schools and day care was established to promote the rental of modular space in the public sector.

INNOVATION

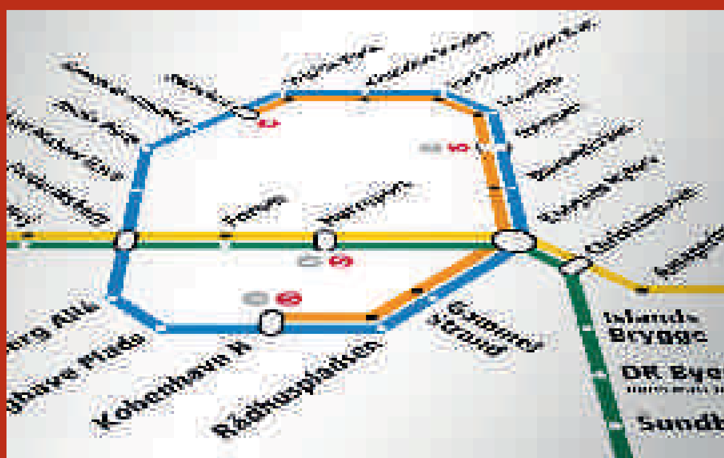
– The benefits of gathering our employees in one camp instead of spreading them across town are enormous. It builds unity and they meet other metro workers from different construction sites in the project. Working with Cramo has been excellent, and everything has been supplied on time as agreed. They definitely met our expectations.

Ms Elisabetta Mindopi, PR Coordinator from the Copenhagen Metro Team (CMT), the all-Italian consortium carrying out the metro construction

– No business can rest on its laurels: continuous innovation is needed all the time. Cramo standard modules can be secured to comply with the requirements set for living quarters, such as a heat utility solution and acoustic glass to guard against noise problems from the busy city surroundings. Quite often companies do not know that this kind of temporary alternative exists, or how well it can be adapted to their specific requirements.

Mr Mads Blom, Project Director at Cramo Denmark

Cityringen is a new metro line circling the Copenhagen city centre, with 17 new stations. Construction of the two roughly 15.5 km-long single-track metro tunnels started in 2010. Once open in 2018, Cityringen will connect to the existing metro, the regional rail network and the commuter S-train, reducing travel times dramatically.



With multiple partners Cramo will deliver a total concept of a camp with residential and recreational facilities for 373 people working for CMT. The project covers coordination for everything from determining the camp location, leasing the land and handling all authority-related processing to preparing the area so the camp can move in to completing the entire construction, with roads, paths, parking and exterior lighting. This includes assembly of 230 modules in two stages, in 2012 and 2013, and dismantling by 2016.

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 Corporate Governance and Remuneration Statements, which are available on the Group's website where more detailed information about Corporate Governance, internal control and risk management can also be found. www.cramo.com > Investors > Corporate Governance

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.

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 Operating Principles. If necessary, the Board's charter is revised and modified annually in conjunction with the first meeting of the Board after the election of its members at the Annual General Meeting.

The Board of Directors is responsible for Cramo Group's governance and appropriate management and for ensuring that operations comply with relevant rules and regulations, Cramo's Articles of Association and the instructions given by the Annual General Meeting. The Board of Directors is responsible for the Company's strategic development and for supervising the business. It also decides on the Group's key policies and practices, approves the business strategy and budget, approves financial statements and interim reports, appoints and dismisses the President and CEO and his/her deputy, decides their compensation, and decides the Group's structure, acquisitions and disposals as well as Company finances and investments.

MEMBERS OF THE BOARD IN 2012

At the Annual General Meeting 2012, the following people were re-elected to the Board of Directors: Mr Stig Gustavson, Mr J.T. Bergqvist, Ms Helene Biström, Mr Eino Halonen, Mr Victor Hartwall, Mr Jari Lainio and Mr Esko Mäkelä. The Board's convening meeting elected Mr Gustavson as Chairman of the Board and Mr Halonen as Deputy Chairman of the Board.

Member attendance at the meetings below and member independence on pages 44–45.

WORK OF THE BOARD OF DIRECTORS IN 2012

Cramo's Board meets regularly, about once a month, according to a set schedule. In 2012, the Board of Directors met 12 times. One of the meetings was held as a conference call and three were by correspondence.

Two permanent committees, the Audit Committee and the Nomination and Compensation Committee, assist the Board of Directors. The Board elects the committee members and appoints the committee chairmen. The Board confirms the central duties and operating principles of both committees in a written charter.

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in its supervisory responsibilities. In line with the Finnish Corporate Governance Code, the Audit Committee monitors the reporting process of financial statements, supervises the financial reporting process and monitors the efficiency of the Company's internal control, internal audit, and risk management systems as well as reviews the description of the main features of the internal control and risk management systems regarding the financial reporting process, which is included in the Company's Corporate Governance Statement. The Audit Committee also monitors the statutory audit of the financial statements and consolidated financial statements, evaluates the independence of the statutory auditor or audit firm, particularly the provision of related services to the Company to be audited, prepares the proposal for resolution on the election of the auditor, and assesses the effects of any exceptional or significant business transactions.

At its constitutive meeting on 23 March 2012, Mr Eino Halonen was appointed Chairman of the Audit Committee, with Mr J.T. Bergqvist and Mr Esko Mäkelä elected as members. The Audit Committee met three times in 2012.

NOMINATION AND COMPENSATION COMMITTEE

The Nomination and Compensation Committee is tasked with preparing a proposal for the Board members and their remuneration to be presented to the Annual General Meeting. It also prepares a proposal to the Board of Directors for the President and CEO's appointment and his/her employment terms. The Nomination and Compensation Committee prepares and evaluates matters regarding the remuneration and other financial benefits of the President and CEO as well as the Group management team and makes sure that the remuneration principles are appropriate. It also prepares matters regarding the Company's compensation systems including profit-based and long-term incentive schemes and allocation of these incentives amongst Cramo's personnel. The Company's strategy, strategic cornerstones, must-win battles and long-term financial goals are taken into account when deciding

BOARD MEMBER ATTENDANCE AT MEETINGS IN 2012

Name	Position	Board meetings	Audit Committee	Nomination and Compensation Committee
Stig Gustavson	Chairman	12/12	–	3/3
Eino Halonen	Deputy Chairman	11/12	3/3	–
J.T. Bergqvist	Member	12/12	3/3	–
Helene Biström	Member	11/12	–	3/3
Victor Hartwall	Member	12/12	–	3/3
Jari Lainio	Member	11/12	–	3/3
Esko Mäkelä	Member	12/12	3/3	–

CRAMO'S BOARD MEMBERS' REMUNERATION RECEIVED IN 2012 ON A CASH BASIS

Name	Position	Board fees, EUR Shares	Fees	Board total	Audit Committee	Nomination and Compensation Committee	Total	Number of shares purchased with the Board's fee
Stig Gustavson	Chairman	34,989	35,011	**70,000**	–	3,000	**73,000**	3,248
Eino Halonen	Deputy Chairman	22,493	22,507	**45,000**	3,000	–	**48,000**	2,088
J.T. Bergqvist	Member	–	35,000	**35,000**	3,000	–	**38,000**	–
Helene Biström	Member	17,495	17,505	**35,000**	–	3,000	**38,000**	1,624
Victor Hartwall	Member	17,495	17,505	**35,000**	–	3,000	**38,000**	1,624
Jari Lainio	Member	17,495	17,505	**35,000**	–	3,000	**38,000**	1,624
Esko Mäkelä	Member	17,495	17,505	**35,000**	3,000	–	**38,000**	1,624
Total		**127,461**	**162,539**	**290,000**	**9,000**	**12,000**	**311,000**	**11,832**

the remuneration schemes. The committee answers any questions related to the Remuneration Statement at the Annual General Meeting.

At its constitutive meeting on 23 March 2012, Mr Stig Gustavson was appointed Chairman of the Nomination and Compensation Committee, with Ms Helene Biström, Mr Victor Hartwall and Mr Jari Lainio elected as members. The Nomination and Compensation Committee met three times in 2012.

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.

REMUNERATION

Cramo's remuneration of employees is based on the Company's remuneration principles. The Group´s strategy, strategic cornerstones, 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 these well-designed remuneration schemes 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.

As part of Cramo's remuneration policy the Board of Directors completed two new incentive programs in 2012: One Cramo Share Plan for Cramo employees and the Key Employees' Share-based Incentive Plan for the Group management team and key employees. The key elements of Cramo´s remuneration framework on page 42.

REMUNERATION FOR BOARD SERVICES

In 2012 the 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

50% of the annual remuneration is paid in Cramo Plc shares, purchased in the market on the behalf of the Board members, and 50% is paid in cash. The remuneration may also be paid by transferring the Company's own shares. 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. In addition, the remuneration for each Committee meeting was EUR 1,000.

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.

REMUNERATION AND SERVICE CONTRACT OF THE PRESIDENT AND CEO

Cramo's President and CEO has a written service contract which was approved by the Board. In addition to his fixed annual base salary, the compensation paid to the President and CEO includes a profit-based incentive tied to the Group financial targets and/or personal targets as set by the Board. In 2012, the maximum bonus paid to the President and CEO was 75% of base salary. The President and CEO's remuneration also includes fringe benefits such as a car and a telephone. As a member of the Executive Committee, the President and CEO participates in all Cramo stock option incentive schemes and share-based incentive plans.

The notice period for the President and CEO's service contract is six months, during which time he receives a full salary. In case the contract is terminated by the employer, there may also be a severance payment of 18 months' salary.

The retirement age for the President and CEO is 63. In addition to the statutory system, Cramo offers voluntary pension insurance for the President and CEO. In 2012, the expense for the President and CEO's voluntary pension scheme was EUR 83,946.

PENSION BENEFITS

Cramo's executives participate in local pension systems for each operating country which provide for a retirement benefit based on years of service and earnings

REMUNERATION PAID TO THE PRESIDENT AND CEO AND GROUP MANAGEMENT TEAM IN 2012, EUR

CASH-BASED*

Name	Fixed annual base salary	Profit-based incentives	Fringe benefits	Share-based payment	Post-employment benefits	2012 Total	2011 Total
President and CEO	345,993	179,837	27,388	294,656	83,946	**931,821**	**829,928**
Group management team	1,465,274	239,875	77,871	1,090,350	16,098	**2,889,469**	**3,099,679**
Total	**1,811,268**	**419,712**	**105,260**	**1,385,006**	**100,044**	**3,821,289**	**3,929,607**

*Cash-based means that the variable parts of remuneration are based on the 2011 performance and were paid in 2012.

SUMMARY OF CRAMO'S SHORT-TERM AND LONG-TERM INCENTIVE SCHEMES

Element	Link to strategy/performance measures	Target group	Realisation in 2012
Short-term profit-based incentive schemes	• To support Cramo's strategic targets by enhancing a strong performance culture. • Schemes 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. The size of the annual bonus depends on the Group's financial performance: in 2012 based mainly on EBITA and ROI. In 2012, the maximum bonus level was 75%.	The Group management team members, managers and key personnel	Profit-based incentives for the President and CEO amounted to EUR 179,837 and for the Group management team to EUR 239, 875 for 2012. The total profit-based incentives amounted to EUR 419,712.
Long-term stock option scheme for key personnel in 2006 (2006A, 2006B and 2006C), 2009, 2010 and 2011	• To support achievement of the Group's long-term goals by attracting and retaining those identified as key personnel.	About 100 managers and key employees, including team members of the Executive Committee and other Group management	Total of 448,454 stock options 2006C were exercised in 2012.
Long-term Performance Share Plan for key employees in 2012	• To increase the value of Cramo, to commit key employees to the Company and to offer them a competitive reward plan based on long-term shareholding in the Company. • The reward from the plan for the discretionary period 2012 will be based on Cramo Group´s key figure earnings per share (EPS), and the reward will be paid partly in the Company's shares and partly in cash in spring 2015. The maximum reward to be paid on the basis of the discretionary period 2012 could have corresponded to the value of approximately 330,000 Cramo Plc shares.	The Group management team and key employees	In 2012, the target achievement level was about 15% and the total reward payment will amount to approximately 46,000 Cramo Plc shares including a part to be paid in cash.
One Cramo Share Plan for Cramo employees in 2012	• To encourage employees to become shareholders in Cramo and to reward employees for their efforts in working toward Cramo's goals. To strengthen the tie between Cramo shareholders and employees. • The monthly savings is to be 2–5% of each participant's monthly gross salary, with the total amount of all savings from the Plan Period not to exceed EUR 4 million.	All Cramo employees	A total of 520 employees in 13 countries joined during the first phase of the programme, with average monthly savings of 3.27%.

The consolidated financial statements, note 28 on pages 88–89 and on www.cramo.com > Investors > Corporate Governance

according to the prescribed statutory system. Finnish pension legislation offers a flexible retirement age ranging from age 63 to 68 without any full pension limits. The President and CEO and one of the Group management team members (in the first part of 2012 two members of the Group management team) participate in a voluntary pension system. The voluntary pension system is contribution-based. In 2012, the expenses of the voluntary pension system were as follows: EUR 83,946 for the President and CEO and EUR 16,098 for the three members of the Group management team, totalling EUR 100,044.

INTERNAL CONTROL AND RISK MANAGEMENT REGARDING FINANCIAL REPORTING

Internal control over financial reporting is part of the overall internal control system at Cramo. Enterprise Risk Management (ERM) constitutes an integral part of the Group's internal control environment as well as the monitoring and control structure. The Group's Internal Control and Risk Management Policies set the objectives, principles and distribution of duties for internal control and risk management activities within the Group.

Internal control over financial reporting strives to provide reasonable assurance that the Group's financial reporting is reliable and that external financial reporting is prepared in accordance with legislation, International Financial Reporting Standards (IFRS) and other requirements set for listed companies.

FINANCIAL REPORTING PROCESS

Group reporting is based on the Hyperion consolidation and reporting system facilitating common control requirements for all operating companies (OpCos) and legal entities reporting to the Group. Subsidiaries submit their figures to the reporting system for consolidation. The reported figures are reviewed in subsidiaries as well as in Group accounting. The Group Finance and Development function maintains the Group's aggregated chart of accounts. The target is that all Cramo countries share common business and financial reporting processes.

The financial reporting process and its procedures are harmonised through Country Group Controllers to provide assurance regarding reliability of financial reporting system.

ROLES AND RESPONSIBILITIES

The Board bears ultimate responsibility for the appropriate arrangement of internal control over financial reporting. The Board supervises and approves annual financial statements and interim reports. The Audit Committee assists the Board of Directors in overseeing the effectiveness of established internal control and risk management principles. These duties are accomplished by supervising the accounting and reporting processes as well as by an audit of the financial statements to ensure the quality and integrity of the financial statements and related disclosures. In practice, the President and CEO and OpCo managers are in charge of performing internal control activities for financial reporting. They are supported in this task by the CFO, the Group Finance and Development function and OpCo financial management.

The Group's President and CEO is responsible for maintaining an effective control environment by ensuring implementation of internal control and risk management processes and their operational effectiveness. The President and CEO also ascertains that the Company's accounting practices comply with legislation and that financial matters are handled in a reliable manner. Senior managers assign responsibility for establishing more specific internal control policies and procedures to personnel responsible for the functions of the unit. Management and employees are assigned appropriate levels of authority and responsibility to facilitate effective internal control in financial reporting.

RISK ASSESSMENT AND CONTROL ACTIVITIES

Cramo has established objectives for reliable financial reporting in order to identify financial reporting risks. Within the risk assessment process, Cramo identifies and analyses risks to achieving financial reporting objectives as a basis for determining how those risks should be managed. The risk assessment process has been extended to also take into consideration the potential for material misstatement due to fraud.

Control activities are linked to risk assessment, and specific actions are taken to address risks to achieving financial reporting objectives. The identified risks related to financial reporting are managed through control activities that are set throughout the organisation, at all levels and in all functions. Financial officers and their staffs, whose control activities cut across as well as up and down the Group's operating and other units, are particularly important. Cramo's Group-wide controls include a variety of activities such as approvals, authorisations, verifications, reconciliations, reviews of operating performance, safeguarding of assets and segregation of duties.

MONITORING

To ensure the effectiveness of internal control regarding financial reporting, monitoring is conducted by the Board, the Audit Committee, the President and CEO, the CFO and the Group Finance and Development function, Internal Audit, the Group management team and OpCo managers and controllers. Follow-up is accomplished through on-going monitoring activities, separate evaluations or a combination of the two.

GENERAL DEVELOPMENT ACTIVITIES IN 2012

While updating Cramo Group's strategy in spring 2012, the Group management team evaluated also strategic and operational risks. The evaluations covered such issues as risks related to the development of general economy, evaluation of various market-specific risks and Cramo's positioning in these markets, and risks related to the implementation of the Group strategy and must-win battles. A risk perspective was also taken into account in assessing depot-level performance.

In 2012, Cramo also continued its launch of the One Cramo Enterprise Rental application and further enhanced the Cramo Business Intelligence reporting tool to advance harmonisation and development of the Group's reporting.

DEVELOPMENT ACTIVITIES RELATED TO FINANCIAL REPORTING IN 2012

The implementation of the Country Group Controller model was completed in 2012. Based on the updated strategy, the Group Finance and Development function focused specifically on implementing the Performance Management Model at the depot level. The operational and financial KPIs were revised in 2012 to ensure the alignment with the strategic cornerstones and must-win battles. In 2013, implementation of the harmonised Performance Management Model will continue in all Cramo countries.

The Group Internal Audit function continued to review the key operative processes at selected operating countries in order to further develop Group's control maturity. Follow-up reviews were also conducted when required. Depot-level internal audits were continued as an on-going control activity.

PRIORITY AREAS IN 2013

Efficient business steering and the integrity of internal and external reporting will continue to be the key target in 2013. Focus areas will be the further development of performance management especially at the depot level and optimised use of invested capital. Performance will be monitored and steered through harmonised KPIs and forward-looking indicators. The use of invested capital will be monitored by the Group Fleet Management and the Group Finance and Development functions. In order to strengthen the integrity of the Group's financial reporting, the Group Finance and Development function will also continue updating the Financial Manual.

In 2013, the development of internal control will again also include monitoring of control activities at selected operating countries. The selection of operating countries for review will be risk-based, and the review will be performed by the Group financial management, Country Group controllers and Internal Audit function. Improvement measures will then be designed and implemented in order to further advance the Group's control maturity. A control self-assessment will also 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. Coordination 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.

