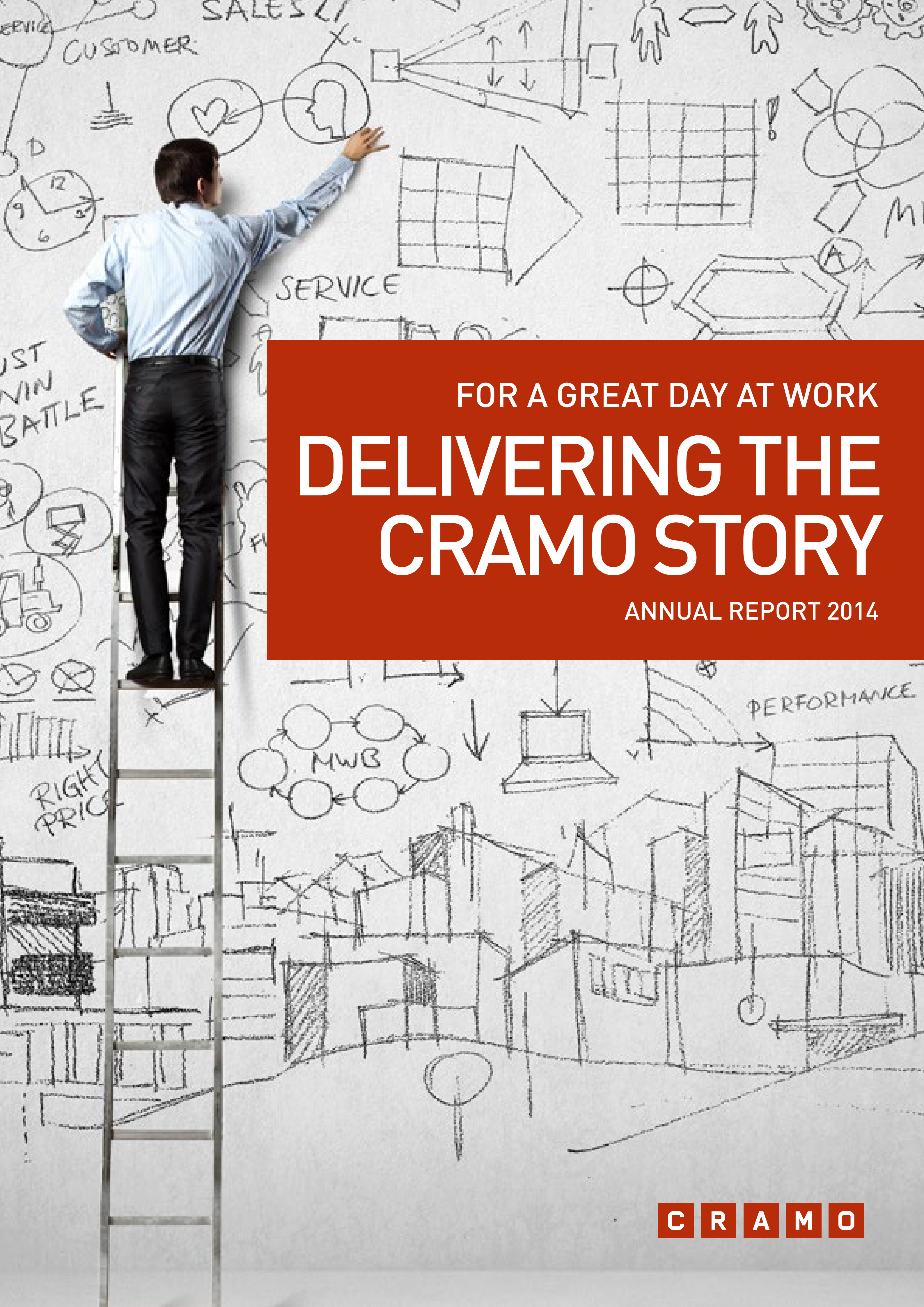


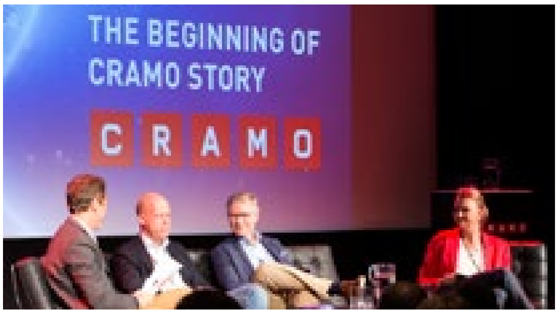
FOR A GREAT DAY AT WORK

DELIVERING THE CRAMO STORY

ANNUAL REPORT 2014

CRAMO

FOR A GREAT DAY AT WORK



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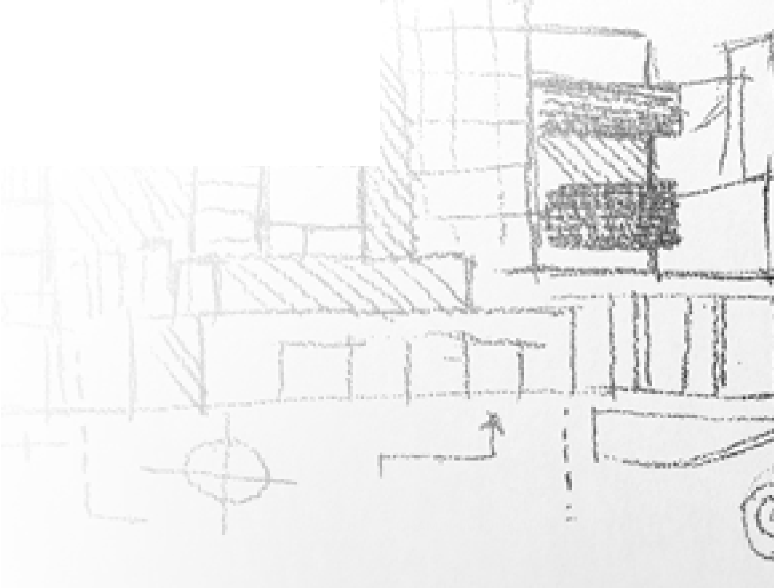


DELIVERING THE CRAMO STORY TO OUR CUSTOMERS

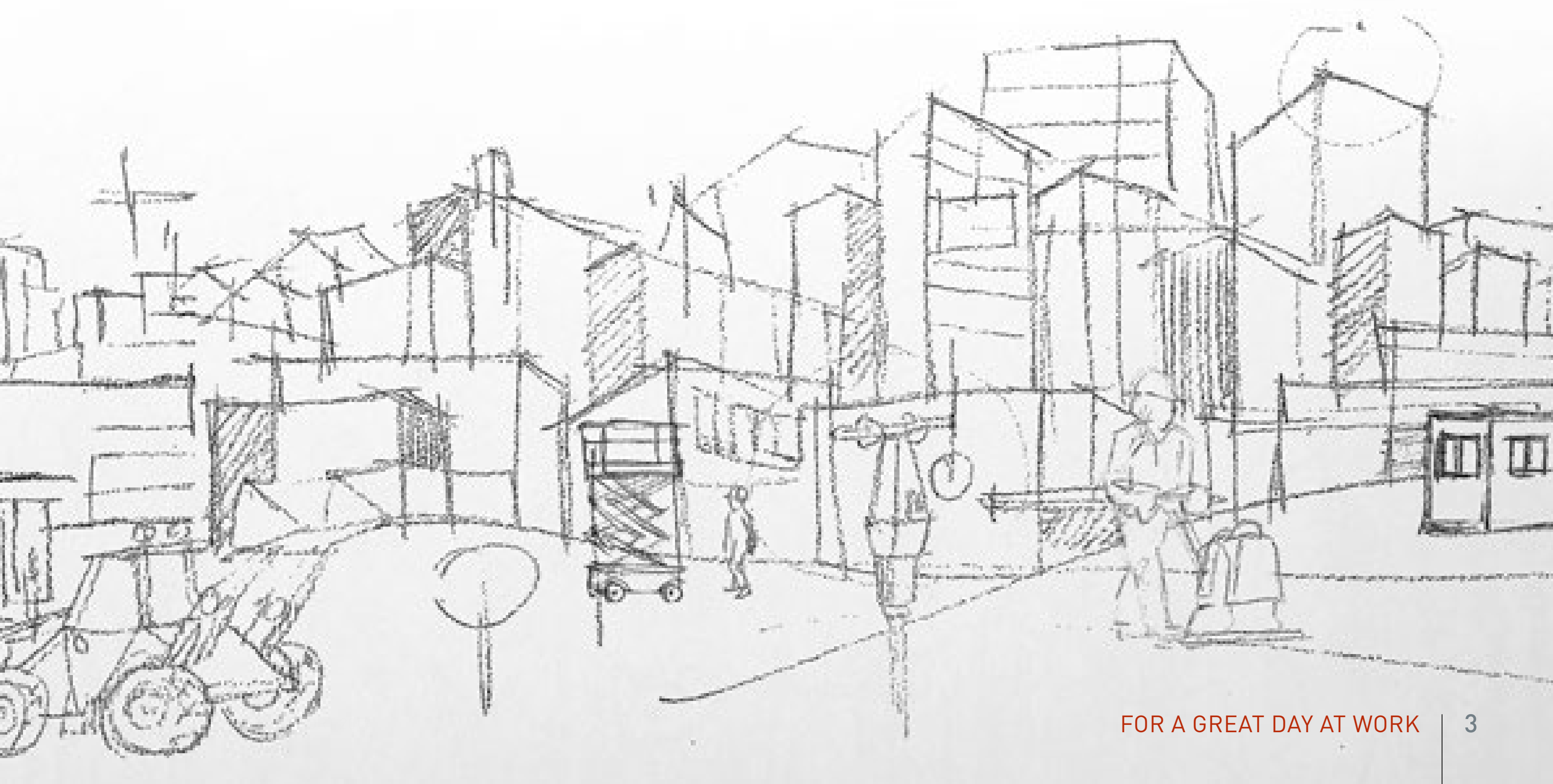
Our vision is to be the role model for all rental. We know that this is an ambitious goal, but we are determined to reach it. We also know that we can succeed only together with our customers.

To take us even closer to our customers, we have introduced the Cramo Story – a declaration of our strong customer focus and our intention to become even better in meeting our customers' needs and expectations. The Cramo Story is about corporate culture, about how we act towards our customers and amongst ourselves. Our unique culture differentiates us from all the other players in the rental business and supports us in achieving our vision. Cramo People worked hard during the year to make this culture a reality; we will also continue our efforts in the years ahead.

We promise our customers a great day at work – a day when schedules are kept and everything functions as it should, a day when our customers feel that we are really listening to them and that we have what it takes to meet – and exceed – their expectations. To demonstrate how serious we are about our promise, we offer three concrete proofs of promise. If we fail to keep these proofs of promise, we will compensate our customers.

Our purpose is to contribute to our customers' success by preventing and solving their problems, thereby making their lives easier. To make this happen, we strive to be better every day. We do that by delivering the Cramo Story, a story about our customers and us reaching new heights together.

We invite you to join us on this exciting journey in the following pages.



OUR THREE PROOFS OF PROMISE HELP US TO BE BETTER EVERY DAY

The rental market is highly competitive, and successful solutions can be copied. But there is one unique thing that cannot be reproduced by our competitors – our Cramo brand.

FOR A GREAT DAY AT WORK

– For us in Poland, the Cramo Story with its strong customer focus and concrete proofs of promise was a trigger for us taking a closer look at all our key processes. As a result, we implemented a number of changes mainly in our way of working with customer interface. For example, we created a delivery portal with several processes to support delivery precision, negotiated a new kind of contract with all our transport companies, and made improvements in our fleet quality. All this has been possible thanks to our committed personnel and their willingness to change.

Mr Bernard Michalczewski
Managing Director
Cramo Sp. Zo.o., Poland

We distinguish ourselves from the competition by further enhancing our unique, customer-focused corporate culture and brand through the Cramo Story. A strong brand strengthens our position as the first choice for customers.

In order to succeed in this, we first needed to understand in depth what our customers really expect from us and how we can contribute to their success. Second, we had to turn this understanding into specific development actions and proofs of promise that support our customer promise.

CRUCIAL FOR OUR CUSTOMERS, CRUCIAL FOR US

We know that there are three crucial things for our customers – and thus crucial for us. For our customers to be successful, our deliveries must be on time, they need to be complete and everything must function as it should. What is more, our customers need to know that we are always ready to listen to them and to meet with them when they want to tell us about their experience or dissatisfaction.

We promise our customers a great day at work. And we address their expectations through three concrete proofs of that promise – and should we fail to keep them, we will compensate customers. Extensive work has been carried out to develop our processes and systems to enable us to keep our promise. An Ombudsman has been appointed in every Cramo country who is available to our customers in the event they are dissatisfied. We have been working with these kind of issues for a long time, but now we are determined to make our service experience the best in the entire industry.

A MAJOR EFFORT IN-HOUSE

Not only have our processes and systems been further developed. A major effort was the launch of the Cramo Story for all employees. This was rolled out in various ways, for example, through e-learning, workshops and training sessions as well as by giving staff the opportunity to thoroughly understand the concept behind the Cramo Story and the importance of keeping our promise – and thus making our customers' lives easier.

We are always helpful, p 6

We are always on time, p 8

Our equipment never fails, p 10

MEETING SHAREHOLDERS' EXPECTATIONS

– From a shareholder's perspective, the most important issue is Cramo's capability to increase shareholder value in the long run. I strongly believe that satisfied – and thus loyal – customers are the key to both faster business growth and increased profitability. The Cramo Story, with its strong customer focus, has already proved to have a very positive impact on Cramo's customers and employees. It has been impressive to see how committed all our employees are in delivering the Cramo Story and our proofs of promise. Cramo aims to be the role model for the entire rental business. In strengthening our customer-oriented, value-driven corporate culture by delivering the Cramo Story, we continuously move towards this vision.

Ms Helene Biström
Chairman of the Board

– The Cramo Story – a story about our customers and us becoming more successful together – is at the heart of our renewed strategy. Delivering the Cramo Story is a major effort. However, we are convinced that focusing on strengthening our brand and corporate culture will enable us to serve our customers in a way that exceeds their expectations. This, in turn, supports us in reaching our vision and financial targets – and in meeting shareholders' expectations through increased value generation.

Mr Vesa Koivula
President and CEO
Cramo Group

WE ARE ALWAYS HELPFUL

THIS MEANS

Cramo wants to create new service standards for the entire rental industry. To achieve this, we reward our customers for helping us uncover blind spots in our service. To make that happen, every Cramo country has its own Ombudsman. The Ombudsman is a neutral authority who is willing and able to address any causes of dissatisfaction. Their job is to make our customers happy and help us improve.

CASE

Our customer, who had rented a hoist from us, contacted us because he had been told that the hoist in question could only be used for lifting equipment or construction site material. However, the fact was that the hoist could also be used to convey people. Unfortunately, we had misinformed the customer, which caused some dissatisfaction at the site. The customer was not very happy with us.

CRAMO

After the customer contacted us, we visited the site and went through the right instructions for using the hoist very thoroughly. The customer was satisfied with our guidance. After the visit, we realised that the customer had shown us an area for development – and in doing so had helped us become better. We pointed this out to our Ombudsman, who contacted the customer, thanked him and his company for helping us learn from our mistake and find out where we could do better. In addition, we rewarded the customer with a small present just to show our appreciation. The customer was both surprised and pleased.

Mr Lasse Wittrup Ludvigsen
Managing Director
Cramo A/S, Denmark

WE ARE ALWAYS ON TIME

THIS MEANS

Our goal is to make your day great before it even starts. It means we understand your needs and timetables so well that any delay is too much. One minute late or one hose short, we will take responsibility – just to keep our service standards at least as high as your expectations.

CASE

Frohburger Sanierungs- und Landschaftsbau GmbH had rented from Cramo for the first time. A Merlo Roto was to be delivered to one of its construction sites. Unfortunately, we did not manage to meet the agreed time; the delivery was delayed by two hours. As compensation, the customer received two days' rental free of charge.

CRAMO

Our customer was not used to seeing a rental company act this way in response to a delayed delivery. Frohburger Sanierungs- und Landschaftsbau GmbH is now planning to expand its collaboration with Cramo. We have an opportunity to learn how to further develop our processes so that we become more accurate in our deliveries.

Mr Lutz Mahling
Depot Manager
Chemnitz
Cramo AG, Germany

CUSTOMER

I was very pleased and surprised by Cramo's reaction. Nobody from our company gave any indication to them about the late delivery of the machine. Cramo pointed out it themselves – and compensated us for it.

Ms Heike Syrbe
Managing Director
Frohburger Sanierungs- und Landschaftsbau GmbH
Germany

OUR EQUIPMENT NEVER FAILS

THIS MEANS

High quality equipment is the very core of our business – whether we are talking about hand tools or heavy equipment. But it is still technology, which may sometimes have a mind of its own. When equipment needs to be fixed or replaced, we will do it faster than expected.

CASE

Recently Frank Pedersen, who is in charge of concrete on NCC's Highway 4 Gran-Jaren project in Norway, had issues with a lift provided by Cramo. The twenty-two-metre lift had power problems and could therefore not be used. A lack of capacity meant a 24-hour delay for Cramo's service support, which normally would be on site within a few hours. NCC was credited a full week's rental expenses for this incident.

CRAMO

Sometimes capacity challenges or other unforeseen circumstances arise, which we continuously do our best to handle. If our equipment fails, we have the opportunity to compensate our customers. They are pleased when they see that we really strive to provide excellent service when equipment does not work, and this clearly improves customer satisfaction and builds loyalty.

Mr Robert Sørby
Rental officer
Jessheim
Cramo Norway

CUSTOMER

I have worked at NCC for 23 years and cannot remember having experienced service like this. We have a good relationship with Cramo, and Cramo people are very service-minded and always eager to solve problems. Normally they come quickly when something goes wrong, but since we had to wait this time, we appreciate this compensation. It helps to build confidence and creates a good working relationship.

Mr Frank Pedersen
Head of Concrete, Highway 4 Project
NCC
Norway

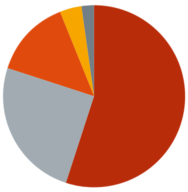
TOTAL RENTAL SOLUTIONS THROUGH THE CRAMO RENTAL CONCEPT

Cramo is a service company specialising in equipment rental services and the rental of modular space solutions. As a total solutions provider, we supply our customers everything from individual items to complete solutions for the largest projects, which gives us the opportunity to be involved in several sectors of society.

We serve the construction industry, manufacturers, other industrial sectors, the public sector and households with our leading-edge, sustainable rental solutions and our passion to make our customers' lives easier – a passion for a great day at work.

OUR CUSTOMERS

We serve over 150,000 customers.

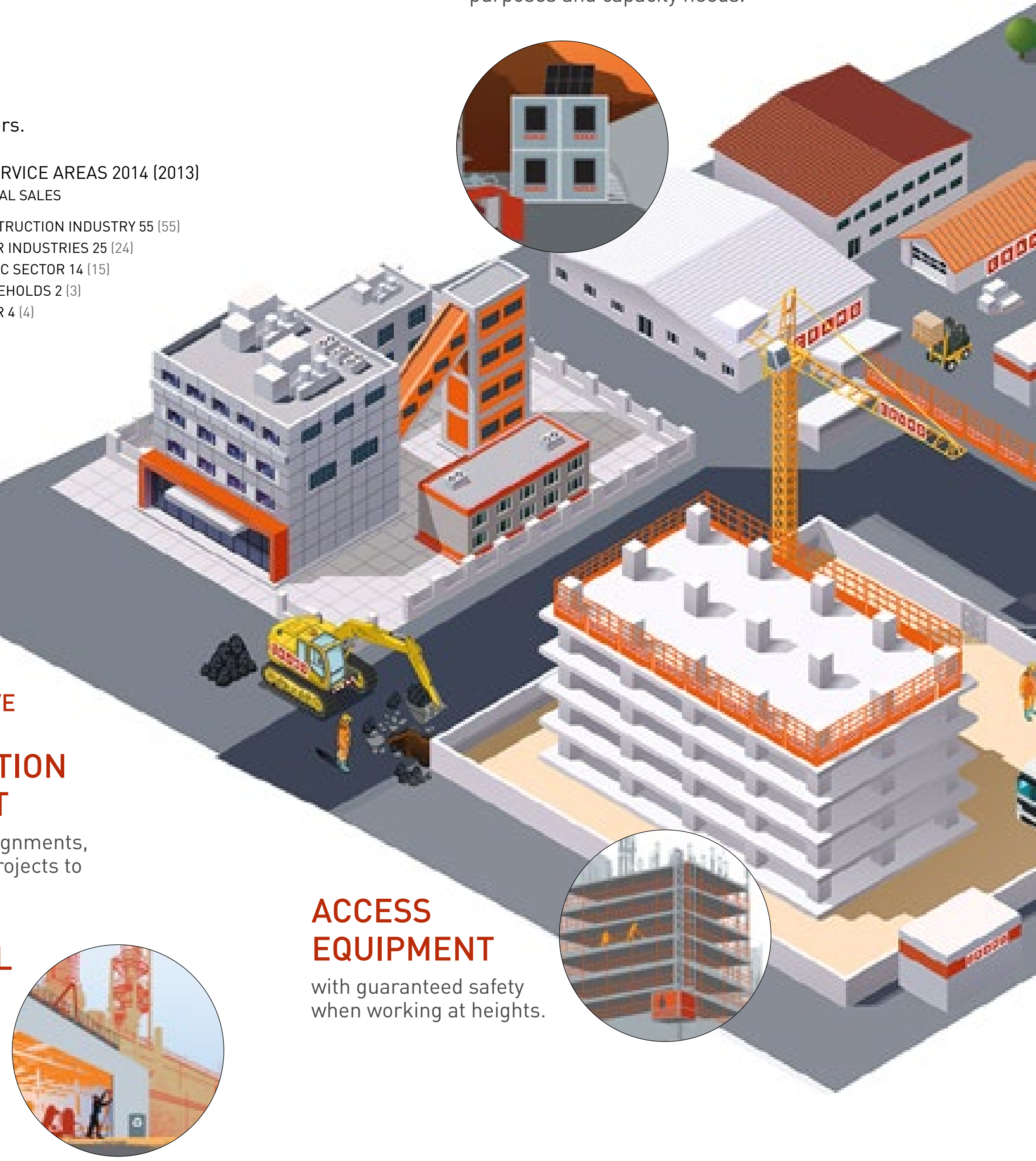


OUR SERVICE AREAS 2014 (2013)
% OF TOTAL SALES

- CONSTRUCTION INDUSTRY 55 (55)
- OTHER INDUSTRIES 25 (24)
- PUBLIC SECTOR 14 (15)
- HOUSEHOLDS 2 (3)
- OTHER 4 (4)

SITE HUTS

adaptable for various purposes and capacity needs.



MODERN, COMPREHENSIVE FLEET OF CONSTRUCTION EQUIPMENT

for any type of assignments, from major road projects to small-scale jobs.

INDUSTRIAL PROJECTS

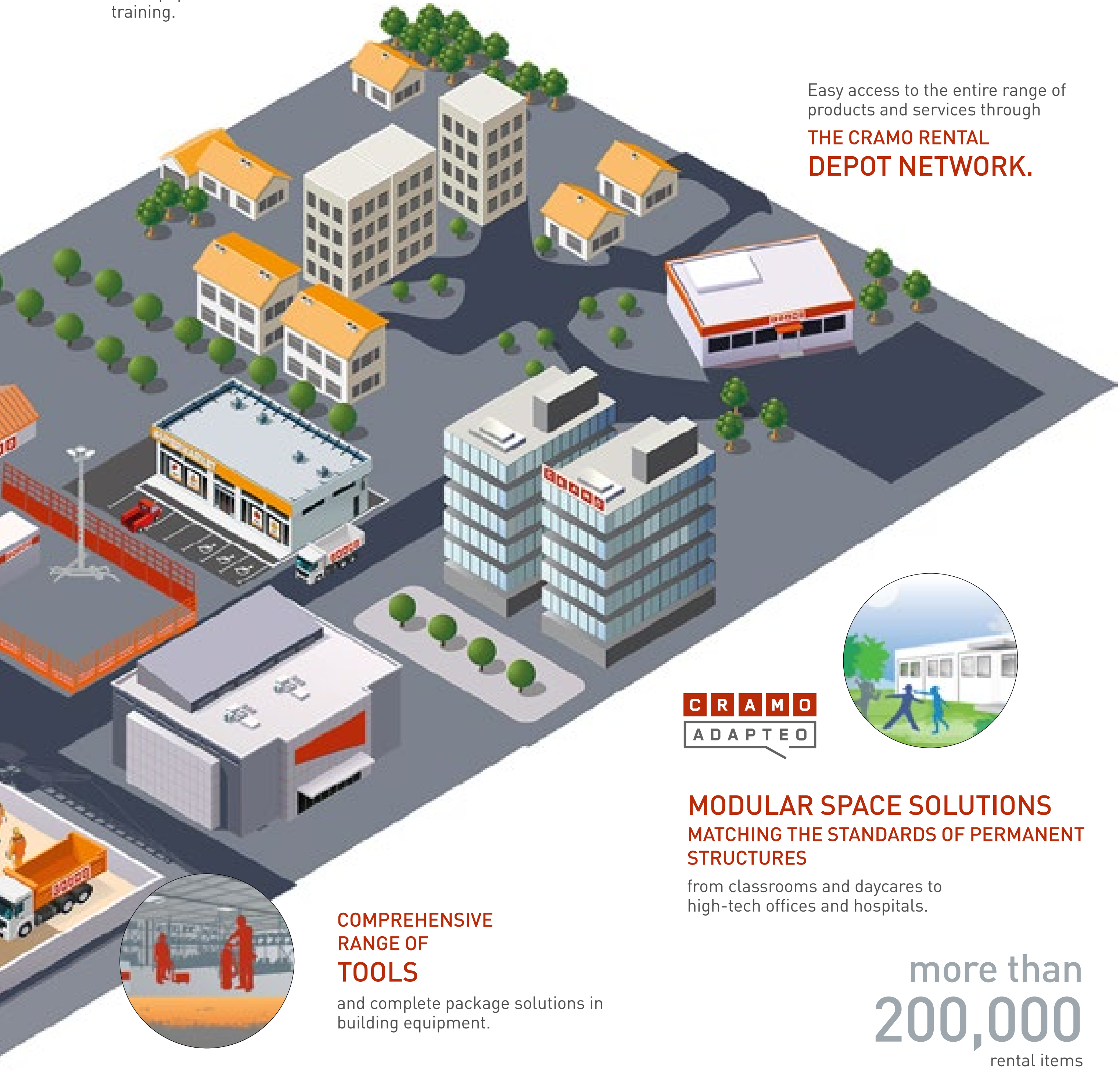
including infrastructure, offshore and mining.

ACCESS EQUIPMENT

with guaranteed safety when working at heights.

A WIDE RANGE OF
RENTAL-RELATED
SERVICES

including site services, customer support, safety-related services and equipment as well as external training.



Easy access to the entire range of products and services through

THE CRAMO RENTAL
DEPOT NETWORK.

MODULAR SPACE SOLUTIONS
MATCHING THE STANDARDS OF PERMANENT STRUCTURES

from classrooms and daycares to high-tech offices and hospitals.

COMPREHENSIVE
RANGE OF
TOOLS

and complete package solutions in building equipment.

more than
200,000
rental items

TAILOR-MADE
RENTAL SOLUTIONS

from planning to clean-up as well as concepts and outsourcing.

over
150,000
customers

A LEADER IN THE RENTAL BUSINESS

Cramo is one of the industry's leading service providers in equipment rental services and the rental of modular space solutions in the Nordic countries and in Central and Eastern Europe. More than 150,000 customers are served by 2,500 passionate rental professionals.

652
Sales, MEUR

73
EBITA, MEUR
before non-recurring items

11
EBITA margin, %

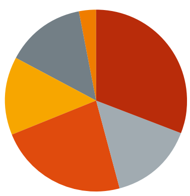
2,528
Average number of employees

329
Number of depots

KEY FIGURES AND RATIOS	2014	2013	CHANGE, %
Income statement			
Sales, MEUR	**651.8**	657.3	-0.8
EBITA before non-recurring items, MEUR[1]	**73.2**	80.5	-9.1
EBITA before non-recurring items, %[1]	**11.2**	12.2	
EBITA after non-recurring items, MEUR	**70.3**	79.9	-12.1
EBITA after non-recurring items, %	**10.8**	12.2	
Operating profit (EBIT), MEUR	**34.3**	66.8	-48.6
Profit before tax (EBT), MEUR	**21.5**	51.9	-58.6
Profit for the period, MEUR	**16.0**	42.8	-62.6
Balance sheet			
Gearing, %	**84.7**	72.9	
Equity ratio, %	**43.9**	47.1	
Net interest-bearing liabilities, MEUR	**385.4**	364.8	5.6
Total assets, MEUR	**1,047.7**	1,074.7	-2.5
Shareholders' equity, MEUR	**455.0**	500.6	-9.1
Share-related and other information			
Average personnel	**2,528**	2 463	2.6
Number of depots	**329**	357	-7.8
Return on equity, %	**3.4**	8.3	
Return on investment, %	**4.2**	7.7	
Gross capital expenditure, MEUR	**159.1**	129.6	22.7
of which business combinations, MEUR	**11.4**	29.1	-60.9
Cash flow from operations, MEUR	**118.3**	160.3	-26.2
Cash flow after investments, MEUR	**-6.5**	50.3	
Earnings per share (EPS) before non-recurring items, undiluted, EUR[2]	**0.91**	1.02	-10.6
Earnings per share (EPS) undiluted, EUR	**0.37**	1.01	-63.6
Earnings per share (EPS) diluted, EUR	**0.36**	1.00	-63.6
Dividend per share, EUR	**0.55***	0.60	-8.3
Equity per share, EUR	**10.40**	11.56	-10.0
Market capitalisation, MEUR	**528.5**	665.3	-20.6

OUR PRODUCTS

We are a total solutions provider, with more than 200,000 rental items.[3]

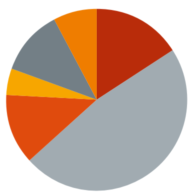


OUR OFFERING 2014 (2013)
% OF TOTAL SALES

- TOOLS 31 (31)
- CONSTRUCTION EQUIPMENT 15 (17)
- ACCESS EQUIPMENT 23 (23)
- MODULAR SPACE 14 (12)
- SITE HUTS 14 (14)
- OTHER 3 (2)

OUR PRESENCE

We have a network of 329 depots with 2,500 employees and we serve in 15 countries.[4]

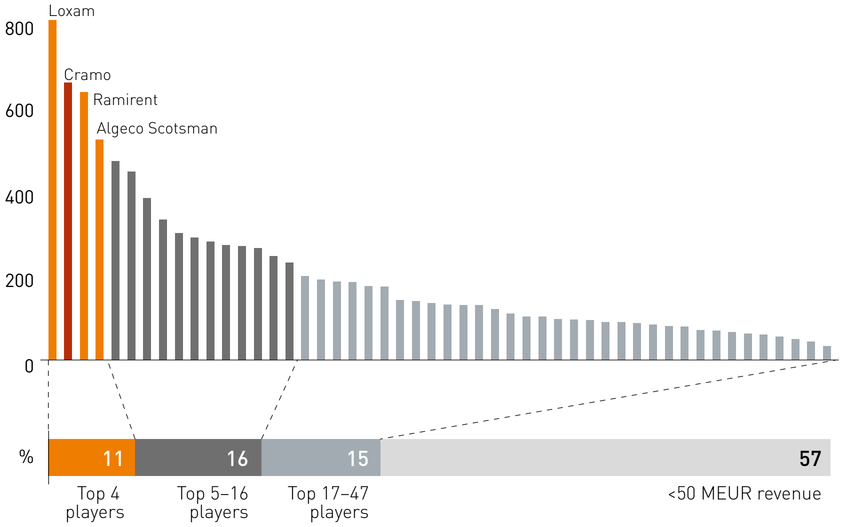


OUR BUSINESS SEGMENTS 2014 (2013)
% OF TOTAL SALES

- FINLAND 16 (15)
- SWEDEN 48 (48)
- NORWAY 13 (14)
- DENMARK 5 (4)
- CENTRAL EUROPE 12 (11)
- EASTERN EUROPE 8 (8)

* Board proposal
1 Non-recurring costs included in EBITA amounted to EUR 2.9 million, of which EUR 2.2 million relating to Denmark and EUR 0.7 million to non-recurring costs at the Group level. In 2013 non-recurring costs included in EBITA amounted to EUR 0.6 million relating to Norway.
2 Non-recurring costs included in the profit for the year amounted to EUR 23.6 million, of which EUR 2.2 million relating to Denmark, EUR 0.7 million to non-recurring costs at the Group level, EUR 25.5 million to an impairment on goodwill and intangible assets in Central Europe and EUR 4.8 million to tax income. In 2013 non-recurring costs included in the profit for the year amounted to EUR 0.6 million relating to Norway.
3 Sales generated from rental-related services have been allocated to product groups.
4 Own depots in 14 countries. We also operate in Ukraine through our joint venture.

RENTAL OPERATORS IN THE EUROPEAN EQUIPMENT RENTAL MARKET
REVENUE, MEUR 2013

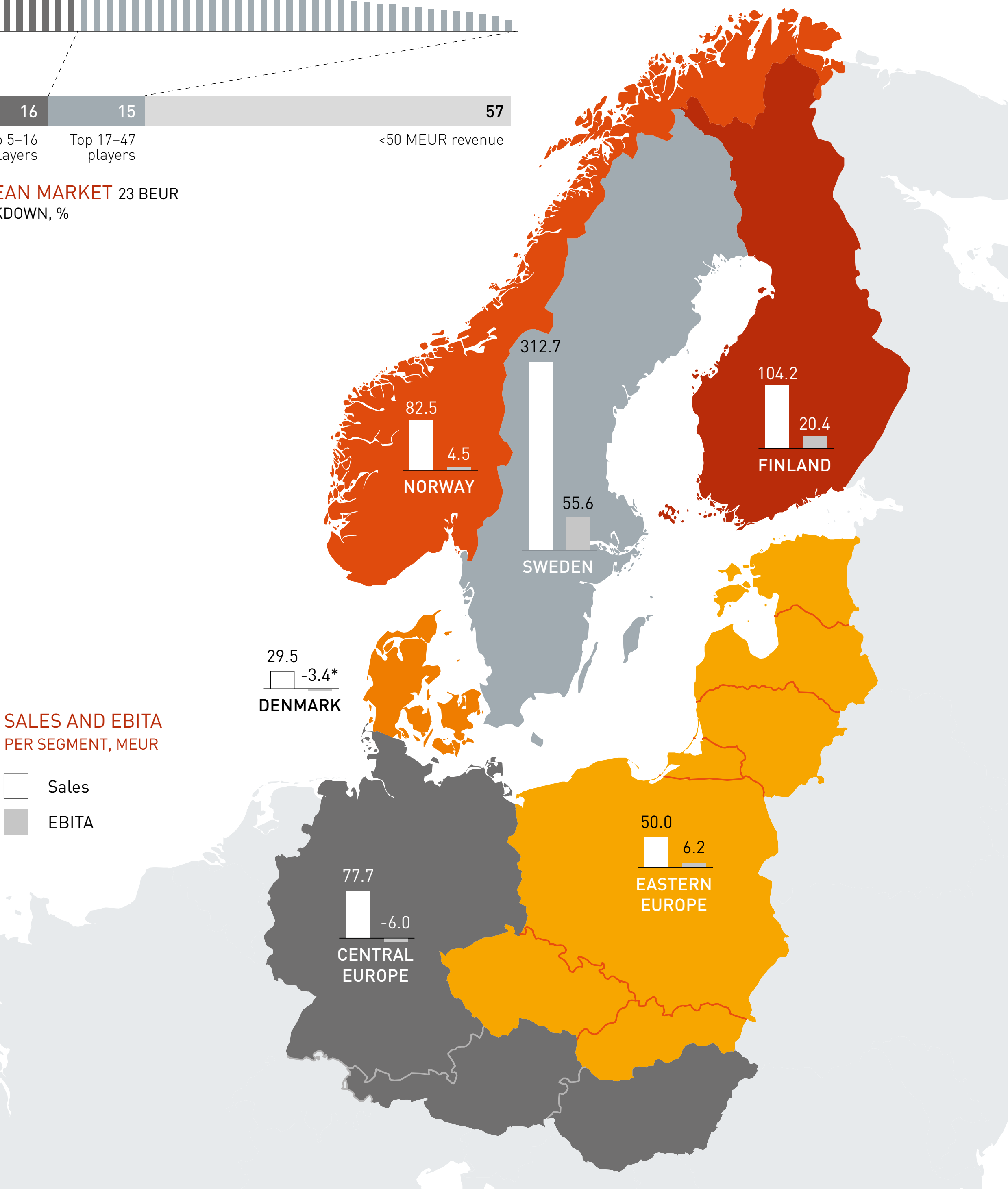


OVERALL EUROPEAN MARKET 23 BEUR
TOTAL MARKET BREAKDOWN, %

#2
in equipment rental in Europe

#1
player in modular space in the Nordic countries

SALES AND EBITA
PER SEGMENT, MEUR



* Comparable EBITA before non-recurring items was EUR -1.2 million.

OPERATIONAL EXCELLENCE FORMS A STRONG FOUNDATION FOR DELIVERING THE CRAMO STORY

After delivering on our strategic theme for 2010–2014 – operational excellence, we updated our strategy in 2014. The renewed strategy enables us to reach our financial targets and strengthen our brand.

FOR A GREAT DAY AT WORK

#1

We are always helpful.

#2

We are always on time.

#3

Our equipment never fails.

Our three proofs of promise demonstrate that we trust our professionalism and leading-edge processes so much that we dare to promise to compensate our customers if we fail.

The European economies in general recovered more slowly in 2014 than had been anticipated in 2013. Naturally, this also affected the demand for equipment rental services. The market situation was fairly weak in many countries and started to improve only at the end of the year. We quickly adapted our operations to the declining market by implementing several performance improvement actions, particularly in our Scandinavian and Central European markets.

At the same time, I am delighted that our business operations in Finland continued to develop positively, despite the weak market situation. Many of our must-win battles and strategic initiatives have been implemented most thoroughly in Finland, and I firmly believe that the positive development in this market demonstrates the strength and right direction of our choices.

MORE FOCUSED STRATEGY

In September, we announced Cramo's updated, more focused strategy, which will enable us to reach our financial targets. The core of our new strategy is Cramo People living the Cramo Story. The Cramo Story is a broad programme including, for example, extensive in-house training sessions, helping our employees to understand customer expectations, and continuous improvement of our processes. The aim is to differentiate Cramo from the competition by focusing on our customers' success and exceeding their expectations through the Cramo People's passion to serve and capability to prevent and solve customer problems. We are working harder than ever to meet our promise to customers – For a great day at work.

The Cramo Story also includes three very concrete proofs of promise. They clearly demonstrate that we trust our professionalism and leading-edge processes so much that we dare to promise to compensate our customers if we fail to deliver on time or if there is a malfunction in any equipment we delivered. Having the right equipment in place, on time and functioning as it should are critical success factors for many of our customers. What is more, we now have an Ombudsman in every country ready to serve and listen to our customers in case they are dissatisfied with Cramo. It is important for us to understand what our customers think about us, our service and solutions and what they expect from us. On the other hand, we also want to show our customers that we are always ready to listen to them and meet them and appreciate them wanting to tell us about their feelings and experiences.

I strongly believe that the Cramo Story will improve the quality of our operations by ensuring precision in delivery timing and well-functioning equipment every time and by listening to our customers carefully, and thus enhance customer satisfaction.

EXECUTING OUR STRATEGY THROUGH MUST-WIN BATTLES

We execute our strategy through must-win battles. Delivering the Cramo Story is one of them. The two other must-win battles involve implementation of the Cramo Performance Management Model and winning the Central European market.

Our Performance Management Model has proved to be an effective way to improve efficiency and profitability in depot operations, so we have decided to extend the model to all key operations throughout the Group. Like the Cramo Story, the Performance Management Model also involves each and every employee at Cramo. It helps them to understand how they can contribute to the positive development of our profitability and financial results through their own actions.

Entering the German market and strengthening our presence there have been strategically important steps for Cramo. We believe that completing our transition programme and executing our new strategy with a strong customer focus will enable us to capitalise on the vast potential of the large German rental market. We further strengthened our position in this market during the year with the rebranding of our operations under the Cramo brand and the acquisition of the modular space rental company C/S RaumCenter.

WELL POSITIONED FOR ALL FUTURE OPPORTUNITIES

After delivering on our strategic theme for 2010–2014 – operational excellence, today we are a significantly stronger organisation and more capable than ever. After years of building and rolling out our standardised tools, we can now start using them efficiently – and benefitting from them. This offers interesting new opportunities for all employees. With the harmonised business concepts and processes in place, supported by systems that lead the industry, we are well positioned to achieve profitable growth in our chosen markets.

Over the past few years, we have also invested in our personnel and in the creation of a strong, value-driven corporate culture. Indeed, it has been a great pleasure to see how committed our employees are to the Cramo Story and how they already deliver on it with true determination and passion.

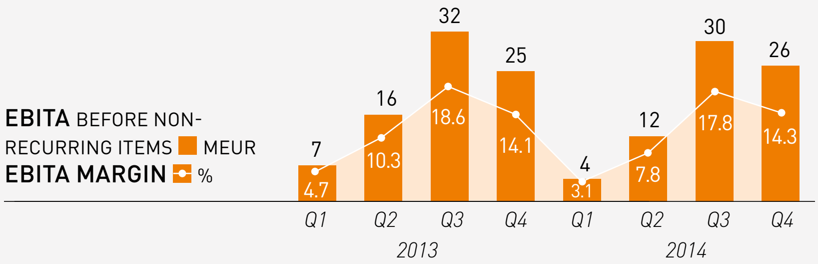
I am reasonably satisfied with our 2014 results. I am also convinced that by delivering on our new strategy, our three must-win battles and other strategic key initiatives, we will reach our financial targets. I want to thank our shareholders for your loyalty and trust in us. We will continue our work to generate increasing value for you.

Sincerely,

Vesa Koivula
President and CEO

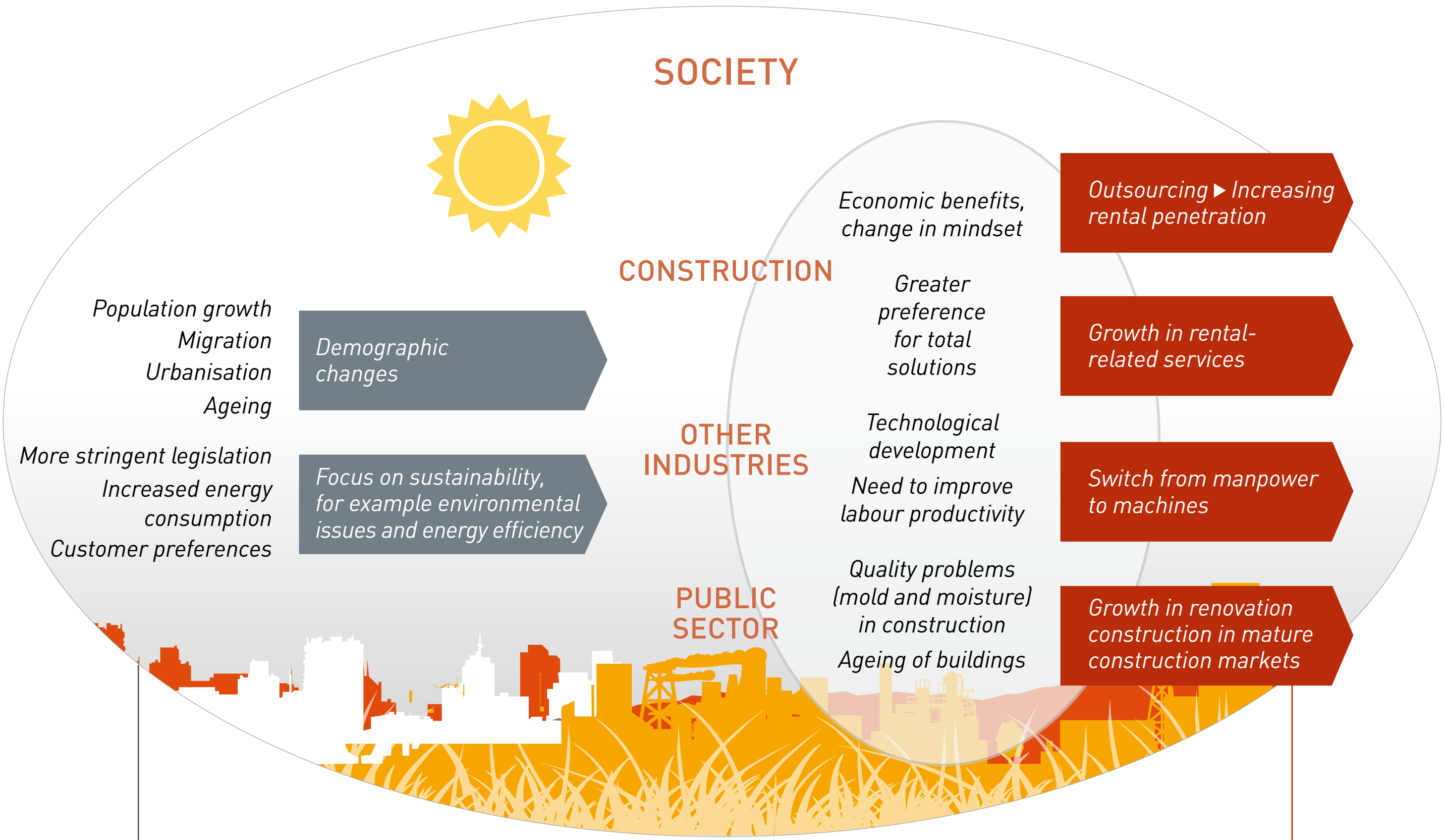
IMPROVED RESULT TOWARDS YEAR-END

Full-year EBITA and EBITA margin before non-recurring items were below last year's levels. However, comparable profitability improved year-on-year in the fourth quarter of 2014.



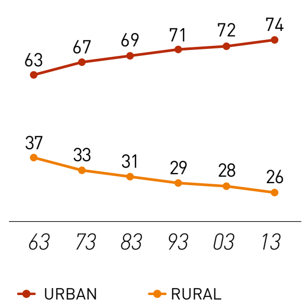
LONG-TERM GROWTH DRIVERS IN RENTAL

Global megatrends such as demographic changes and increasing environmental awareness are also growth drivers for rental businesses serving construction, industry and the public sector. In mature construction markets, the operating environment is more favourable to renovation than to new construction.



URBANISATION IN EUROPEAN UNION

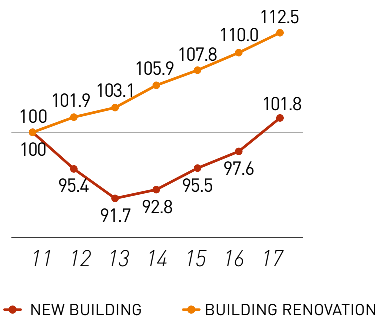
SHARE OF URBAN/RURAL POPULATION OF TOTAL POPULATION, %



Source: The World Bank

CONSTRUCTION VOLUME DEVELOPMENT

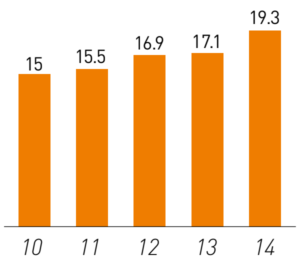
IN THE NORDIC COUNTRIES (INDEX, 2011 = 100)



Source: Euroconstruct (November 2014)

SHARE OF RENTAL-RELATED SERVICES

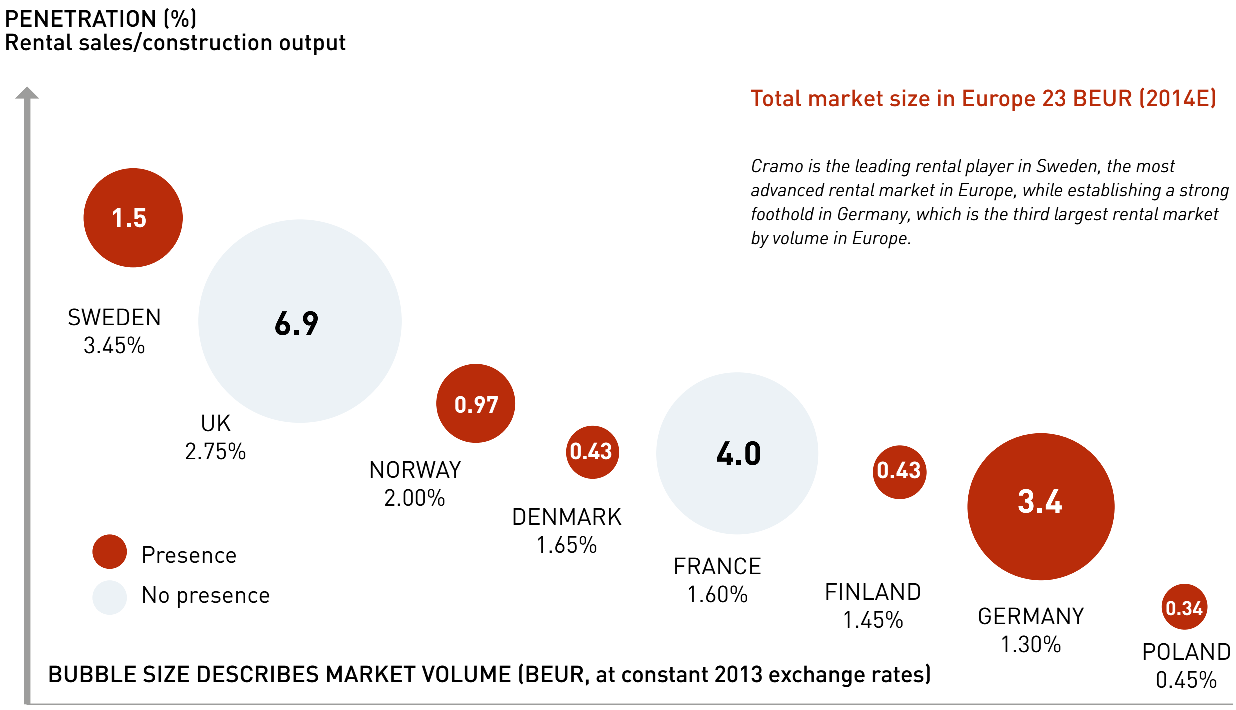
SALES OF CRAMO GROUP'S TOTAL REVENUE, %



AND ATTRACTIVE MARKET OPPORTUNITIES

Despite the challenging economic situation, Cramo believes that the positive long-term growth drivers of the equipment rental industry are still valid. The company is the leader in rental and modular space in the Nordic countries and is well established in Germany, a market position that provides an excellent base for future growth.