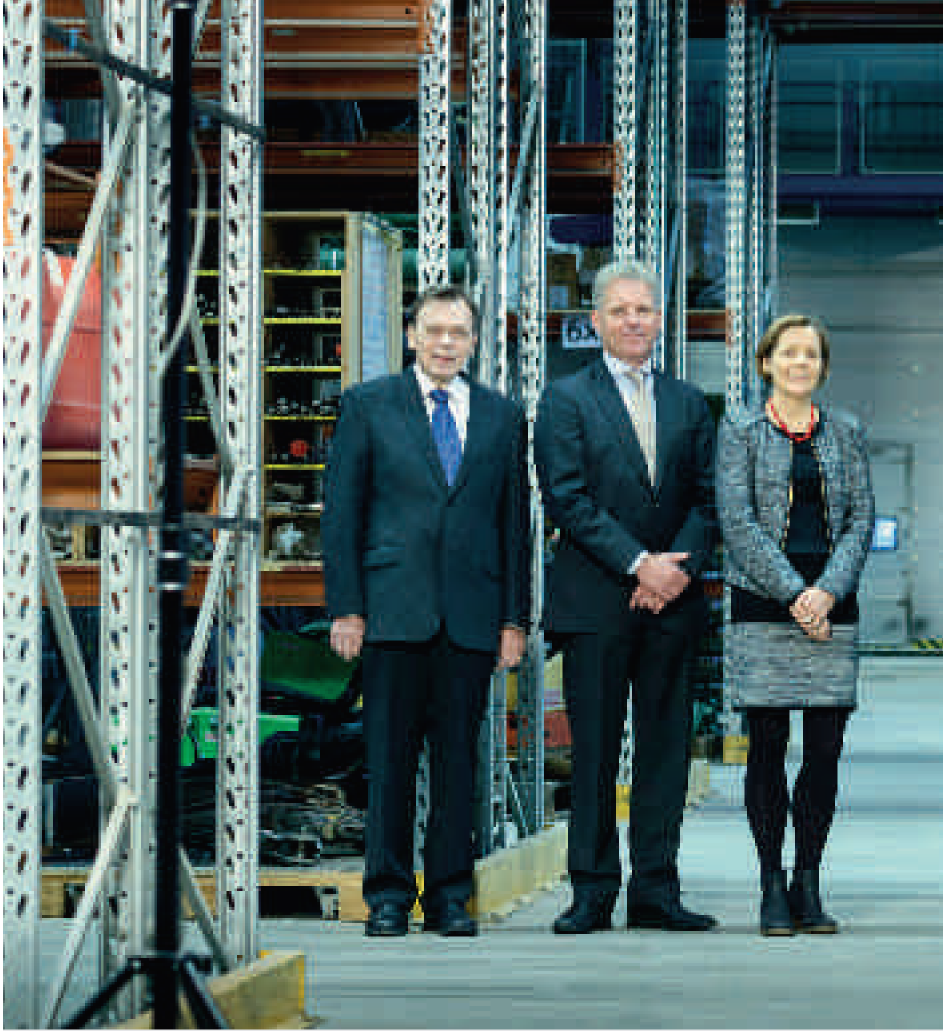
APA Mr Erkka Talvinko was appointed the auditor in charge, and the firm of authorised public accountants Ernst & Young Oy was elected at the Annual General Meeting on 23 March 2012 as the Company's auditor to serve for a term ending at the end of the next Annual General Meeting in 2013. Ernst & Young Oy has served as the auditor of the Company since 2006.

TOTAL COMPENSATION FOR EXTERNAL AUDITING

EUR 1,000	2012	2011	Change, %
Audit fees	887	710	24.9
Tax consultation	152	180	-15.5
Other services	55	906	-93.9
Total	**1,094**	**1,796**	**-39.1**

BOARD OF DIRECTORS

31 DECEMBER 2012



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:
President and CEO, Konecranes Plc 1994–2005; President, 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, ÅR Packaging AB
Board Deputy Chairman: Mercantile Oy Ab, Dynea Oy
Supervisory Board member: Mutual Pension Insurance Company Varma
Senior Regional Advisor: IK Investment Partners

Cramo shares on 31 Dec 2012:
113,688 (31 Dec 2011: 110,440)

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.)

Primary work experience:
CEO, K. Hartwall Oy Ab 2009–2012; Semi-Executive Chairman, Elektrobit Oyj 2006-2008; Member of the Group Executive Board, Nokia Corporation 2002–2005; Member of the Strategy Panel of the Group Executive Board, Nokia Corporation 2001–2005; Executive/ Senior Vice President & General Manager, Nokia Networks, Global Business Units 2000–2005

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

Cramo shares on 31 Dec 2012:
10,000 (31 Dec 2011: 816)

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, Vattenfall AB 2009–2010 and member of Executive Group Management, Vattenfall 2007–2010; Vice Head, Vattenfall Business Group Nordic 2007–2008; Head of the Nordic Heat Business unit, Vattenfall 2004–2007

Current positions of trust:
Board member: KTH Royal Institute of Technology, Swedish District Heating Association

Cramo shares on 31 Dec 2012:
3,440 (31 Dec 2011: 816)

Deemed independent of the Company and its major shareholders.

From left to right
Esko Mäkelä
Victor Hartwall
Helene Biström
Stig Gustavson
J.T. Bergqvist
Jari Lainio
Eino Halonen

"Independent" means that the Board member 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.

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:
President and CEO, Suomi Mutual Life Assurance Company 2000–2007
Current positions of trust:
Board member: Metsäliitto Cooperative
Cramo shares on 31 Dec 2012:
14,343 (31 Dec 2011: 12,255)
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, 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 2012:
38,477 (31 Dec 2011: 36,853)
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, Lainio & Laivoranta Ltd., Managing Director, Rakennustoimisto Lainio & Laivoranta Ltd.
Primary work experience:
Managing Director, Rakennustoimisto Laivoranta Ltd. 1989–1994; Technical Director, Rakennustoimisto Laivoranta Ltd. 1986–1989; Managing Director, 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 2012:
5,916 (31 Dec 2011: 4,292)
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, YIT Corporation 1987-2006
Current positions of trust:
Board Chairman: Everalis Oy
Board member: Convergens Oy
Cramo shares on 31 Dec 2012:
10,693 (31 Dec 2011: 9,069)
Deemed independent of the Company and its major shareholders.

Mika Puittinen
Secretary to the Board
(not a Board member).

GROUP MANAGEMENT

31 DECEMBER 2012[1]

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:
Managing Director, Fiskars Inha Ähtäri Works 2001–2003 and Deputy Managing Director 1995–2001; Managing Director, Morus Oy 1992–1995

Other positions of trust:
Board member: Marinetek Group Oy, European Rental Association (ERA)

Cramo shares on 31 Dec 2012:
122,744 (31 Dec 2011: 120,144).

Göran Carlson[2]

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:
CEO, Cramo AB 2005; SVP, FläktWoods Group 2002–2004; Managing Director, Electrolux South Africa 1998–2001; CEO, The Lux Group 1993–1998; Managing Director, Lux France 1991–1993; Managing Director, Electrolux Philippines 1986–1991; Managing Director, Electrolux Far East 1984–1986

Cramo shares on 31 Dec 2012:
63,758 (31 Dec 2011: 63,758).

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:
SVP, Finance and Administration, WM-data Oy 2004–2006; SVP Business Development, CFO, Novo Group Oyj 1998–2003; Finance Manager, Manager Corporate Finance, Postipankki Ltd 1995–1998

Cramo shares on 31 Dec 2012:
57,203 (31 Dec 2011: 61,203).

Erik Bengtsson

Born: 1969, Swedish citizen, M.Sc. (Industrial Engineering)

Position:
Senior Vice President, Sweden since 2008
Member of the Group management team since 2008
Employed by Cramo since 2005

Primary work experience:
Region Manager East, Cramo Sverige AB 2005–2008; Sales Manager, Toyota materials handling (BT Svenska), 2001–2005; Production Engineer and Field Sales, Parker Hannifin 1995–2001

Cramo shares on 31 Dec 2012:
1,000 (31 Dec 2011: 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:
Director for Project Rental and Foreign Operations, RK Group 2004–2005; Business Development Director, Suomen Projektivuokraus Oy 2003; IT-consultancy, quality and risk management positions, Cap Gemini Oy 1997–2002

Other positions of trust:
Board Chairman: Finnish Technical Traders (Machine Rental)

Cramo shares on 31 Dec 2012:
13,432 (31 Dec 2011: 13,432).

1 The new composition of the Group's management team became effective on 1 February 2013. Page 55 Significant events after the balance sheet date.
2 Mr Carlson has accepted a position outside the Cramo Group and will leave the company in spring 2013.

From left to right
Tatu Hauhio
Erik Bengtsson
Martti Ala-Härkönen
Vesa Koivula
Göran Carlson
Jarmo Laasanen
Martin Holmgren
Dirk Schlitzkus
Per Lundquist

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:
Product Area Manager Fleet Management, Cramo AB 2003–2008; Business Development Manager, Telia Mobile 2000–2003; Supply Chain Manager, ABB 1998–2000; Site Manager, Platzer Bygg 1989–1995
Cramo shares on 31 Dec 2012:
3,000 (31 Dec 2011: 3,000).

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:
President, Cramo Suomi Oy 2004–2005; Managing Director, Addsoft Solutions Oy 2001–2004; General Manager, North East Europe Area Manager, Vice President, Getronics Oy/ Corp.1998–2001; Service Director, Managing Director, Olivetti Oy 1992–1998; Sales Manager, Sales Director, Unisys Oy 1980–1992
Cramo shares on 31 Dec 2012:
3,111 (31 Dec 2011: 3,611).

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:
CIO/ Director IT, Toyota Material Handling Group 2004–2010; Key Account Manager, Sogeti AB 2000–2004; Project Manager/ System Architect, Cap Gemini Telecom and Media Lab Atherton CA USA 1999–2000; Project Manager/System Architect, Cap Gemini Sverige AB 1996–1999; Research Engineer, Linköping University Hospital 1993–1996
Cramo shares on 31 Dec 2012:
0 (31 Dec 2011: 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:
Member of the Board of Directors, Theisen Baumaschinen AG since 2007; Managing Director, Theisen Baumaschinen Group since 1998; Company Lawyer, Theisen Baumaschinen Group 1994–1998
Cramo shares on 31 Dec 2012:
0 (31 Dec 2011: 0).

Cramo started the cooperation by fencing the site and providing an entry control system. Since then 45 office units, dozens of locker rooms, four sanitary units and 15 containers have been delivered, and a canteen for workers has been built. Cramo also provides different access equipment, scaffolding, material hoists, suspended platforms and heating equipment.

BEST PRACTICES

– As a subcontractor to international projects, it is an advantage for us to work with internationally known equipment suppliers. Our customer knows that they can trust us having all the necessary modern equipment on hand from start to finish.

Mr Ando Valk, Project Manager at Merko Ehitus Eesti AS

– We leverage our know-how and best practices between different types of markets, for example between Finland, Sweden and Estonia. Thus we ensure a high level of quality and service as well as a wide range of products and services and proven harmonised processes.

Mr Rait Mõtsmees, Sales Manager at Cramo Estonia

Construction of the waste incineration unit at the Iru power plant in Estonia began in 2010. A new combined heat and power plant will go online in 2013. It will be able to reuse up to 220,000 tons of waste a year. Its planned heat generation capacity is 50 MW and planned electricity generation capacity is 17 MW.

FINANCIAL REVIEW

CONTENTS

BOARD OF DIRECTORS' REPORT ON THE 59TH YEAR OF OPERATION

Cramo Plc is a service company specialising in equipment rental services, as well as the rental 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 2012, the company operated in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Russia, Poland, the Czech Republic, Slovakia, Germany, Austria and Hungary.

OPERATING ENVIRONMENT

The year 2012 began favourably in the equipment rental business, but concern over the overall economic situation in Europe began to show in construction in the spring. In both industrial and new construction activities, investment decisions were postponed to a later date.

Growth forecasts for the markets were adjusted downwards during 2012 in nearly all of Cramo's market areas, and market-specific differences increased. Construction and demand for rental services declined in several of Cramo's operating countries particularly in the last half of the year.

Euroconstruct, the construction market analysts, estimated in December 2012 that construction activity in Finland and Sweden declined approximately three per cent in 2012. Construction declined considerably in the Czech Republic and Slovakia as well. In other markets, construction activity is estimated to have remained nearly at the previous year's level or increased.

The European Rental Association (ERA) estimated that the equipment rental market grew approximately three per cent in Sweden, approximately five per cent in Germany, and approximately ten per cent in Norway, Russia and Poland. In Finland and Denmark, the market remained at the previous year's level, according to ERA.

After strong growth, Cramo focused on profitability and performance in 2012. Investments were cut and personnel reduced in markets which showed the clearest decline in demand.

BUSINESS REVIEW

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

Despite the weakened market situation, sales increased in most market areas. Profitability developed favourably in Finland, Norway and Eastern Europe and remained good in Sweden. In Central Europe, 2012 was still characterised by harmonisation of operations, but the result there is expected to improve gradually. In Denmark, considerable cost structure reduction offers an opportunity to improve profitability.

Cramo sold its modular space production in Finland and Cramo Finland Oy's customised modular space rental business to MB Funds. The transaction came into effect on 30 March 2012. In 2011, sales of the divested businesses were approximately EUR 31 million. According to its strategy, Cramo continues the standardised modular space rental business and its expansion in the Nordic countries as well as Central and Eastern Europe.

In Denmark and Central Europe, the organisation was restructured. Cramo is modifying its operations in Central Europe according to the Cramo Rental Concept and centralising its operations according to its Best in Town strategy. The reforms progressed as planned. The operations in Switzerland were discontinued as part of the depot network development. In Denmark, Cramo streamlined its depot network from 18 to seven depots in the last quarter of the year. The objective is to improve profitability by centralising the depots in those big cities where Cramo already holds a strong market position.

In Russia (excluding Cramo's operations in Kaliningrad), Cramo and Ramirent signed an agreement on forming a joint venture, of which each party will own 50%. The joint venture is expected to come into force in the first quarter of 2013.

Market position was strengthened by means of reorganisations in Sweden and Norway. In Sweden, Cramo acquired the rental fleet of Maskincity i Oskarshamn AB on 1 July 2012. The sales forecast for the company for 2012 was approximately EUR 0.8 million. In Norway, Cramo agreed to acquire all rental business operations of Lambertsson AS and Kranpunkten AS. The transaction was closed after the period under review, on 1 February 2013. The combined annual sales of the acquired operations are approximately EUR 17 million. In the business transactions, rental fleet and personnel are outsourced to Cramo and long-term delivery contracts to the Peab Group in Norway.

Finland generated 16.2% (18.5) of the total consolidated sales for 2012 (excluding elimination of inter-segment sales), Sweden 46.4% (44.9), Norway 12.1% (11.5), Denmark 5.4% (5.1), Central Europe 9.6% (10.3) and Eastern Europe 10.1% (9.7). The Central European business segment consisting of Theisen Group became part of Cramo Group on 1 February 2011.

SALES AND PROFIT

Cramo Group's consolidated sales for 2012 grew EUR 688.4 (679.9) million, showing an increase of 1.3%. In local currencies, sales decreased by 1.0%. Full-year sales figures were affected by the divestment of Cramo's modular space production and customised space rental businesses in Finland at the end of March. Full-year sales growth excluding the divested businesses was 3.3%.

EBITA was EUR 78.0 (71.1) million, or 11.3% (10.5) of sales. EBITDA was EUR 179.6 (168.7) million, or 26.1% (24.8) of sales. EBITA excluding non-recurring items was EUR 78.4 (73.1) million, or 11.4% (10.8) of sales. EBITDA excluding non-recurring items was EUR 179.2 (170.7) million, or 26.0% (25.1) of sales. The non-recurring items include, among other things, EUR 2.1 million of non-recurring costs relating to the reduction of the depot network in Denmark, EUR 1.0 million from the reorganisation of the operations in Germany, total of EUR 1.1 million from the reorganisation of the operations in other segments and a non-recurring return of EUR 1.7 million from the price adjustment of the 2011 acquisition of Theisen Group and other non-recurring items.

EBIT for 2012 was EUR 64.4 (54.3) million, or 9.4% (8.0) of sales. The Group's credit losses and credit loss provisions were EUR 6.0 (5.6) million. The result includes impairment losses on the tangible assets and assets held for sale totalling EUR 2.0 (1.1) million. Expenses associated with share-based payments totalled EUR 2.6 (2.8) million. Net finance costs were EUR -20.4 (-22.2) million.

Profit before taxes was EUR 44.0 (32.2) million and profit for the financial period EUR 38.5 (23.5) million. The result of the financial period contains non-recurring items of EUR 4.4 million in total. In addition to the aforementioned non-recurring items, they consist of the impairment of intangible assets related to the business acquisitions in Denmark as well as of non-recurring tax entries, the majority of which were generated by the reduction of the corporation tax rate in Sweden.

Earnings per share were EUR 0.93 (0.60) and diluted earnings per share were EUR 0.93 (0.60). The positive impact of non-recurring items on earnings per share was EUR 0.10.

Return on investment (rolling 12 months) was 7.3% (6.6) and return on equity (rolling 12 months) 7.5% (5.4).

CAPITAL EXPENDITURE AND DEPRECIATION/AMORTISATION

Gross capital expenditure was EUR 125.1 (262.5) million, of which EUR 0.8 (115.4) million relates to acquisitions and business combinations. The investment level was decreased as planned.

Reported depreciation and impairments on equipment, intangible assets and assets held for sale were EUR 101.6 (97.6) million.

During the financial year, amortisation and impairments of intangible assets resulting from acquisitions totalled EUR 13.6 (16.8) million in the period under review. At the end of the financial year, goodwill totalled EUR 169.7 (165.3) million.

FINANCIAL POSITION AND BALANCE SHEET

Cash flow developed strongly throughout the year. In 2012, cash flow from operating activities was EUR 146.0 (138.5) million. Cash flow from investing activities was EUR -83.8 (-193.8) million and cash flow from financing activities was EUR 73.2 (55.8) million. The Group's cash flow after investments was EUR 62.2 (-55.3) million, a clear improvement year-on-year.

At the end of the financial period, the Group's balance sheet included EUR 33.9 (6.7) million of assets held for sale. Assets of EUR 30.4 million related to the operations in Russia are presented under "Assets to be transferred to joint venture", and liabilities of EUR 3.0 million are presented under "Liabilities to be transferred to joint venture".

On 31 December 2012, Cramo Group's net interest-bearing liabilities totalled EUR 346.9 (390.4) million. At the end of the financial year, gearing was 65.1% (78.7).

Of the Group's variable rate loans, EUR 91.0 (181.6) million were hedged by way of interest rate swaps on 31 December 2012. Hedge accounting is applied to EUR 91.0 (145.2) million of these interest rate hedges. On 31 December 2012, Cramo Group had undrawn committed credit facilities (excluding leasing facilities) totalling EUR 230.8 (166.2) million, of which non-current facilities represented EUR 200.0 (143.0) million and current facilities EUR 30.8 (23.2) million.

At the end of the financial period, property, plant and equipment amounted to EUR 615.0 (622.2) million of the balance sheet total. In addition to the net investments and depreciations, the change is affected by presenting property, plant and equipment related to the operations in Russia on a separate line on the balance sheet, EUR -20.8 million, and from translation differences, EUR +17.1 million. The balance sheet total on 31 December 2012 was EUR 1,108.1 (1,126.8) million. The equity ratio was 48.6% (44.4).

Rental liabilities associated with off-balance sheet operational leasing agreements totalled EUR 36.1 (45.1) million on 31 December 2012. Off-balance sheet liabilities for office and depot rents totalled EUR 116.7 (130.9) million. The off-balance sheet interest liability associated with the Group's hybrid bond totalled EUR 4.0 (4.0) million at the end of the financial year. The Group's investment commitments amounted to EUR 12.2 (10.4) million, the majority of which is related to the acquisition of modular space.

On 16 November 2012, Cramo Plc announced that it will issue a domestic senior unsecured bond of EUR 100 million. The long five-year bond matures on 23 February 2018, and it carries fixed annual interest at the rate of 4.50%. The loan was subscribed for in full, and trading in the bond began on NASDAQ OMX Helsinki Ltd on 27 November 2012. The bond extends Cramo's funding sources and the maturity of Cramo's debt portfolio. The proceeds will be used to repay existing debt and for general corporate financing purposes.

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 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 376 (409) depots. A total of 69 (75) of these were entrepreneur-managed.

STRATEGIC TARGETS

On 11 September 2012, Cramo published its specified long-term strategic cornerstones and financial targets. The goal is still to be the primary choice of customers, the Best in Town in its field, and a driver in rental development. Other goals include operational agility and combining the operating models and best practices of mature and growth markets.