RENTAL PENETRATION AND MARKET SIZE



Source: European Rental Association (October 2014)

OUR STRENGTHS WILL ENABLE US TO CAPTURE MARKET OPPORTUNITIES

STRONG BRAND
A well-established brand. Excelling in customer service further strengthened by delivering on the Cramo Story.

TOTAL SOLUTIONS PROVIDER
The Cramo Rental Concept with over 200,000 items and a wide offering of rental-related services.

STRONG MARKET POSITION
The second largest rental solutions provider in Europe, well positioned to grow.

SUSTAINABILITY
Inherently an environmentally sustainable business model. Energy-efficient solutions.

OPERATIONAL EFFICIENCY
Advanced fleet management together with harmonised key processes and rental system. Continuous improvement through the Performance Management Model.

MODULAR SPACE OPPORTUNITIES
The leader in modular space in the Nordic markets with a good position for growth in existing and new markets.

FLEXIBLE BUSINESS MODEL
Flexibility throughout operations. A balance between stability in sales and agility for cost control.

MAKING OUR CUSTOMERS' LIVES EASIER BY MEETING THEIR EXPECTATIONS

In order to complete the implementation of our must-win battles for the strategy period 2010–2014, we revisited our strategy and must-win battles in spring 2014. The updated, more focused strategy enables us to reach our financial targets. The core is Cramo People living the Cramo Story.

OUR VISION – The role model for all rental

OUR FINANCIAL TARGETS

- EBITA margin > 15% of sales over a business cycle
- Gearing < 100%
- Sales growth faster than the market
- Return on equity > 12% over a business cycle
- A stable profit distribution policy, dividends about 40% of earnings per share

OUR MUST-WIN BATTLES

1. Delivering the Cramo Story p 28
2. Drive Cramo Performance Management p 30
3. Win Central European Market p 32

OUR STRATEGY – Cramo People living the Cramo Story

OUR CORE PURPOSE is to contribute to customers' success by preventing and solving problems – making their lives easier

OUR VALUES

Credibility
Creativity
Commitment

OUR VALUES

CREDIBILITY

In everything we do, we approach customers with honesty, professionalism and a genuine desire to help make their lives easier.

Since their success is the only way we can achieve success, we always look to their needs before we do our own.

CREATIVITY

We constantly try to think in new ways and face new situations in an innovative way.

We create business models, offerings and products that stay one step ahead of the competition and the ever-evolving needs of our customers.

COMMITMENT

We strive to know our customers' needs as well as or better than they do, in order to positively influence their business.

We are reachable through all channels at all times and always give that little extra to every customer.

The five must-win battles that have largely been accomplished have been distilled into three, sharply focused must-win battles for the strategy period 2014–2016.

1 Roll out Cramo Rental Concept

2 Implement Cramo Processes

3 Develop Cramo People

4 Implement Cramo Performance Management

5 Drive Profitable Growth in Modular Space

- Continue to implement and benefit from harmonised business concepts, processes and systems
- Increase our focus on customers and people to differentiate ourselves from the competition
- Widen the proven concept of performance management to all key areas of operation
- Capitalise on the potential in Central Europe

1 Delivering the Cramo Story

2 Drive Cramo Performance Management

3 Win Central European market

In addition to these must-win battles, our strategy implementation is supported by three strategic initiatives.

1. CRAMO ADAPTEO – MODULAR SPACE GROWTH STRATEGY

Our modular space business provides both organic and inorganic growth opportunities. p 34 and p 36

2. DYNAMIC PRICING

One way to make our customers' lives easier is to ensure that they always get the right price. p 35

3. MERGERS AND ACQUISITIONS

As an active player in the consolidation of the European rental business, we are continuously evaluating potential target companies. p 35

A HARMONISED BUSINESS MODEL CREATING VALUE

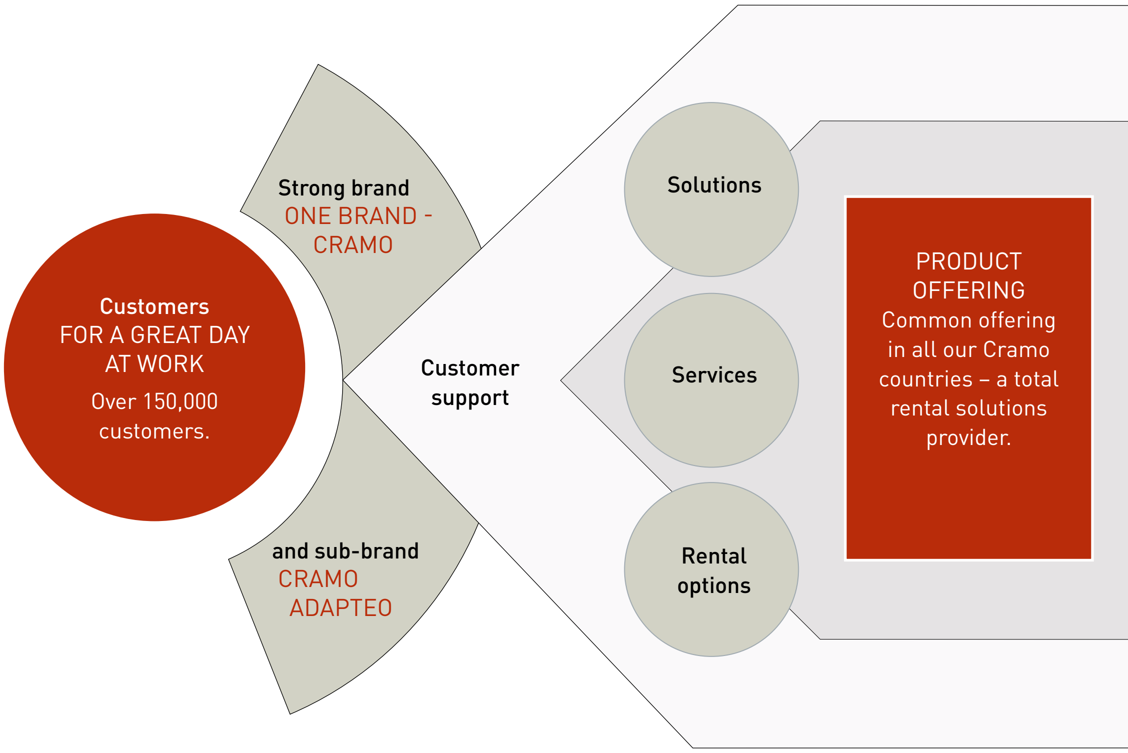
We offer cost-effective, sustainable and up-to-date solutions to meet a variety of equipment and modular space needs for our customers through our harmonised business model. By doing so, we also create value for our suppliers, employees and stakeholders as well as for the communities we operate in.

CRAMO RENTAL CONCEPT

RENTAL BENEFITS

By renting you can

- focus on your core business
- improve cost-effectiveness by sharing costs
- increase transparency in budgeting and control
- reduce or expand equipment flexibility to suit your needs
- turn fixed costs into variable costs
- improve access to modern, high quality products with high safety and environmental standards



FOR ALL YOUR RENTAL NEEDS

We provide easy access to a full range of modern, high quality products and services. We offer a wide range of services, creative solutions and outsourcing to complement rental. We are with you every step of the way, from planning to final clean-up. Our flexible, customer-specific solutions contribute to the success of our customers.

652
sales MEUR

About 17,500
modular space units for offices, daycare and accommodation.

CRAMO PERFORMANCE MANAGEMENT MODEL

Harmonised processes

EASY ACCESS
Efficient depot network.

OUR PEOPLE
Passionate rental professionals ready to exceed your expectations.

Optimised logistics

INNOVATION & DEVELOPMENT

WELL-BEING FOR EMPLOYEES
Wages 107.1 (106.9) MEUR

- fair and just employment conditions
- personal development
- career opportunities
- work safety

TRUSTED PARTNER FOR SUPPLIERS
Materials, services and other purchases, and gross capital expenditure 500.3 (450.5) MEUR

- business relations based on strong ethics and trust

VALUE FOR OWNERS AND FINANCIAL COMMUNITY
Dividends 26.0 (17.7) MEUR

- stable value generation for shareholders
- financial expenses

WELFARE FOR SOCIETY
Taxes, social security charges and pension expenses 41.4 (46.1) MEUR

- economic welfare through taxes, social security charges and pension expenses
- provider of environmentally sound solutions
- responsible corporate citizen
- strong business ethics

COMMITTED TO DEVELOPMENT

We keep an open mind and are thus able to continuously create new offerings to keep our customers ahead of the changing competition.

ALWAYS NEARBY

Our excellent service network together with reliable delivery ensures that the optimal rental solution for your needs is always within easy reach.

PASSIONATE RENTAL CHAMPIONS

Supporting our people to deliver on the Cramo Story, taking care of their well-being at work and providing them with good opportunities for personal development have helped us to create a winning team of passionate rental professionals ready to serve our customers in the best possible way.

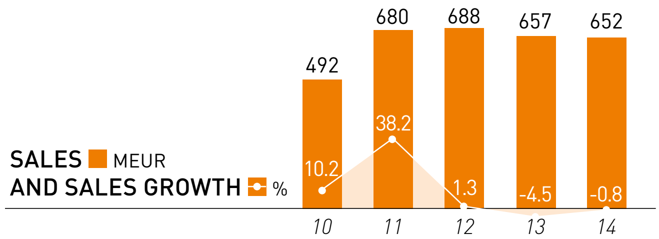
329
depots at your service

2,528
employees serve you in 14 countries

IMPLEMENTATION OF PREVIOUS MUST-WIN BATTLES BROUGHT US CLOSE TO OUR FINANCIAL TARGETS

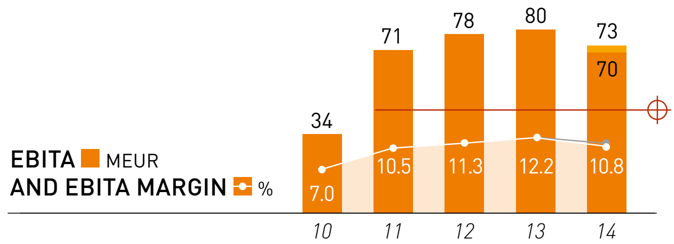
Our five must-win battles for the strategy period 2010–2014 have mostly been accomplished, making us stronger both inside Cramo and outside in the European rental market. The economic situation in 2014 was difficult, which also had an impact on Cramo's financial performance.

	Must-win battles 2010–2014	Key achievements 2010–2014	Ongoing
1	Roll out the Cramo Rental Concept	• Renewed Cramo Rental Concept implemented in all key markets • Dynamic pricing introduced in the Nordic countries • Continue implementation and best practice sharing	Continue to implement and benefit from harmonised business concepts, processes and systems Increase focus on customers and people to differentiate ourselves from the competition Extend proven concept of performance management to all key areas of operation Capitalise on the potential in Central Europe
2	Implement Cramo Processes	• Harmonised rental platform implemented in the Nordic countries and Germany • Harmonised processes • Continue implementation, reaping of benefits	
3	Develop Cramo People	• Cramo training and career development programme implemented • One Cramo Share Plan • Continue implementation and best practice sharing	
4	Implement Cramo Performance Management	• Implementation of Cramo Performance Management Model ongoing down to depot level in all countries • Continue implementation and best practice sharing	
5	Drive Profitable Growth in Modular Space	• Profitable growth targets achieved in Norway and Denmark • Foothold established in Germany and the Baltic countries • Further strengthen #1 position in the Nordic countries • Continue expansion outside the Nordic countries	



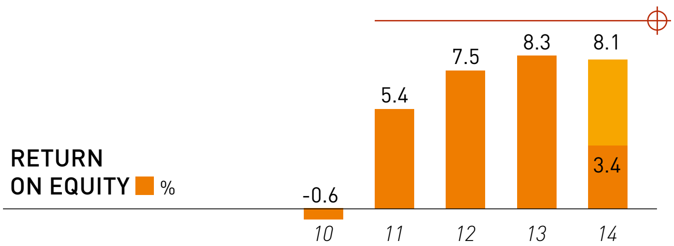
TARGET: Sales growth faster than the market

PERFORMANCE: Sales target was achieved. Sales growth was -0.8%. However, in local currencies and excluding divested operations in Russia, sales growth was 3.1%.



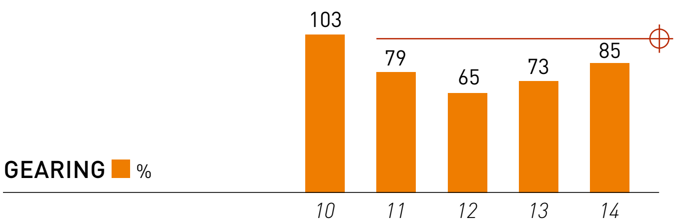
TARGET: EBITA margin above 15% of sales over a business cycle

PERFORMANCE: EBITA margin after non-recurring items decreased to 10.8% and was below target level. EBITA and EBITA margin were affected by non-recurring items amounting to MEUR 2.9. EBITA before non-recurring items was MEUR 73 and EBITA margin 11.2%.



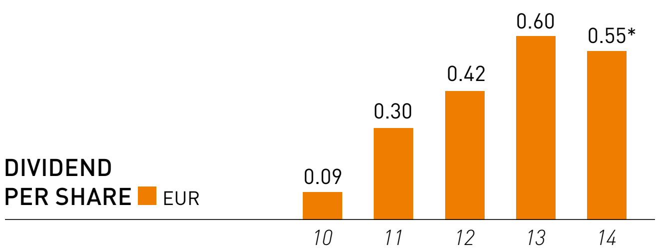
TARGET: Return on equity higher than 12% over a business cycle

PERFORMANCE: Return on equity was 3.4%. Comparable return on equity before non-recurring items was 8.1%. Efforts continue to reach the target level.



TARGET: A maximum gearing of 100%

PERFORMANCE: Gearing was 84.7%, clearly meeting the target level. Gearing was negatively affected by non-recurring items and exchange rates.



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 0.55 per share for the financial year 2014, representing 60% of comparable earnings per share before non-recurring items.

* Board proposal

OUR NEW FOCUSED MUST-WIN BATTLES ENABLE FINANCIAL TARGET REALISATION

The new must-win battles, together with our other strategic initiatives and operating leverage, enable Cramo to meet its financial targets. Successful execution of the must-win battles will positively impact Cramo's sales and various cost items, and thus lead to higher profitability.

We execute our strategy through the three must-win battles and other selected strategic initiatives.

1 DELIVERING THE CRAMO STORY

2 DRIVE CRAMO PERFORMANCE MANAGEMENT

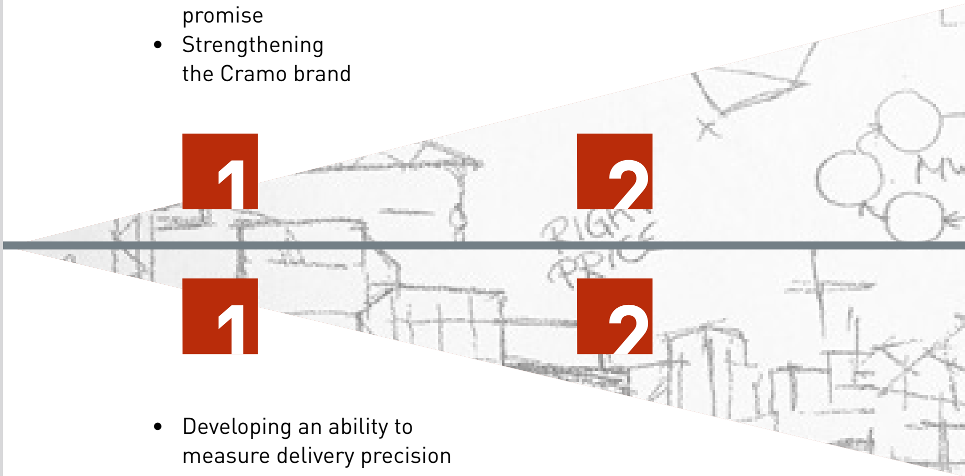
3 WIN CENTRAL EUROPEAN MARKET

S STRATEGIC INITIATIVES

- Modular space growth strategy
- Dynamic pricing
- Mergers and acquisitions

- Building a solid foundation for differentiating ourselves from the competition by delivering on the Cramo Story and our proofs of promise
- Strengthening the Cramo brand

- Supporting sales through the Cramo Performance Management Model
- Promoting continuous efficiency improvement and sharing best practices throughout the organisation



- Developing an ability to measure delivery precision
- Optimising delivery process at depots

- Implementing harmonised steering models, KPIs and management systems throughout the Group
- Promoting an entrepreneurial mindset
- Enhancing employees' profit awareness and ability to affect results
- Driving cost savings in all key purchases
- Driving performance management in key operations

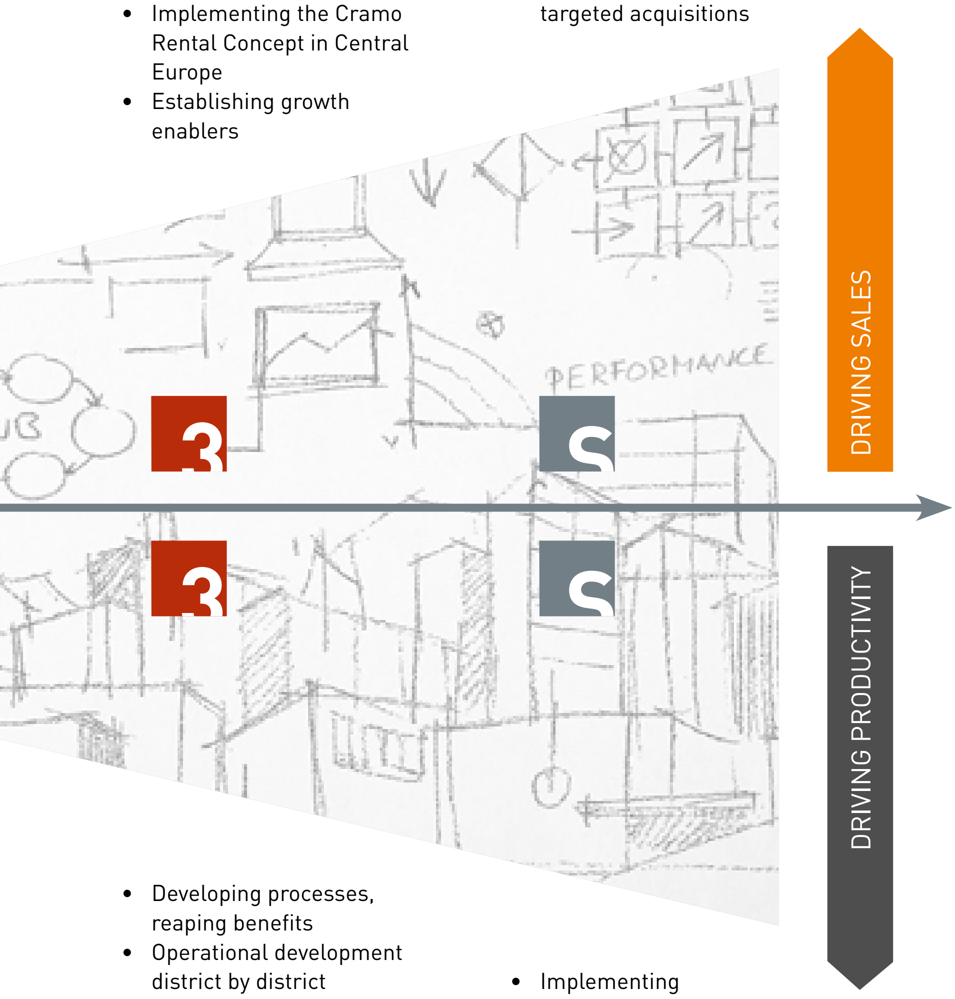
Our harmonised concepts, processes and systems provide a strong foundation to deliver on the new must-win battles.

– The most important issues for must-win battles are that they are focused, implementable across the organisation and spot-on to enhance profitability and growth to drive value creation. Cramo's new must-win battles meet these criteria.

Mr Martti Ala-Härkönen
CFO
Cramo Group

- Completing the transition programme in Central Europe and becoming a multi-category rental company with a strong customer focus
- Implementing the Cramo Rental Concept in Central Europe
- Establishing growth enablers

- Modular space growth strategy
- Implementing dynamic pricing
- Growing business organically and with targeted acquisitions



- Developing processes, reaping benefits
- Operational development district by district

- Implementing dynamic pricing
- Business combinations

OUR FINANCIAL TARGETS REMAIN UNCHANGED

- EBITA margin >15% of sales over a business cycle
- Gearing <100%
- Sales growth faster than the market
- Return on equity >12% over a business cycle
- A stable profit distribution policy, dividends about 40% of earnings per share

EXCELLING IN CUSTOMER FOCUS THROUGH CRAMO PEOPLE

By enhancing our unique, customer-focused corporate culture and brand further, we differentiate ourselves from the competition and strengthen our position as the first choice for customers in the competitive rental market. This development is supported by our customer promise – For a great day at work – and the three concrete measures as proofs of promise launched in 2014.

Delivering the Cramo Story 1

DELIVERING THE CRAMO STORY WILL DRIVE CRAMO'S SALES

In the highly competitive rental market, it is crucial to distinguish ourselves from competitors in a way that can not be copied. We have chosen to do that through our unique brand. Further enhancing the Cramo brand and strengthening our corporate culture, which is based solidly on our values and always putting the customers first, will drive our sales and help us to build an even stronger market position. We communicate and deliver on our brand and customer promise through the Cramo Story.

... AND STRENGTHEN OUR POSITION AS THE FIRST CHOICE FOR CUSTOMERS

Our customer promise is supported by proofs of promise on delivery precision, fast problem-solving and always being available to listen to our customers. Product and solution deliveries carried out in accordance with our Cramo Rental Concept provide a solid foundation for delivering on two of our proofs of promise, and we continued to further develop our processes and systems. To ensure that our customers always have their voice heard, we now have an Ombudsman in each country who is ready to listen to them.

A major effort in 2014 was the launch of the Cramo Story for employees. This was done in various ways, for example, through workshops and training sessions, where staff members had the opportunity to understand the idea of the Cramo Story in detail and how it will impact their daily work. Teams of Cramo Story Ambassadors were set up in every country, with the task of supporting Cramo People as they start to live the Cramo Story.

... AND ENABLES US TO GROW FASTER THAN THE REBOUNDING RENTAL MARKET

There is growth potential for the rental business in Europe. A delay in the recovery of the rental market was experienced in early 2014, but there are still expectations for market growth in 2015 and 2016.

By delivering the Cramo Story, we are in a very strong position to capture this potential and grow organically in the coming years.

The Cramo Story is about our corporate culture. It is about how we act towards our customers and amongst ourselves.

WORK STREAM	OBJECTIVES/ACTIONS	ACHIEVEMENTS IN 2014	PRIORITIES FOR 2015
Make Cramo People live the Cramo Story	• Strengthen corporate culture and promote strong values • Best-in-class committed and satisfied employees through training, incentives and enabling of personal development	• Internal implementation of the Cramo Story started with extensive training sessions, workshops and supporting tools and materials for entire staff in all countries • Teams of Cramo Story Ambassadors set up in all countries	• Utilise the teams of ambassadors to ensure compliance with the Cramo Story in all Cramo countries • Continue training and follow-up • Measure customer satisfaction and brand image
Deliver processes and systems to support the Cramo Story	• Increased ability to measure delivery precision • Transportation management – optimised delivery process at depots	• Service order process with full system support in place • Remote signing solution developed and tested	• Deploy full system support for delivery precision, including remote signing • Install system to monitor customer satisfaction
Build foundation for differentiation – strengthen the Cramo brand and corporate culture	• Continuous strengthening of the Cramo brand by delivering customer promise every day • "Win customers on instant emotion, keep them on trust"	• Marketing communication about the Cramo Story started in November • First deliveries on Cramo's proofs of promise	• Conduct employee survey in all countries in order to verify that our values are alive • Continue marketing efforts throughout the year

– It is crucial that we show our passion to exceed customers' expectations in every contact we have with them.