Cramo's financial objectives are: EBITA margin above 15% of sales over a business cycle, a maximum gearing of 100%, faster growth of sales than that of the market, and a return on equity higher than 12% over a business cycle. In profit distribution, the target is to follow a stable profit distribution policy and to pay approximately 40% of earnings per share (EPS) for a period as dividends.

Achieving these targets requires the roll-out of a uniform Cramo Rental Concept and harmonised key processes in all markets, as well as expanding the modular space business outside Finland and Sweden more strongly than before.

MANAGEMENT TEAM

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 Dirk Schlitzkus, Senior Vice President, Central Europe; Mr Martin Holmgren, Vice President, Fleet Management/Equipment Rental; and Mr Per Lundquist, Vice President, CIO.

In December, Mr Göran Carlson, Deputy CEO, announced that he had accepted a position outside the Cramo Group and will resign. He will leave the company during spring 2013. In spring 2012, Mr Finn Løkken, Managing Director of Cramo Norway AS and member of the Cramo Group management team, accepted a position outside Cramo Group. In addition, Mr Ossi Alastalo left the Group in the spring as a result of the modular space sales agreement.

HUMAN RESOURCES

During the period under review, Group staff averaged 2,664 (2,580). In addition, the Group employed approximately 167 (228) persons as temporary staff. At the end of the financial period, Group staff numbered 2,555 (2,707) as full time equivalent (FTE). The proportions of permanent personnel to temporary staff as well as their numbers are constantly adjusted on the basis of the market situation. The total amount of salaries and fees paid was EUR 109.9 (103.0) million.

The geographical distribution of personnel at the end of the period was as follows: Finland, 453 (648) employees; Sweden, 832 (830); Norway, 223 (221); Denmark, 97 (124); Central Europe, 327 (295), and Eastern Europe, 623 (589).

In human resources development, training and career development models, among others, were harmonised.

SHARES AND SHARE CAPITAL

On 31 December 2012, Cramo Plc's share capital as registered in the Finnish Trade Register was EUR 24,843,753.09 and the number of shares was 42,024,675. Cramo Plc holds 316,288 of these shares through its subsidiary, Cramo Management Oy.

As a result of the option programme 2006C, the number of Cramo Plc shares increased by a total of 585,589 new shares during 2012. The subscription prices, total of EUR 3,649,880.63, have been marked under the invested unrestricted equity fund.

On 14 September 2012, Cramo announced that it applied for listing of stock options 2009 on NASDAQ OMX Helsinki as of 1 October 2012. A total of 1,000,000 stock options 2009 were issued. Of these, 816,500 stock options were held by 87 key employees of the company and 183,500 stock options by a wholly-owned subsidiary of Cramo Plc at the end of 2012. The share subscription period commenced on 1 October 2012 and will end on 31 December 2013.

Each stock option 2009 entitles its holder to subscribe for 1.3 Cramo Plc's shares. The subscription price is EUR 10.55 when dividends distributed in 2009–2011 have been taken into account. The amount of any dividends decided before share subscription will be deducted from the subscription price.

CURRENT OPTION PROGRAMMES AND INCENTIVE SCHEMES

On 31 December 2012, Cramo Group had granted to the key personnel a total of 816,500 stock options 2009, 889,500 stock options 2010 and 928,000 stock options 2011. Additionally, on 31 December 2012, a total of 428,046 stock options 2006C were outstanding whose subscription period ends on 31 January 2013.

The share-specific subscription price after dividends distributed in 2012 (EUR 0.30) is as follows: for stock options 2006C, EUR 6.17; for stock options 2009, EUR 10.55; for stock options 2010, EUR 13.42; and for stock options 2011, EUR 7.00. In the 2006, 2009 and 2010 option programmes, each stock option entitles the holder to subscribe for 1.3 new Cramo Plc shares. In the 2011 option programme, each stock option entitles the holder to subscribe for one new share.

In May, the Board of Directors decided on a new incentive scheme for the Group's permanent employees. The incentive scheme is an employee share savings plan (ESSP), in which employees are offered an opportunity to save a maximum of five per cent of their salary and the accumulated savings are used for share purchases. The plan was joined by 520 employees, approximately 22% of the Group's permanent personnel. The savings period began on 1 October 2012 and terminates on 30 September 2013.

Shares will be acquired with accrued savings at market price once a quarter after the release date of Cramo's Interim Reports. The person participating in the plan acquires one additional share for free for every two savings shares purchased. The participant receives the additional shares if he or she owns the savings shares purchased for the savings period until the end of the specified holding period, 15 May 2016, and his or her employment has not ended on the last day of the holding for bad leaver reasons.

In addition, Cramo Plc's Board of Directors also decided on a share-based incentive plan for the Group key employees in May. The new Performance Share Plan consists of three discretionary periods, the calendar years 2012, 2013 and 2014.

The reward from the plan for the discretionary period 2012 will be based on Cramo Group's earnings per share (EPS) key indicator and the reward will be paid in spring 2015 and consists partly of company shares and partly of money. The total value of the rewards based on the first discretionary period will not exceed the approximate worth of 46,000 shares of Cramo Plc.

ANNUAL GENERAL MEETING 2012 AND BOARD AUTHORISATIONS

Cramo Plc's Annual General Meeting was held in Helsinki on 23 March 2012.

The Annual General Meeting adopted the consolidated financial statements and the parent company's financial statements for the financial year 2011 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 0.30 per share be paid from the distributable funds.

Mr Stig Gustavson, Mr Eino Halonen, Mr Jari Lainio, Mr Esko Mäkelä, Mr Victor Hartwall, Mr J.T. Bergqvist and Ms Helene Biström were re-elected as members of the Board of Directors.

STAFF BY SEGMENT AT YEAR-END

	Number of employees (FTE)		Percent of the entire staff	
	2012	2011	2012	2011
Finland	428	623	16.8	23.0
Sweden	793	791	31.0	29.2
Norway	223	221	8.7	8.2
Denmark	97	124	3.8	4.6
Central Europe	327	295	12.8	10.9
Eastern Europe	623	589	24.4	21.8
Group activities	64	64	2.5	2.4
of which in parent company	24	24	0.9	0.9
Group total	**2,555**	**2,707**	**100.0**	**100.0**

STAFF AGE DISTRIBUTION AT YEAR-END

	Number of employees (FTE)		Percent of the entire staff	
	2012	2011	2012	2011
–23	123	151	4.8	5.6
24–35	766	822	30.0	30.4
36–45	747	836	29.2	30.9
46–59	775	775	30.3	28.6
60–	143	123	5.6	4.6
Group total	**2,555**	**2,707**	**100.0**	**100.0**

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. It was further resolved that 50% of the annual remuneration will be paid in Cramo Plc shares purchased on the market on behalf of the Board members. It was resolved that all Board members are entitled to a compensation of EUR 1,000 per attended Board committee meeting. Reasonable travel expenses will be refunded.

Ernst & Young Oy, Authorised Public Accountants, was appointed as Cramo Plc's auditor, with Mr. Erkka Talvinko as the 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 4,100,000 shares in total. 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. Own shares can be acquired otherwise than in proportion to the shareholdings of the shareholders. No more than 400,000 shares acquired by the company under this authorisation may be used in the company's incentive schemes. The authorisation is effective until the close of the next Annual General Meeting of Shareholders, or no later than 23 September 2013.

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, pursuant to Chapter 10 of the Finnish Limited Liability Companies Act, as follows: The shares issued will be new shares of the company, and a maximum of 4,100,000 shares may be issued. These shares cannot be used for incentive schemes. The authorisation is valid for five years from the decision of the Annual General Meeting.

The Annual General Meeting authorised the Board of Directors to decide on donations to the total maximum amount of EUR 20,000 for charitable or corresponding purposes, and on the donation recipients, purposes of use and other terms of the donations. The authorisation is effective until the close of the next Annual General Meeting of Shareholders.

CHANGES IN SHAREHOLDINGS

During the financial year, the company did not receive any notifications about changes in shareholdings as defined in Chapter 2 Section 9 of the Securities Market Act.

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 Ms Helene Biström. Mr Eino Halonen (chairman), Mr J.T. Bergqvist and Mr Esko Mäkelä comprised the Audit Committee. The members of the Nomination and Compensation Committee were Mr Stig Gustavson (Chairman), Ms Helene Biström, Mr Victor Hartwall and Mr Jari Lainio.

The aforementioned persons also comprised the Board of Directors until the Annual General Meeting of Shareholders on 23 March 2012.

On 31 December 2012, the Board members, the President and CEO and his deputy held, either directly or through companies in which they exercise control, a total of 2,694,059 Cramo Plc shares, which represents 6.41% of the company's shares and votes, and a total of 31,875 stock options.

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

Cramo Plc observes the Finnish Corporate Governance Code. Cramo Plc's insider guidelines are based on the Finnish Securities Market 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 for 2012 issued by Cramo Plc's Board of Directors and the remuneration report for 2012 can be found on the Cramo Plc website.

ESSENTIAL RISKS AND UNCERTAINTIES

In addition to global economic developments, the main sources of uncertainty in Cramo's business are related to 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.

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 increasing economic uncertainty may be seen in Cramo's operations as weakening demand in one or several market areas, fiercer competition, lower rental prices, higher finance costs or customers experiencing financial difficulties and increasing credit losses. In addition, the economic uncertainty increases the impairment risks to the balance sheet values.

STRATEGIC RISKS

The Group's operations are 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 operations into different product and customer segments and by reducing dependence on a single geographical market.

The construction industry is characterised by seasonal fluctuations, and the Group's sales and profit vary in different quarters in a manner which is 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 fleet's utilisation rate.

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

In addition, there are risks associated with the amount, allocation and timing of the Group's investments, and with other strategic level business decisions. The goal is to control investment-related risks by means of, among other things, careful approval process for investments, optimising fleet use across the Group, financing some investments through operative leasing, and using external and internal indicators to forecast future market development. These indicators that illustrate the future are monitored by country company on a monthly basis. Strategy follow-up also includes an actively monitored set of forward-looking indicators to give an early indication of any changes in the market conditions or the company's operations.

OPERATIVE RISKS

The Group's most significant operative risks include risks associated with the business and staff, contract risks, occupational safety risks, IT-related risks, risks related to compliance with general laws and regulations as well as 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 adverse effects that changes in the operating environment and financial markets have on the Group's profit and financial position.

The Group's primary financing-related 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 hedging instruments. The Group's financing policy specifies the responsibilities and procedures of the financing function as well as the targets and principles of hedging activities. The Group's country-specific financing is handled in a centralised manner, primarily through internal Group loans.

TRANSACTION RISKS

The Group's transaction risks include risks associated with equipment rental and uninterrupted operations, among others, 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 is able to reduce the environmental load of construction by maintaining high utilisation rates for its equipment. Cramo's environmental responsibility involves ensuring that its rental 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 in equipment purchases, and the load is minimised by delivering equipment fully tested and without unnecessary packaging. Long equipment life cycles are maintained through careful maintenance. Material generated by equipment to be disposed of is recycled as comprehensively 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 have been certified in accordance with the ISO 14001 environmental system and the ISO 9001 quality system. In Finland, Cramo's quality and operational system is based on the ISO 9001:2000 quality certificate issued by Det Norske Veritas.

OUTLOOK FOR 2013

Construction market forecasts for 2013 are slightly more positive than in 2012. In Poland, construction market growth is estimated to take a negative turn, and in Finland it is estimated to decrease by approximately two per cent. Construction is also estimated to decrease by one to two per cent in the Czech Republic and Slovakia. The Swedish market is predicted to remain at the 2012 level. In Denmark, Norway, Germany, Russia and the Baltic region, the market is expected to grow by two to five per cent.

The equipment rental market normally grows faster than the underlying construction market, but changes in demand follow those in construction with a delay. In November, European Rental Association ERA estimated that in 2013 equipment rental will grow moderately in Finland, Sweden, Norway, Denmark and Germany but will decline in Poland. According to ERA, in many countries the growth results from renovation and industrial projects. VTT Technical Research Centre of Finland predicts a decline of approximately one per cent for equipment rental in Finland.

Cramo takes a cautious approach to 2013. The equipment rental market will be challenging particularly during the first part of the year, but the economic situation in Cramo's main markets is forecasted to improve towards the end of the year.

Referring to the market outlook, which pictures a high uncertainty in Cramo's market areas, the Board does not consider it prudent to give a guidance on Group sales either growing or declining in 2013. However, the Group's business demonstrates a good continuity over time.

In 2013, already implemented and on-going efficiency measures are likely to yield an improvement in EBITA margin percentage compared with the previous year.

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

Cramo Plc's goal is to follow a stable profit distribution policy and to pay approximately 40% of earnings per share (EPS) for a period as a dividend.

Cramo Plc's distributable profits on 31 December 2012 were EUR 158,800,792.25, of which the profit for the financial period accounted for EUR 7,307,932.12.

The Board of Directors proposes to the Annual General Meeting to be held on 26 March 2013 that for the financial year 1 January 2012–31 December 2012, a dividend of EUR 0.42 per share be paid and the rest of the distributable profits be carried forward in equity.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 25 January 2013, Cramo Plc announced a new organisation in order to better support the Group's strategic and financial targets in accordance with the "Operational excellence" theme. Operationally, the new organisation comprises of three market areas: Scandinavia (Sweden, Norway, Denmark), Eastern Europe (Finland, Estonia, Latvia, Lithuania, Poland) and Central Europe (Germany, Austria, Hungary, the Czech Republic, Slovakia). Cramo's business segments, as reported externally, will remain unchanged, that is Finland, Sweden, Norway, Denmark, Central Europe and Eastern Europe.

The new composition of the Group's management team became effective on 1 February 2013. The following persons were appointed as persons responsible for the market areas; Mr Erik Bengtsson, Senior Vice President, Scandinavia; Mr Tatu Hauhio, Senior Vice President, Eastern Europe; and Mr Dirk Schlitzkus, Senior Vice President, Central Europe. Mr Per Lundquist was appointed Senior Vice President, Operations. In addition to the IT function, he will be responsible of human resources, marketing and communications and the harmonisation of the Group's business concepts and processes. Mr Martin Holmgren has been nominated Senior Vice President, Fleet Management. Mr Martti Ala-Härkönen continues as CFO, being also responsible for the Group's business planning, M&A, legal function and investor relations. New members in the Group's management team are Mr Aku Rumpunen, Senior Vice President, Group Business Control, and Mr Petri Moksén, Senior Vice President, Modular Space. Leaving Group management are Mr Göran Carlson, Deputy CEO who, as earlier announced, has accepted a position outside the Cramo Group; and Mr Jarmo Laasanen, who will retire during spring 2013.

KEY FIGURES AND RATIOS

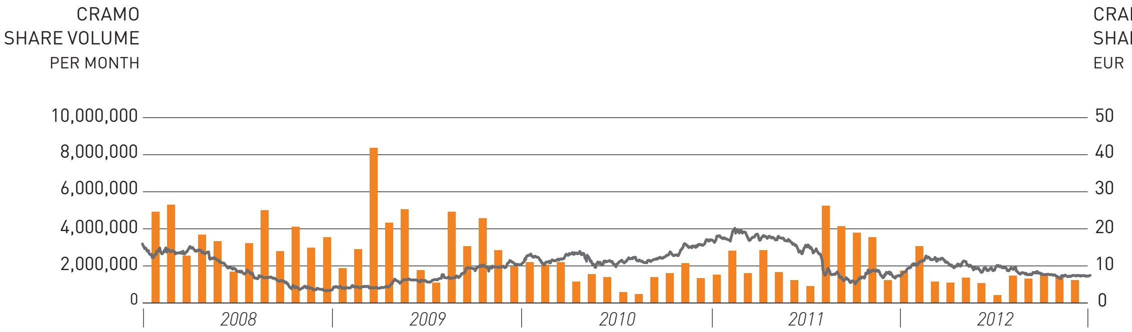
KEY FIGURES ON FINANCIAL PERFORMANCE		2012	2011	2010	2009	2008
Sales	MEUR	688.4	679.9	492.1	446.7	579.8
Change -%	%	+1.3	+38.2	+10.2	-23.0	+16.8
Operating profit/loss	MEUR	64.4	54.3	27.4	-11.5	91.8
% of sales	%	9.4	8.0	5.6	-2.6	15.8
Profit/loss before taxes	MEUR	44.0	32.2	4.8	-34.2	63.7
% of sales	%	6.4	4.7	1.0	-7.7	11.0
Profit/loss for the year	MEUR	38.5	23.5	-2.2	-39.9	48.7
% of sales	%	5.6	3.5	-0.4	-8.9	8.4
Return on equity	%	7.5	5.4	-0.6	-12.1	14.9
Return on investment	%	7.3	6.6	3.7	-1.2	12.0
Equity ratio	%	48.6	44.4	38.7	37.4	32.3
Gross capital expenditure	MEUR	125.1	262.5	86.2	31.9	267.1
% of sales	%	18.2	38.6	17.5	7.1	46.1
of which business combinations	MEUR	0.8	115.4	32.7	0.4	65.9
Equity	MEUR	532.6	493.9	368.5	338.4	319.5
Net interest-bearing liabilities	MEUR	346.9	390.4	383.0	383.7	477.1
Gearing	%	65.1	78.7	103.4	113.4	149.3
Average number of personnel	No.	2,664	2,580	2,083	2,356	2,688

Key figures have been calculated before reclassification of Russian business as assets and liabilities to be transferred to joint venture according to IFRS 5.

PER-SHARE RATIOS

PER-SHARE RATIOS		2012	2011	2010	2009	2008
Earnings per share[2]	EUR	0.93	0.60	-0.06	-1.18	1.43
Earnings per share diluted[1,2]	EUR	0.93	0.60	-0.06	-1.16	1.43
Shareholders' equity per share[2]	EUR	11.58	10.83	9.50	8.58	9.41
Dividend per earnings	%	45.1*	49.9	Neg.	0.0	12.6
Dividend per share[2]	EUR	0.42*	0.30	0.09	0.00	0.18
Trading volume of shares[2]	No.	16,900,991	30,446,719	18,051,757	42,673,720	43,085,115
% of total number	%	40	74	53	126	127
Issue-adjusted average number of shares[2]	No.	41,356,347	39,098,751	33,596,870	33,794,653	33,947,065
Issue-adjusted number of shares at year end[2]	No.	41,708,387	41,122,798	33,596,870	33,596,870	33,947,065
P/E ratio		8.5	13.2	Neg.	Neg.	2.9
Effective dividend yield	%	5.3*	3.8	0.5	0.0	4.3
Market capitalisation of share capital	MEUR	332.8	327.8	585.0	367.6	141.0
Average price[2]	EUR	9.77	11.89	12.84	6.97	9.90
Closing price at year end[2]	EUR	7.92	7.91	17.23	10.83	4.15
Lowest quotation[2]	EUR	7.04	5.68	9.97	4.32	3.84
Highest quotation[2]	EUR	13.03	20.23	17.56	11.80	16.71

1 Adjusted by the dilution effect of shares entitled by warrants
2 Comparative figures for 2010, 2009 and 2008 have been adjusted retrospectively for the bonus element of the rights issue completed in April 2011
* The Board proposes to the Annual General Meeting a dividend of EUR 0.42.



In 2012, about 90% of trading in the Cramo share took place on NASDAQ OMX Helsinki. In addition to NADSAQ OMX Helsinki, Cramo shares were also traded on alternative exchanges, such as BATS Chi-X and Turquoise.[1]

1 Fidessa Fragmentation Index

CONSOLIDATED BALANCE SHEET

EUR 1,000	Note	31 Dec 2012	31 Dec 2011
ASSETS			
Non-current assets			
Tangible assets	4	615,034	622,214
Intangible assets	3	281,486	288,567
Deferred tax assets	15	14,604	15,312
Available-for-sale financial assets	7	349	350
Shares in joint ventures	29	97	48
Trade and other receivables	9	1,071	3,553
Total non-current assets		**912,641**	**930,043**
Current assets			
Inventories	10	13,902	18,310
Trade and other receivables	9	132,222	142,954
Income tax receivables		4,794	5,563
Derivative financial instruments	14	303	730
Cash and cash equivalents	11	10,340	22,532
Total current assets		**161,562**	**190,089**
Assets held for sale	5	3,540	6,680
Assets to be transferred to joint venture	32	30,392	
TOTAL ASSETS		1,108,136	1,126,812
EQUITY AND LIABILITIES			
Equity			
Share capital	12	24,835	24,835
Share issue	12		17
Other reserves	12	304,373	300,723
Fair value reserve	12	119	119
Hedging fund	12	-8,144	-5,168
Translation differences		7,710	1,041
Retained earnings*		154,115	122,654
Equity attributable to equity holders of the parent company		483,007	444,221
Non-controlling interest			
Hybrid capital	12	49,630	49,630
Total equity		**532,637**	**493,851**
Non-current liabilities			
Interest-bearing liabilities*	13	271,713	311,461
Derivative financial instruments	14	8,861	6,775
Deferred tax liabilities	15	80,188	85,399
Pension liabilities	33	1,574	1,448
Other non-current liabilities	16	752	3,369
Total non-current liabilities		**363,087**	**408,452**
Current liabilities			
Interest-bearing liabilities	13	87,577	101,422
Derivative financial instruments	14	1,347	1,838
Trade and other payables	17	119,460	116,485
Income tax liabilities		1,055	4,763
Total current liabilities		**209,439**	**224,508**
Liabilities to be transferred to joint venture	32	2,974	
Total liabilities		**575,499**	**632,960**
TOTAL EQUITY AND LIABILITIES		1,108,136	1,126,812

* An error regarding non-current interest-bearing liabilities relating to earlier periods has been corrected retrospectively. As a result, the opening balance of the retained earnings for the comparative period has been decreased by EUR 1.0 million.

CONSOLIDATED INCOME STATEMENT

EUR 1,000	Note	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Revenue		**688,391**	**679,892**
Other operating income	19	11,321	7,697
Change in inventories of finished goods and work in progress	20	836	-425
Production for own use	20	3,657	10,302
Materials and services	20	-242,137	-248,393
Employee benefit expenses	21	-143,728	-135,751
Depreciation and impairment on tangible assets and assets held for sale	22	-101,571	-97,624
Amortisation and impairment on intangible assets resulting from acquisitions	22	-13,569	-16,751
Other operating expenses	23	-138,763	-144,627
Operating profit		**64,436**	**54,320**
Financial income	24	818	1,215
Financial expenses	24	-21,250	-23,384
Total financial income and expenses		-20,432	-22,169
Income from joint ventures		43	22
Profit before tax		**44,048**	**32,173**
Income taxes	25	-5,508	-8,668
Profit for the year		**38,540**	**23,505**
Attributable to			
Equity holders of the parent company		38,540	23,505
Non-controlling interest			
		38,540	**23,505**
Earnings per share for profit attributable to the equity holders of the parent company			
Basic, EUR	27	0.93	0.60
Diluted, EUR	27	0.93	0.60
CONSOLIDATED COMPREHENSIVE INCOME			
Profit for the year		38,540	23,505
Other comprehensive income			
Change in hedge fund, net of tax		-2,976	-3,971
Change in exchange rate differences, net of tax		15,387	301
Total other comprehensive income		12,411	-3,670
Total comprehensive income		**50,951**	**19,835**
Attributable to			
Equity holders of the parent company		50,951	19,835
Non-controlling interest			
		50,951	**19,835**

CHANGES IN CONSOLIDATED STATEMENT OF EQUITY

	Attributable to equity holders of the parent company											
EUR 1,000	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 2011	**24,835**	**1,871**	**186,926**	**117**	**-1,197**	**3,426**		**102,359**	**318,337**	**503**	**49,630**	**368,470**
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**
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**	**122,654**	**444,222**		**49,630**	**493,851**
At 1 Jan 2012	**24,835**	**17**	**186,926**	**119**	**-5,168**	**1,041**	**113,797**	**122,654**	**444,222**		**49,630**	**493,851**
Translation difference						6,669		8,102	**14,771**			**14,771**
Tax on translation difference*								616	**616**			**616**
Hedging fund					-2,976				**-2,976**			**-2,976**
Profit for the year								38,540	**38,540**			**38,540**
Comprehensive income					-2,976	6,669		47,258	**50,951**			**50,951**
Exercise of share options		-17					3,650		**3,633**			**3,633**
Dividend distribution								-12,374	**-12,374**			**-12,374**
Share-based payments								2,576	**2,576**			**2,576**
Hybrid capital								-6,000	**-6,000**			**-6,000**
Changes within equity			-300				300					
At 31 Dec 2012	**24,835**		**186,626**	**119**	**-8,144**	**7,710**	**117,747**	**154,115**	**483,007**		**49,630**	**532,637**

* Unrecognised tax asset on equity hedge value change.
** Issue of shares related to business combinations.
*** An error regarding non-current interest-bearing liabilities relating to earlier periods has been corrected retrospectively. As a result, the opening balance of the retained earnings for the comparative period has been decreased by EUR 1.0 million.

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 2012	1 Jan–31 Dec 2011
Cash flow from operating activities			
Profit before tax		44,048	32,173
Non-cash adjustments			
Depreciation, amortisation and impairment charges	22	115,140	114,375
Income from joint ventures	29	-43	-22
Other non cash corrections	26	-340	-584
Transfer to investing activities		-3,039	
Finance cost (net)	24	20,432	22,169
Operating profit before changes in working capital		176,197	168,111
Change in working capital			
Change in inventories		-649	-2,053
Change in trade and other receivables		8,676	3,101
Change in trade and other payables		4,966	1,891
Cash generated from operations		189,190	171,050
Interest paid		-20,368	-20,546
Interest received		804	942
Other financial items		-8,993	-1,607
Income taxes paid		-14,641	-11,343
Net cash flow from operating activities		**145,992**	**138,496**
Cash flow from investing activities			
Investments in tangible and intangible assets		-123,746	-149,485
Sale of tangible and intangible assets		18,852	19,307
Acquisition of subsidiaries and business operations, net of cash aquired		-804	-63,626
Disposal of subsidiaries and business combinations		21,922	
Net cash flow from investing activities		**-83,776**	**-193 804**
Cash flow from financing activities			
Change in interest-bearing receivables		2,528	244
Change in finance lease liabilities		-39,353	-32,944
Proceeds from interest-bearing liabilities		100,540	13,607
Repayments of interest-bearing liabilities		-122,131	-20,571
Hybrid capital		-6,000	-6,000
Proceeds from share options exercised		3,633	7,279
Proceeds from share issue			97,397
Non-controlling interest			-76
Dividends paid	12	-12,374	-3,163
Net cash flow from financing activities		**-73,157**	**55,773**
Change in cash and cash equivalents		**-10,941**	**465**
Cash and cash equivalents at beginning of the year		22,532	22,313
Cash to be transferred to joint venture		-2,005	
Translation differences		754	-246
Cash and cash equivalents at year end	11	**10,340**	**22,532**

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 of modular space. Cramo operates in fourteen countries in the Nordic countries and in Central and Eastern Europe with 376 depots and 2,664 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 7 February 2013, 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 2012. 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 and share plans). 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 2012 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."

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 38.

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. 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 and joint ventures are accounted for in the consolidated financial statements under the equity method. The Group's share of the profit or loss of an associated company and joint ventures is shown in the consolidated statement of income as a separate item, and its investments in the associated companies and joint ventures upon the date of acquisition, adjusted for changes in the associated companies' and joint ventures' 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' and joint ventures' net income includes also the revaluations of the previously held interest in connection with step acquisitions.

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 January 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

The 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. The depreciation of intangible assets ceases when the asset is classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. 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 have had loans in Swedish crone which loans are considered as a hedge to net investment in a foreign operation during the financial year. 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.

EQUITY

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.

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 options (series 2006C, 2009, 2010 and 2011), performance share plan and share savings plan. For stock option plans 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. Any non-market conditions, such as profitability or a given growth target for earnings, affect the estimation of the total number of options. The fair value of the option plans is defined using the Black-Scholes option pricing model. The amount of the fair value is allocated as an expense over the vesting period and the corresponding adjustment is charged to equity. On each reporting 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 Board of Directors of Cramo Plc agreed to establish a performance share plan as part of the incentive and commitment program for the key personnel of the company and its subsidiaries. The plan offers the target group an opportunity to earn the company shares as a reward on the basis of achievement of targets established for the performance criteria. The plan includes three discretionary periods, calendar years 2012, 2013 and 2014. There shall be a maximum total of 1,000,000 shares that shall be given as reward on the basis of the entire plan, including a cash proportion needed for taxes and tax-related costs arising from the reward to the key employees on the book-entry registration date of the shares. The rewards shall be paid to the key employees approximately two years after the confirmation of the reward in January 2015, January 2016 and January 2017, if the service conditions are met. The fair value of the equity-settled payment is determined at grant date and expensed during the vesting period, the corresponding amount being charged to equity. The total amount to be expensed over the vesting period is determined based on the Group's estimate on the number of the shares that are expected to be vested by the end of the vesting period. The impact of any non-market vesting conditions (EPS-target) has been excluded, but they are included in the assumptions about the number of shares that are expected to be distributed. On each reporting date the Group revises its estimate on the number of shares that are expected to be distributed. The impact of the revision of the original estimates are recognised in the income statement. The fair value of the cash-settled payment is measured on each reporting date and presented as a liability. The cash-settled payment is recognised as an expense during the vesting period. Any changes in the estimates are recognised in the income statement.

The Board of Directors of Cramo Plc has approved the terms of the share savings plan for the first plan period (1 Oct 2012–30 Sep 2013).The aim of the plan is to encourage the employees to become shareholders of the company and reward them for their efforts in working towards Cramo's goals. During the plan period the participants can save 2–5% of their monthly gross salary. The total amount of all savings from the plan period may not exceed EUR 4 million. The savings are automatically used to purchase company shares for the participants quarterly after each publication date of the interim results during the plan period. The participant will receive one free matching share for every two acquired savings shares, if the participant holds the acquired shares until the end of the designated holding period, 15 May 2016. An additional requirement for receiving the matching shares is that the participant's employment has not been terminated before the end of the designated holding period. The matching shares will be paid in 2016 partly in company shares and partly in cash. The cash part is intended to cover the tax and other tax related costs arising from the reward to the participant. The fair value of the equity-settled payment is determined at the date of acquisition of the savings shares. The fair value of the cash-settled part of the reward is determined at the acquisition of the savings shares and re-measured on each reporting date. The expenses of the share savings plan are recognised during the vesting period.

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 31 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*. Amendments to IFRS 9 Mandatory effectice date of IFRS 9 and Transition Disclosures, issued in December 2011, moves the mandatory effective date of both the 2009 and 2010 versions of IFRS 9 from 1 January 2013 to 1 January 2015. 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 judgment 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 management assesses that the amendment will not have a material impact on the consolidated financial.

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, Austria and Hungary. Theisen Group was consolidated into Cramo Group as from 1 February 2011.

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. The modular space business is also monitored at product group level. In addition to segment information, Cramo has continued to report the order book value for modular space.

Consequently, Cramo Group's business segments in 2012 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 and 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 2012

EUR 1,000 Income statement	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Non-allocated	Elimi-nations	Total Group
External revenue	112,468	317,461	84,167	37,451	66,592	70,252			688,391
Inter-segment revenue	197	4,898		233	380	11		-5,720	
Total revenue	**112,666**	**322,359**	**84,167**	**37,684**	**66,973**	**70,263**		**-5,720**	**688,391**
Depreciation	-16,958	-41,258	-11,517	-5,073	-9,598	-17,494	-347	674	**-101,571**
EBITA	**20,975**	**57,578**	**5,276**	**-5,022**	**-236**	**6,722**	**-7,565**	**277**	**78,005**
Amortisation and impairment on intangible assets resulting from acquisitions	-2,286	-5,282	-1,064	-1,994	-1,813	-1,130			**-13,569**
Net finance items									**-20,432**
Share of profit from joint ventures									**43**
EBT									**44,048**
Income taxes									**-5,508**
Profit for the year									**38,540**
Segment assets and liabilities									
Intangible assets	41,139	128,956	27,341		28,053	22,759	33,240		**281,486**
Tangible and other assets	112,283	387,633	97,526	43,859	69,453	77,464	9,550	-1,511	**796,257**
Assets to be transferred to joint venture						30,392			**30,392**
Total assets	**153,423**	**516,589**	**124,866**	**43,859**	**97,505**	**130,615**	**42,789**	**-1,511**	**1,108,136**
Non-financial liabilities	20,822	111,379	28,105	9,935	14,374	8,941	28,100	-8,421	**213,236**
Non-financial liabilities to be transferred to joint venture						2,974			**2,974**
Total non-financial liabilities	**20,822**	**111,379**	**28,105**	**9,935**	**14,374**	**11,915**	**28,100**	**-8,421**	**216,210**
Other disclosures									
Capital expenditure	23,585	55,206	10,900	2,433	19,566	12,527	860		**125,078**
Number of employees 31 Dec	428	793	223	97	327	623	64		**2,555**
Average number of employees	512	804	222	122	311	630	63		**2,664**

VALUE OF OUTSTANDING ORDERS FOR THE SALES AND RENTAL OF MODULAR SPACE 2012

EUR 1,000	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Non-allocated	Elimi-nations	Total Group
Sales	765			1,148					**1,913**
Rental	21,008	49,236	7,758	9,593					**87,596**
Total	**21,774**	**49,236**	**7,758**	**10,741**					**89,509**

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 joint ventures									**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**

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 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								-173	-173
Reclassification between asset categories							44	-44	
At 31 Dec 2011	192,406	29,500	8,352	48,128	71,233	6,648	2,257	12,127	370,651
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								161	161
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	-27,087		-2,232	-25,124	-17,948	-4,816	-1,658	-3,217	-82,083
Acquisition cost									
At 1 Jan 2012	192,406	29,500	8,352	48,128	71,233	6,648	2,257	12,127	370,651
Translation differences	4,936		123	1,213	1,754	195	12	1,004	9,238
Additions								845	845
Business acquisitions (note 31)					233				233
Reductions	-348		-106	-1,074	-2,229	-132	-684	-53	-4,626
Reclassification between asset categories					-524		283	-5	-247
Assets to be transferred to joint venture (note 32)	-39		-346	-2,639	-669	-493		-14	-4,201
At 31 Dec 2012	196,955	29,500	8,023	45,628	69,797	6,219	1,868	13,904	371,894
Accumulated depreciation, amortisation and impairment									
At 1 Jan 2012	-27,087		-2,232	-25,124	-17,948	-4,816	-1,658	-3,217	-82,083
Translation differences	-132		-53	-756	-526	-141	-10	-71	-1,689
Reductions			106	1,074	2,229	132	473	42	4,056
Reclassification between asset categories					524		-391	9	143
Assets to be transferred to joint venture (note 32)			346	2,364	669	493		2	3,875
Depreciation (note 22)							-66	-1,074	-1,140
Amortisation resulting from acquisitions (note 22)			-1,545	-5,945	-3,559	-744			-11,794
Impairment loss (note 22)				-324	-1,451				-1,775
At 31 Dec 2012	-27,219		-3,379	-28,711	-20,062	-5,076	-1,652	-4,309	-90,407
Net book value:									
At 1 Jan 2011	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
At 31 Dec 2012	169,736	29,500	4,645	16,917	49,736	1,142	216	9,596	281,486

Net book value of goodwill and intangible assets decreased by EUR 7.1 million from EUR 288.6 million to EUR 281.5 million in 2012. Decrease in net book value was mainly due to annual amortisations and depreciation (EUR 12.9 million) and impairment on intangible assets (EUR 1.8 million) in Denmark. Translation differences increased net book value by EUR 7.6 million.

4. TANGIBLE ASSETS

EUR 1,000	Land	Buildings and improvements	Machinery and equipment	Uncompleted purchases	Total
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 held 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 held 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**		**-397,360**
Acquisition cost					
At 1 Jan 2012	**2,162**	**23,766**	**993,531**	**116**	**1,019,575**
Translation differences	56	490	32,425	4	**32,974**
Additions		1,956	120,427	1,034	**123,417**
Business acquisitions (note 31)			583		**583**
Reductions	-123	-3,585	-75,625	-9	**-79,341**
Reclassification between asset categories	20	-1,885	-1,555	-75	**-3,495**
Reclassification to assets held for sale (note 5)			-282		**-282**
Assets to be transferred to joint venture (note 32)	-148	-1,110	-41,233	-357	**-42,848**
At 31 Dec 2012	**1,966**	**19,632**	**1,028,272**	**712**	**1,050,583**
Accumulated depreciation and impairment					
At 1 Jan 2012	**-15**	**-12,904**	**-384,442**		**-397,360**
Translation differences		-287	-15,584		**-15,872**
Reductions		1,675	50,277	9	**51,961**
Reclassification between asset categories		3,690			**3,691**
Reclassification to assets held for sale (note 5)			169		**169**
Assets to be transferred to joint venture (note 32)		313	21,721		**22,035**
Depreciation (note 22)	-21	-1,940	-96,460		**-98,421**
Impairment loss (note 22)		-202	-1,540	-9	**-1,751**
At 31 Dec 2012	**-36**	**-9,654**	**-425,858**		**-435,548**
Net book value:					
At 31 Dec 2011	**2,210**	**7,547**	**516,215**	**355**	**526,326**
At 31 Dec 2011	**2,147**	**10,861**	**609,090**	**116**	**622,214**
At 31 Dec 2012	**1,930**	**9,978**	**602,414**	**712**	**615,034**

Net book value of tangible assets decreased by EUR 7.2 million from EUR 622.2 million to EUR 615.0 million in 2012. The net book value decreased mainly due to assets to be transferred to joint venture (EUR 20.8 million), offset by translation differences, which increased net book value by EUR 17.1 million. Investments (EUR 123.4 million) were broadly at the level of depreciation (EUR 98.4 million) and asset reductions (EUR 27.4 million). Impairment loss of EUR 1.8 (0.8) million was recognised on tangible assets in 2012.

Machinery and equipment includes assets acquired through finance lease contracts. Acquisition cost of such equipment at the end of period was EUR 191.3 (241.5) million, accumulated depreciation EUR 82.0 (93.0) million and net book value EUR 109.3 (148.5) million.

5. ASSETS HELD FOR SALE

EUR 1,000	2012	2011
Net book value at 1 Jan	**6,680**	**2,671**
Translation differences	10	24
Additions	149	2,505
Business acquisitions (note 31)		4,310
Reclassification to assets held for sale	112	-1,540
Reductions	-3,150	-992
Impairment loss	-260	-299
Net book value at 31 Dec	**3,540**	**6,680**

Impairment loss of EUR 0.3 (0.3) million was recorded on assets held for sale. Assets held for sale are measured at lower of their 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 Czech Republic and Slovakia. Central Europe consists of business in Germany, Austria and Hungary. 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. Russian operations have been treated as assets to be transferred to joint venture.