Mr Gunnar Morath
Senior Business Developer
Cramo AB, Sweden

CRAMO STORY AMBASSADORS

To ensure that all Cramo People have a solid understanding of the Cramo Story and what is expected of them, extensive in-house training efforts were carried out in all countries. Teams of so-called Cramo Story Ambassadors were established to further support our employees. In Sweden the team of 14 ambassadors is led by Senior Business Developer Mr Gunnar Morath.

– Our team arranged a two-day Cramo Story kick-off for Swedish and Norwegian employees in May 2014. Almost 1,000 Cramo People gathered in Stockholm, Sweden, to start the Cramo Story journey together. The days consisted of training sessions, workshops, interviews with customers and group discussions about how to make our passion to serve our customers even more visible and what is needed for us to keep our promise to customers. During the autumn, we visited all the depots in Sweden and participated in regional meetings to support the further roll-out of this customer-focused way of working amongst the Cramo People.

EMPOWERED EMPLOYEES TAKING RESPONSIBILITY FOR PROFITABILITY

Cramo's harmonised Performance Management Model has proved to be an effective way to improve efficiency and profitability in depot operations. Employees with an entrepreneurial mindset and a more comprehensive understanding of our business as a whole are capable of taking responsibility for performance.

Drive Cramo Performance Management 2

Our previous must-win battle, Implement Cramo Performance Management for the strategy period 2010–2014, was aimed at establishing the harmonised Performance Management Model throughout the Group at the depot level. Implementation has been successful, and the management model has delivered good, measurable results. That is why it was decided that the model will be extended to all our key operations through a new must-win battle, Drive Cramo Performance Management, for the strategy period 2014–2016.

ENHANCED EFFICIENCY AND IMPROVED PROFITABILITY

Awareness of targets and performance together with the responsibility to act accordingly has improved our agility and enabled us to be more proactive. Employees feel empowered, understand the causes and effects and thus are capable of taking responsibility for profitability, sales and customer satisfaction. With reporting and other harmonised procedures included in the model, allowing fast decision-making at the depot level, we have been able to cut costs and increase sales. A coaching leadership style, an entrepreneurial mindset and the sharing of best practices are crucial cultural features ensuring the success of this model.

FOCUS ON CONTINUOUS LEARNING AND IMPROVEMENT

Work to implement this harmonised model in other key operations started in 2014, with repair and maintenance operations and sales management first in line. Our other key operations, purchasing and modular space processes, will follow in the second phase. The model fosters continuous improvement and learning, and enables benchmarking between different units, which makes the sharing of best practices more productive.

– We wanted to turn the top-down management model upside down and give our employees in the field tools and more responsibility for operational actions.

Mr Aku Rumpunen
Senior Vice President
Group Business Control
Cramo Group

WORK STREAM	OBJECTIVES/ACTIONS	ACHIEVEMENTS IN 2014	PRIORITIES FOR 2015
Depot operations	• Harmonised Performance Management for depot operations, districts and regions in all operating countries • Standardised management practices • Enhanced employee awareness of profits and their ability to affect operation results	• Implementation of Performance Management Model ongoing in depot-level operations in all countries	• Continue to drive implementation of the model towards the desired business culture
Repair and maintenance	• Harmonised steering model, KPIs and management systematics implemented • Roll-out first in the Nordic countries, then the whole Group	• Management systematics and steering model in place, KPIs defined and implementation ongoing in Finland, Norway and Sweden	• Roll out the Performance Management Model in the Nordic countries, strengthen implementa-tion in the Nordic countries
Purchasing	• Drive cost savings in all key purchases • Drive Performance Management in purchasing process	• Definition phase to build harmonised Performance Management Model for supply management processes ongoing	• Finalise the management systematics model and KPIs, start implementation in the Nordic countries
Modular space processes	• Harmonised steering model, KPIs and management systematics implemented • Roll-out first in the Nordic countries, then the whole Group	• Definition phase to build harmonised Performance Management Model for modular space business ongoing	• Finalise the management systematics model and KPIs, start implementation in the Nordic countries
Sales management	• Harmonised steering model, KPIs and management systematics implemented	• Harmonised Sales Performance Management Model defined in the Nordic countries and Central Europe. Key metrics defined, implementation ongoing.	• Roll out the Sales Performance Management Model into the Nordic countries and Central Europe, start implementation in the Baltic countries

– In the areas where we have implemented the Performance Management Model, our sales and profitability have clearly improved despite the challenging market situation.

Mr Tatu Hauhio
Executive Vice President
Eastern Europe
Cramo Group

COSTS AND EQUIPMENT IN GOOD HANDS IN FINLAND

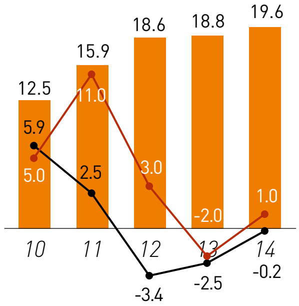
In Finland the implementation of the Performance Management Model started in 2012. This meant not only defining new processes, tools and KPIs but also a major change in the organisation and leadership culture. A lot of emphasis has been placed on training depot managers and their team members. This has been a major effort, but it has already paid off in terms of sales and profitability.

Employees are motivated to take responsibility when they understand that they can have an influence on Cramo's profitability and results. The first signs were improved cost control with better anticipation and the way employees took responsibility for the equipment. Taking responsibility is facilitated, for example, through daily, weekly and monthly KPIs, which help depot managers to take the right actions to achieve set targets.

The work now continues by further enhancing employees' awareness about how they can be more effective in impacting sales.

CRAMO FINLAND

COMPARED TO THE DEVELOPMENT OF MARKET ENVIRONMENT, %



■ FINLAND BUSINESS SEGMENT EBITA MARGIN
● FINNISH CONSTRUCTION GROWTH
● FINNISH RENTAL GROWTH

Sources: Forecon (November 2014), Euroconstruct (November 2014)

CAPTURING THE LARGE GROWTH POTENTIAL IN CENTRAL EUROPE

Winning the Central European market is one key to reaching our financial targets and capturing the long-term growth potential in Europe's third largest rental market.

Win Central European market

3

WINNING THE CENTRAL EUROPEAN MARKET WILL HELP US TO CAPTURE THE POTENTIAL FOR PROFITABLE GROWTH

Central Europe, for example Germany and Austria, has good growth potential for the rental business. The rental penetration rate in Germany is still low, lower than the European average, but outsourcing seems to be gradually gaining ground. Although the equipment rental market is fragmented, with more than 3,000 competitors, consolidation has started. The modular space market is also fragmented, with a number of small and medium-sized companies.

SERVING OUR CUSTOMERS WITH A MULTI-CATEGORY OFFERING

To capture the growth potential in Germany and Austria, we completed the first phase of our transition programme to help us become a leading multi-category rental company with a strong customer focus. As part of the transition, we established seven new access equipment hubs and four tool hubs, and closed down several unprofitable depots during the year. The rebranding of our Theisen operations in October also strengthened our competitive position and visibility in Germany. We aim to grow our business organically but also through targeted acquisitions in the future as well.

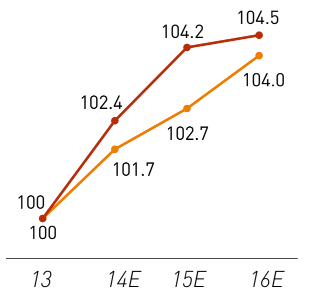
We expanded our presence in the modular space market in Germany through the acquisition of C/S RaumCenter. We also signed a significant modular space customer contract with the German energy company Technische Werke Ludwigshafen (TWL).

BENEFITTING FROM BENCHMARKING

As part of the transition programme, we implemented Group-level processes and systems, for example ERP, CRM and BI systems, in 2014. These moves, together with the Cramo Performance Management Model, have resulted in enhanced business steering. Sharing best practices and learning from the benchmark depots within the Group will help us to further improve our efficiency and profitability.

CONSTRUCTION GROWTH IN GERMANY AND AUSTRIA

CONSTRUCTION VOLUME INDEX (2013=100)



- CONSTRUCTION GROWTH IN GERMANY
- CONSTRUCTION GROWTH IN AUSTRIA

Source: Euroconstruct, November 2014

3,700

Central European (Germany, Austria, Hungary) rental market size MEUR

3,400

German rental market size MEUR

WORK STREAM	OBJECTIVES/ACTIONS	ACHIEVEMENTS IN 2014	PRIORITIES FOR 2015
Implement business model change – transition programme	• Complete transition to a multi-category, customer-focused rental company • Strengthen business with focus on achieving Top 3 position in each district • Establish growth enablers (for example, processes and systems) • Grow the business organically and with targeted acquisitions	• Rebranding of Central European operations • Progress in Cramo Rental Concept roll-out – seven access hubs and four tools hubs established • Implementation of Group-wide ERP and BI systems	• Complete the transition programme • Support growth and Best in Town approach through acquisitions • Implement processes and resources to deliver the Cramo Story • Improve sales through Cramo Performance Management Model
Benchmark with the Nordic countries, reap the benefits	• Process development, reaping of benefits • Cramo Performance Management (MWB#2) and district development • Drive growth in modular space business • Depot of the year benchmarking	• Acquisition of C/S RaumCenter • Major modular space deal with TWL • Market introduction of Nordic standard modules • Implementation of Cramo Performance Management Model started	• Further drive Cramo Performance Management Model and operational development district by district • Continue targeted modular space business acquisitions and market introduction of Nordic standard modules • Active benchmarking and learning from best practices implemented in the Nordic countries

THEISEN HAS BECOME CRAMO

Germany's third largest equipment rental company, which Cramo acquired in 2011, adopted the Cramo brand as of 1 October 2014. This was done after broadening the range of products and services to correspond to Cramo standards.

In introducing the Cramo brand in Germany, the company also introduced the Cramo Rental Concept to the market. The concept includes a full range of products and services for the entire construction industry, for example, construction equipment, tools, access equipment and modular space solutions.

EXPANSION ACCORDING TO PLAN

In April 2014 Cramo acquired the modular space rental company C/S RaumCenter GmbH in Germany. The acquisition followed Cramo's plan to extend its offering and provided the company with an excellent stepping stone to establish and further grow its modular space business in the German market.

The arrangement also brought a natural opportunity for Cramo to introduce its Nordic modular space applications and concepts to the local market.

C/S RaumCenter's competence and knowledge of different types of modular space solutions further strengthen Cramo's solution offering.

OUR CORE STRATEGY IS SUPPORTED BY THREE STRATEGIC INITIATIVES

In addition to our three must-win battles, we have decided to carry out three strategic, Group-wide initiatives that strongly support the realisation of our core strategy. These strategic initiatives include a growth strategy for modular space, further implementation of our dynamic pricing system, and growth through acquisitions.

1. MODULAR SPACE GROWTH STRATEGY WITH TWO APPROACHES

Cramo Adapteo, Cramo's sub-brand since early 2014, encompasses the company's high quality modular space operations. It offers flexible solutions for a wide array of temporary space needs for both the public and private sector. The modular space business provides both organic and inorganic growth opportunities.

We seek organic growth in Sweden, Finland, Norway and Denmark, where our objective is to grow faster than the market. To achieve this goal, for example, we continue to invest in our existing operations. Continuous development of new and existing solutions, as well as searching for new areas, is also part of the growth strategy for the Nordic countries.

The strategy for inorganic growth focuses mainly on the high-potential German and other Central European markets. We have developed a three-step market entry model for the modular space business in Germany and other new countries. It combines local expertise and operations with Cramo Adapteo's product offering, resources and know-how, leading to a ramp-up of the modular business. Expansion into brand-new markets is also an option. Page 36.

CRAMO ADAPTEO

STEP 3
Ramp up modular business

Introducing Cramo standard modules, strengthening resources and focusing on sales.

STEP 2
Secure solid profitability and steady growth

Strengthening the target organisation, enabling streamlined processes and establishing synergies.

STEP 1
Acquire

Acquiring a local company with an attractive customer base, preferably in a new geographical region.

2. DYNAMIC PRICING – PRICING FOR THE FUTURE

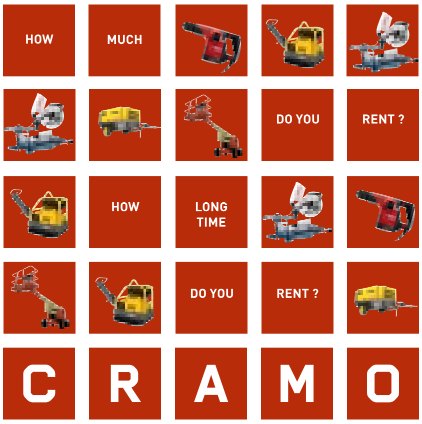
We make our customers' lives easier. One way to do so is to ensure that they always get the right price, which is also transparent, easy to understand and based on facts.

With more than 150,000 customers and 329 depots in fourteen countries, and with an offering consisting of more than 200,000 products, we found that managing prices and pricing itself were very complicated and hard to adjust to changing market factors.

Cramo's solution is to implement a dynamic pricing system as the first rental company in Europe. With this system, price is determined on the basis of set factors. Now every depot following this model has the ability to automatically give the right price to each customer – without any need to use complicated price lists with discounts. The new model also enables Cramo to continuously monitor and adjust all prices throughout the Group.

Customers have been very satisfied with this dynamic pricing, thanks to its transparency and simplicity.

The system was first implemented in the Nordic countries, and implementation will be extended to Germany in 2015.



3. ACTIVELY SEEKING GROWTH THROUGH ACQUISITIONS

Acquisitions are an integral part of Cramo's growth strategy. As an active player in the consolidation of the European rental business, we are continuously evaluating potential target companies. We base our decision-making on the synergies achieved and shareholder value created by the potential acquisition.

In equipment rental, our focus is on existing markets, where we relentlessly strive to strengthen our position as the Best in Town player through bolt-on acquisitions. We are also interested in companies with solutions in new, potential rental-related businesses that could broaden our offering and knowledge. These areas include safety, environment and weather sheltering.

In the modular space business, we actively search for synergistic acquisitions in Germany, whereas there are only a limited number of target companies available in the Nordic region, and none in the Baltic countries. We also see entering new adjacent markets via acquisitions as an interesting option.

40

business combinations executed since 2006

HIGHLIGHTS 2014

C/S RaumCenter GmbH

Entry into the German modular space market in 4/2014

OptiRent Oy

Stronger position in the construction machinery rental market in Finland 4/2014

MODULAR SPACE BUSINESS DELIVERS GROWTH AND BRINGS STABILITY

Cramo Adapteo is the leading non-construction modular space player in Northern Europe, with a strong market presence. The growth potential for this non-cyclical business is very promising, with the German market offering the brightest outlook for profitable growth. For our customers, we promise room for great days.

FLEXIBLE SOLUTIONS PROVIDE AN EXCELLENT USER EXPERIENCE

Cramo Adapteo's fleet consists of high quality standard modules that have been designed for Nordic conditions and deliver a user experience that is comparable to one with permanent buildings. We provide cost-effective, environmentally sound and functional solutions for temporary, site-specific space needs in four areas: schools, daycares, office space and accommodation.

Our main customer group is the public sector, but industrial companies and large-scale projects are also important customers. We offer agreements that are flexible in terms of both time and space.

SIGNIFICANT ADVANCES IN GERMANY

In 2014 we took two major steps in Germany. In April we acquired the German modular space company C/S RaumCenter, which now provides a platform for our future expansion in Germany, and we signed a major new deal on office space with the German energy company Technische Werke Ludwigshafen (TWL). The environmental features of Cramo Adapteo's wood-based, energy-efficient high quality modules were crucial for the deal.

PRESENCE IN ATTRACTIVE AND GROWING MARKETS

We have a leading position in Finland and Sweden, where we continuously improve efficiency. The emphasis of development work in 2014 was on our customer-oriented products, and in early 2015 we introduced a new energy-efficient modular space solution to the market.

Our growth strategy in Germany is based on targeted acquisitions carried out according to our three-step entry model, which also includes the market launch of our Nordic modules. We continuously monitor the market and look for new acquisition targets.

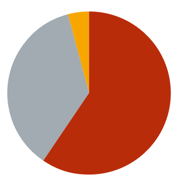
Our target position is to be a major international player in the high quality modular space business in the Nordic and Central European markets.

MODULAR SPACE GROWTH DRIVERS

INCREASING AWARENESS	ECONOMIC GROWTH	RENOVATION NEEDS	CHANGING DEMOGRAPHICS	DEMAND FOR HIGH QUALITY MODULES	TIGHTENING REGULATIONS
• Improving quality perception and acceptance	• Dynamic, changing environment creates demand	• Site-specific space needs during renovation periods	• Fluctuating space needs: daycares, schools, elderly care	• End users increasingly require permanent-like quality	• Especially in energy efficiency

SALES OF MODULAR SPACE BY CUSTOMER GROUP

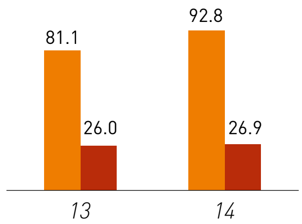
2014 (2013) % OF TOTAL SALES



- PUBLIC SECTOR 59 (58)
- OTHER INDUSTRIES 36 (37)
- CONSTRUCTION INDUSTRY 5 (5)

SALES AND EBITA OF MODULAR SPACE

2013 AND 2014



- SALES
- EBITA

TEMPORARY OFFICE SOLUTION WITH A PERMANENT FEEL

The European Spallation Source (ESS) will be a multi-disciplinary research centre based on the world's most powerful neutron source. This new facility, situated in Lund, Sweden, is one of the largest science and technology infrastructure projects being built today.

Skanska ESS Construction has chosen Cramo Adapteo as supplier of the temporary project office space needed for the ESS project. The first 73 modules were delivered in September–October 2014, and they are already in use as a project office.

Deputy Project Manager Mr Magnus Jakobsson, Skanska ESS Construction, is very satisfied with Cramo as a partner and with the high quality modular space solution.

– Cramo's concept and layout, based on open spaces, were exactly what we wanted from a project office like this. Furthermore, the challenge of getting daylight into all parts of the office was addressed in a smart way, says Jakobsson.

The result is well-functioning, high quality office space with a modern touch.

The ESS project is a great way to demonstrate what Cramo Adapteo has to offer in a very demanding project like this, says Mr Zeljko Orlandic, Sales and Project Development, Cramo Adapteo, Sweden.

Mr Magnus Jakobsson
Deputy Project Manager
Skanska ESS Construction
Sweden

– The modern, high quality office space feels just like permanent facilities, which also contributes to the well-being of employees at work.

FUNCTIONAL, COSY SPACES

The number of children and thus the need for daycare facilities are growing rapidly in Tallinn, Estonia. To quickly meet this need in a flexible way, the city has chosen to rent modular space solutions for daycare from Cramo Adapteo. Today there are five daycares that incorporate a total of 59 modular space units in Tallinn. One of them is Lepistiku, which has 48 children in its modular space facilities.

– Our daycare is at the same time very spacious, cosy, functional and of high quality. The space enables us to plan a variety of activities for the children – like games that need a lot of room or quieter art lessons. Not just our staff and the children, but the parents are also very happy with the solution, says Ülle Põld, Manager of Lepistiku daycare.

MODULAR SPACE ENSURING SMOOTH TRAVEL

Cramo Adapteo delivered temporary modular space to Pirkkala Airport, Finland's third busiest airport, near Tampere, to be used during refurbishment and expansion work in Terminal 2. The site-specific C40 modular space solution was set up to provide additional check-in space in Terminal 1, since all passenger traffic would operate out of that terminal during the project. To ensure passenger comfort, the 335 m² of space was fully air-conditioned and equipped with restroom facilities.

WE ARE COMMITTED TO SUSTAINABLE BUSINESS

Our sustainability work focuses on measures that create sustainable value for all our stakeholders. Our customers' key concerns – energy efficiency, safety and environmental performance – are also our highest priorities.

CRAMO CARE

Community Care	Environmental Care
Employee Care	Customer Care

– The framework for our sustainability work, Cramo Care, is derived from UN Global Compact principles. It is important for us to base our own work on this kind of international and broadly approved platform.

Mr Vesa Koivula
President and CEO
Cramo Group

Our sustainability programme, Cramo Care, is the framework for coordinating and monitoring sustainability work at Cramo. The objective of Cramo Care is to be the leader in responsibility and customer care.

CREATING SUSTAINABLE VALUE

Our commitment to improve the sustainability of our operations and solutions enables us to help our customers to meet their sustainability goals.

Creating attractive working conditions and promoting personal development opportunities are the key elements in strengthening employee satisfaction and commitment.

We want to be a responsible corporate citizen as well, so we support the local communities we operate in.

We also take an active role in developing sustainability in the European rental industry.

SUSTAINABILITY WORK WITH A SOLID FRAMEWORK

Cramo's sustainability work is based on third-party assurance – via the UN Global Compact – as well as on our own efforts, which are carried out and measured on a systematic basis.

The Cramo Care sustainability programme demonstrates our commitment to sustainable profitability, which is achieved through the continuous improvements we make for our customers, employees, society and the environment. We continued the further roll-out of this programme in 2014.

Within the frame of the UN Global Compact and Cramo Care, we have established Group-wide policies. Our Code of Conduct shows our commitment to strong business ethics and provides concrete guidelines for how we do business.

CARING ABOUT OUR CUSTOMERS' SUSTAINABLE SUCCESS

We are committed to customer satisfaction. Our customers can trust that we do business in a credible way. Understanding our customers' needs and expectations steers the development of our leading-edge rental solutions, which meet the highest quality and sustainability standards.

CARING FOR COMMUNITIES LOCALLY

As part of Community Care, we support the communities we operate in. Since 2007, Cramo has cooperated with SOS Children's Villages, which provide a safe upbringing for children in extremely difficult situations. Our focus in 2013–2014 was on villages in the Baltic countries.

– Our mutual cooperation with Cramo started at the end of 2013. In 2014, we worked together on several important projects.

CRAMO'S HIGH STANDARDS SUPPORT CUSTOMERS' SUCCESS

- We have been very positively surprised by Cramo's active, flexible approach to meeting our requirements. Cramo has basically set a very high standard in the Czech Republic rental business. Their deliveries to our projects are processed very quickly after the order is submitted. Their reaction time is very beneficial to us, as are the condition and quality of their equipment. We appreciate the way Cramo handles unusual situations, which frequently arise in our industry.

Mr Zdeněk Žďárský
Senior Project Manager
VCES a.s.
Czech Republic

DOING GOOD BY HELPING YOUNG PEOPLE

In the summer of 2014, one of Cramo's Vilnius depots offered a summer job to 18-year-old Jonas, from SOS Children's Villages. He was assigned the task of assisting in the warehouse, where he helped with equipment: issuing it, handling returns, cleaning it and preparing it to be rented out again.

During his three months at Cramo, Jonas learned a lot about the equipment and the basic principles that apply in the work we do. He also attended a forklift truck operating course at Cramo School and received a driver's certificate.

The work experience helped Jonas to further integrate into society, obtain useful knowledge and develop an even deeper sense of responsibility.

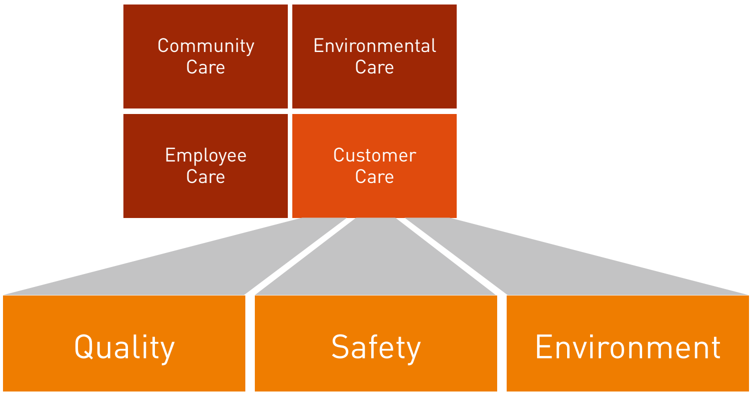
Supporting children and youth is very important to Cramo, and we are pleased to see the positive impact of our efforts.

A WHISTLEBLOWER SERVICE SET UP FOR REPORTING MISCONDUCT

Strong business ethics are a priority for us. All our employees are encouraged to take action when there is an ethical concern or suspected misconduct. Employees can report their concerns anonymously through a whistleblower service. A Group-wide policy defines how we deal with the information received this way. In 2014 four cases of suspected misconduct were reported through the whistleblower service at Cramo.

IMPROVING ENVIRONMENTAL PERFORMANCE AND SAFETY

Energy-efficient, high quality customer solutions and occupational safety are key competitive advantages for us. They help our customers meet their own sustainability targets.



– Sustainable development, including economic, environmental and social responsibility, is one of the drivers of the development not just of Cramo but of the entire rental business.

Mr Anders Collman
Head of Cramo Care and Communication
Cramo Group

MEETING THE HIGHEST STANDARDS

Our quality, safety and environmental management systems, together with our Group-wide sustainability strategy, ensure that we meet high environmental and quality assurance standards and provide a safe workplace.

Quality management system certification requires continuous improvements in processes and quality management systems. Such improvements contribute to better service, fewer errors, higher productivity and enhanced occupational safety.

LEADING-EDGE ENVIRONMENTAL SOLUTIONS

Rental is inherently an environmentally sustainable industry, since sharing equipment reduces the need for natural resources and increases opportunities to optimise transport. At the same time, it gives our customers easy access to an up-to-date, modern equipment fleet that is best suited for each job.

Our long-term work with environmental issues enables us to offer our customers solutions that have pioneering environmental features. We develop leading-edge solutions to meet our customers' demand for energy efficiency. Energy efficiency also means decreased energy consumption, lower energy costs and reduced environmental impact.

PROVIDING FOR THE SAFETY OF OUR CUSTOMERS

Safety is another focus area for us and for our customers. We work hard to eliminate accidents with the help of preventive measures, advanced safety solutions and training.

Construction safety has improved remarkably in recent years. The range of safety and protection products offered by Cramo has increased to meet the growing demand. The Cramo Safety programme includes the rental of safety equipment, training and risk assessment.

CAREFULLY SELECTED SUPPLIERS

Cramo has a robust supplier selection system in place, and suppliers are evaluated on a continuous basis. This way we can ensure that our equipment fleet is up-to-date and meets the high quality, safety and environmental standards our customers are looking for.

CONTINUOUS IMPROVEMENTS FOR THE ENVIRONMENT

We are also improving our own environmental performance throughout our operations. As a result, we are continuously learning more and more – and are thus able to develop leading-edge solutions that also benefit our customers.

The focus of our own environmental development work in 2014 was on energy efficiency, the use of renewable energy and transport optimisation. Our priority for 2015 is to improve GRI reporting precision for the whole group.

All Cramo operations in Finland and Sweden have been certified in quality, environment and occupational health and safety. Operations in Denmark and Norway are certified in quality and environment.

Our green modular space solution can reduce greenhouse gas emissions significantly, in some cases

by up to 70%

CRAMO NORWAY FIRST IN LINE ON ENVIRONMENTAL AWARENESS

Cramo Norway has been the first location to launch two hybrid excavators in its rental fleet. The third-generation Komatsu HB215LC-2 excavators emphasise environmental performance and highlight Cramo's environmental commitment. Despite their lower operating costs – they use 20% less diesel than conventional excavators – and lower emission levels, there is no price premium in their rental price. Their CO_2 emissions are as much as 90% lower than those of conventional excavators. Taking into account the growing environmental requirements of our customers' clients as well, hybrid excavators provide a clear win-win solution for everyone.

FOCUS ON SAFE WORK METHODS

Cramo in Utena, Lithuania, arranges scaffolding training courses for customers and other external groups, such as students in vocational schools. During the training, participants can acquire valuable knowledge about scaffolding and its specifications, the erection procedure and safe working methods. Future scaffolding fitters are trained to organise work and take decisions in critical situations. All these topics are studied along with occupational safety and health training, which is an integral part of any vocational training. Special attention is paid to practical training, and most training conditions correspond to actual working conditions.

– I would like to thank Cramo for the excellent scaffolding courses organised in Utena. The instruction material used is very clear and comprehensive. We also appreciate the opportunity to apply the theoretical knowledge in practice, work independently, and learn to understand and explore how scaffolding is assembled in detail, says Professional instructor Ramūnas Ivonis, Regional Vocational Education Centre of Utena.

EMPOWERING CRAMO PEOPLE TO DELIVER THE CRAMO STORY

By taking good care of its employees, Cramo creates attractive working conditions, offering a safe workplace and plenty of opportunities for professional and personal development. Implementation of the Cramo Story has further strengthened the commitment and team spirit of Cramo People.

– Competent, committed employees are the key to high customer satisfaction and realisation of our renewed strategy.

Mr Per Lundquist
Senior Vice President
Operations
Cramo Group

HEALTH AND SAFETY TOP PRIORITY

Our target is zero accidents in our workplaces. We work systematically with preventive measures and have an extensive range of safety training courses available to our personnel. Being aware of the different safety requirements and the proper use of safety equipment enables our employees to work effectively without putting their health and safety at risk.

COMMITMENT THROUGH COMPETENCE DEVELOPMENT

Cramo Development is our common framework for employee on-boarding, training and skills development. It is a way to systematically encourage the professional and personal development of our employees throughout their career in order to ensure a high degree of professionalism and efficiency at all levels. The skills and competences needed for each position are defined within the Cramo Development framework.

Our training programmes – Cramo School and Cramo Academy – are closely aligned with our strategy. In 2014 the Cramo School e-learning sessions were made available to all Cramo employees in their own language.

Cramo Dialogue ensures that every employee has an annual review in order to establish personal development plans and goals.

Our Group-level employee survey is carried out in all operating countries every two years.

Employees are encouraged to become Cramo shareholders, and they are rewarded for contributing to Cramo's common values and goals through the One Cramo Share Plan.

BECOMING A WINNING TEAM

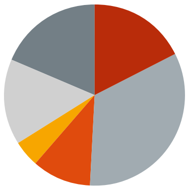
Implementation of the Cramo Story was the main effort in-house in 2014. As an extensive programme to execute

KEY FIGURES	2014	2013	Change, %
Average number of employees (FTE)	**2,528**	2,463	2.6
Number of employees at end of period (FTE)	**2,473**	2,416	2.4
Total number of employees	**2,556**	2,528	1.1
permanently employed	**2,479**	2,427	2.1
temporarily employed	**77**	71	8.5
women	**353**	331	6.6
men	**2,203**	2,197	0.3
Personnel expenses/ employee (EUR 1,000)	**54.8**	56.3	-2.7
Personnel expenses/ sales, %	**21.3**	21.1	
Sick leave days/FTE	**9.2**	7.1	28.9

our strategy, the Cramo Story involves everyone in the entire organisation. In-house training has been carried out in a variety of ways in all countries, including workshops, training sessions and group discussions in connection with national kick-offs or depot roadshows. Implementation has been further supported by teams of Cramo Story ambassadors and an e-learning tool that is available in all Cramo languages. The Cramo Story is seen as an opportunity to develop personally and professionally as well as become part of the winning team of Cramo People.

AVERAGE NUMBER OF EMPLOYEES

2014 (2013)



NUMBER OF WORK-RELATED ACCIDENTS

	2014	2013
Finland	21	15
Sweden	20	28
Norway	2	1
Denmark	2	1
Germany	21	22

OUTSTANDING RESULTS THROUGH AN ENGAGING ROADSHOW

The Cramo Story has been successfully launched in Germany and Austria, with excellent results. Head of Human Resources and Administration Ms Anna Kiefer gives an example:

– We started off by arranging an engaging roadshow, supported by the Cramo Story Ambassador and the top management, at all the depots in Germany and Austria. Some 380 employees took part in the one-day event in November 2014.

The aim was to demonstrate the Cramo Story's uniqueness and concrete added value in as practical terms as possible, with a lot of examples, Q&A and discussion. The Happy Customer role game was also an important tool.

At Cramo in Feldkirchen near Munich, employee commitment and loyalty levels have visibly increased.

– We have become a genuine service organisation, not just towards our customers but also amongst ourselves. The corporate culture has become stronger and our ways of working even more standardised. In a very short time, our organisation has become much more team-spirited, empathetic and service-oriented. These are outstanding results.

Recent customer feedback has been abundant and positive.

– Our customers feel that the new services and fresh approach are something they have not seen elsewhere. This is a great way to differentiate ourselves from the competition, Ms Anna Kiefer concludes.

OUR STRATEGY PRODUCES RESULTS IN EVERY BUSINESS SEGMENT

SHARE OF GROUP	SALES %	SALES MEUR	EBITA %	EBITA MEUR	GROSS CAPITAL EXPENDITURE %	GROSS CAPITAL EXPENDITURE MEUR	EMPLOYEES, FTE %	EMPLOYEES, FTE NO
FINLAND	15.9	104.2 (102.6)	26.5	20.4 (19.3)	17.0	26.7 (19.7)	17.8	428 (393)
SWEDEN	47.6	312.7 (316.7)	71.9	55.6 (55.3)	33.9	53.3 (46.9)	33.5	806 (792)
NORWAY	12.6	82.5 (90.9)	5.8	4.5 (6.6)	5.7	9.0 (26.6)	9.8	235 (260)
DENMARK	4.5	29.5 (28.5)	-4.3	-3.4 (0.0)	7.9	12.4 (4.5)	4.9	118 (108)
CENTRAL EUROPE[1]	11.8	77.7 (74.7)	-7.7	-6.0 (-1.1)	28.4	44.7 (12.9)	15.1	363 (349)
EASTERN EUROPE[2]	7.6	50.0 (52.8)	8.0	6.2 (8.2)	7.1	11.2 (18.2)	19.0	456 (451)

	SERVICE NETWORK	ACHIEVEMENTS IN 2014	SALES BY CUSTOMER SEGMENT 2014 (2013) %
FINLAND	53 (53) depots, of which 17 (16) franchise Hub structure in place	• Improved profitability in a weak market • Acquisition and integration of OptiRent • Implementation of Cramo Performance Management Model • Implementation of Dynamic Pricing system	Construction industry 46 (49) Other industries 19 (16) Public sector 22 (24) Households 1 (3) Other 12 (8)
SWEDEN	102 (120) depots of which 23 (36) franchise Hub structure in place	• Increased market share and stable profitability • Implementation of Dynamic Pricing system • Success in large projects • Implementation of Speed Rental model	Construction industry 52 (52) Other industries 30 (29) Public sector 15 (14) Households 3 (3) Other 2 (2)
NORWAY	28 (31) depots of which 0 (0) franchise Hub structure in place	• Implementation of Dynamic Pricing system • Operational efficiency and effectiveness improved • Hub structure and repair and maintenance enhanced	Construction industry 67 (65) Other industries 21 (24) Public sector 7 (8) Households 3 (3) Other 2 (0)
DENMARK	8 (7) depots of which 0 (0) franchise Hub structure in place	• Implementation of Dynamic Pricing system • Implementation of Speed Rental model • Successful growth in modular space	Construction industry 44 (45) Other industries 8 (7) Public sector 38 (37) Households 4 (5) Other 6 (6)
CENTRAL EUROPE[1]	75 (83) depots of which 0 (0) franchise Hub structure in place	• Progress in the transition programme; implementation of ERP and CRM, Performance Management • Rebranding of the Theisen operations • Acquisition of the modular space company C/S RaumCenter in Germany • Large TWL Ludwigshafen modular rental project	Construction industry 54 (46) Other industries 40 (26) Public sector 3 (15) Households 2 (4) Other 1 (9)
EASTERN EUROPE[2]	63 (63) depots, of which 3 (3) franchise Hub structure nearly in place	• Platform for modular space growth in place in the Baltics • Implementation of depot Performance Management Model • Growth in local currencies and good profitability excluding Fortrent	Construction industry 81 (80) Other industries 7 (8) Public sector 4 (3) Households 4 (4) Other 4 (6)

MARKETS

CRAMO SALES, MEUR	RENTAL MARKET SIZE 2014 (2013)[4], MEUR	EQUIPMENT RENTAL FORECAST 2015 (2014)[4], %	CONSTRUCTION GROWTH FORECAST 2015 (2014)[5], %	MARKET POSITION ESTIMATE[3]
	433 (440)	+2.1 (-1.6)	+1.5 (-0.2)	Strong #2 in equipment rental, #1 in modular space
	1,477 (1,463)	+1.8 (+1.0)	+1.3 (+5.3)	Strong #1 both in equipment rental and modular space
	968 (949)	+1.1 (+2.0)	+3.9 (+2.1)	#2 in overall rental, #1 in access equipment
	435 (432)	+3.5 (+0.7)	+2.9 (+2.5)	#5 in equipment rental, #1 in modular space
	3,749 (3,684)	+2.8 (+1.6) in Germany	+1.8 (+2.4) in Germany, +1.0 (+1.7) in Austria, +5.1 (+14.3) in Hungary	#3 in Germany, #1 in Austria
	520 (514)	-5 to +5 (-4 to +4)	-4 (-3) in Estonia, -4 (-1) in Latvia, +1 (+6) in Lithuania, +7.1 (+4.9) in Poland, +1.8 (-0.4) in Slovakia, +2.5 (+1) in the Czech Republic	#1 in the Baltics, #2 in Poland. In the Czech Republic, and in Slovakia #1 in access equipment and #3 in overall rental

COMPETITIVE LANDSCAPE	RENTAL GROWTH ESTIMATE 2015[4]
Two strong players with a number of local and specialist competitors. Modular space product area dominated by a few strong players. A few "in-house" competitors.	Growth of 2.1% in line with the general economic trend, driven by growth in rental of renovation construction machinery.
Two strong players with a number of local and specialist competitors. Modular space product area dominated by a few strong players. A few "in-house" competitors.	Growth of 1.8% for rental, outlook for Swedish construction continues to be favourable.
Three strong players with a number of local competitors. A few players in modular space product area.	Moderate growth of 1.1%, decline in oil price expected to have a negative impact on economic development.
Fragmented markets waiting for consolidation. A few small players in modular space product area.	Growth to strengthen to 3.5% as a result of generally brighter construction outlook.
Fragmented markets under consolidation: four stronger players in Germany with a number of local smaller specialist competitors.	Growth of 2.8% in Germany, construction outlook describes signs of stabilisation with slowing growth trend.
Mainly smaller national and local players with a few Western European competitors. Markets in early phase in modular space product area.	Flat growth in the Baltic region, growth of 5.3% in Poland, 5% in the Czech Republic and 2% in Slovakia.

In Finland, implementation of the Performance Management Model proved the power of the model as a growth driver.

Success in large projects and increased market share were some of the highlights of 2014 in Sweden.

Strengthening of the Cramo brand and successful entry into the modular space market were major steps in Central Europe.

1 Germany, Austria and Hungary
2 Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and the Kaliningrad region of Russia. Cramo's Russian operations, excluding Kaliningrad, were transferred on 1 March 2013 to Fortrent, a joint venture owned and controlled 50/50 with Ramirent and consolidated under the equity method of accounting.
3 Management estimate
4 Finland, Sweden, Norway and Denmark: ERA European Rental Industry 2014 Report, autumn 2014, Central and Eastern Europe: ERA, Cramo Management estimate. Russia is not included in the market size estimate for Eastern Europe.
5 Euroconstruct, November 2014 and Forecon, December 2014 (the Baltic States).

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 along with more detailed information about corporate governance and remuneration.
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.

MEMBERS OF THE BOARD IN 2014

At the Annual General Meeting 2014, the following people were re-elected to the Board of Directors: Ms Helene Biström, Mr Eino Halonen, Mr Victor Hartwall and Mr Erkki Stenberg. Mr Leif Boström, Ms Caroline Sundewall and Mr Raimo Seppänen were elected as new board members. The Board's convening meeting elected Ms Biström as Chairman of the Board and Mr Halonen as Deputy Chairman of the Board. Member attendance at the meetings is shown below, and member independence is presented on pages 50–51.

WORK OF THE BOARD IN 2014

Cramo's Board meets regularly according to a set schedule. In 2014, the Board met sixteen times. Six meetings were held as a conference call and one meeting as per capsulam. Two permanent committees, the Audit Committee and the Nomination and Compensation Committee, assist the Board. 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 in its supervisory responsibilities in line with the Finnish Corporate Governance Code. At its constitutive meeting on 1 April 2014, Mr Eino Halonen was appointed Chairman of the Audit Committee, and Mr Victor Hartwall, Ms Caroline Sundewall and Mr Leif Boström were elected as members. The Audit Committee met three times in 2014.

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 for the President and CEO's appointment and his/her employment terms, as well as prepares for the Board's approval matters pertaining to the Company's compensation issues.

At its constitutive meeting on 1 April 2014, Ms Helene Biström was appointed

CRAMO'S BOARD MEMBERS' ATTENDANCE AT MEETINGS AND REMUNERATION RECEIVED IN 2014 ON A CASH BASIS

				Audit Committee		Nomination and Compensation Committee		
Name	Position	Board meeting attendance	Fees EUR	Attendance	Fees EUR	Attendance	Fees EUR	Total EUR
Helene Biström	Chairman	16/16	70,000	–	–	3/3	3,000	**73,000**
Eino Halonen	Deputy Chairman	13/16	45,000	3/3	3,000	–	–	**48,000**
Leif Boström[1]	Member	15/16	35,000	2/2	2,000	–	–	**37,000**
Victor Hartwall	Member	16/16	35,000	3/3	3,000	–	–	**38,000**
Raimo Seppänen[1]	Member	14/16	35,000	–	–	2/2	2,000	**37,000**
Erkki Stenberg	Member	16/16	35,000	–	–	3/3	3,000	**38,000**
Caroline Sundewall[1]	Member	12/16	35,000	2/2	2,000	–	–	**37,000**
Stig Gustavson[2]	Chairman	1/1		–	–	1/1	1,000	**1,000**
Jari Lainio[2]	Member	1/1		–	–	1/1	1,000	**1,000**
Esko Mäkelä[2]	Member	1/1		1/1	1,000	–	–	**1,000**
Peter Therman	External committee member	–		–	–	2/3	2,000	**2,000**
Tom von Weymarn	External committee member	–		–	–	2/3	2,000	**2,000**
Total			**290,000**		**11,000**		**14,000**	**315,000**

1 since 1 April 2014
2 until 31 March 2014

Chairman of the Nomination and Compensation Committee and Mr Raimo Seppänen, Mr Erkki Stenberg, Mr Peter Therman and Mr Tom von Weymarn were elected as members. The Nomination and Compensation Committee met three times in 2014.

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.

REMUNERATION FOR BOARD SERVICES

In 2014 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 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 either to 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. Reasonable travel expenses were reimbursed as per invoice.

The Board 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 on the page to the left.

REMUNERATION

REMUNERATION PRINCIPLES

Cramo provides competitive remuneration to attract and engage talented employees and to promote the company's financial success. Remuneration is based on predetermined and measurable performance and result criteria. The Group's strategy, must-win battles and long-term financial targets are taken into account in remuneration schemes. Management and key personnel remuneration is based on an individual compensation package that is in compliance with local regulations and includes all taxable fringe benefits. The package components include a fixed base salary, a short-term incentive scheme and long-term incentives.

INTERNAL CONTROL AND RISK MANAGEMENT REGARDING FINANCIAL REPORTING

Internal control over financial reporting is part of the overall internal control

REMUNERATION OF THE PRESIDENT AND CEO

Written service contract approved by the Board	• Compensation package includes a fixed annual base salary, a profit-based incentive tied to the Group's financial targets and/or personal targets set by the Board. Remuneration also includes a voluntary pension benefit and fringe benefits such as a car and a phone.	• In 2014, the maximum bonus paid to the President and CEO was 80% of base salary. • The President and CEO participates in all Cramo stock option incentive schemes and share-based incentive plans.
Notice period and retirement age	• The notice period for the service contract is six months, during which time he/she receives a full salary. • The retirement age is 63.	• In case the contract is terminated by the employer, there may also be a severance payment of 18 months' salary.

REMUNERATION PAID TO THE PRESIDENT AND CEO AND GROUP MANAGEMENT TEAM IN 2014, EUR

CASH-BASED*

Name	Fixed annual base salary	Profit-based incentives	Fringe benefits	Share-based payment	Post-employment benefits	2014 Total	2013 Total
President and CEO	355,982	91,350	27,574	120,278	83,946	**679,130**	**976,261**
Group management team	1,240,497	239,593	87,345	337,285	13,996	**1,918,715**	**2,168,185**
Total	**1,596,479**	**330,943**	**114,919**	**457,563**	**97,942**	**2,597,845**	**3,144,446**

* Cash-based means that the variable parts of remuneration are based on the 2013 performance and were paid in 2014

SHORT-TERM AND LONG-TERM INCENTIVE SCHEMES

Element	Target group	Objective	Link to strategy/performance measures	Realisation in 2014
Short-term incentive: Variable pay	The Group management team members, managers and key personnel	To support the achievement of Cramo's financial targets by enhancing a strong performance culture.	Variable pay is tied to the achievement of financial targets for the Group and operating countries, which are determined by the Board. The targets are set annually, and any compensation is paid once a year after the end of the financial period. The financial targets are based mainly on Economic Profit.	Variable pay paid in 2014 (based on 2013 financial performance) amounted to EUR 91,350 for the President and CEO and EUR 239,593 for Group management team members.
Long-term incentive: Stock options 2006–2011	About 100 key employees, including Group management team members	To support the achievement of the Group's long-term targets by attracting and retaining people identified as key employees.	The value of the reward is determined by Cramo Plc's share price. The reward supports the maximisation of shareholder value.	A total of 438,070 stock options 2010 and 2011 were exercised in 2014.
Long-term incentive: Performance Share Plan 2012–2014	About 60 managers and key employees, including the Group management team	To support the achievement of the Group's long-term targets by attracting and retaining people identified as key employees.	The reward from the Plan for the discretionary period 2014 was based on Cramo Group's key figure earnings per share (EPS). The maximum reward to be paid on the basis of discretionary period 2014 could have corresponded to the value of 345,000 Cramo Plc shares.	In 2014, the target achievement level was about 13.75%, leading to a total reward payment of approximately 47,438 Cramo Plc shares, including a part to be paid in cash in spring 2017.
Long-term incentive: One Cramo Share Plan	All Cramo employees	To encourage all employees to become shareholders in Cramo, to reward employees for their efforts in working towards Cramo's targets and to strengthen the tie between Cramo shareholders and employees.	The monthly saving is 2–5% of each participant's monthly gross salary, with the total amount of all savings from the Plan Period not exceeding EUR 4 million.	A total of 425 employees in 11 countries joined during the third round of the programme, with average monthly savings of 3.3%. As a result of the first and second rounds, employees held a total of 81,158 Cramo Plc shares at the end of 2014 (59,081 in 2013). The total savings was EUR 1.4 million.

PENSION BENEFITS

Directors	• Finnish pension legislation offers a flexible retirement age ranging from age 63 to 68 without any full pension limits.	• Directors participate in local pension systems for each operating country which provide a retirement benefit based on years of service and earnings according to the prescribed statutory system.
President and CEO and Group management team	• The President and CEO and one Group management team member also participate in a contribution-based voluntary pension system.	• In 2014, the expenses of the voluntary pension system were as follows: EUR 83,946 for the President and CEO and EUR 13,996 for one member of the Group management team, totalling EUR 97,942.

The consolidated financial statements, note 28 on pages 92–95 and on www.cramo.com > Investors > Corporate Governance

system at Cramo. The Enterprise Risk Management (ERM) framework, tailored to Cramo Group's business needs, provides the overall framework for the Group's internal control and risk management. 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.

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. In practice, the President and CEO and OpCo (Operating Country) 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.

RISK ASSESSMENT, CONTROL AND MONITORING

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 related to the achievement of strategic, operational and financial objectives as a basis for determining how those risks should be managed. The risks identified are managed through control activities which are set throughout the organisation, at all levels and in all functions.

In order 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.

GENERAL DEVELOPMENT ACTIVITIES IN 2014

The Group management team continued its work in translating operational excellence into action. New performance indicators were established, for example, for sales management, procurement and fleet management to ensure operational excellence in sales, process efficiency and capital efficiency.

In addition, the Finance and Development function utilised the Group's risk appetite model in reassessing the Group's financing-related risks and in renewing the steering model of the treasury function.

In order to advance the harmonisation and development of the Group's control and reporting, Cramo also continued the launch of the One Cramo Enterprise Rental application and further improved the Cramo Business intelligence (CraBi) reporting tool. The dynamic pricing model and related tools were taken into use in all Nordic countries.

DEVELOPMENT ACTIVITIES RELATED TO FINANCIAL REPORTING IN 2014

In 2014, there was an overall emphasis specifically on pricing and cost control as well as capital expenditure and tax issues. Within the treasury function, key performance indicators were reassessed and a new steering model was taken into use.

In order to further develop control maturity, the Group Internal Audit function continued to review key operative processes at Group level and in selected OpCos. In addition, OpCo follow-up reviews were conducted when required. Depot-level internal audits were continued as an ongoing control activity.

The Group's Finance and Development function also completed implementation of the Group's new consolidation and reporting system.

PRIORITY AREAS IN 2015

Cramo's controlling and steering model is aimed at adding value to the business. This is achieved through forward-looking analysis, simplification, prioritisation and participation.

The Group Finance and Development function will further develop the Group's performance management model in order to support the implementation of the Cramo Performance Management must-win battle. Special attention will be paid to the steering and monitoring of strategic key projects as well as everyday operative actions. The Group's business planning process will also be further developed.

In 2015, the development of internal control will include the monitoring of control activities in selected OpCos and Group functions. The selection of OpCos for review will be risk-based, and the review will be performed by Group financial management, Region Business controllers and the Group Internal Audit function. Improvement measures will be identified and implemented in order to further advance control maturity. The depot audit programme will continue as a regular control activity.

INSIDER ADMINISTRATION

Cramo observes the Insider Guidelines issued by NASDAQ OMX Helsinki Ltd. Cramo's internal insider rules are regularly updated and made available to all permanent insiders as well as other 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 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.