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

	2012		2011	
EUR 1,000	Goodwill	Cramo brand	Goodwill	Cramo brand
Finland	29,771	5,467	30,119	6,095
Sweden	94,649	15,643	91,144	14,761
Norway	19,204	4,084	18,199	3,787
Denmark		1,829		1,671
Central Europe	9,946		9,946	
Estonia	11,806	844	11,806	602
Latvia and Lithuania	948	702	948	678
Poland	3,413	599	3,119	733
The Czech Republic and Slovakia		333		358
Russia			38	816
Total	**169,736**	**29,500**	**165,318**	**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 2012. The test was based on the balance sheet as at 31 October 2012. 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. The fair value of Russian cash generating unit has been defined based on the fair value defined in the letter of intent to form a joint venture less sales costs.

Summary development in 2012
Demand for equipment rental remained high in most market areas in the beginning of 2012. The uncertainty increased in the spring, which led to lower demand of construction equipment later in the year in most of the markets. However, differences between development of market areas were significant. On Group level utilisation rates remained on same level as in 2011. Differences between rental prices remain significant between markets. The Group investments were approximately on same level as depreciation of equipment value.

As a result of impairment test performed in December 2012, there is no need to record impairment loss on goodwill. As a result of reorganisation in Denmark, an impairment loss of EUR 1.8 million on other intangible assets was recorded at the end of 2012. (See note 3 and 22)

As a result of the impairment test performed in December 2011, a total amount of EUR 5.5 million was recognised as impairment loss for the accounting period 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, which have not recovered at the pace earlier expected.

Key assumptions used in value-in-use calculations:

2012	EBITA-%	Compound annual growth rate five-year period, %	Growth rate beyond the five-year period, %	Discount rate, %
Finland	17.6–22.2	2.3	1.0	8.05
Sweden	17.6–22.4	3.4	1.0	8.05
Norway	9.0–13.7	5.0	1.0	8.50
Denmark	3.9–8.3	-4.4	1.0	8.95
Central Europe	5.0–10.7	6.2	1.0	8.50
Eastern Europe	5.0–25.4	3.0–4.9	2.0	8.65–10.00

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

EBITA margin

In 2012 profitability has improved slightly. Utilisation rates and prices remained relatively stable on Group level. Going forward efficiency improvements are expected to gradually improve the profitability of Cramo's CGUs during the forecasting period 2013–2017. The forecasted EBITA margins of 3.9–25.4% within 2013–2017 (3.6–21.5% within 2012–2016) do not, however, exceed historical profitability level in CGUs other than Norway, Central Europe and Denmark. In Norway, improved efficiency together with positive market development will assist EBITA margin improvement from current level. In Central Europe, profitability is expected to improve as the Group gradually implements its Best in Town strategy. In Denmark the reorganisation of operations at the end of 2012 is expected to improve profitability significantly from current level.

Growth rate for the five year period

Future growth estimates aer mainly based on higher utilisation rates and investments. Sales is expected to reach an annual average growth rate of -4.4–6.2% (1.3–8.3) in 2013–2017. Major growth investments have been adjusted away. In the Nordic countries the annual average growth rate is expected to vary between -4.4–5.0% (1.3–5.5), depending on the unit. In Central Europe the growth in sales is expected to be the strongest, an annual average rate of 6.2% in 2013–2017. In the Baltic countries, the annual average growth rate is expected to be 3.0–4.2% (4.4–5.2).

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 increased by 0.52% units from the impairment test performed in 2011.

The pre-tax WACC of the Group has been determined based on the following factors: Equity and debt finance are expected to consitute 56% (60) and 44% (40), respectively, of the capital structure in the long haul. The capital structure is in line with the Group's financial targets defined with market values.

The cost of debt has decreased by 0.45% units from the test performed in 2011. This is due to decrease in the risk free rate, which has been offset by increase in credit spreads.

The cost of equity has increased by 1.58% units from tested performed in 2011. The market risk premium has increased by 2.00% units from the 2011 level. This reflects the heightened risks reflected in capital markets for the development of the overall economy. Cramo's company-specific risk level (beta) has remained at same level as in 2011. Both market risk premium and equity beta are based on long-term data.

	2012	2011
Capital structure		
Share of equity capital, %	56.0	60.0
Share of debt capital, %	44.0	40.0
Cost of debt		
Risk-free rate, %	1.78	2.60
Credit spread, %	2.20	1.83
Cost of debt, %	**3.98**	**4.43**
Cost of equity		
Market risk premium, %	7.00	5.00
Cost of equity (market), %	8.78	7.60
Beta	1.20	1.20
Cost of equity, %	**10.18**	**8.60**
Cramo pre-tax WACC, %	**7.45**	**6.93**

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.

2012	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	7.45	8.05
Sweden	0	3	1	**4**	0.60	7.45	8.05
Norway	0	3	4	**7**	1.05	7.45	8.50
Denmark	0	2	8	**10**	1.50	7.45	8.95
Central Europe	1	1	5	**7**	1.05	7.45	8.50
Eastern Europe	3–5	1–5	4–7	**8–17**	1.20–2.55	7.45	8.65–10.00

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

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	-9.8	-16.7	-21.4	8.3	164.8	> 100
Sweden	-9.0	-14.6	-14.8	6.9	463.2	> 100
Norway	-1.6	-3.9	-2.1	1.4	21.5	20–50
Denmark	0.0	0.0	0.0	0.0	0.0	0
Central Europe	-0.8	-2.1	-1.0	0.7	9.9	10–20
Eastern Europe	-7.9–0.0	-16.9–0.0	-31.8–0.0	0.0–9.6	0.0–18.4	0–100

Summary of the sensitivity analysis
In Denmark and Czech Republic and Slovakia cash generating units, the recoverable amount equals the carrying amount. Any negative change in key assumption will lead to impairment loss in these cash generating units.

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 124.4 (121.3) million. i.e. 73.3% (73.4) of the Group's goodwill. The total amount of Cramo brand allocated to these countries totals approximately EUR 21.1 (20.9) million.

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

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

In Eastern Europe the recoverable amount exceeds carrying amount by 50–100% (20–50) in Estonia, by 50–100% (50–100) in Latvia and Lithuania and by 10–20% (50–100) in Poland.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

EUR 1,000	2012	2011
At 1 Jan	**350**	**347**
Translation differences	1	1
Disposals	-2	
Reclassification from non current receivable		2
At 31 Dec	**349**	**350**
Total non-current available-for-sale financial assets	349	350

During 2012 and 2011 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 2012	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			349			349	349	–
Derivative financial instruments	14								
Trade and other receivables	9		1,071				1,071	1,071	–
Current financial assets									
Derivative financial instruments	14	303					303	303	2
Trade and other receivables	9		114,461				114,461	114,461	–
Cash and short-term deposits	11		10,340				10,340	10,340	–
Total		**303**	**125,872**	**349**			**126,524**	**126,524**	
Non-current financial liabilities									
Interest-bearing liabilities	13				271,712		271,712	271,081	1
Derivative financial instruments	14					8,861	8,861	8,861	2
Other non-current liabilities	16				47		47		-
Current financial liabilities									
Interest-bearing liabilities	13				87,577		87,577	87,577	-
Derivative financial instruments	14	1,347					1,347	1,347	2
Trade and other payables	17				59,903		59,903		-
Total		**1,347**			**419,239**	**8,861**	**429,448**	**368,867**	

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		128,096				128,096	128,096	-
Cash and short-term deposits	11		22,532				22,532	22,532	-
Total		**730**	**154,181**	**350**			**155,261**	**155,261**	
Non-current financial liabilities									
Interest-bearing liabilities	13				311,461		311,461	311,669	2
Derivative financial instruments	14	1,855				4,920	6,775	6,775	2
Other non-current liabilities	16				127		127	127	-
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				59,390		59,390		-
Total		**3,692**			**472,400**	**4,920**	**481,012**	**421,830**	

Available-for-sale financial assets

Available-for-sale financial assets consist of shares in 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	2012	2011
Non-current receivables		
Interest-bearing non-current receivables		
Finance lease receivables		2,238
Non-interest-bearing non-current receivables		
Other receivables	1,071	1,316
Reclassification to available-for-sale financial assets		-2
Total	**1,071**	**3,553**
Current receivables		
Interest-bearing current receivables		
Finance lease receivables		285
Other receivables	26	32
Non-interest-bearing current receivables		
Trade receivables	111,916	125,035
Other receivables	2,519	2,744
Prepaid expenses and accrued income	17,761	14,858
Total	**132,222**	**142,954**
Finance lease receivables fall due as follows		
Not later than one year		429
Later than one year and not later than five years		1,265
Later than five years		2,114
Gross investment in finance leases		**3,808**
Present value of minimum lease receivables		
Not later than one year		285
Later than one year and not later than five years		872
Later than five years		1,366
Present value of minimum lease receivables		**2,523**
Unearned financial income		1,285
Gross investment in finance leases		**3,808**

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

A total amount of EUR 6,048 (5,565) 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**	2012	2011
At 1 Jan	**7,931**	**7,762**
Charge for the year	6,048	5,565
Utilised	-4,837	-5,395
Assets to be transferred to joint venture	-2,021	
At 31 Dec	**7,121**	**7,931**

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 uninvoiced revenue accrual and prepaid premises, leasing and insurance expenses.

EUR 1,000 **Ageing analysis of trade receivables**	2012	2011
Trade receivables, not due at reporting date	81,472	89,032
Trade receivables 1–30 days overdue	22,288	24,635
Trade receivables 31–60 days overdue	3,877	3,459
Trade receivables 61–90 days overdue	1,257	2,725
Trade receivables 91–180 days overdue	1,170	2,594
Trade receivables more than 180 days overdue	1,852	2,590
Total	**111,916**	**125,035**

EUR 1,000 **Trade receivables by currencies**	2012	2011
EUR	25,532	28,480
SEK	56,979	62,112
NOK	16,928	14,192
DKK	6,309	8,477
PLN	2,540	3,217
RUB	198	3,841
Other	3,430	4,716
Total	**111,916**	**125,035**

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	2012	2011
Materials and supplies	9,499	12,800
Work in progress	4,404	5,510
Total	**13,902**	**18,310**

At the end of the period, inventories have been written down by EUR 211 (172) thousands 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	2012	2011
Cash and cash equivalents	10,340	22,532
Total	**10,340**	**22,532**

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 and cash equivalents do not include cash to be transferred to joint venture.

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

At 31 December 2012, the Group had available EUR 230.8 (166.2) 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 in the balance sheet at 31 December 2012.

12. SHARE CAPITAL AND EQUITY FUNDS

EUR 1,000 Share capital	Number of shares	Share capital	Share issue	Other reserves	Total
At 1 Jan 2011	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**
Exercise of share options	585,589		-17	3,650	**3,633**
At 31 Dec 2012	**42,024,675**	**24,835**		**304,373**	**329,208**

Cramo Plc had four stock option plans in force at 31 December 2012 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 2011	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**
Cash flow hedges			
Fair value gains in period		-3,941	**-3,941**
Tax on fair value losses		965	**965**
At 31 Dec 2012	**119**	**-8,144**	**-8,025**

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 not hedged any foreign currency denominated equity. The foreign exchange difference arising from the hedge canceled 2012 is recognised in equity under 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 first call may be on 29 April 2013 , when the coupon rate will rise to 15.0%. 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.

DIVIDENDS
The Board proposes to the AGM a dividend of EUR 0.42 (0.30) per share for year 2012.

13. INTEREST-BEARING LIABILITIES

EUR 1,000 Non-current interest-bearing liabilities	2012 Book value	2012 Fair value	2011 Book value	2011 Fair value
Syndicated bank loan	122,679	122,139	230,581	230,581
Bond	99,460	99,369		
Other bank loans	250	250	761	761
Pension loans			1,271	1,277
Repurchase liabilities	202	202	1,807	2,009
Finance lease liabilities*	49,121	49,121	77,040	77,040
Total	**271,713**	**271,081**	**311,461**	**311,668**
Current interest-bearing liabilities	**Book value**		**Book value**	
Syndicated bank loan				
Other bank loans	4,877		1,166	
Pension loans	1,271		2,543	
Repurchase liabilities				
Finance lease liabilities	24,782		34,137	
Commercial papers	56,646		63,576	
Total	**87,577**		**101,422**	
Total interest-bearing liabilities	**359,289**		**412,883**	

* An error regarding non-current finance lease liabilities relating to earlier periods has been corrected retrospectively and adjusted in equity. As a result, the balance of the non-current finance lease liability for the comparative period has been increased by EUR 1.0 million.

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 230.8 (166.2) million, of which long-term EUR 200.0 (143.0) million and short-term EUR 30.8 (23.2) 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. However, 2012 figures don't include any pro forma adjustments. 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 2012 are presented below:

EUR 1,000	Actual 2012	Actual 2011	Value of covenants 2010–2011	Value of covenants 2012	Value of covenants 2013–
Net debt to EBITDA, maximum	1.93	2.28	4.00	3.50	3.50
Gearing, maximum	65.14	78.70	130.00	120.00	115.00

The following table presents a sensitivity analysis of financial covenants with the actual values at 31 December 2012. The table shows the maximum deviation of each essential parameter before breaking the financial covenant value.

EUR millions	Net debt Max increase	EBITDA Max decrease	Equity Max decrease
Net debt to EBITDA, maximum	281.6	80.5	
Gearing, maximum	292.2	-	243.5

Key figures have been calculated before reclassification of Russian business as assets and liabilities to be transferred to joint venture according to IFRS 5.

EUR 1,000 Interest-bearing liabilities mature as follows, 2012	2013	2014	2015	2016	2017	2018+	Total
Syndicated bank loan			122,679				**122,679**
Bond						99,460	**99,460**
Other bank loans	4,877	124	63	63			**5,127**
Pension loans	1,271						**1,271**
Repurchase liabilities						202	**202**
Finance lease liabilities	24,782	19,065	13,683	9,103	4,094	3,176	**73,903**
Commercial papers	56,646						**56,646**
Total	**87,577**	**19,189**	**136,425**	**9,166**	**4,094**	**102,838**	**359,289**

EUR 1,000 Syndicated loan by currency and maturity, 2012	2013	2014	2015	2016	2017	2018+	Total
EUR			122,679				**122,679**
SEK							
Total			**122,679**				**122,679**

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	34,630	30,047	12,818	12,754	8,501	12,427	**111,117**
Commercial papers	63,576						**63,576**
Total	**101,915**	**31,903**	**244,530**	**12,956**	**8,600**	**12,980**	**412,883**

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**

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	2012	2011
SEK	32,586	45,354
NOK	15,122	20,831
DKK	1,791	4,396
EUR	15,252	25,703
Other	9,152	14,893
Total	**73,903**	**111,117**

EUR 1,000 Gross finance lease liabilities – minimum lease payments	2012	2011
Payable < 1 year from balance sheet date	26,084	41,736
Payable 1–5 years from balance sheet date	47,762	63,126
Payable > 5 years from balance sheet date	3,204	12,781
Total	**77,050**	**117,644**
Future finance charges on finance leases	3,147	6,467
Present value of minimum future finance lease payments	**73,903**	**111,117**

	2012		2011	
Weighted average maturity and interest rates at 31 Dec	**Maturity, years**	**Interest, %**	**Maturity, years**	**Interest, %**
Bank loans	3.0	1.93	3.0	3.70
Bank loans including interest rate swaps	3.0	3.53	3.0	4.48
Pension loan	0.4	4.75	0.9	4.75
Bond	5.2	4.55		
Finance leases	1.9	3.30	2.3	3.82
Repurchase liabilities	5.6	4.08	3.7	4.15
Commercial papers	0.3	1.49	0.2	2.14

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, 54.9% (47.6) of outstanding interest-bearing liabilities were at fixed interest rates when including the effect of derivatives used. During 2012 and 2011, 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 2.8 years (1.8 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 upwards 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 91.0 million at 31 December 2012 (2011: EUR 181.6 million). IAS 39 hedge accounting was applied to a part of these interest rate swaps representing a total nominal value of EUR 91.0 (EUR 145.2) 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 2012 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 1.2 (0.4) 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 4.2 (4.6) 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.

	2012				2011			
	Income statement		Equity		Income statement		Equity	
	+ 1%	- 1%	+ 1%	- 1%	+ 1%	- 1%	+ 1%	- 1%
Interest-bearing liabilities	-1.9	1.9			-2.9	2.9		
Interest rate derivatives								
Hedge accounted	0.7	-0.7	4.2	-4.2	1.1	-1.1	4.6	-4.6
Non-hedge accounted					1.5	-1.5		
Total	**-1.2**	**1.2**	**4.2**	**-4.2**	**-0.4**	**0.4**	**4.6**	**-4.6**

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 not hedged any foreign currency denominated equity. The foreign exchange difference arising from the hedge canceled 2012 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 2012	SEK	NOK	DKK	LVL	LTL	PLN	RUB	CZK	CHF	HUF	Total
Equity exposed to translation risk	347,862	33,725	2,578	3,775	1,717	10,184	7,270	8,102	-870	15	**414,358**
Lending designated as part of net investment							15,497				**15,497**
Hedging loans											
Open exposure	**347,862**	**33,725**	**2,578**	**3,775**	**1,717**	**10,184**	**22,767**	**8,102**	**-870**	**15**	**429,855**

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	-17,393	-1,686	-129	-189	-86	-509	-320	-405	44	-1	**-20,674**
Lending designated as part of net investment							-775				**-775**
Hedging loans											
Total	**-17,393**	**-1,686**	**-129**	**-189**	**-86**	**-509**	**-1,095**	**-405**	**44**	**-1**	**-21,449**

EUR 1,000 Translation risk and hedging 31 Dec 2011	SEK	NOK	DKK	LVL	LTL	PLN	RUB	CZK	CHF	HUF	Total
Equity 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
Equity 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**

During previous years a proportion of the group's SEK -denominated borrowing (31 December 2011 EUR 76.6 million) has been designated as a hedge of the net investment in the Group's Swedish subsidiaries. This hedge was cancelled during 2012. The foreign exchange loss of EUR 0.8 (loss 0.5) million aroused from the hedge during the reporting period is recognised in translation differences, in shareholders' equity. The cumulative effect into translation differences totaled to EUR -0.9 (-0.1) million.

A proportion of the group's RUB-denominated lending to its subsidiaries totalling EUR 15.5 (15.0) million has been designated as a part of the net investment in the respective subsidiaries. The fair value of the lending at 31 December 2012 was EUR -2.5 (-3.1) million. The foreign exchange win of EUR 0.5 (loss 0.3) 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 2012	SEK	NOK	DKK	LVL	LTL	PLN	RUB	CZK	CHF	HUF	Total
Transaction exposure	35,768	49,354	28,464	2,288	3,968	10,239	22,652	1,785			**154,518**
Hedges	-35,073	-49,331	-28,280	-2,293	-3,852	-10,064	-22,279	-2,099			**-153,271**
Open exposure	**695**	**23**	**184**	**-5**	**116**	**175**	**373**	**-314**			**1,247**

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	-1,788	-2,468	-1,423	-114	-198	-512	-1,133	-89			**-7,726**
Hedges	1,754	2,467	1,414	115	193	503	1,114	105			**7,664**
Total	**-35**	**-1**	**-9**	**0**	**-6**	**-9**	**-19**	**16**			**-62**

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**

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 2012	Positive fair value	Negative fair value	Net fair value
FX forward contracts	303	-1,347	-1,044
Interest rate swaps, non-hedge accounting			
Interest rate swaps, cash flow hedges		-8,861	-8,861
Total	**303**	**-10,209**	**-9,906**
Non-current portion			
FX forward contracts			
Interest rate swaps, non-hedge accounting			
Interest rate swaps, cash flow hedges		-8,861	-8,861
Non-current portion		**-8,861**	**-8,861**
Current portion	**303**	**-1,347**	**-1,044**

EUR 1,000 Fair values 31 Dec 2011	Positive fair value	Negative fair value	Net fair value
FX forward contracts	730	-1,838	-1,108
Interest rate swaps, non-hedge accounting		-1,855	-1,855
Interest rate swaps, cash flow hedges		-4,920	-4,920
Total	**730**	**-8,613**	**-7,883**
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 Nominal values of derivative financial instruments	2012	2011
FX forward contracts	184,809	202,932
Interest rate swaps	91,000	181,645
Total	**275,809**	**384,577**

The derivatives used in 2012 and 2011 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 2012 the open derivative exposure reflects well the exposure retained during the financial year.