At the Annual General Meeting on 1 April 2014 the firm of authorised accountants KPMG Oy Ab was appointed as Cramo Plc's auditor for the term ending at the end of the next Annual General Meeting, with APA Mr Toni Aaltonen as the responsible auditor. The firm of authorised public accountants Ernst & Young Oy served as auditor, with APA Mr Erkka Talvinko as the responsible auditor, until the end of the Annual General Meeting.

TOTAL COMPENSATION FOR EXTERNAL AUDITING

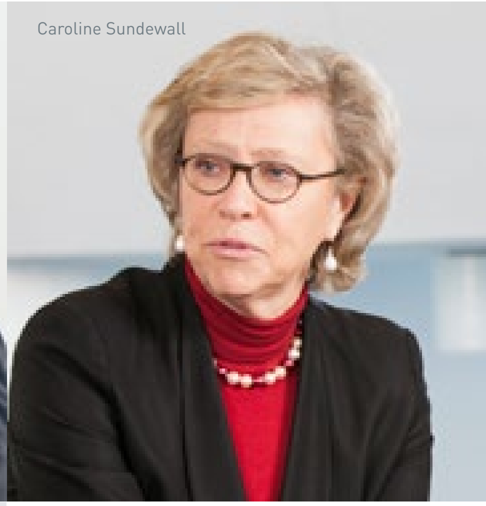
EUR 1,000	2014	2013	Change, %
Audit fees	535	913	-41.4
Tax consultation	177	173	2.3
Other services	138	38	262.9
Total	**851**	**1,125**	**-24.3**

OUR BOARD OF DIRECTORS

31 DECEMBER 2014


Helene Biström


Eino Halonen


Caroline Sundewall


Victor Hartwall

Helene Biström

Chairman since 2014, Board member since 2011, Chairman of the Nomination and Compensation Committee
Born 1962, Swedish citizen, M.Sc. (Engineering)
Primary work experience:
Managing Director, Norrenergi AB 2011–2014; Senior Executive Vice President and Head of Business Group Pan Europe, Vattenfall AB 2009–2010; Member of Executive Group Management, Vattenfall 2007–2010; Vice Head, Vattenfall Business Group Nordic 2007–2008; Head of Nordic Heat Business Unit, Vattenfall 2004–2007; Board Chairman, Forsmark 2009–2010, Ringhals 2009–2010, Vattenfall Eldistribution 2007–2009
Current positions of trust:
Board member: KTH Royal Institute of Technology and Sveaskog AB
Cramo shares on 31 Dec 2014:
5,216 (31 Dec 2013: 5,216)
Deemed independent of the Company and its major shareholders.

Eino Halonen

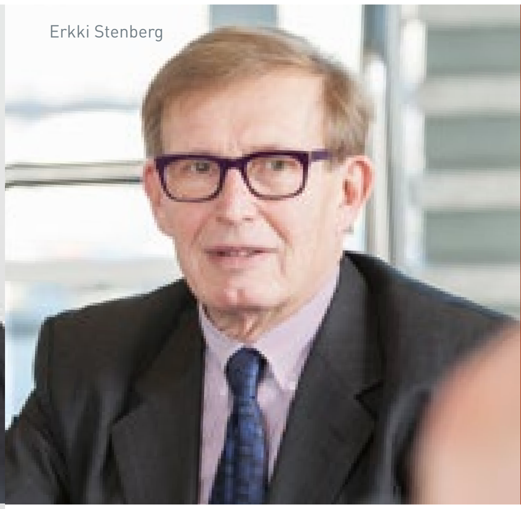
Deputy Chairman since 2007, Board member since 2003, Chairman of the Audit Committee
Born 1949, Finnish citizen, B.Sc. (Economics)
Primary work experience:
President and CEO, Suomi Mutual Life Assurance Company 2000–2007
Cramo shares on 31 Dec 2014:
16,626 (31 Dec 2013: 16,626)
Deemed independent of the Company and its major shareholders.

Victor Hartwall

Board member since 2010, Member of the Audit Committee
Born 1966, Finnish citizen, M.Sc. (Economics)
Managing Director, 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 2014:
55,253 (31 Dec 2013: 55,253)
Deemed independent of the Company, but not independent of a major shareholder.

Caroline Sundewall

Board member since 2014, Member of the Audit Committee
Born 1958, Swedish citizen, MBA
Independent Business Consultant, Caroline Sundewall AB since 2001
Primary work experience:
Business Commentator, Finanstidningen 1999–2001; Editor and Commentator, Sydsvenska Dagbladet (Business section) 1992–1999 and Affärsvärlden 1989-1992; Business Controller, Ratos AB 1989–1992
Current positions of trust:
Board Chairman: Cloetta AB
Board Member: Lifco AB, Hemfosa AB, Mertzig Asset Management and Södra Skogsägarna
Cramo shares on 31 Dec 2014: 0 (31 Dec 2013: -)
Deemed independent of the Company and its major shareholders.



Leif Boström
Board member since 2014, Member of the Audit Committee
Born 1959, Swedish citizen,
B. Sc. (Economics)
CEO, LKAB Minerals since 2014
Primary work experience: CFO, LKAB 2005-2014; Financial Manager, Minelco Group 1998–2005; Accounts Manager, LKAB 1995–1998; Controller, LKAB 1992–1995; Purchasing Officer, NCC 1990–1992; Supervisor, NCC 1984–1990
Board Chairman: LKAB Fastigheter AB, Wassara AB and LKAB Försäkring AB
Cramo shares on 31 Dec 2014: 0
(31 Dec 2013: -)
Deemed independent of the Company and its major shareholders.

Raimo Seppänen
Board member since 2014,
Member of the Nomination and Compensation Committee
Born 1956, Finnish citizen,
Civil Engineer
Head of Housing Repairs, YIT Construction Ltd., Apartment Houses Metropolitan Area Unit since 2006
Primary work experience: Specialist (Structural Technology), Helsinki Housing Production Bureau (ATT) 2000–2006; General Site Manager, Head of Site Management for Renovation and Residential Construction, Haka, Skanska 1987–2000
Current positions of trust: Board Chairman: Rakennusmestarien Säätiö
Cramo shares on 31 Dec 2014:
0 (31 Dec 2013: -)
Deemed independent of the Company, but not independent of a major shareholder.

Erkki Stenberg
Board member since 2013,
Member of the Nomination and Compensation Committee
Born 1950, Finnish citizen,
undergraduate in agriculture and forestry
Senior Advisor, LVI-Dahl Ltd
Primary work experience:
CEO, LVI-Dahl Ltd 1995–2012; CEO, Suomen LVI-Tukku Ltd 1984–1994; Various positions, Huber Ltd, 1976–1983
Cramo shares on 31 Dec 2014:
1,776 (31 Dec 2013: 1,776)
Deemed independent of the Company and its major shareholders.

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

OUR GROUP MANAGEMENT

31 DECEMBER 2014

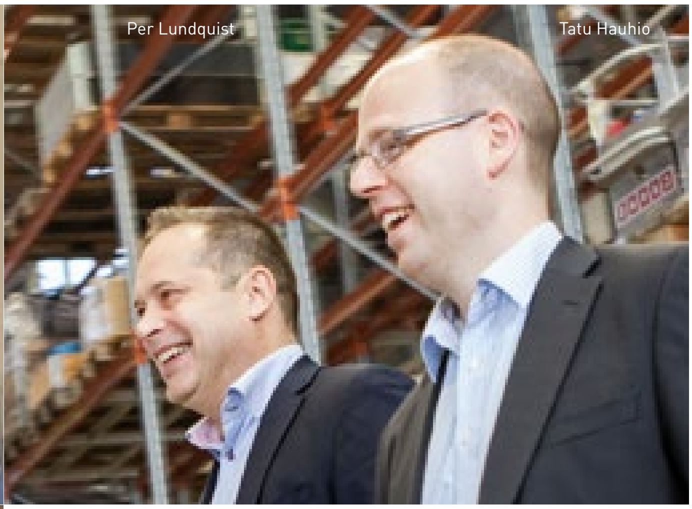
Vesa Koivula
President and CEO since 2003
Born 1954, Finnish citizen, M.Sc. (Engineering)
Employed by Cramo since 2003
Primary work experience: Managing Director, Fiskars Inha Ähtäri Works 2001–2003; Deputy Managing Director, Fiskars Inha Ähtäri Works 1995–2001; Managing Director, Morus Oy 1992–1995
Other positions of trust: Board Chairman: European Rental Association (ERA)
Board member: Marinetek Group Oy
Cramo shares on 31 Dec 2014: 124,679 (31 Dec 2013: 123,761).

Martin Holmgren
Senior Vice President, Fleet Management since 2013
Born 1967, Swedish citizen, B.Sc. (Business Administration)
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
Other positions of trust: Board Chairman: Fellesutleie AS
Cramo shares on 31 Dec 2014: 3,000 (31 Dec 2013: 3,000).

Dirk Schlitzkus
Executive Vice President, Central Europe since 2013; Managing Director, Cramo AG (previously Theisen Group) since 2011
Born 1964, German citizen, Attorney at law
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 2014: 553 (31 Dec 2013: 234).

Martti Ala-Härkönen
CFO since 2006
Born 1965, Finnish citizen, Dr.Sc. (Economics), Lic.Sc. (Technology)
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; CFO, SVP Business Development, Novo Group Plc 1998–2003; Finance Manager, Manager Corporate Finance, Postipankki Plc 1995–1998
Cramo shares on 31 Dec 2014: 58,021 (31 Dec 2013: 57,610).

Aku Rumpunen
Senior Vice President, Group Business Control since 2013
Born 1974, Finnish citizen, M.Sc. (Economics), M.Sc. (Geography)
Member of Group management team since 2013
Employed by Cramo since 2012
Primary work experience: Business controller, Financial Manager, YIT Construction Ltd. 2003–2012
Cramo shares on 31 Dec 2014: 310 (31 Dec 2013: 0).



Petri Moksén

Senior Vice President,
Modular Space since 2013
Born 1971, Finnish citizen,
M.Sc. (Civil Engineering)
Member of the Group
management team since 2013
Employed by Cramo since 2008
Primary work experience:
Director, Modular Space,
Cramo Plc 2008–2012; Head
of Department, YIT Construction
Ltd. 2004–2007; Development
Manager, YIT Construction Ltd.
2001–2003; Project Engineer
and various other positions,
YIT Construction Ltd. 1996–2000
Cramo shares on 31 Dec 2014:
483 (31 Dec 2013: 254).

Erik Bengtsson

Executive Vice President,
Scandinavia since 2013;
Managing Director, Cramo
Sweden since 2008
Born 1969, Swedish citizen,
M.Sc.
(Industrial Engineering)
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 Material
Handling (BT Svenska)
2001–2005; Production Engineer
and Field Sales, Parker Hannifin
1995–2001
Cramo shares on 31 Dec 2014:
3,000 (31 Dec 2013: 3,000).

Per Lundquist

Senior Vice President,
Operations since 2013
Born 1967, Swedish citizen,
M.Sc. (Engineering)
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 2014:
805 (31 Dec 2013: 219).

Tatu Hauhio

Executive Vice President,
Eastern Europe since 2013;
Managing Director, Cramo
Finland since 2006
Born 1970, Finnish citizen,
M.Sc. (Economics)
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:
Chairman: Finnish Technical
Traders (Machine Rental)
Board member: Fortrent Ltd.
Cramo shares on 31 Dec 2014:
14,004 (31 Dec 2013: 13,686).

FINANCIAL REVIEW

CONTENTS

BOARD OF DIRECTORS' REPORT

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

Cramo is a leading service provider in its field in the Nordic countries and Central and Eastern Europe. At the end of the financial year, Cramo provided equipment rental services through a network of 329 (357) depots.

At the end of the period under review, 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, Germany, Austria and Hungary. Cramo Plc also owns a company in Sweden which offers Group-level services. In addition, Cramo owns 50% of Fortrent, a joint venture launched with Ramirent which operates in Russia and Ukraine. Fortrent began operation on 1 March 2013.

OPERATING ENVIRONMENT

Economic development was weaker than expected in Europe in 2014, which slowed down construction in many locations and also affected demand for equipment rental. Nevertheless, demand for modular space remained stable in the public sector.

Differences in the development of construction activity and demand for rental services were still considerable. The Finnish economy and construction activity continued to decline. New construction in particular decreased drastically. In Sweden, construction activity increased strongly especially in the second half of the year. The Swedish Construction Federation estimates that construction increased by up to 11% and Euroconstruct's growth rate estimate is slightly more than 5%. In Norway, the construction market situation was challenging. Euroconstruct estimates that construction activity in Norway increased by approximately 2%, but according to Norwegian estimates, construction decreased. Construction increased by nearly 3% in Denmark, by approximately 2% in Germany and by almost 5% in Poland. In the Baltic countries, construction increased by approximately 1%, whereas in Russia, construction decreased by approximately 2%.

The European Rental Association (ERA) estimates that demand for equipment rental increased in all of Cramo's markets with the exception of Finland.

BUSINESS REVIEW

Cramo Group's business segments are Finland, Sweden, Norway, Denmark, Central Europe and Eastern Europe. The Central Europe segment consists of business in Germany, Austria and Hungary. Eastern Europe consists of Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and the Kaliningrad region in Russia as well as a 50% share of the profit of the joint venture Fortrent in accordance with the equity method of accounting.

The Group's key figures and ratios for the past five years is shown on page 61.

In 2014, Cramo's sales decreased by 0.8% to EUR 651.8 (657.3) million. As for product areas, equipment rental sales decreased by 3.0% to EUR 560.4 (577.7) million. Modular space sales increased by 14.4% to EUR 92.8 (81.1) million. During the year, modular space rental was expanded to Central Europe. Towards the end of the year, sales developed favourably in all business segments except for Norway.

Finland generated 15.9% (15.4%) of sales, Sweden 47.6% (47.5%), Norway 12.6% (13.6%), Denmark 4.5% (4.3%), Central Europe 11.8% (11.2%) and Eastern Europe 7.6% (7.9%). The distribution includes inter-segment sales.

Year 2014 was challenging for Cramo Group, in particular the first half of the year. In the second half of the year Cramo implemented performance improvement actions which improved the result towards the year end.

In 2014, comparable EBITA before non-recurring items was EUR 73.2 (80.5) million, or 11.2% (12.2%) of sales. EBITA after non-recurring items was EUR 70.3 (79.9) million, or 10.8% (12.2%) of sales.

A good full-year result was achieved in Finland despite the weak market situation. Cramo's operations in Sweden also reported a good result. In Norway, the result was burdened by the performance improvement programme, the positive effects of which are expected to show going forward. In Denmark, the result was weak. In the fourth quarter, Cramo completed restructurings in order to improve its operational efficiency going forward.

The result in Central Europe was impaired early in the year by costs related to the extensive transition programme. The positive effects of the transition programme started to show as of the end of the third quarter, but there is still room for significant improvement in fleet utilisation rates and profitability. The result in Central Europe was impaired also by EUR 25.5 million impairment on goodwill and intangible assets. In Eastern Europe, the full-year profitability was good. Profitability decreased due to the result of Fortrent, the joint venture operating in Russia and Ukraine.

Fortrent, the joint venture of Cramo and Ramirent, reported a 10.7% decrease in its sales in 2014 (March–December 2013), totalling EUR 38.0 (42.5) million. In local currencies, sales increased by 9.1%. Demand weakened both in the Moscow and St. Petersburg regions. Instead, the demand for rental services in new regions, such as Volga and the southern parts of Russia, was clearly increasing. In early 2014, Fortrent expanded its depot network to cover new cities in Russia and the integration of new depots has proceeded well. A significant near-term risk is the prolongation and expansion of the Ukrainian crisis. The decline in the oil price and the volatility of the rouble and the Russian financial market hinder economic growth in Russia. Fortrent's sales are not included in Cramo Group's sales.

In April, Cramo strengthened its position in the Finnish construction machinery rental market by acquiring OptiRent Oy, a company that is particularly strong in the Helsinki Metropolitan Area. The modular space business in Germany was expanded in April with the acquisition of C/S RaumCenter GmbH, one of the most significant modular space rental companies operating particularly in the Rhein-Main area. In September, Cramo strengthened its position in South-Eastern Sweden by acquiring BMS Uthyrning i Kalmar AB, with operations in Kalmar and Nybro and a strong position in access equipment.

Operations were developed by continuing the roll-out of the harmonised Performance Management Model in all operating countries and by rolling out a new consolidation and reporting system at the Group level. The Nordic countries implemented the dynamic pricing model and Central Europe adopted the Group's common enterprise resource planning system. In October, Theisen was rebranded under the Cramo brand in Central Europe. In the field of sustainability, Cramo concentrated on the optimisation of energy consumption and transportation.

SALES AND PROFIT

Cramo Group's consolidated sales for 2014 was EUR 651.8 (657.3) million. In local currencies, sales increased by 2.5%. Sales growth in local currencies, excluding restructuring in Russia in 2013, was 3.1%.

The performance improvement actions launched in the second quarter had a positive impact on the Group's result during the second half of the year. In 2014, comparable EBITA before non-recurring items was EUR 73.2 (80.5) million, or 11.2% (12.2%) of sales. The fourth quarter included EUR 2.2 million in non-recurring expenses in Denmark and EUR 0.7 million in non-recurring expenses at the Group level. EBITA after non-recurring items was EUR 70.3 (79.9) million, or 10.8% (12.2%) of sales.

During the second half of the year, comparable fixed costs before non-recurring items decreased by EUR 5.3 million year-on-year. In the fourth quarter, the year-on-year decrease was EUR 2.3 million. Fixed costs were cut down especially in Scandinavia and Central Europe.

In equipment rental in 2014, comparable EBITA before non-recurring items was EUR 53.5 (63.2) million, or 9.5% (10.9%) of sales, and EBITA after non-recurring items EUR 51.3 (62.6) million, or 9.2% (10.8%) of sales. In modular space rental, EBITA was EUR 26.9 (26.0) million, or 29.0% (32.0%) of sales.

Fortrent Group's full-year (March–December in 2013) EBITA was EUR 2.0 (4.5) million, or 5.4% (10.6%) of sales. Net result for the period was EUR -1.0 (1.1) million. Cramo's share of profit or loss from the joint venture is presented above operating profit in Cramo Group's consolidated income statement in accordance with the equity method of accounting (50% of the consolidated net result of Fortrent Group). The share of the consolidated net result from Fortrent Group to Cramo for 2014 was EUR -0.5 (0.6) million (the previous year figure is for March–December 2013).

Cramo Group's EBITDA was EUR 167.3 (173.8) million, or 25.7% (26.4%) of sales. EBIT was EUR 34.3 (66.8) million, or 5.3% (10.2%) of sales. Profit before taxes was EUR 21.5 (51.9) million and profit for the period EUR 16.0 (42.8) million.

The cost effect of the Group's credit losses and credit loss provisions amounted to EUR 5.2 (4.8) million. The result includes EUR 1.5 (0.8) million in impairment losses on the fleet.

Expenses associated with share-based payments totalled EUR 1.0 (1.7) million. Net financial expenses were EUR 12.8 (14.9) million.

Earnings per share before non-recurring items were EUR 0.91 (1.02). In addition to non-recurring items amounting to EUR 2.9 million, the fourth quarter included a EUR 25.5 million impairment on goodwill and intangible assets in Central Europe. Full-year earnings per share after non-recurring items were EUR 0.37 (1.01).

Return on investment (rolling 12 months) was 4.2% (7.7%) and return on equity (rolling 12 months) 3.4% (8.3%). Comparable return on investment before the impact of non-recurring items was 7.4% (7.7%) and comparable return on equity before the impact of non-recurring items 8.1% (8.3%).

CAPITAL EXPENDITURE, DEPRECIATION AND AMORTISATION

Cramo Group's gross capital expenditure for 2014 was EUR 159.1 (129.6) million. Gross capital expenditure grew especially in Central Europe and in Sweden. In Central Europe, the product and service offering was developed according to the Cramo Rental Concept. However, new growth investments will not be made before the fleet utilisation rates reach the targeted level. As for product areas, Cramo continued its growth investments particularly in modular space.

Reported depreciation and impairment on tangible assets and assets available for sale were EUR 97.0 (93.9) million.

Amortisation resulting from acquisitions and disposals was EUR 10.5 (11.1) million, and impairment resulting from acquisitions and disposals was EUR 25.5 (2.1) million. In 2014 the impairment on goodwill and intangible assets related to Central European operations.

At the end of the financial year, goodwill totalled EUR 149.5 (165.4) million.

FINANCIAL POSITION AND BALANCE SHEET

In 2014, cash flow from operating activities was EUR 118.3 (160.3) million. Payments in accordance with a residual tax decision of EUR 9.7 million in the first quarter in Finland had a negative effect on cash flow from operating activities. The change in net working capital was also somewhat negative in 2014, whereas in 2013 the decrease in net working capital significantly released operating cash flow. Cash flow from investing activities was EUR -124.8 (-110.0) million. The Group's cash flow after investments was EUR -6.5 (50.3) million.

At the end of the period, the Group's balance sheet included EUR 0.0 (4.4) million of assets available for sale.

On 31 December 2014, Cramo Group's net interest-bearing liabilities totalled EUR 385.4 (364.8) million. At the end of the financial year, gearing was 84.7% (72.9%). The fourth-quarter non-recurring items and the weakening of the Swedish krona and the Russian rouble against the euro affected gearing.

Cramo refinanced its long-term loan facility in June, and its size was increased from EUR 325 million to EUR 375 million. The loan facility will mature in 2020 and includes a one-year extension option. The loan facility offers Cramo an opportunity to implement the company's growth strategy in the coming years.

Of the Group's variable rate loans, EUR 90.0 (91.0) million was hedged by way of interest rate swaps on 31 December 2014. Hedge accounting is applied to all of these interest rate hedges. On 31 December 2014, Cramo Group had undrawn committed credit facilities (excluding leasing facilities) in the amount of EUR 217.6 (199.3) million, of which non-current facilities represented EUR 192.0 (184.0) million and current facilities EUR 25.6 (15.3) million.

Tangible assets amounted to EUR 625.7 (606.6) million of the balance sheet total at the end of the review period.

The balance sheet total on 31 December 2014 was EUR 1,047.7 (1,074.7) million. The equity ratio was 43.9% (47.1%).

At the end of 2013, the Tax Administration issued a residual tax decision for Cramo Plc, concerning

2009–2012. According to the decision, the interest income from Cramo's financing company in Belgium should have been taxed in Finland. Cramo has paid the taxes in Belgium. In compliance with the decision, Cramo paid EUR 9.7 million in taxes in Finland in January, which had a negative effect on its cash flow from operating activities. The company considers the decision unfounded and has appealed. The tax payment of EUR 9.7 million is recognised as an income tax receivable on the consolidated balance sheet.

Rental liabilities associated with off-balance sheet operational leasing agreements totalled EUR 28.9 (23.6) million on 31 December 2014. Off-balance sheet liabilities for office and depot rents totalled EUR 91.7 (114.7) million. The Group's investment commitments amounted to EUR 21.0 (17.3) million.

STRATEGIC AND FINANCIAL TARGETS

In September, Cramo updated the Group's strategy and reconfirmed its long-term financial targets.

Cramo's financial targets are unchanged: an EBITA margin of more than 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, its target is to follow a stable profit distribution policy and to pay approximately 40% of earnings per share (EPS) for a period as dividends.

The core of the Group's new strategy is "Cramo People living the Cramo Story". Cramo Story is a wide programme through which Cramo will drive its sales in different countries, differentiate itself from the competition, provide specific customer value and strengthen its corporate culture.

Cramo Group's updated Must-win battles are Deliver Cramo Story, Drive Cramo Performance Management and Win Central European Market. In addition, Cramo's key strategic initiatives include the modular space growth strategy, dynamic pricing and acquisitions and outsourcing.

MANAGEMENT TEAM

Operationally, Cramo has three market areas: Scandinavia (Sweden, Norway and Denmark), Eastern Europe (Finland, Estonia, Latvia, Lithuania, Poland) and Central Europe (Germany, Austria, Hungary, the Czech Republic, Slovakia).

In addition to the President and CEO, Cramo Plc's Group Management Team comprised the following people at the end of the financial period: Erik Bengtsson, Executive Vice President, Scandinavia, and Managing Director, Cramo Sweden; Tatu Hauhio, Executive Vice President, Eastern Europe, and Managing Director, Cramo Finland; Dirk Schlitzkus, Executive Vice President, Central Europe, and Managing Director (Germany, Austria, Hungary); Per Lundquist, Senior Vice President, Operations (IT, HR, marketing and communications, and the harmonisation of the Group's business concepts and processes); Martin Holmgren, Senior Vice President, Fleet Management; Martti Ala-Härkönen, CFO, also responsible for corporate planning, M&A, legal affairs and investor relations; Petri Moksén, Senior Vice President, Modular Space; and Aku Rumpunen, Senior Vice President, Group Business Control.

PERSONNEL

During the financial year, the Group had an average of 2,528 (2,463) employees. In addition, the Group employed an average of approximately 149 (150) people hired from a staffing service. At the end of the year, Group personnel numbered 2,473 (2,416) as full time equivalent (FTE) employees.

The geographical distribution of personnel at the end of the financial year was as follows: 452 (416) employees in Finland, 849 (832) in Sweden, 235 (260) in Norway, 118 (108) in Denmark, 363 (349) in Central Europe and 456 (451) in Eastern Europe.

Cramo Group's flexible operational model includes the use of not only permanent personnel, but also work force hired from a staffing service. The proportion of permanent personnel to work force hired from a staffing service as well as their numbers are constantly adjusted based on the market situation.

The total amount of salaries and fees paid was EUR 106.1 (105.3) million.

In personnel development, the company continued the provision of safety training in order to prevent accidents and focused on training required by the implementation of the new strategy.

PERSONNEL BY SEGMENT AT THE END OF 2014

	Number of employees (FTE)		Percentage of total personnel	
	2014	2013	2014	2013
Finland	428	393	17.3	16.3
Sweden	806	792	32.6	32.8
Norway	235	260	9.5	10.8
Denmark	118	108	4.8	4.5
Central Europe	363	349	14.7	14.4
Eastern Europe	456	451	18.4	18.7
Group activities	67	63	2.7	2.6
of which in the parent company	24	23	1.0	1.0
Group total	**2,473**	**2,416**	**100.0**	**100.0**

PERSONNEL AGE DISTRIBUTION

	Number of employees (FTE)		Percentage of total personnel	
	2014	2013	2014	2013
–23	80	87	3.2	3.6
24–35	705	694	28.5	28.7
36–45	694	712	28.1	29.5
46–59	834	774	33.7	32.0
60–	160	149	6.5	6.2
Group total	**2,473**	**2,416**	**100.0**	**100.0**

SHARES AND SHARE CAPITAL

On 31 December 2014, Cramo Plc's share capital as registered in the Finnish Trade Register was EUR 24,834,753.09, and the number of shares was 43,903,554. At the end of the financial year, Cramo Plc holds 316,288 of these shares. After the review period, on 8 January 2015, the number of shares held by the company decreased to 295,550 due to the directed share issue based on Cramo Group's Performance Share Plan 2012.

As a result of the option programme 2010, the number of Cramo Plc shares increased by a total of 276,595 new shares. The share subscription period for the 2010 option programme ended on 31 December 2014, and a total of 276,595 shares were subscribed for with its stock options. The subscription price was EUR 12.40. One subscription right entitled its holder to subscribe for 1.3 shares in Cramo. The subscription payments are included in the invested unrestricted equity fund.

In the fourth quarter, 161,475 new shares were subscribed for on the basis of the option programme 2011. These shares were entered in the Finnish Trade Register after the review period, on 16 January 2015, and trading in them began on 19 January 2015. The subscription payments are included in the invested unrestricted equity fund.

CHANGES IN SHAREHOLDINGS

During the financial year, Cramo Plc received the following notification about changes in shareholdings as defined in Section 5 of Chapter 9 of the Finnish Securities Markets Act: On 8 August 2014, Nordea Funds Oy's total holding of share capital and voting rights in Cramo Plc has increased above 5%. At that time, its proportion of voting rights and share capital was 5.096% and it held a total of 2,237,468 shares.

CURRENT INCENTIVE SCHEMES

On 31 December 2014, a total of 625,525 of the stock options 2011 granted by Cramo Group to its key personnel were outstanding. Trading in stock options 2011 began on the main list of NASDAQ OMX Helsinki Ltd on 1 October 2014, and their subscription period ends on 31 December 2015. A total of 161,475 shares were subscribed for on the basis of the option programme. Each stock option entitles its holder to subscribe for one new share. The share subscription price is EUR 5.98.

In the One Cramo Share Plan incentive scheme for the Group's permanent employees, employees are offered an opportunity to save a maximum of 5% of their salary, and the accumulated savings are used for share purchases. The second savings period of the incentive scheme began on 1 October 2013 and ended on 30 September 2014. The third savings period began on 1 October 2014 and ends on 30 September 2015.

The share-based incentive scheme for Cramo Plc's key employees consists of three discretionary periods: the calendar years 2012, 2013 and 2014. The rewards for the discretionary periods 2012–2014 are based on the earnings per share (EPS) key indicator. The rewards for 2012 were paid after the review period, on 8 January 2015. A total of 20,738 shares were given in a directed share issue, in addition to which rewards were paid in cash in the amount of EUR 218,566. The rewards for 2013 equal the approximate worth of 90,000 shares and will be paid in the spring of 2016. The rewards for 2014 will be paid in the spring of 2017.

ANNUAL GENERAL MEETING 2014 AND BOARD AUTHORISATIONS

Cramo Plc's Annual General Meeting on 1 April 2014 adopted the consolidated financial statements and the parent company's financial statements for the financial year 2013 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 0.60 per share be paid for the financial year 1 January–31 December 2013.

Ms Helene Biström, Mr Eino Halonen, Mr Victor Hartwall and Mr Erkki Stenberg were re-elected as members of the Board. Mr Leif Boström, Ms Caroline Sundewall and Mr Raimo Seppänen were elected as new members to the Board.

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 year. It was decided that 50% of the annual remuneration will be paid in Cramo Plc shares purchased on the market on behalf of the Board members. In the event a purchase of shares cannot be carried out for reasons related either to the Company or a Board member, the annual remuneration shall be paid entirely in cash. In 2014, the remuneration for Board services was paid fully in cash. In addition, it was decided that all Board members are entitled to a compensation of EUR 1,000 per each attended Board committee meeting. Reasonable travel expenses will be refunded.

KPMG Oy Ab, Authorised Public Accountants, was appointed as Cramo Plc's auditor, with Mr Toni Aaltonen, APA, 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 as follows: The number of own shares to be acquired and/or accepted as pledge shall not exceed 4,100,000. Own shares may only be acquired using the company's unrestricted equity, at a price formed in public trading on the date of the repurchase or at a price otherwise formed in the market. Own shares can be acquired otherwise than in proportion to the shareholdings of the shareholders, and no more than 400,000 of these shares may be used in the company's incentive schemes. The authorisation is effective until the close of the next Annual General Meeting, but no later than 1 October 2015.

The Annual General Meeting authorised the Board of Directors to decide on a share issue, including the right to decide on the transfer of the company's own shares and on the granting of option rights and other special rights entitling to shares, pursuant to Chapter 10 of the Finnish Limited Liability Companies Act. 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. The authorisation is effective until the close of the next Annual General Meeting.

CORPORATE GOVERNANCE AND AUDITORS

At the end of the financial year, Cramo Plc's Board of Directors was composed of Ms Helene Biström, Mr Eino Halonen, Mr Victor Hartwall, Mr Erkki Stenberg, Mr Leif Boström, Ms Caroline Sundewall and Mr Raimo Seppänen.

Mr Eino Halonen (Chairman), Victor Hartwall, Leif Boström and Caroline Sundewall comprised the Audit Committee. Ms Helene Biström (Chairman), Mr Raimo Seppänen, Mr Erkki Stenberg, Mr Peter Therman and Mr Tom von Weymarn comprised the Nomination and Compensation Committee.

Mr Stig Gustavson, Mr Eino Halonen, Mr Jari Lainio, Mr Esko Mäkelä, Mr Victor Hartwall, Ms Helene Biström and Mr Erkki Stenberg comprised the Board of Directors until the Annual General Meeting of 1 April 2014.

On 31 December 2014, the Board members and the President and CEO held, either directly or through companies in which they exercise control, a total of 403,550 Cramo Plc shares, which represents 0.92% of the company's shares and votes, and a total of 30,000 stock options.

The company's auditors were KPMG Oy Ab, Authorised Public Accountants, with Mr Toni Aaltonen, APA, as the responsible auditor.

Cramo Plc observes the Finnish Corporate Governance Code, which entered into force on 1 October 2010. Cramo Plc's insider guidelines are based on the Finnish Securities 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 2014 issued by Cramo Plc's Board of Directors and the remuneration report for 2014 are available 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.

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

During 2014, geopolitical risks increased. For Cramo, especially the prolongation of the Ukrainian crisis and difficulties in the Russian economy have increased economic uncertainty. These uncertainties may also have an effect on construction and the demand for rental services in Cramo's operating countries.

Cramo estimates that the decline in the oil price has a positive impact on economic development with the exception of Norway and Russia.

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 related to 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 by quarter in a manner that 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 continually optimising its rental fleet utilisation rate.

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

Customers in the equipment rental business may also start using e-business solutions in rental more widely. Cramo has started implementing its own e-business strategy.

In addition, there are risks associated with the amount, allocation and timing of the Group's investments and with other strategic business decisions. The goal is to control investment-related risks by applying a careful approval process for investments, optimising fleet use across the Group, and using external and internal indicators to forecast future market development, among other measures. These indicators that illustrate the future are monitored 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 those associated with business operations and personnel, contract risks, occupational safety risks, IT-related risks, risks related to compliance with laws and regulations and risks related to the Group's administrative principles. In order to control the most significant strategic and operative risks, the Group and its subsidiaries have their own contingency plans. OHSAS 18001 certification has been granted to Finland and Sweden for their occupational health and safety management system.

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, the availability of Group financing and 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 risks are cash flow's interest rate risk, currency rate risk, credit risk and liquidity risk. To manage the interest rate risk, the Group's loans and investments have been spread between fixed-rate and variable-rate instruments. Derivative contracts, such as interest rate swaps, are also used to manage the interest rate 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 treasury policy specifies the responsibilities and procedures of the treasury function as well as the targets and principles of hedging. 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 related to equipment rental and uninterrupted operations, among other risks, 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 a 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. During 2014 Group fleet management has developed the purchasing process in such a way that Cramo checks whether its equipment suppliers are signatories to UN Global Compact (or similar).

Regional profit centres are responsible for the appropriate storage and reprocessing of chemicals and hazardous waste. Cramo's operations in Finland, Sweden, Denmark and Norway have been certified in accordance with the ISO 14001 environmental system and the ISO 9001 quality system.

Cramo publishes a separate sustainability report, which provides information on environmental management and corporate responsibility. The report will be published during the spring, and it will be also be available in electronic format on the Cramo website. The report is not verified by a third party.

OUTLOOK FOR 2015

Economic growth is predicted to remain modest in many European countries in 2015, but there are significant country-specific differences in the estimated economic development. At the moment, the greatest uncertainties about economic development are related to the geopolitical situation and the risks related to the European financial markets and currency rate fluctuations. For Cramo, significant uncertainties relate to the Ukrainian crisis, the overall economic situation in Russia. The decline in the oil price is expected to have a positive impact on economic development with the exception of Norway and Russia.

In 2015, construction is projected to increase in all of Cramo's operating countries apart from Estonia, Latvia and Russia. The European Rental Association (ERA) is expecting demand for equipment rental services to grow in all of Cramo's main markets. The growth is expected to strengthen somewhat when compared to 2014.

In the long term, the equipment rental market is expected to grow faster than construction. Changes in demand usually follow those in construction with a delay. In addition to construction, the demand for equipment rental services is affected by industrial investments and the rental penetration rate.

The guidance of Cramo Plc's Board of Directors for 2015 is: There are economic and political uncertainties in Cramo's markets related to 2015. With the current market outlook, Cramo Group's sales will grow in local currencies and the EBITA margin will improve in 2015 compared to 2014.

PROFIT DISTRIBUTION POLICY AND THE 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.

On 31 December 2014, Cramo Plc's total distributable funds were EUR 177,672,197.96, including EUR 39,515,423.09 of retained earnings. Cramo Plc's profit for the financial period was EUR 27,998,531.31.

The Board of Directors proposes to the Annual General Meeting to be held on 31 March 2015 that a dividend of EUR 0.55 per share be paid for the financial year 1 January to 31 December 2014 and the rest of the distributable funds be carried forward in equity.

EVENTS AFTER THE BALANCE SHEET DATE

On 4 February 2015, Cramo announced that it will acquire all the shares of equipment rental company Vuokra-Pekat Oy. The company's sales in 2014 was approximately EUR 4.8 million, it reported a good result and employs 20 people. Vuokra-Pekat has two rental depots in the Helsinki Metropolitan Area and a leading position in construction site dust control services. The acquisition strengthens Cramo's market position in southern Finland and as a provider of dust control services as part of Cramo Rental Concept.

On 8 January 2015, Cramo announced a directed share issue related to Cramo Performance Share Plan 2012. In the share issue, 20,738 Cramo Plc shares held by the company were conveyed without consideration to the key employees participating in the Performance Share Plan 2012 in accordance with the terms and conditions of the Plan. The decision on the share issue, made by Cramo Plc's Board of Directors on 17 December 2014, is based on the authorisation granted by the Annual General Meeting on 1 April 2014.

KEY FIGURES AND RATIOS

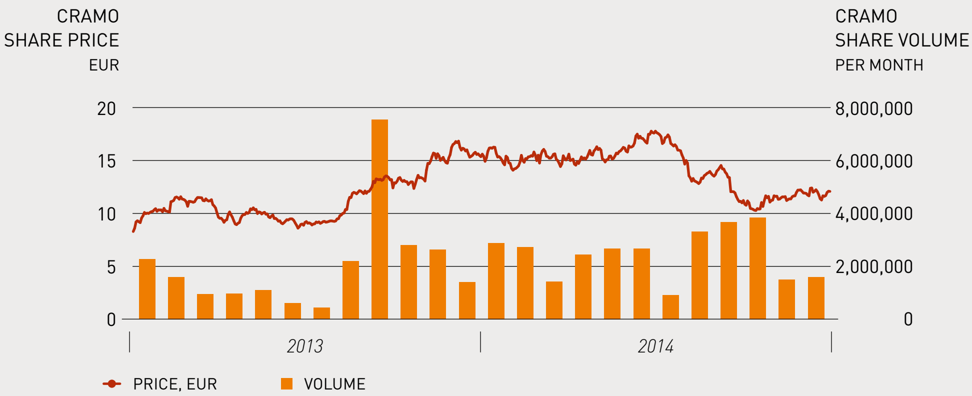
KEY FIGURES ON FINANCIAL PERFORMANCE		2014	2013	2012[2]	2011	2010
Sales	MEUR	651.8	657.3	688.4	679.9	492.1
Change -%	%	-0.8	-4.5	+1.3	+38.2	+10.2
Operating profit	MEUR	34.3	66.8	64.5	54.3	27.4
% of sales	%	5.3	10.2	9.4	8.0	5.6
Profit before taxes[1]	MEUR	21.5	51.9	44.3	32.2	4.8
% of sales	%	3.3	7.9	6.4	4.7	1.0
Profit/loss for the year[1]	MEUR	16.0	42.8	38.7	23.5	-2.2
% of sales	%	2.5	6.5	5.6	3.5	-0.4
Return on equity[1]	%	3.4	8.3	7.5	5.4	-0.6
Return on investment[1]	%	4.2	7.7	7.3	6.6	3.7
Equity ratio	%	43.9	47.1	48.6	44.4	38.7
Gross capital expenditure	MEUR	159.1	129.6	125.1	262.5	86.2
% of sales	%	24.4	19.7	18.2	38.6	17.5
of which business combinations	MEUR	11.4	29.1	0.8	115.4	32.7
Equity	MEUR	455.0	500.6	532.6	493.9	368.5
Net interest-bearing liabilities	MEUR	385.4	364.8	346.9	390.4	383.0
Gearing	%	84.7	72.9	65.1	78.7	103.4
Average number of personnel	No.	2,528	2,463	2,664	2,580	2,083

1 Comparative figures for 2012 have been adjusted due to the retrospective application of the revised IAS 19 Employee benefits
2 2012 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		2014	2013	2012	2011	2010
Earnings per share[1,3]	EUR	0.37	1.01	0.94	0.60	-0.06
Earnings per share diluted[1,2,3]	EUR	0.36	1.00	0.93	0.60	-0.06
Shareholders' equity per share[3]	EUR	10.40	11.56	11.58	10.83	9.50
Dividend per earnings[1]	%	149.3*	59.3	44.8	49.9	Neg.
Dividend per share[3]	EUR	0.55*	0.60	0.42	0.30	0.09
Trading volume of shares[3]	No.	28,710,540	23,736,696	16,900,991	30,446,719	18,051,757
% of total number	%	66	55	40	74	53
Adjusted average number of shares[3]	No.	43,455,457	42,297,421	41,356,347	39,098,751	33,596,870
Adjusted number of shares at year-end[3]	No.	43,748,741	43,310,671	41,708,387	41,122,798	33,596,870
P/E ratio		32.8	15.2	8.5	13.2	Neg.
Effective dividend yield	%	4.6*	3.9	5.3	3.8	0.5
Market capitalisation of share capital	MEUR	528.5	665.3	332.8	327.8	585.0
Average price[3]	EUR	13.97	12.21	9.77	11.89	12.84
Closing price at year-end[3]	EUR	12.08	15.36	7.92	7.91	17.23
Lowest quotation[3]	EUR	10.28	7.98	7.04	5.68	9.97
Highest quotation[3]	EUR	17.78	16.83	13.03	20.23	17.56

1 Comparative figures for 2012 have been adjusted due to the retrospective application of the revised IAS 19 Employee benefits
2 Adjusted by the dilution effect of stock options and share plans
3 Comparative figures for 2010 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 0.55

CRAMO SHARE PRICE AND TRADING VOLUME



CONSOLIDATED BALANCE SHEET

EUR 1,000	Note	31 Dec 2014	31 Dec 2013
ASSETS			
Non-current assets			
Tangible assets	4	625,738	606,625
Intangible assets	3	225,639	266,452
Deferred tax assets	15	14,336	14,820
Available-for-sale financial assets	7	187	347
Investments in joint ventures	29	4,254	17,475
Loan receivables	9	17,656	20,250
Trade and other receivables	9	1,079	1,129
Total non-current assets		**888,889**	**927,099**
Current assets			
Inventories	10	9,718	7,841
Trade and other receivables	9	128,767	127,236
Income tax receivables		10,996	1,343
Derivative financial instruments	14	3,632	2,053
Cash and cash equivalents	11	5,689	4,770
Total current assets		**158,801**	**143,243**
Assets held for sale	5		4,369
TOTAL ASSETS		**1,047,690**	**1,074,710**
EQUITY AND LIABILITIES			
Equity			
Share capital		24,835	24,835
Other reserves		322,837	318,742
Fair value reserve			119
Hedging fund		-8,162	-6,726
Translation differences		-24,693	-2,288
Retained earnings		140,173	165,900
Equity attributable to owners of the parent company		454,990	500,582
Total equity	12	**454,990**	**500,582**
Non-current liabilities			
Interest-bearing liabilities	13	294,392	269,881
Derivative financial instruments	14	9,286	6,001
Deferred tax liabilities	15	68,096	75,337
Retirement benefit liabilities	33	1,861	1,644
Other non-current liabilities	16	1,797	3,341
Total non-current liabilities		**375,432**	**356,204**
Current liabilities			
Interest-bearing liabilities	13	96,676	99,719
Derivative financial instruments	14	580	422
Trade and other payables	17	115,377	112,022
Income tax liabilities		3,984	5,761
Provisions		652	
Total current liabilities		**217,269**	**217,923**
Total liabilities		**592,700**	**574,127**
TOTAL EQUITY AND LIABILITIES		**1,047,690**	**1,074,710**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Note	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Sales		**651,758**	**657,315**
Other operating income	19	13,156	10,007
Materials and services	20	-232,663	-228,002
Employee benefit expenses	21	-138,500	-138,732
Other operating expenses	23	-125,927	-127,385
Depreciation and impairment on tangible assets	22	-97,008	-93,868
Share of profit/loss of joint ventures	29	-523	613
Amortisation and impairment resulting from from acquisitions and disposals	22	-35,965	-13,150
Operating profit		**34,328**	**66,799**
Financial income	24	1,350	1,356
Financial expenses	24	-14,199	-16,213
Total financial income and expenses		-12,849	-14,857
Profit before taxes		**21,479**	**51,941**
Income taxes	25	-5,471	-9,160
Profit for the year		**16,008**	**42,781**
Attributable to			
Owners of the parent company		16,008	42,781
Earnings per share for profit attributable to owners of the parent company			
Basic, EUR	27	0.37	1.01
Diluted, EUR	27	0.36	1.00
OTHER COMPREHENSIVE INCOME ITEMS			
Profit for the year		16,008	42,781
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements on retirement benefit liabilities, net of tax		-324	-88
Total items that will not be reclassified to profit or loss		-324	-88
Items that may be reclassified subsequently to profit or loss:			
Change in hedging fund, net of tax		-2,309	1,418
Available for sale financial assets		-119	
Share of other comprehensive income of joint ventures		-12,689	-4,386
Change in translation differences		-25,243	-13,450
Total items that may be reclassified subsequently to profit or loss		-40,360	-16,418
Total other comprehensive income, net of tax	25	-40,684	-16,506
Total comprehensive income for the year		**-24,676**	**26,275**
Attributable to			
Owners of the parent company		-24,676	26,275

CHANGES IN CONSOLIDATED STATEMENT OF EQUITY

	Attributable to owners of the parent company									
EUR 1,000	Share capital	Other reserves	Fair value reserve	Hedging fund	Translation difference	Invested unrestricted equity	Retained earnings	Total	Hybrid capital	Total equity
At 1 Jan 2013	24,835	186,626	119	-8,144	7,500	117,747	154,324	483,007	49,630	532,637
Translation difference					-9,789		-8,047	-17,836		-17,836
Remeasurement on retirement benefit liabilities							-88	-88		-88
Hedging fund				1,418				1,418		1,418
Profit for the year							42,781	42,781		42,781
Comprehensive income				1,418	-9,789		34,646	26,275		26,275
Exercise of share options						14,069		14,069		14,069
Dividend distribution							-17,747	-17,747		-17,747
Share-based payments							1,347	1,347		1,347
Hybrid capital including transaction costs							-6,370	-6,370	-49,630	-56,000
Changes within equity		300					-300			
At 31 Dec 2013	24,835	186,926	119	-6,726	-2,288	131,816	165,900	500,582		500,582
At 1 Jan 2014	24,835	186,926	119	-6,726	-2,288	131,816	165,900	500,582		500,582
Translation difference					-22,405		-15,527	-37,932		-37,932
Remeasurement on retirement benefit liabilities							-324	-324		-324
Hedging fund				-2,309				-2,309		-2,309
Transfer between groups				873			-873			
Available-for-sale financial assets			-119					-119		-119
Profit for the year							16,008	16,008		16,008
Comprehensive income			-119	-1,436	-22,405		-716	-24,676		-24,676
Exercise of share options						4,395		4,395		4,395
Dividend distribution							-25,986	-25,986		-25,986
Share-based payments							675	675		675
Changes within equity						-300	300			
At 31 Dec 2014	24,835	186,926		-8,162	-24,693	135,911	140,173	454,990		454,990

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 2014	1 Jan–31 Dec 2013
Cash flow from operating activities			
Profit before tax		21,479	51,941
Adjustments:			
Depreciation, amortisation and impairment	22	132,974	107,018
Share of profit of joint ventures	29	523	-613
Other non cash corrections	26	-10,064	-6,246
Transfer to cash flow from investing activities			-1,734
Finance cost (net)	24	12,849	14,857
Operating profit before changes in working capital		157,761	165,223
Change in working capital			
Change in inventories		-1,772	2,031
Change in trade and other receivables		-12,915	10,712
Change in trade and other payables		7,934	-3,695
Cash generated from operations before financial items and tax		151,008	174,271
Interest paid		-12,827	-14,594
Interest received		1,684	1,262
Other financial items		-211	5,373
Income taxes paid		-21,388	-6,059
Net cash flow from operating activities		**118,266**	**160,253**
Cash flow from investing activities			
Investments in tangible and intangible assets		-147,700	-103,484
Sale of tangible and intangible assets		28,354	19,442
Acquisition of joint ventures			-9,901
Acquisition of subsidiaries and business operations, net of cash acquired		-5,407	-16,033
Net cash flow from investing activities		**-124,753**	**-109,976**
Cash flow from financing activities			
Change in interest-bearing receivables		2,689	-121
Change in finance lease liabilities		-15,863	-29,755
Proceeds from interest-bearing liabilities		42,000	55,000
Repayments of interest-bearing liabilities		-6,586	-12,508
Hybrid capital			-56,000
Proceeds from exercise of share options		11,358	6,141
Dividends paid		-25,982	-17,747
Net cash flow from financing activities		**7,616**	**-54,990**
Change in cash and cash equivalents		**1,129**	**-4,713**
Cash and cash equivalents at beginning of the year		4,770	10,340
Exchange differences		-210	-857
Cash and cash equivalents at year end		**5,689**	**4,770**

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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 fifteen countries in the Nordic and in Central and Eastern Europe with 329 depots and 2,528 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.

On 9 February 2015, 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) approved for adoption by the European Union, including International Accounting Standards (IAS) and the SIC and IFRIC interpretations valid on 31 December 2014. 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. Accounting standards not yet effective have not been adopted voluntarily for the consolidated financial statements. 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 for financial assets and liabilities at fair value through profit and loss, share-based payments and defined benefit pension plans. The information in the financial statements is presented in thousands of euros.

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."