EUR 1,000 Derivative instruments mature as follows, 2012	2013	2014	2015	2016	2017	2018+	Total
Currency derivative instruments	184,809						**184,809**
Interest derivative instruments							
EUR						91,000	**91,000**
SEK							
NOK							
Total interest derivative instruments	**184,809**					**91,000**	**275,809**

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**

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 2012.

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 2012 undrawn committed credit facilities totalled EUR 230.8 (166.2) 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 2012	Less than 1 year	1–2 years	2–5 years	Over 5 years	Total
Derivatives					
FX forward contracts, outflow	-891				-891
FX forward contracts, inflow	378				378
Interest rate swaps, outflow	-2,328	-2,198	-6,599	-2,927	-14,052
Interest rate swaps, inflow	188	173	518	205	1,084
Derivatives, net	**-2,653**	**-2,025**	**-6,081**	**-2,722**	**-13,481**
Accounts payable and other non-interest bearing liabilities	-119,460				-119,460
Borrowings (excl. finance lease liabilities)	-71,776	-9,077	-140,069	-100,675	-321,597
Finance lease liabilities	-31,018	-14,987	-27,843	-3,203	-77,051
Repurchase liabilities	-8	-8	-24	-207	-247
Total	**-222,262**	**-24,072**	**-167,936**	**-104,085**	**-518,355**

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	-41,737	-26,877	-36,249	-12,781	-117,644
Repurchase liabilities	-75	-75	-1,304	-564	-2,018
Total	**-234,446**	**-36,923**	**-272,580**	**-13,345**	**-558,244**

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.

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 2012 one of the essential targets of the Group was to further decrease the gearing ratio. This target was met (gearing at 31 Dec 2012 65.1%, 31 Dec 2011 78.7%).*

The net interest-bearing liabilities of the Group at 31 December 2012 totalled EUR 349.0 million, while at 31 December 2011 they were EUR 389.4 million. During 2012 the net interest-bearing liabilities decreased by EUR 40.4 million.

Net debt and gearing are represented in the table beside.

EUR 1,000	2012	2011
Interest-bearing liabilities	359,289	412,883
Cash and cash equivalents	-10,340	-22,532
Cash to be transferred to joint venture	-2,005	
Net interest-bearing liabilities	**346,944**	**390,351**
Total equity	**532,637**	**493,851**
Gearing, %*	**65.1**	**78.7**

* Key figures have been calculated before reclassification of Russian business as assets and liabilities to be transferred to joint venture according to IFRS 5.

15. DEFERRED TAXES

EUR 1,000	2012	2011
Deferred tax assets		
Tax losses carried forward	3,223	5,937
Financial leases	5,187	8,306
Fair value of hedging fund	2,643	1,677
Exchange rate difference of net investments	287	969
Derivative financial instruments	308	433
Elimination of internal profit	1,608	1,912
Other temporary differences	1,348	2,012
Total	**14,604**	**21,246**
Deferred tax liabilities		
Depreciation difference and other untaxed reserves	49,608	49,476
Financial leases	6,626	9,601
Exchange rate difference of net investments	287	969
Derivative financial instruments	74	179
Valuation of assets to fair value in business combinations	23,018	28,885
Other temporary differences	575	2,223
Total	**80,188**	**91,333**
Deferred tax liabilities net	**65,584**	**70,087**
Reflected in the balance sheet as follows		
Deferred tax asset	14,604	15,312
Deferred tax liabilities	80,188	85,399
Deferred tax liabilities net	**65,584**	**70,087**
Change in deferred tax liabilities and assets recognised in the balance sheet		
Deferred tax liabilities net at beginning of the year	70,087	64,047
Acquired and disposed subsidiaries		10,516
Other items recognised in the income statement	-6,283	-3,320
Items recognised in equity	-965	-1,257
Exchange rate differences	2,176	101
Assets and liabilities to be transfered to the joint venture	569	
Deferred tax liabilities net at year end	**65,584**	**70,087**

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 current year tax loss carried forward of EUR 3,064 (1,523) 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.

16. OTHER NON-CURRENT LIABILITIES

EUR 1,000 **Other non-current liabilities**	2012	2011
Advances received	705	3,243
Other non-current liabilities	47	127
Total	**752**	**3,369**

17. TRADE AND OTHER PAYABLES

EUR 1,000	2012	2011
Trade payables	51,641	50,420
Advances received	9,598	8,214
Accrued expenses and deferred income	49,959	48,881
Other current liabilities	8,261	8,970
Total	**119,460**	**116,485**

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	2012	2011
Collateral given on own behalf		
Debts, secured by collateral		
Finance lease liabilities	73,903	110,227
Collateral given		
Pledges, finance lease	109,314	148,502
Commitments, secured by collateral		
Construction and warranty guarantees	15	643
Other contingent liabilities		
Contingent interest liability on hybrid capital*	4,027	4,022
Investments	12,220	10,431

* 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. The first call may be on 29 April 2013, when the coupon rate will rise to 15.0%. 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**	2012	2011
Payable < 1 year from balance sheet date	28,841	26,795
Payable 1–5 years from balance sheet date	72,864	76,133
Payable > 5 years from balance sheet date	15,029	27,951
Total	**116,734**	**130,880**

EUR 1,000 **Operational lease payments**	2012	2011
Payable < 1 year from balance sheet date	15,586	22,976
Payable 1–5 years from balance sheet date	20,484	22,107
Total	**36,069**	**45,084**

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	2012	2011
Net capital gain on sale of tangible assets	2,916	3,427
Gain on sale of business operations	2,199	
Purchase price adjustment of Theisen	1,650	
Rent on premises	569	810
Income from insurance companies	140	691
Income from education provided for customers	1,299	1,123
Other income	2,548	1,646
Total	**11,321**	**7,697**

20. MATERIALS AND SERVICES

EUR 1,000	2012	2011
Purchases	-42,944	-49,543
External services	-199,192	-198,850
Total	**-242,137**	**-248,393**
Change in inventories of work in progress (-) decrease/(+) increase	836	-425
Production for own use	3,657	10,302

21. EMPLOYEE BENEFIT EXPENSES

EUR 1,000	2012	2011
Wages and salaries, including restructuring costs EUR 1,373	-109,910	-102,996
Social security costs	-22,543	-20,200
Share-based payment transaction expense	-2,620	-2,843
Pension costs – defined contribution plans	-8,656	-9,711
Total	**-143,728**	**-135,751**
Average number of personnel	**2,664**	**2,580**

The employee benefits of the Group's management are disclosed in note 30 and information concerning share-based payments is presented in note 28.

22. DEPRECIATION AND IMPAIRMENT

EUR 1,000	2012	2011
Depreciation of tangible assets	-98,420	-95,471
Depreciation of intangible assets*	-1,140	-1,044
Total depreciation	**-99,560**	**-96,515**
Impairment loss of tangible assets	-1,751	-810
Impairment loss of assets held for sale	-260	-299
Depreciation and impairment loss related to tangible and intangible assets	**-101,571**	**-97,624**
Amortisation on intangible assets resulting from acquisitions	-11,794	-11,241
Impairment related to intangibles resulting from acquisitions	-1,775	-5,510
Amortisation and impairment resulting from acquisitions	**-13,569**	**-16,751**
Total depreciation, amortisation and impairment	**-115,140**	**-114,375**
Depreciation of tangible assets	-98,420	-95,471
Depreciation of intangible assets*	-1,140	-1,044
Amortisation of intangible assets resulting from acquisitions	-11,794	-11,241
Total depreciation and amortisation	**-111,354**	**-107,756**
Impairment loss of tangible assets	-1,751	-810
Impairment loss of assets held for sale	-260	-299
Impairment loss related to intangibles resulting from acquisitions	-1,775	-5,510
Total impairment losses	**-3,786**	**-6,619**
Total depreciation, amortisation and impairment losses	**-115,140**	**-114,375**

* Amortisation of intangible assets relates mainly to depreciation of development costs of the group ERP system.

Total depreciation, amortisation and impairment losses increased by EUR 0.8 million to EUR 115.1 (114.4) million. Depreciation increased by EUR 3.0 million to EUR 99.6 (96.5) million due to investments increasing asset base. Amortisation of intangible assets resulting from acquisitions increased by EUR 0.6 million to 11.8 (11.2) million as a result of business combinations made in 2011 had a full year effect in 2012. Impairment losses decreased by EUR 2.8 million to EUR 3.8 (6.6) million.

During 2012, an impairment loss of EUR 1,751 (810) thousand was recorded on tangible assets. During 2012, an impairment loss of EUR 260 (299) thousand was recorded on assets held for sale.

23. OTHER OPERATING EXPENSES

EUR 1,000	2012	2011
Rent for premises	-32,606	-29,722
Other expenses for premises	-13,970	-13,802
Operational leases	-23,109	-30,203
Bad debts	-6,048	-5,565
Marketing	-9,209	-9,375
Temporary staff	-11,319	-12,695
Other personnel related expenses	-10,556	-10,625
Other administrative expenses	-31,195	-32,640
Other expenses	-751	
Total	**-138,763**	**-144,627**
Audit fees		
Authorised Public Accountants Ernst & Young		
Audit fees	-887	-710
Tax consultation	-152	-180
Other services	-55	-906
Total	**-1,094**	**-1,796**
Other auditing firms	**-29**	**-130**

24. FINANCIAL INCOME AND EXPENSES

EUR 1,000	2012	2011
Interest income on loans receivable and cash and cash equivalents	804	942
Other financing income	14	273
Interest expenses on financial liabilities measured at amortised cost	-12,005	-13,626
Interest expenses on financial leases	-3,531	-4,941
Interest income and expenses on interest rate derivatives, cash flow hedges	-1,833	-1,292
Interest income and expenses on interest rate derivatives, non-hedge accounted	-710	-643
Change in fair value of interest rate derivatives, non-hedge accounted	-576	13
Change in fair value of foreign exchange rate derivatives, non-hedge accounted	140	-116
Other exchange rate differences	5	-392
Arrangement and commitment fees relating to interest-bearing loans	-2,159	-2,083
Other financing expenses	-581	-304
Net financial expenses	**-20,432**	**-22,169**

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	2012	2011
Current tax	-11,067	-11,848
Tax from previous financial periods	-724	-140
Change in deferred taxes	6,283	3,320
Total	**-5,508**	**-8,668**

The difference between income taxes at the domestic tax rate in Finland 24.5% and income taxes recognised in the consolidated income statement is reconciled as follows:

Profit before tax	44,048	32,173
Tax calculated with domestic corporate tax rate	-10,792	-8,365
Foreign subsidiaries divergent tax rate +/-	-959	-687
Change in tax rates	9,576	390
Non-taxable income	-2,253	-26
Non-deductable expenses	-646	-2,587
Items not recognised in accounting	2,610	2,865
Share based payments	-642	-739
Tax losses for which no deferred income tax asset was recognised	-3,064	-1,523
Other items for which no deferred tax booked	1,386	1,560
Cost of rights issue		584
Tax from the previous financial periods	-724	-140
Taxes in income statement	**-5,508**	**-8,668**
Group's effective tax rate, %	**12.5**	**26.9**

Deferred taxes have been recalculated due to the following changes in tax rates: Sweden 2012: from 26.3% to 22% (Finland 2011: from 26% to 24.5%).

There are no income tax consequences attached to the payment of dividends in either 2012 or 2011 by the Group to its shareholders.

26. OTHER NON-CASH CORRECTIONS

EUR 1,000	2012	2011
Capital gain on sale of tangible assets	-4,533	-4,772
Capital loss on sale of tangible assets	1,617	1,345
Share-based payments	2,576	2,843
Total	**-340**	**-584**

27. EARNINGS PER SHARE

	2012	2011
Profit/loss for the year attributable to equity holders of the parent company, EUR 1,000	**38,540**	**23,505**
Number of shares		
Basic weighted average number of shares outstanding at the beginning of the year	41,122,798	30,343,901
Average number of issued shares before the rights issue	233,549	1,136,051
Weighted avarage number of shares outstanding before bonus elements and new issue of shares	41,356,347	31,479,952
Bonus element*		1,014,884
Weighted average number of shares outstanding before new issue of shares	41,356,347	32,494,837
Average number of shares related to the rights issue		6,603,914
Basic weighted average number of shares outstanding	**41,356,347**	**39,098,751**
Effect of options granted	230,753	281,776
Diluted weighted average number of shares outstanding	**41,587,100**	**39,380,527**
Earnings per share from profit/loss attributable to equity holders of the parent company		
Basic, EUR	0.93	0.60
Diluted, EUR	0.93	0.60

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.

* 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

STOCK OPTIONS

In the end of the period Cramo had stock options 2006C, 2009, 2010 and 2011 in operation. Under the plans the Board of Directors is authorised to grant up to 5 million 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	Stock Options 2006		Stock Options	Stock Options	Stock Options
Basic information	**2006B**	**2006C**	**2009**	**2010**	**2011**
Annual General Shareholders' Meeting date	20-Nov-06	20-Nov-06	26-Mar-09	13-Apr-10	24-Mar-11
Initial grant date	14-Nov-07	10-Nov-08	02-Nov-09	04-Nov-10	31-Oct-11
Maximum number of stock options	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
The number of shares subscribed by one option*	1.3	1.3	1.3	1.3	1
Initial exercise price, EUR	26.47	5.56	11.06	14.79	7.30
Dividend adjustment	Yes	Yes	Yes	Yes	Yes
Current exercise price, EUR*,**	-	6.17	10.55	13.42	7.00
Beginning of exercise period, date (vesting)	1-Oct-10	1-Oct-11	1-Oct-12	1-Oct-13	1-Oct-14
End of excercise period, date (expiration)	31-Jan-12	31-Jan-13	31-Dec-13	31-Dec-14	31-Dec-15
Maximum contractual life, years	5.2	6.2	4.8	4.7	4.8
Remaining contractual life Dec 31, 2012, years	0	0.1	1.0	2.0	3.0
Number of persons Dec 31, 2012	Expired	Vested	87	99	109

* 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 as from 26 April 2011 to ensure the equal treatment of stock option holders and shareholders and in accordance with the terms and conditions of the Stock Options.

** The exercise price is deducted by the amount of the dividend distributed annually.

Options	Stock Options 2006		Stock Options	Stock Options	Stock Options		Weighted average exercise	Weighted average remaining
Changes during the period 2012	**2006B**	**2006C**	**2009**	**2010**	**2011**	**Total**	**price in EUR***	**life, years**
1 Jan 2012								
Outstanding at the beginning of the period	737,000	876,500	857,000	934,500	964,000	**4,369,000**	11.69	
Changes during the period								
Granted					5,000	**5,000**	7.00	
Forfeited			40,500	45,000	41,000	**126,500**	10.42	
Exercised		448,454				**448,454**	6.23	
Expired	737,000					**737,000**	22.05	
Weighted average share price, EUR	–	9.77	-	-	-			
31 Dec 2012								
Outstanding at the end of the period		428,046	816,500	889,500	928,000	**3,062,046**	9.70	1.2
Exercisable at the end of the period		428,046	816,500			**1,244,546**	9.04	

* Exercise price in the beginning of the period is status at December 31, 2011. Exercise price for the options forfeitured during the period is based on the status at December 31, 2012. Exercise price for the options exercised during the period is based on the realised excercise price.

Options	Stock Options 2006			Stock Options	Stock Options	Stock Options		Weighted average exercise	Weighted average remaining
Changes during the period 2011	**2006A**	**2006B**	**2006C**	**2009**	**2010**	**2011**	**Total**	**price in EUR***	**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	2.2
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 December 31, 2010. Exercise price for the options forfeitured during the period is based on the status at December 31, 2011. Exercise price for the options exercised during the period is based on the realised excercise price.

Determination of fair value

The fair value of the stock options has been determined at grant date and the fair value is expensed during the vesting period. The fair value of the stock options have been determined by using Black–Scholes valuation model. The pricing of the additional grant of Options 2011 granted during the reporting year was determined by the inputs presented on the table below.

Valuation parameters in Black–Scholes model	Granted 2012 Options 2011
Number of granted options	5,000
Share price at grant date, EUR	11.29
Exercise price, EUR	7.30
Expected volatility, %*	29
Maturity, years	2.5
Risk-free rate, %	0.82
Expected dividends, EUR**	0
Fair value per option, EUR	4.48
Total fair value, EUR	22,400

* Expected volatility was determined by calculating the historical volatility of the Group`s share using historical monthly observations over 10 years. Implied volatility has been taken into account, if available from other Cramo stock options trading upon grant.

** The exercise price is deducted by the amount of the dividend distributed annually.

PERFORMANCE SHARE PLAN

The Board of Directors of Cramo Plc has at its meeting on 23 March 2012 agreed to establish a performance share plan (the Plan). The Plan was established as a part of the incentive and commitment program for the key personnel of the company and its subsidiaries. The Plan offers the target group the opportunity to earn the company shares as a reward on the basis of achievement of targets established for the performance criteria. The Plan includes three discretionary periods, calendar years 2012, 2013 and 2014.

There shall be a maximum total of 1,000,000 shares that shall be given as reward on the basis of the entire Plan, including a cash proportion needed for taxes and tax-related costs arising from the reward to the key employees on the book-entry registration date of the Shares.

The rewards shall be paid to the key employees approximately two years after the confirmation of the reward, in January 2015, January 2016 and January 2017.

The key data and changes in the amounts of share ownership plan in the 2012 financial year are presented in the tables below. Since the cash component of the share reward is also recognised as a share-based expense, the amounts below are presented in gross terms, i.e. the share reward figures include both the reward paid in shares and a number of shares corresponding to the amount of the reward paid in cash.

Performance share plan Basic information	Discretionary Period 2012
Maximum number of shares	1,000,000
Dividend adjustment	-
Grant date	25-Jun-12
Beginning of earning period	1-Jan-12
End of earning period	31-Dec-12
End of restriction period	31-Jan-15
Vesting conditions	EPS, service period
Maximum contractual life, years	2.6
Remaining contractual life, years	2.1
Number of persons at the end of the reporting year	65
Payment method	Cash & equity

Performance share plan Changes during the period 2012	Discretionary Period 2012	Weighted average remaining life, years
1 Jan 2012		
Outstanding at the beginning of the period		
Changes during the period		
Granted*	318,500	
Forfeited*	3,000	
Exercised		
Expired		
31 Dec 2012		
Outstanding at the end of the period*	315,500	2.1

* Maximum number of shares received if the reward target was 100% met. The number of shares is presented in gross terms, i.e. the share reward figures include both the reward paid in shares and a number of shares corresponding to the amount of the reward paid in cash.

Determination of fair value

Inputs of the share plans granted during the financial year 2012 are listed in the table below. The fair value of the equity-settled payment has been determined at grant date and the fair value is expensed during the vesting period. The fair value of the cash-settled payment is revalued on each reporting date and expensed during the vesting period. The total fair value of the rewards is based on the achievement of 15% of the target and the company's estimate on December 31, 2012 as to the number of shares to be eventually vesting.

Performance share plan Valuation parameters	Discretionary Period 2012
Share price at grant date, EUR	9.32
Expected dividends, EUR	0.67
Fair value of the equity-settled payment per share, EUR	8.65
Fair value of the cash-settled payment per share on 31 Dec 2012, EUR	7.92

EFFECT OF STOCK OPTIONS AND PERFORMANCE SHARE PLAN ON THE RESULT AND FINANCIAL POSITION	EUR 1,000
Expenses for the financial period, share-based payments	2,620
Expenses for the financial period, share-based payments, equity-settled	2,576
Liabilities arising from share-based payments on 31 Dec 2012	440

ONE CRAMO SHARE PLAN

The Board of Directors of Cramo Plc approved the terms of the One Cramo Share Plan (the "Plan") for the commencing Plan Period during the financial year 2012. The aim of the Plan is to encourage Cramo employees to become shareholders in the Company and reward the employees for their efforts in working towards Cramo's goals. Another objective is to strengthen the tie between Cramo shareholders and employees.

520 of Cramo's employees participated in the Plan and the participation percentage was approximately 22%. During the Plan Period (1 October 2012–20 September 2013) the participants can save 2–5% of their monthly gross salary. The average savings percent was approximately 3.3%. The total amount of all savings from the Plan Period may not exceed EUR 4 million. The estimated savings for the whole Plan Period is EUR 800 thousands.

The savings are automatically used to purchase Cramo shares for the participants quarterly, after the publication date of the interim results during the Plan Period, at market price. The participant will receive one free matching share for every two acquired savings shares, if the participant holds the acquired shares from the Plan Period until the end of the designated holding period, 15 May 2016. An additional requirement for receiving the matching shares is that the participant's employment has not been terminated before the end of the designated holding period. The matching shares will be paid in 2016 partly in company shares and partly in cash. The cash part is intended to cover the tax and other tax-related costs arising from the reward to the participant.

In accordance with IFRS 2 the matching shares that are equity-settled are valued at the date of acquisition of the savings shares. The cash-settled part of the reward will be evaluated to the fair value at each reporting date. The expenses of the Plan will be recognised on the vesting-period ending in 2016. The Plan had no effect on the company's result and financial position on 31 December 2012.

At the end of the financial year 2012, 520 people were still in the plan.

29. JOINT VENTURES

EUR 1,000	2012	2011
Net book value 1 Jan	48	
Business acquisitions (note 31)		26
Share of net profit	43	22
Translation differences	5	
Net book value 31 Dec	97	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 Group's share of the joint venture's net result is consolidated to the Group's profit before taxes.

EUR 1,000	2012	2011
Assets		
Non-current	994	728
Current	238	100
Total	1,231	828
Liabilities		
Non-current	958	670
Current	83	61
Total	1,040	730
Net assets	191	97
Income	418	253
Expenses	-231	-208
Net result	87	45

30. RELATED PARTY TRANSACTIONS

EUR 1,000 **Executive remuneration**	2012	2011
Compensation to President and CEO		
Salaries, bonuses and fringe benefits	553	447
Post-employment benefits	84	84
Share-based payments	295	299
Total	932	830
Compensation to the Group management team		
Salaries, bonuses and fringe benefits	1,783	2,022
Post-employment benefits	16	51
Share-based payments	1,090	1,027
Total	2,889	3,100
Total compensation to President and CEO and other Group management	3,821	3,930

The value of share-based payments represents the IFRS 2 expense of the stock options and performance share plan granted to 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 one of the Group management team members (in the first part of 2012 two members of the Group management team). The notice period of the President and CEO's service 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**	2012	2011
Stig Gustavson	73	72
J.T. Bergqvist	38	38
Helene Biström	38	36
Eino Halonen	48	50
Victor Hartwall	38	37
Jari Lainio	38	37
Esko Mäkelä	38	40
Fredrik Cappelen		1
Thomas von Hertzen		1
Total	311	312

An amount of EUR 127 (116) 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 1,690 (1,551) thousand in 2011.

Loans to related parties

EUR 1,000 **Loans to key management of the Group**	2012	2011
1 Jan		2,087
Amortisations during the period		-2,000
Accrued interest		8
Paid interest		-95
31 Dec	-	-

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. The intention is to merge Cramo Management Oy with Cramo Plc through a subsidiary merger in early 2013. 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 2012

Cramo Sverige AB acquired 1 July 2012 rental assets and brand of Maskincity i Oskarhamn AB.

In 2012 the acquired business increased Group sales by EUR 0.4 million. The Group sales would have increased by EUR 0.4 million and EBITA by EUR 0.1 million, if the acquisition had been completed on 1 January 2012.

The acquisition values have been converted to euros by using the exchange rates prevailing at the acquisition date. The translation differences compared with the year-end rates amount to EUR 18 thousand.

EUR 1,000	2012
Consideration	
Cash	798
Total consideration	**798**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Identifiable assets	
Depot network	228
Tangible assets	570
Total identifiable assets	**798**
Total liabilities assumed	
Total identifiable net assets	**798**
Goodwill	

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 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.

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.

The Group received purchase price adjustment of EUR 1.7 million at the end of 2012, which has been recognised to other operating income in 2012.

The acquisition values have been converted to euros by using the exchange rates prevailing at the acquisition date. The translation differences compared with the year-end rates amount to EUR 38 thousand for tangible assets.

EUR 1,000	2011
Consideration	
Cash	38,648
Own shares	7,266
Total consideration	**45,914**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Identifiable assets	
Brand	4,988
Depot network	15,839
Non-competion agreement	591
Software	385
Tangible assets	40,448
Deferred tax assets	1,823
Inventories	2,158
Trade and other receivables	14,923
Cash and cash equivalents	7,011
Assets available for sale	4,311
Total identifiable assets	**92,476**
Assumed liabilities	
Interest-bearing liabilities	42,307
Deferred tax liabilities	6,460
Pension liabilities	1,494
Trade and other payables	6,247
Total liabilities assumed	**56,507**
Total identifiable net assets	**35,969**
Goodwill	**9,946**

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.

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.

The acquisition values have been converted to euros by using the exchange rates prevailing at the acquisition date. The translation differences compared with the year-end rates amount to EUR 426 thousand for tangible assets and EUR 538 thousand for intangible assets.

EUR 1,000	2011
Consideration	
Cash	32,070
Total consideration	**32,070**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Identifiable assets	
Customer relationship	2,562
Brand	2,295
Depot network	4,000
Non-competion agreement	1,402
Tangible assets	19,591
Shares in joint venture	26
Inventories	258
Trade and other receivables	4,849
Cash and cash equivalents	480
Total identifiable assets	**35,462**
Assumed liabilities	
Interest-bearing liabilities	4,979
Deferred tax liabilities	5,637
Trade and other payables	5,155
Total liabilities assumed	**15,771**
Total identifiable net assets	**19,691**
Goodwill	**12,379**

32. BALANCE SHEET TRANSFERRED TO JOINT VENTURE

EUR 1,000	31 Dec 2012		31 Dec 2012
ASSETS		LIABILITIES	
Non-current assets		**Non-current liabilities**	
Tangible assets	20,813	Deferred tax liabilities	535
Intangible assets	326		
Deferred tax assets	1,103		
Total non-current assets	**22,242**	**Total non-current liabilities**	**535**
Current assets		**Current liabilities**	
Inventories	1,078	Trade and other payables	2,439
Trade and other receivables	5,059		
Income tax receivables	7		
Cash and cash equivalents	2,005		
Total current assets	**8,149**	**Total current liabilities**	**2,439**
TOTAL ASSETS	**30,392**	TOTAL LIABILITIES	**2,974**
In addition to those transferable business includes:			
Group liabilities	20,168		
Translation differences	-1,789		

33. PENSION OBLIGATIONS

EUR 1,000	2012	2011
Liabilities in the balance sheet		
Pension benefits	1,574	1,448
Total	**1,574**	**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	1,574	1,448
Fair value of plan assets		
Unrecognised actuarial gains and losses		
Net liability	**1,574**	**1,448**

Defined benefit obligation has change during the period as follows:

Net book value at 1 Jan	**1,448**	
Obligations acquired through business combinations (note 31)		1,494
Benefits paid	-150	-134
Interest cost	67	64
Actuarials gains (-) / losses (+)	209	25
Net book value at 31 Dec	**1,574**	**1,448**

Expense in the income statement has been defined as follows:

Financial expenses	276	89
Total	**276**	**89**

The principal assumtions used in determining pension benefit obligations for the Group's plans are shown below:

Discount rate, %	3.10	4.90
Expected salary increase rate, %	0.00	0.00
Expected pension increase rate, %	2.00	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.

34. EVENTS AFTER BALANCE SHEET DATE

Cramo informed on 25 January 2013 of a new organisation in order to support more efficiently the Group's strategic and financial targets under the theme "operational excellence". Operationally, the new organisation has three market areas: Scandinavia (Sweden, Norway, Denmark), Eastern Europe (Finland, Estonia, Latvia, Lithuania, Poland) and Central Europe (Germany, Austria, Hungary, Czech Republic, Slovakia). Cramo's business segments, as reported externally, will remain unchanged, that is Finland, Sweden, Norway, Denmark, Central Europe and Eastern Europe.

The new organisation became effective as from 1 February 2013. Within new Group management the following persons were appointed responsible for the market areas: Mr Erik Bengtsson, Executive Vice President, Scandinavia; Mr Tatu Hauhio, Executive Vice President, Eastern Europe; and Mr Dirk Schlitzkus, Executive Vice President, Central Europe. Mr Per Lundquist was appointed Senior Vice President, Operations. In addition to the IT function, he will be responsible of human resources, marketing and communications and the harmonisation of the Group's business concepts and processes. Mr Martin Holmgren has been nominated Senior Vice President, Fleet Management. Mr Martti Ala-Härkönen continues as CFO, responsible also for the Group's business planning, M&A, legal function and investor relations. New appointments in Group management were Mr Aku Rumpunen, Senior Vice President, Group Business Control and Mr Petri Moksén, Senior Vice President, Modular Space. Leaving Group management were Mr Göran Carlson, Deputy CEO who, as earlier announced, has accepted a position outside the Cramo Group; and Mr Jarmo Laasanen, who will retire during spring 2013.

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

During the financial year, the company did not receive any notifications about changes in shareholdings as defined in Chapter 2 Section 9 of the Securities Market Act.

36. 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

37. SHARES AND SHAREHOLDERS

All shares are issued, registered and fully paid. Each share entitles the holder to one vote.	2012		2011	
	No	EUR 1,000	No	EUR 1,000
Shares	42,024,675	24,835	41,439,086	24,835

Shareholders
The Group had 9,096 shareholders in the share register as at 31 December 2012.

Major shareholders 31 Dec 2012	Number of shares	%	Voting rights	%
Hartwall Capital Oy Ab	6,491,702	15.45	6,491,702	15.45
K. Hartwall Invest Oy	2,132,000	5.07	2,132,000	5.07
Rakennusmestarien Säätiö (Construction engineers' fund)	2,129,422	5.07	2,129,422	5.07
Mariatorp Oy	1,400,000	3.33	1,400,000	3.33
Wipunen varainhallinta Oy	1,200,000	2.86	1,200,000	2.86
Nordea Nordenfund	902,997	2.15	902,997	2.15
Odin Finland	841,518	2.00	841,518	2.00
Fondita Nordic Micro Cap	670,000	1.59	670,000	1.59
Investment fund Aktia Capital	550,000	1.31	550,000	1.31
Nordea Life Assurance Finland Ltd	400,000	0.95	400,000	0.95
Kusinkapital Ab	393,800	0.94	393,800	0.94
Rakennusmestarit ja -insinöörit AMK RKL ry	391,220	0.93	391,220	0.93
Fennia Life Insurance Company Ltd	382,751	0.91	382,751	0.91
Ilmarinen Mutual Pension Insurance Company	346,931	0.83	346,931	0.83
OP-Finland Value Fund	325,000	0.77	325,000	0.77
Arrex Beteiligungs-GmbH	320,907	0.76	320,907	0.76
Sijoitusrahasto Taaleritehdas Arvo Markka Osake	320,000	0.76	320,000	0.76
Cramo Management Oy	316,288	0.75	316,288	0.75
Savings Bank Finland Fund	248,648	0.59	248,648	0.59
Nordea Avanti Fund	242,345	0.58	242,345	0.58
OP-Delta Fund	215,000	0.51	215,000	0.51
Investment fund Aktia Nordic	200,000	0.48	200,000	0.48
OP-Finland Small Firms Fund	198,389	0.47	198,389	0.47
SEB Gyllenberg Finlandia Fund	175,850	0.42	175,850	0.42
Other	14,138,783	33.64	14,138,783	33.64
Nominee registered	7,082,955	16.85	7,082,955	16.85
Transferred to book-entry securities system total	**42,016,506**	**99.98**	**42,016,506**	**99.98**
Not transferred to book-entry securities system total	8,169	0.02	8,169	0.02
Total	**42,024,675**	**100.00**	**42,024,675**	**100.00**

Distribution of shareholding by size range 31 Dec 2012 Number of shares	Number of shareholders	% of shareholders	Number of shares	% of share capital
1–100	1,822	20.03	107,897	0.26
101–1000	5,290	58.16	2,096,757	4.99
1001–10 000	1,755	19.29	4,511,642	10.74
10 001–100 000	188	2.07	5,884,622	14.00
100 001–500 000	29	0.32	6,275,760	14.93
500 001–	12	0.13	23,139,828	55.06
Transferred to book-entry securities system total	**9,096**	**100.00**	**42,016,506**	**99.98**
Not transferred to book-entry securities system total			8,169	0.02
Total			**42,024,675**	**100.00**

Distribution of shareholding by sector 31 Dec 2012 Shareholding by sector	Number of shares	% of share capital	Number of votes	% of votes
Corporations	15,187,448	36.14	15,187,448	36.14
Financial and insurance corporations	4,387,696	10.44	4,387,696	10.44
General Government	539,768	1.28	539,768	1.28
Non-profit institutions	3,504,654	8.34	3,504,654	8.34
Households	8,741,677	20.80	8,741,677	20.80
Foreign shareholders	9,655,263	22.98	9,655,263	22.98
Transferred to book-entry securities system total	**42,016,506**	**99.98**	**42,016,506**	**99.98**
Not transferred to book-entry securities system total	8,169	0.02	8,169	0.02
Total	**42,024,675**	**100.00**	**42,024,675**	**100.00**

Shareholding of Board members and CEO of the Group
On 31 December 2012, the Board members, the President and CEO, and his Deputy held, either directly or through companies in which they exercise control, a total of 2,694,059 Cramo Plc shares, representing 6.41% of the company's shares and votes, and a total of 31,875 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.

38. GROUP COMPANIES

The Group consists of Cramo Plc and the following subsidiaries.
There are no associated companies in the Group.

Subsidiaries		Domicile	% of shares Parent company	% of shares 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	
Theisen Baumaschinen AG	Feldkirchen	Germany	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
Fastigheten Tändstiftet HB	Sollentuna	Sweden		100
Hans Eriksson Förvaltnings AB	Stockholm	Sweden		100
Mupol Förvaltnings AB	Stockholm	Sweden		100
Theisen Baumaschinen Mietpark GmbH	Regensdorf	Switzerland		100
Theisen Épitöipari 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 29. Joint ventures.

Joint ventures	Domicile		% of shares Parent company	% of shares Group
Fellesutleie AS	Oslo	Norway		50

BALANCE SHEET OF THE PARENT COMPANY (FAS)

EUR 1,000	Note	31 Dec 2012	31 Dec 2011
ASSETS			
Non-current assets			
Intangible assets	2	443	8
Tangible assets	2	518	1,087
Investments			
Shares in Group companies	2	574,574	584,206
Shares in other companies	2	119	119
Non-current receivables	3	92,459	89,368
Total non-current assets		**668,113**	**674,788**
Current assets			
Current receivables	4	135,315	91,362
Cash and cash equivalents		5	7,667
Total current assets		**135,320**	**99,029**
TOTAL ASSETS		**803,434**	**773,817**
EQUITY AND LIABILITIES			
Equity			
Share capital	5	24,835	24,835
Share premium	5	3,331	3,331
Share issue	5		17
Invested unrestricted equity	5	119,693	116,043
Retained earnings	5	31,800	31,463
Profit of the period	5	7,308	12,711
Total equity		**186,967**	**188,399**
Appropriations	6	**60**	**58**
Provisions	7	**80**	
Liabilities			
Non-current liabilities	8	450,039	454,448
Current liabilities	8	166,289	130,911
Total liabilities		**616,328**	**585,359**
TOTAL EQUITY AND LIABILITIES		**803,434**	**773,817**

INCOME STATEMENT OF THE PARENT COMPANY (FAS)

EUR 1,000	Note	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Revenue	9	**715**	**1,318**
Other operating income	10	36	104
Personnel expenses	11	-3,384	-3,147
Depreciation and amortisations	12	-126	-104
Other operating expenses	13	-5,135	-10,129
Operating loss		**-7,894**	**-11,958**
Financial income	14	59,988	39,212
Financial expenses	14	-80,671	-46,193
Total financial income and expenses		-20,683	-6,981
Loss before extraordinary items		**-28,577**	**-18,939**
Extraordinary income and expenses	15	35,886	31,661
Profit before appropriations and taxes		**7,309**	**12,722**
Appropriations	16	-1	-11
Income taxes	17		
Profit for the year		**7,308**	**12,711**

CASH FLOW STATEMENT OF THE PARENT COMPANY (FAS)

EUR 1,000	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Cash flow from operating activites		
Profit before tax	7,309	12,722
Non-cash adjustments		
Depreciation	126	104
Financial income and expenses	20,683	6,981
Other non-cash corrections	81	184
Extraordinary items	-35,886	-31,661
Operating loss before change in working capital	-7,688	-11,671
Change in working capital[1]	242	20,192
Cash generated from operations	-7,446	8,521
Dividends received	26,761	20,079
Interest received	6,384	5,149
Interest and other financial expenses paid	-38,018	-27,595
Net cash flow from operating activities	**-12,319**	**6,154**
Cash flow from investing activities		
Investments in tangible and intangible assets	-6	-301
Sale of tangible and intangible assets	15	
Acquisition of subsidiaries	-15,751	-40,822
Non-current loans granted		-32,769
Proceeds from repayments of non-current loans		1,616
Current loans granted	-15,000	-10,220
Proceeds from repayments of current loans	6,820	23,479
Cash flow used in investing activities	**-23,922**	**-59,017**
Cash flow from financing activities		
Proceeds from issue of share capital		99,644
Proceeds from share options exercise	3,633	7,279
Proceeds from non-current liabilities	174,449	
Payment of non-current liabilities	-186,893	-27,543
Proceeds from current liabilities	406,732	191,554
Payment of current liabilities	-356,968	-215,803
Dividends paid	-12,374	-3,163
Net cash flow from financing activities	**28,579**	**51,968**
Change in cash and cash equivalents	**-7,662**	**-895**
Cash and cash equivalents at beginning of the year	7,667	8,311
Exchange rate difference		251
Cash and cash equivalents at year end	5	7,667
[1] Change in working capital		
Increase (-)/decrease (+) in short-term receivables	-2,074	20,197
Increase (+)/decrease (-) in short-term non-interest bearing liabilities	2,316	-5
Total	**242**	**20,192**

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. 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 2012	339	40	262	719	1,360
Additions			2		2
Reclassification between FA type				-528	-528
Acquisition cost at 31 Dec 2012	339	40	264	191	834
Accumulated depreciation		-25	-77	-171	-272
Depreciation for the financial year 2012		-5	-38		-43
Net book value at 31 Dec 2012	**339**	**10**	**149**	**20**	**518**
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**

INTANGIBLE ASSETS EUR 1,000	Intangible assets	Other capitalised longterm expenditure	Total intangible assets
Acquisition cost at 1 Jan 2012	77		77
Additions	4		4
Disposals		-15	-15
Reclassification between FA type		528	528
Acquisition cost at 31 Dec 2012	81	513	594
Accumulated amortisations	-69		-69
Amortisation for the financial year 2012	-8	-75	-83
Net book value at 31 Dec 2012	**4**	**438**	**443**
Acquisition cost at 1 Jan 2011	76		76
Additions	1		1
Acquisition cost at 31 Dec 2011	77		77
Accumulated amortisations	-53		-53
Amortisation for the financial year 2011	-15		-15
Net book value at 31 Dec 2011	**8**		**8**

INVESTMENTS EUR 1,000	Shares in Group companies	Shares in other companies	Total investments
2012			
Acquisition cost at 1 Jan 2012	584,206	119	584,325
Additions	17,256		17,256
Disposals	-1,650		-1,650
Impairment	-25,238		-25,238
Net book value at 31 Dec 2012	**574,574**	**119**	**574,693**
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**

For shares and shareholdings, see consolidated financial statements in note 38.

ACCUMULATED DEPRECIATION DIFFERENCE EUR 1,000	2012	2011
Machinery and equipment		
Accumulated difference in total depreciation and depreciation according to plan at 1 Jan.	58	47
Increase/decrease in accumulated depreciation difference for the period of 1 Jan–31 Dec.	1	11
Accumulated difference in total depreciation and depreciation according to plan at 31 Dec.	60	58

Change in depreciation difference of machinery and equipment 1 January–31 December includes depreciation difference received through mergers.

3. NON-CURRENT RECEIVABLES

EUR 1,000	2012	2011
From Group companies		
Loan receivables	89,599	86,354
From others		
Prepaid expences and accrued income	2,861	3,014
Total	**92,459**	**89,368**

4. CURRENT RECEIVABLES

EUR 1,000	2012	2011
From Group companies		
Loan receivables	117,768	87,405
Accounts receivables	478	390
Prepaid expenses and accrued income	15,713	3,183
From others		
Other receivables	267	130
Prepaid expenses and accrued income	1,089	254
Total	**135,315**	**91,362**
Prepaid expenses and accrued income		
From Group companies		
Accrued interest	780	2,651
Other prepaid expences and accrued income	14,933	532
From others		
Prepaid taxes	6	6
Other prepaid expences and accrued income	1,083	248
Total	**16,802**	**3,437**

5. EQUITY

EUR 1,000	2012	2011
Share capital	24,835	24,835
Share issue		17
Share premium fund	3,331	3,331
Invested unrestricted equity	119,693	116,043
Retained earnings at 1 Jan	31,555	22,007
Reduction of par value	12,619	12,619
Dividend distribution	-12,374	-3,163
Retained earnings at 31 Dec	**31,800**	**31,463**
Profit for the year	7,308	12,711
Total equity	**186,967**	**188,399**
Distributable funds		
Retained earnings at 31 Dec	31,800	31,463
Profit for the year	7,308	12,711
Invested unrestricted equity	119,693	116,043
Total	**158,801**	**160,217**

SHARE CAPITAL

	2012		2011	
	No.	EUR	No.	EUR
Share capital	42,024,675	24,834,753.09	41,439,086	24,834,753.09

Stock options and share plans
Information on the stock options and share plans are disclosed in the consolidated financial statements, note 28.

6. APPROPRIATIONS

EUR 1,000	2012	2011
Accumulated depreciation difference	60	58

7. PROVISIONS

EUR 1,000	2012	2011
Other provisions	80	

Other provisions include the cash reward of the share plans payable during the financial periods 2015–2016 and the related social costs.

8. LIABILITIES

EUR 1,000	2012	2011
Non-current liabilities		
Hybrid bond	50,000	50,000
Convertible bonds	100,000	
Loans from credit institutions	125,000	234,866
Loans from group companies	175,039	169,582
Total	**450,039**	**454,448**
Current liabilities		
To Group companies		
Liabilities to Group companies	93,929	54,304
Accounts payables	409	367
Accrued liabilities and deferred income	8,460	7,902
Total	**102,797**	**62,573**
To others		
Loans from credit institutions	4,495	2,543
Accounts payables	437	86
Accrued liabilities and deferred income	1,704	1,844
Commercial papers	56,646	63,576
Other current liabilities	209	290
Total	**63,492**	**68,338**
Total current liabilities	**166,289**	**130,911**
Total liabilities	**616,328**	**585,359**

NON-INTEREST BEARING AND INTEREST BEARING LIABILITIES

Non-current		
Interest bearing	450,039	454,448
Total	**450,039**	**454,448**
Current		
Interest bearing	155,070	120,422
Non-interest bearing	11,219	10,489
Total	**166,289**	**130,911**

ACCRUED LIABILITIES AND DEFERRED INCOME

To Group companies		
Interest expenses	5,083	4,704
Other accruals	3,376	3,198
To others		
Interest expenses	821	661
Personnel expenses	829	780
Unrealised interest rate swap agreements		149
Other accruals	54	254
Total	**10,164**	**9,746**

NON-CURRENT LIABILITIES, MATURITY < 5 YEARS

Convertible bonds	100,000	

9. SALES BY GEOGRAPHICAL SEGMENTS

EUR 1,000	2012	2011
Service Charges		
Finland	116	119
Sweden	260	293
Norway	29	80
Denmark	8	49
Central Europe	9	
Eastern Europe	294	777
Total	**715**	**1,318**

10. OTHER OPERATING INCOME

EUR 1,000	2012	2011
Rental of premises	22	22
Other	14	82
Total	**36**	**104**

11. PERSONNEL EXPENSES

EUR 1,000	2012	2011
Wages and salaries	-2,600	-2,520
Pensions	-422	-508
Other statutory employer contributions	-362	-119
Total	**-3,384**	**-3,147**
Average number of personnel		
Clerical personnel	22	23
Executive remuneration		
Wages and salaries with fringe benefits		
President and CEO	-553	-447
Management team	-552	-616
Board members	-311	-312
Total	**-1,417**	**-1,375**

12. DEPRECIATION AND AMORTISATION

EUR 1,000	2012	2011
Amortisation according to plan on intangible assets	-83	-15
Depreciation according to plan on tangible assets	-43	-89
Total	**-126**	**-104**

13. OTHER OPERATING EXPENSES

EUR 1,000	2012	2011
Investor relations	-463	-2,188
Expert services	-2,163	-4,025
Intra-Group services	-1,841	-2,351
Other administrative expenses	-668	-1,564
Total	**-5,135**	**-10,129**
Audit fees		
Authorised Public Accountants Ernst&Young Oy		
Audit fees	-65	-94
Tax consultation	-143	-95
Other services	-55	-978
Total	**-263**	**-1,167**

14. NET FINANCIAL ITEMS

EUR 1,000	2012	2011
Dividend income		
From Group companies	26,761	20,079
Total dividend income	**26,761**	**20,079**
Interest income		
From Group companies	11,070	6,694
From others	25	253
Total interest income	**11,095**	**6,948**
Interest expenses		
To Group companies	-8,398	-7,072
To others	-22,252	-20,633
Total interest expenses	**-30,649**	**-27,705**
Other financial expenses		
Impairment on non-current investments	-25,238	-9,735
Other financial expenses	-2,184	-2,109
Total financial expenses	**-27,422**	**-11,845**
Exchange gains and losses		
To Group companies	6,454	5,343
To others	-6,922	199
Total exchange gains and losses	**-468**	**5,542**
Net financial items	**-20,683**	**-6,981**

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.

15. EXTRAORDINARY ITEMS

EUR 1,000	2012	2011
Group contributions received	36,030	32,154
Monetary contribution given to subsidiary	-145	-492
Total extraordinary items	**35,886**	**31,661**

16. APPROPRIATIONS

EUR 1,000	2012	2011
Depreciation difference, increase (-)/ decrease (+):		
Machinery and equipment	-1	-11
Total	**-1**	**-11**

17. INCOME TAXES

EUR 1,000	2012	2011
Current tax	8,827	8,360
Taxes on extraordinary income	-8,827	-8,360
Total	**0**	0

18. COLLATERALS AND CONTINGENT LIABILITIES

EUR 1,000	2012	2011
COLLATERALS GIVEN		
Collaterals given on behalf of the Group companies		
Guarantees given	26,806	38,997
COMMITMENTS AND CONTINGENCIES		
Leasing liabilities		
Leasing liabilities in the following year	119	129
Subsequent leasing liabilities	140	124
Leasing liabilities are 3–4 year contracts without redemption clauses.		
Rental liabilities		
Rental liabilities in the following year	1,777	1,707
Subsequent rental liabilities	7,696	9,106
Rental liabilities of business premises are 10-year contracts without redemption clauses.		
Investment commitments		
Investment commitments in the following year	1,500	
Subsequent investment commitments	1,275	
OTHER OFF-BALANCE SHEET FINANCIAL COMMITMENTS		
Accrued interest of Hybrid bond	4,027	4,022

Hybrid bond is presented in consolidated financial statements, see note 18.

19. INTEREST RATE AND CURRENCY DERIVATIVES

	2012		2011	
EUR 1,000	Notional value	Fair value	Notional value	Fair value
INTEREST RATE DERIVATIVES				
Interest rate swap	91,000	-8,861	181,645	-6,775
Positive fair value				
Negative fair value		-8,861		-6,775
CURRENCY DERIVATIVES				
Forward contracts	184,809	-956	202,932	-1,107
Positive fair value		303		730
Negative fair value		-1,259		-1,837

Financial derivarive agrements 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	2012	2011
Deferred tax asset from currency derivates	308	478
Deferred tax asset from interest rate derivatives	2,171	2,262
Deferred tax liability from depreciation difference	-15	-15
Deferred tax liability from provisions	-20	
Deferred tax liability from currency derivatives	-74	-190
Deferred tax liability from interest rate derivatives		-501
Total	**2,371**	**2,034**

Deferred tax assets and liabilities are not included in the balance sheet.

SIGNATURES

Signatures

Vantaa, 7 February 2013

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. –31.12.2012. 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 PRESIDENT AND CEO

The Board of Directors and the President and CEO 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 President and CEO 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 President and CEO 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.

OTHER OPINIONS

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the members of the Board of Directors of the parent company and the President and CEO should be discharged from the liability for the financial period audited by us.

Vantaa, 14 February 2013

Ernst & Young Oy
Authorized Public Accountant Firm

Erkka Talvinko
Authorized Public Accountant

INFORMATION TO SHAREHOLDERS

ANNUAL GENERAL MEETING

Time: Tuesday, 26 March 2013, at 1.00 pm (EET)
Venue: Marina Congress Center
Address: Katajanokanlaituri 6, Conference room Fennia II, Helsinki.
Admission of registered shareholders begins at 12.00 noon.

Shareholders who wish to attend the AGM must be registered on 14 March 2013 in the company's shareholders' register held by Euroclear Finland Ltd. Shareholders must also give prior notice of their attendance to the company by 21 March 2013 at 6.00 pm. Such notice can be given:

- on the company website: www.cramo.com
- by phone +358 10 661 1242 (Mon–Fri 8 am–6 pm)
- by fax to +358 10 661 1298
- in 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 Annual General Meeting, they 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.

DIVIDEND PAYMENT

In accordance with the profit distribution policy, the Board proposes a dividend of EUR 0.42 per share for the financial year 2012, representing 45.1% of reported earnings per share. A dividend of EUR 0.30 was paid for the financial year 2011, representing 49.9% of reported earnings per share.

CHANGES IN SHARE CAPITAL

As a result of share subscriptions based on stock options 2006C, the number of Cramo Plc's shares was increased by 585,589 to 42,024,675 shares in 2012. Of these new shares, the 2,600 shares subscribed in December 2011 were registered in the Trade Register on 13 January 2012 and the 582,989 subscribed in January–December 2012 were registered during the financial year. The subscription prices have been reported under the invested unrestricted equity fund. Pages 78 and 88–89.

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 2012: 42,024,675
- Listing date: 1 August 1988

SHAREHOLDERS

Cramo had 8,625 shareholders as of 1 January 2012 and 9,096 as of 31 December 2012. The largest shareholders are listed on page 94. Shares held by the management team can be viewed at www.cramo.com > Investors > Share > Insiders, and more about remuneration can be found on pages 41–42.

MANAGEMENT INTEREST ON 31 DECEMBER 2012

At year-end, the members of the Board of Directors, the President and CEO and other members of the Cramo management team and their interested parties held a total of 2,771,805 Cramo Plc shares (2,869,975 in 2011) representing about 6.60% (6.93) of the total shares and voting rights in the company. Long-term incentive schemes on pages 41–42 and in note 28 on pages 88–89. The effects on shareholdings of the new employee share savings plan launched in October 2012 were not yet evident in 2012.

VALID BOARD AUTHORISATIONS

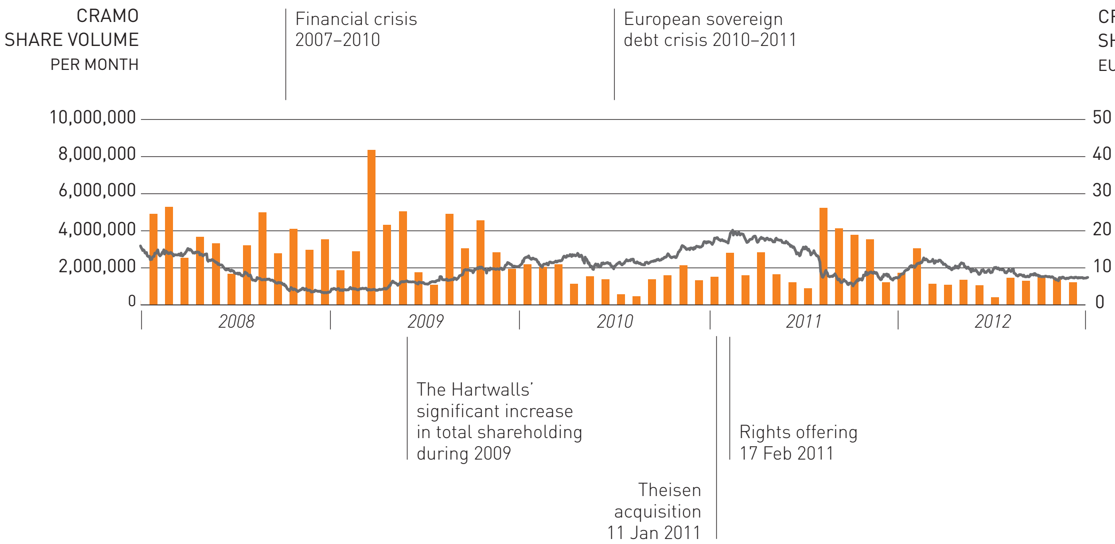
Valid Board authorisations in the Board of Directors' report on pages 53–54.

FINANCIAL REPORTING

The annual reports and interim reports are available in Finnish and English and can also be read 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 10 2013	Annual report, electronic version
26 March 2013	Annual General Meeting
3 May 2013	Interim report for January–March
13 August 2013	Interim report for January–June
30 October 2013	Interim report for January–September



In 2012, about 90% of trading in the Cramo share took place on NASDAQ OMX Helsinki. In addition to NADSAQ OMX Helsinki, Cramo shares were also traded on alternative exchanges, such as BATS Chi-X and Turquoise.[1]

1 Fidessa Fragmentation Index

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 are able to evaluate the company as an investment target. Cramo takes no responsibility for the opinions expressed.

- ABG Sundal Collier
- Carnegie
- Danske Markets
- Evli Bank Plc
- FIM
- Handelsbanken Capital Markets
- Inderes
- Nordea Markets
- Pareto Securities Oy
- Pohjola Bank plc
- SEB Enskilda Equities
- Swedbank Markets

Updated contact information for the analysts following Cramo is available at www.cramo.com > Investors.

INVESTOR RELATIONS

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e-mail: vesa.koivula@cramo.com

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IR Communication Officer
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e-mail: merja.naumanen@cramo.com

Financial documents can be obtained from
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e-mail: investor.relations@cramo.com

Investor information is available at www.cramo.com > Investors.

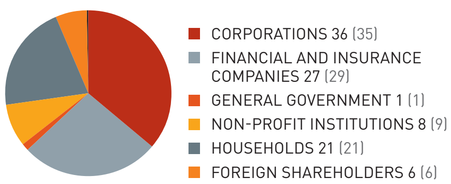
The investor section contains the information presented here, together with other IR-related information, including a share monitor, delayed by 15 minutes, a list of the company's public permanent insiders and their holdings, a collection of presentation materials and current market data as well as services such as an investment calculator.

CHANGE OF ADDRESS

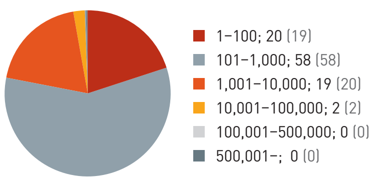
If your address or account number for dividend payment changes, we request that you send a written notification of this to the particular register holding your Book Entry Account. If your account is held at the Euroclear Finland Ltd's account operator, please send the written notification to: Euroclear Finland Ltd., P.O. Box 1110, FI-00101 Helsinki, Finland or fax it to +358 20 770 6656.

Releases for 2012 can be found at www.cramo.com > Investors > Releases.

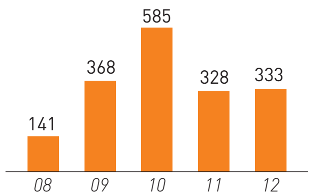
SHAREHOLDING BY SECTOR
31 DECEMBER 2012 (2011) % OF SHARES



SHAREHOLDING BY SIZE
31 DECEMBER 2012 (2011) %



MARKET CAPITALISATION ON NASDAQ
OMX HELSINKI 2008–2012 MEUR



STRATEGIC CORNERSTONE:
OPERATIONAL AGILITY

AGILE

– Our work building a breakwater is hard enough. The work goes on continuously, day and night, and our needs change quickly and often in an unplanned manner in a project like this. So it is crucial that work proceeds smoothly and, for example, that a new machine is available quickly if a broken one cannot be repaired on the spot.

Mr Daniel Ziarnik, Logistics Engineer at the building association DORACO, part of CG FALOCHRON, a syndicate responsible for construction of the new eastern breakwater in Świnoujście, Poland

– In order to be able to deliver the flexibility that the customer requires, our own operation must be very agile and capable of adjusting to the changes both in the short and longer term. Thus we combine the strengths of a local company, such as local know-how, proximity to the customer and entrepreneurship, with the resources of an international company.

Mr Sebastian Sapieha, Sales Representative at Cramo Poland

The new eastern breakwater shielding the external port in Świnoujście is 2,990 m long. Together with the existing eastern breakwater, it forms a half-open water reservoir, the largest structure of its kind in Europe. The aim is to create appropriate conditions for the operation of liquid natural gas (LNG) units, their safe berthing, and the unloading and transfer of LNG to the onshore part of the terminal. The work on the breakwater, which started in 2010, was completed in late 2012, and the first gas carrier will dock at the port in mid-2014.

Cramo's cooperation with CG Falochron started in 2010 with small tools, rollers and excavators as well as telehandlers. To ensure continuous work on site, Cramo delivered light towers along with generators. In 2012, Cramo also opened a temporary project depot at the LNG construction site to provide equipment and machinery for Agrosad, the main contractor of the LNG terminal construction.

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CRAMO

FOR A GREAT DAY AT WORK