APPLIED NEW AND REVISED STANDARDS AND INTERPRETATIONS

With effect from 1 January 2014, the Group has adopted the following new and revised standards and respective interpretations:

- IAS 32 Financial Instruments: *Presentation amendment* to *Netting Financial assets and Liabilities*. The amendment clarifies the rules concerning the presentation of financial assets and liabilities as net amounts and provides further application guidance. This change had no material impact on the Group's financial statements.
- IAS 36 *Impairment of assets* amendment to *Recoverable Amount Disclosures for Non-Financial Assets*. The amendment clarified the disclosure requirements in situations where recoverable amount is based on fair value less costs of disposal. This change had no impact on the Group's financial statements as the Group's recoverable amount is based on value in use.
- IAS 39 *Financial Instruments: Recognition and Measurement* amendment to *Novation of Derivatives and Continuation of Hedge Accounting*. The amendments applies hedge accounting in situations where a derivate financial instrument is transferred to so-called central counter party. This change had no impact on the Group's financial statements, as the Group does not have this kind of hedging instruments.

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 is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All the facts and circumstances shall be considered when assessing the control. The investor shall reassess whether it controls an investee if facts and circumstances indicate that there are changes of the elements of control. Power means that the investor has existing rights that give it the current ability to direct the relevant activities, ie the activities that significantly affect the investee's return. 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 Group has 100% control over all its subsidiaries. The subsidiaries are listed in note 33.

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 consolidated statement of comprehensive 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.

JOINT VENTURES

The consolidated financial statements include those entities which the Group has a joint control. Investments in joint ventures are accounted for in the consolidated financial statements under the equity method. The Group's share of the profit or loss of joint ventures is shown in the consolidated statement of comprehensive income as a separate line above Operating profit. Group's investments in the joint ventures upon the date of acquisition, adjusted for changes in the joint ventures equity after the date of acquisition, are shown in the consolidated balance sheet under "Investments in joint ventures".

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 comprehensive income items 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 consolidated statement of comprehensive 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 comprehensive income items. 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 comprehensive income items. When the control over a subsidiary changes, 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, and whenever there is an indication that the asset may be impaired. 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.

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RESEARCH AND DEVELOPMENT

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

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

OTHER INTANGIBLE ASSETS

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

Amortisation periods for intangible assets are:

Customer relationships	3–10	years
Depot network	20	years
Co-brands	1–10	years
Other intangible assets	2–8	years

Amortisation of an intangible asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. 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*.

TANGIBLE ASSETS

All tangible assets 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 tangible assets are recognised as expense when incurred.

Tangible assets 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 equipment	3–10	years
Machinery and equipment for services	6–10	years
Machinery and equipment for own use	3–6	years
Other tangible assets	3–10	years

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciations of the rental machinery and equipment begin when they are available for rent.

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 tangible 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*.

Gains or losses on decommissioning and disposal are recognised through profit and loss and shown in line "Other Operating Income"

GOVERNMENT GRANTS

Grants from the government are recognised as reductions of the carrying amount of tangible assets 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 consolidated statement of comprehensive 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 consolidated statement of comprehensive income. 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 tangible assets 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 tangible assets 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 consolidated statement of comprehensive income 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 tangible assets in the balance sheet. They are depreciated over their useful lives in the same way as corresponding tangible assets 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 Group 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 are shown as a separate line, and other other receivables are classified as trade and other receivables in the balance sheet in Note 9 Trade and other receivables.

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 consolidated statement of comprehensive income. 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.

Available-for-sale financial assets are usually carried at fair value. All unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income items. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recorded in other comprehensive income items are recognised in the financial income and expenses of the consolidated statement of comprehensive income. However, due to their immaterial nature for the Group, it was decided in 2014 to reclassify available-for-sale financial assets to be measured at historical cost.

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 consolidated statement of comprehensive income. Impairment losses recognised in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

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.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36

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 consolidated statement of comprehensive income and classified in finance cost.

Amounts accumulated in equity are recognised in the consolidated statement of comprehensive income 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 consolidated statement of comprehensive income 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 consolidated statement of comprehensive income. 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 consolidated statement of comprehensive income 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 consolidated statement of comprehensive income, and classified in finance cost.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 14 Financial risk management.

Movements on the hedging reserve in shareholders' equity are shown in note 12 Share capital and equity funds. 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 inventories shall comprise all costs of purchase including transport, handling and other costs directly attributable to the acquisition. 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. The Group has established a uniform basis for the determination of impairment of trade receivables based on the time receivables have been overdue. 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 other operating expenses.

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 statement of comprehensive income. Assets held for sale, groups of disposed items, items related to assets held for sale and recognised in other comprehensive income items 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. Cramo Management Oy has been mergered to parent company on 28 February 2013. After the merger, the treasury shares held by Cramo Management Oy are presented in Cramo Plc's 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.

On 29 April 2013, Cramo redeemed the EUR 50 million hybrid bond.

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 Collaterals and contingent liabilities.

EMPLOYEE BENEFITS

RETIREMENT BENEFIT OBLIGATIONS

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 in the consolidated statement of comprehensive income in the accounting period to which the payment pertains.

The Group currently operates only such defined benefit pension plans, in which all beneficiaries are already retired. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is calculated by using discount rate, which reflects the market yield of high quality corporate bonds. Net interest cost of the net defined liability is recognised in the consolidated statement of comprehensive income as finance costs. Re-measurements from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income items as they occur.

SHARE-BASED PAYMENTS

The Group has the following share-based compensation plans: stock options, 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 service period, 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 consolidated statements of comprehensive income with a corresponding adjustment to equity.

The Group has a performance share plan as part of the incentive and commitment programme 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 is recognised in the consolidated statement of comprehensive income. 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 consolidated statement of comprehensive income.

The Group operates a share savings plan. The first 12 months plan period ended on 30 September 2013 and the second 12 months plan period ended on September 2014. A third 12 months plan period started on 1 October 2014. 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; first plan period 15 May 2016, second plan period 15 May 2017 and third plan period 15 May 2018. 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 2016/2017 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.

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 other comprehensive income items. 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 joint ventures 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 tangible assets 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.

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 tangible assets (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.

In 2013, the Tax Administration issued a residual tax decision, total amount of EUR 9.7 million, for Cramo Plc concerning 2009–2012. According to the decision, the interest income from Cramo's financing company in Belgium should have taxed in Finland. Cramo has paid the taxes in Belgium. Cramo Plc considers the decision unfounded and has appealed. The tax payment is recognised as an income tax receivable.

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. The fair value of reward shares in the performance share plan is based on the share price on the grant date and the valuation does not involve high degree of estimation. Instead, the determination of the fair value of matching shares in the One Cramo Share savings plan includes certain assumption relating to expected dividend yield and cost of equity and debt. These variables make fair value estimation 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 IFRS STANDARDS AND IFRIC INTERPRETATIONS AND AMENDMENTS TO THE EXISTING STANDARDS AND INTERPRETATIONS

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.

- IFRS 9 *Financial Instruments* (effective for financial periods beginning on or after 1 January 2018). The standard includes new requirements for financial and liabilities classification, measurement and hedge accounting. The Group is yet to assess the full impact of the new standard
- IFRS 15 *Revenue from Contracts with Customers* (effective for financial periods beginning on or after 1 January 2017). The new standard will replace all existing revenue recognition standards and interpretations on IFRS (IAS 11 *Construction Contracts*, IAS 18 Revenue, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers*, and SIC 31 *Revenue – Barter Transactions Involving Advertising Services*). The standard specifies how and when the revenue will be recognised. The basic principle is that the income will be recognised for the amount that reflects the expected amount of money from the goods and services transferred to the customers. IFRS 15 is based on five-phase analysis of transactions. Application of the standard requires significant discretion by management and expands disclosure requirements. The Group's sale consists mainly of rental of equipment and modular space. The revenue is recognised according to IAS 17 Leases. The Group is yet to assess the full impact of the new standard

The management estimates that the other new IFRS standards, IFRIC interpretations and amendments to the existing standards and interpretations will not have a material impact on the consolidated financial statements or their presentation.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36

2. SEGMENT REPORTING

The Group's management has determined the operating segments based on management reporting regularly reviewed by the Group's chief operating decision maker. The chief operating decision maker has been identified as the Group management. The operating segment structure reflects the 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 area level. In addition to segment information, Cramo has decided to start disclosing additional financial information by product areas for equipment rental and modular space. The reporting of the modular space order book value is also continued.

In 2014 Cramo Group's business structure consists of the following reportable segments:
- Finland
- Sweden
- Norway
- Denmark
- Central Europe
- Eastern Europe*

* Cramo and Ramirent closed the forming of their joint venture, Fortrent, in order to combine their business operations in Russia and Ukraine on 7 March 2013. The sales of Fortrent are no longer included in the Cramo Group's sales, but Cramo's share (50%) of the profit/loss is included in EBITA (operating profit before amortisations and impairment on intangible assets resulting from acquisitions) of the Eastern Europe reportable segment in accordance with the equity method of accounting.

In all of its operating 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.

The information reported for each segment is the measure, which Group management uses internally for evaluating segment performance and deciding on how to allocate resources to operating segments.

The performance of an operating segment is evaluated primarily based on the segment's 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 amounts provided to the Group management in respect of sesgment profitability are measured on a basis consistent with the consolidated financial statements.

The amounts provided for the Group management in respect of segment assets and liabilities are measured on a basis consistent with the consolidated financial statements. Assets and liabilities are allocated to the segments based on segment operations. The allocation of segment assets and liabilities has been adjusted in line with the information reported to the Group management. Unallocated assets and liabilities comprise financial receivables, deferred tax assets and liabilities, income tax receivables and payables, derivatives, cash and cash equivalents and interest-bearing liabilities. The financial figures for segments assets and liabilities for the comparison period have been restated accordingly.

Inter-segment transactions are based on commercial terms.

REPORTABLE SEGMENTS 2014

EUR 1,000 Income statement	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Total reportable segments
External sales	104,059	308,174	82,505	29,442	77,619	49,960	**651,758**
Inter-segment sales	171	4,541		98	79	4	**4,893**
Segment sales	**104,230**	**312,715**	**82,505**	**29,539**	**77,698**	**49,964**	**656,651**
Depreciation	-17,056	-39,103	-12,598	-5,670	-11,675	-11,086	**-97,188**
Share of profit of joint ventures			1			-524	**-523**
EBITA	**20,447**	**55,577**	**4,451**	**-3,358**	**-5,978**	**6,166**	**77,306**
Amortisations on intangible assets resulting from acquisitions	-2,539	-4,179	-1,430		-1,601	-705	**-10,455**
Impairments					-25,510		**-25,510**
Operating profit/loss	**17,908**	**51,398**	**3,021**	**-3,358**	**-33,089**	**5,461**	**41,341**
Segment assets and liabilities							
Intangible assets	38,441	109,876	22,064	741	1,876	20,974	**193,972**
Tangible and other assets	116,567	364,125	74,954	49,670	91,098	68,223	**764,637**
Investments in joint ventures			119			4,135	**4,254**
Segment assets[1]	**155,008**	**474,001**	**97,136**	**50,411**	**92,973**	**93,333**	**962,862**
Segment liabilities[2]	**15,698**	**60,088**	**15,420**	**7,993**	**10,353**	**5,471**	**115,022**
Capital employed[3]	**139,310**	**413,913**	**81,717**	**42,418**	**82,620**	**87,862**	**847,841**
Other disclosures							
Gross capital expenditure	26,656	53,331	8,966	12,391	44,671	11,214	**157,230**
Number of employees 31 Dec (FTE)	428	806	235	118	363	456	**2,406**
Average number of employees	437	819	260	115	378	454	**2,463**

1 Segment assets include goodwill, other intangible assets, tangible assets, available-for-sale financial assets, investments in joint ventures, inventories, non-current and current trade and other receivables as well as assets held for sale
2 Segment liabilities include provisions, retirement benefit liabilities and non-current and current trade and other liabilities
3 Capital employed is segment assets less segment liabilities

REPORTABLE SEGMENTS 2013

EUR 1,000 Income statement	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Total reportable segments
External sales	101,421	310,017	90,891	28,103	74,120	52,763	**657,315**
Inter-segment sales	1,157	6,653	25	408	531	64	**8,837**
Segment sales	**102,577**	**316,670**	**90,916**	**28,512**	**74,652**	**52,826**	**666,152**
Depreciation	-15,609	-40,211	-14,015	-4,611	-8,875	-10,845	**-94,166**
Share of profit of joint ventures			47			566	**613**
EBITA	**19,312**	**55,334**	**6,600**	**30**	**-1,062**	**8,204**	**88,418**
Amortisations on intangible assets resulting from acquisitions	-2,282	-4,621	-1,747		-1,722	-719	**-11,092**
Impairments			-350				**-350**
Operating profit/loss	**17,031**	**50,713**	**4,502**	**30**	**-2,784**	**7,485**	**76,976**
Segment assets and liabilities*							
Intangible assets	38,980	121,437	25,520	825	27,941	21,812	**236,514**
Tangible and other assets	109,553	371,428	85,185	42,408	68,292	69,015	**745,880**
Investments in joint ventures			127			17,347	**17,475**
Segment assets[1]	**148,533**	**492,865**	**110,832**	**43,232**	**96,233**	**108,174**	**999,869**
Segment liabilities[2]	**16,557**	**56,905**	**21,104**	**9,768**	**6,611**	**5,143**	**116,088**
Capital employed[3]	**131,976**	**435,960**	**89,728**	**33,465**	**89,621**	**103,031**	**883,781**
Other disclosures							
Gross capital expenditure	19,709	46,919	26,613	4,511	12,897	18,192	**128,840**
Number of employees 31 Dec (FTE)	393	792	260	108	349	451	**2,353**
Average number of employees	437	783	257	104	342	478	**2,400**

* The allocation of segment assets and liabilities has been adjusted in line with the information reported to the Group management. The comparative figures for segments assets and liabilities have been restated accordingly.

1 Segment assets include goodwill, other intangible assets, tangible assets, available-for-sale financial assets, investments in joint ventures, inventories, non-current and current trade and other receivables as well as assets held for sale
2 Segment liabilities include provisions, retirement benefit liabilities and non-current and current trade and other liabilities
3 Capital employed is segment assets less segment liabilities

RECONCILIATIONS

EUR 1,000	2014	2013
Sales		
Total sales for reportable segments	656,651	666,152
Elimination of inter-segment sales	-4,893	-8,837
Group sales	**651,758**	**657,315**
Operating profit		
Total operating profit for reportable segments	41,341	76,976
Eliminations	363	297
Unallocated amounts	-7,376	-10,474
Group operating profit	**34,328**	**66,799**
Group finance costs, net	-12,849	-14,857
Group profit before taxes	**21,479**	**51,941**

EUR 1,000	2014	2013
Assets		
Total assets for reportable segments	962,862	999,869
Unallocated amounts and eliminations	32,474	31,458
Group assets for capital employed[1]	**995,336**	**1,031,327**
Other assets	52,354	43,383
Group total assets	**1,047,690**	**1,074,710**
Liabilities		
Total liabilities for reportable segments	115,022	116,088
Unallocated amounts and eliminations	4,665	918
Group liabilities for capital employed[2]	**119,687**	**117,006**
Other liabilities	473,013	457,121
Group total liabilities	**592,700**	**574,127**
Capital employed		
Capital employed for total reportable segments	847,841	883,781
Unallocated amounts and eliminations	27,809	30,540
Group capital employed[3]	**875,649**	**914,321**

1 Group assets for capital employed include the same asset items as segment assets
2 Group liabilities for capital employed include the same liability items as segment liabilities
3 Group capital employed is group assets for capital employed less group liabilities for capital employed

OTHER DISCLOSURES

	2014 Reportable segments total	2014 Unallocated amounts and eliminations	2014 Total	2013 Reportable segments total	2013 Unallocated amounts and eliminations	2013 Total
Depreciation	-97,188	179	-97,008	-94,166	299	-93,868
EBITA	77,306	-7,013	70,293	88,418	-8,469	79,948
Gross capital expenditure	157,230	1,844	159,074	128,840	776	129,616
Number of employees 31 Dec (FTE)	2,406	67	2,473	2,353	63	2,416
Average number of employees	2,463	64	2,528	2,400	63	2,463

VALUE OF OUTSTANDING ORDERS FOR MODULAR SPACE 2014

EUR 1,000	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Total reportable segments
Rental sales	24,388	54,210	5,425	8,808	2,101	1,106	**96,038**
Other sales	1,272				178	39	**1,489**
Total	**25,660**	**54,210**	**5,425**	**8,808**	**2,279**	**1,145**	**97,527**

VALUE OF OUTSTANDING ORDERS FOR MODULAR SPACE 2013

EUR 1,000	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Total reportable segments
Rental sales	20,320	50,427	4,975	9,141			**84,863**
Other sales	335						**335**
Total	**20,656**	**50,427**	**4,975**	**9,141**			**85,199**

ADDITIONAL INFORMATION BY PRODUCT AREA 2014

EUR 1,000	Equipment rental	Modular space	Praoduct areas total	Unallocated amounts and eliminations	Group
Sales	**560,357**	**92,766**	**653,123**	**-1,365**	**651,758**
EBITDA	**134,576**	**40,346**	**174,922**	**-7,620**	**167,302**
EBITDA-%	24.0	43.5	26.8		25.7
Depreciation and impairment on tangible assets	-83,294	-13,431	-96,725	-284	-97,008
EBITA	**51,283**	**26,915**	**78,197**	**-7,904**	**70,293**
EBITA-%	9.2	29.0	12.0		10.8
Capital employed[1]	**628,974**	**218,250**	**847,224**	**28,426**	**875,649**

1 Capital employed is product area assets less product area liabilities. Product area assets and liabilities are similar to assets and liabilities allocated to reportable segments.

ADDITIONAL INFORMATION BY PRODUCT AREA 2013

EUR 1,000	Equipment rental	Modular space*	Praoduct areas total	Unallocated amounts and eliminations	Group
Sales	**577,670**	**81,058**	**658,728**	**-1,412**	**657,315**
EBITDA	**143,987**	**38,248**	**182,235**	**-8,419**	**173,816**
EBITDA-%	24.9	47.2	27.7		26.4
Depreciation and impairment on tangible assets	-81,384	-12,278	-93,662	-205	-93,868
EBITA	**62,603**	**25,970**	**88,573**	**-8,624**	**79,948**
EBITA-%	10.8	32.0	13.4		12.2
Capital employed[1]	**678,602**	**204,199**	**882,801**	**31,520**	**914,321**

* As for 2013, the modular space product area covers only the modular space Nordic organisation. As for 2014, the financial information for modular space also include the Baltic and German operations. In 2013, the sales of modular space in the Baltic countries, in addition to the sales of modular space presented in the table, was about EUR 0.7 million.

1 Capital employed is product area assets less product area liabilities. Product area assets and liabilities are similar to assets and liabilities allocated to reportable segments.

INFORMATION ABOUT PRODUCTS AND SERVICES

EUR 1,000	2014	2013
Rental sales	482,366	496,440
Rental-related sales	125,525	112,662
Trading sales	43,433	47,173
Sale of used modular space	435	1,040
Group total sales	**651,758**	**657,315**

3. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Other intangible assets							Total
EUR 1,000		Cramo-brand	Co-brands	Customer relation-ships	Depot network	Non-competition agreement	Other intangible assets	Software	
Acquisition cost									
At 1 Jan 2013	**196,955**	**29,500**	**8,023**	**45,628**	**69,797**	**6,219**	**1,868**	**13,904**	**371,894**
Exchange differences	-5,791		-162	-1,508	-2,047	-286	-17	148	**-9,663**
Additions							25	1,180	**1,206**
Business acquisitions (note 31)	973			2,397					**3,371**
Reductions							-460		**-460**
Reclassification between asset categories							10	263	**272**
At 31 Dec 2013	**192,138**	**29,500**	**7,861**	**46,517**	**67,751**	**5,933**	**1,426**	**15,495**	**366,622**
Accumulated depreciation, amortisation and impairment									
At 1 Jan 2013	**-27,219**		**-3,379**	**-28,711**	**-20,062**	**-5,076**	**-1,652**	**-4,309**	**-90,407**
Exchange differences	434		125	1,256	665	253	17	115	**2,866**
Reductions							476	3	**479**
Reclassification between asset categories							-8	-267	**-275**
Depreciation (note 22)							-81	-1,309	**-1,391**
Amortisation resulting from acquisitions (note 22)			-1,313	-5,729	-3,483	-566			**-11,091**
Impairment loss (note 22)			-102			-248			**-350**
At 31 Dec 2013	**-26,786**		**-4,668**	**-33,184**	**-22,880**	**-5,637**	**-1,249**	**-5,767**	**-100,170**
Acquisition cost									
At 1 Jan 2014	**192,138**	**29,500**	**7,861**	**46,517**	**67,751**	**5,933**	**1,426**	**15,495**	**366,622**
Exchange differences	-6,637		-82	-914	-1,678	-71	-31	-534	**-9,947**
Additions							568	1,320	**1,888**
Business acquisitions (note 31)	979		657	841		793		4	**3,274**
Reductions								-495	**-495**
Reclassification between asset categories							117	628	**745**
At 31 Dec 2014	**186,481**	**29,500**	**8,436**	**46,444**	**66,073**	**6,655**	**2,079**	**16,418**	**362,087**
Accumulated depreciation, amortisation and impairment									
At 1 Jan 2014	**-26,786**		**-4,668**	**-33,184**	**-22,880**	**-5,637**	**-1,249**	**-5,767**	**-100,170**
Exchange differences	-12		59	581	295	63	13	220	**1,219**
Reductions								479	**479**
Reclassification between asset categories								9	**9**
Depreciation (note 22)							-116	-1,906	**-2,022**
Amortisation resulting from acquisitions (note 22)			-1,162	-5,479	-3,377	-437			**-10,455**
Impairment loss (note 22)	-10,212		-2,240	-320	-12,737				**-25,510**
At 31 Dec 2014	**-37,009**		**-8,011**	**-38,402**	**-38,699**	**-6,011**	**-1,351**	**-6,964**	**-136,448**
Net book value:									
At 1 Jan 2013	**169,736**	**29,500**	**4,645**	**16,917**	**49,736**	**1,142**	**216**	**9,596**	**281,486**
At 31 Dec 2013	**165,352**	**29,500**	**3,193**	**13,333**	**44,871**	**296**	**177**	**9,729**	**266,452**
At 31 Dec 2014	**149,472**	**29,500**	**424**	**8,042**	**27,374**	**644**	**728**	**9,455**	**225,639**

Net book value of goodwill and intangible assets decreased by EUR 40.8 million from EUR 266.5 million to EUR 225.6 milllion in 2014. Decrease in net book value was mainly due to impairment loss of goodwill and other intangible assets in Central Europe (EUR 25.5 million), annual amortisations and depreciation (EUR 12.5 million) and exchange differences (EUR 8.7 million). Business combinations and other investments increased the net book value by EUR 5.2 million.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36

4. TANGIBLE ASSETS

EUR 1,000	Land	Buildings and improvements	Machinery and equipment	Uncompleted purchases	Total
Acquisition cost					
At 1 Jan 2013	**1,966**	**19,632**	**1,028,272**	**712**	**1,050,583**
Exhange differences	-96	-688	-39,486	-42	**-40,312**
Additions		2,273	97,011	52	**99,336**
Business acquisitions (note 31)			15,190		**15,190**
Reductions		-2,275	-66,611		**-68,886**
Reclassification between asset categories	-35	2,262	84,524	179	**86,929**
Reclassification to/from assets held for sale (note 5)			881		**881**
At 31 Dec 2013	**1,835**	**21,204**	**1,119,781**	**900**	**1,143,720**
Accumulated depreciation and impairment					
At 1 Jan 2013	**-36**	**-9,654**	**-425,858**		**-435,548**
Exchange differences	11	408	20,258		**20,676**
Reductions	25	1,941	55,034		**56,999**
Reclassification between asset categories		-3,645	-82,804		**-86,449**
Reclassification to/from assets held for sale (note 5)			-416		**-416**
Depreciation (note 22)		-1,439	-90,190		**-91,629**
Impairment loss (note 22)			-731		**-731**
At 31 Dec 2013		**-12,390**	**-524,708**		**-537,097**
Acquisition cost					
At 1 Jan 2014	**1,835**	**21,204**	**1,119,781**	**900**	**1,143,720**
Exchange differences	-23	-382	-45,039	-21	**-45,464**
Additions		908	143,747	1,157	**145,812**
Business acquisitions (note 31)		199	7,903		**8,102**
Reductions		31	-65,167	24	**-65,111**
Reclassification between asset categories	-133	139	1,594	-1,533	**67**
At 31 Dec 2014	**1,680**	**22,099**	**1,162,820**	**527**	**1,187,126**
Accumulated depreciation and impairment					
At 1 Jan 2014		**-12,390**	**-524,708**		**-537,097**
Exchange differences		253	22,176		**22,429**
Reductions		-48	48,342		**48,293**
Reclassification between asset categories		-30	3		**-26**
Depreciation (note 22)		-1,755	-91,729		**-93,484**
Impairment loss (note 22)			-1,502		**-1,502**
At 31 Dec 2014		**-13,970**	**-547,418**		**-561,387**
Net book value:					
At 1 Jan 2013	**1,930**	**9,978**	**602,414**	**712**	**615,034**
At 31 Dec 2013	**1,811**	**8,841**	**595,073**	**900**	**606,625**
At 31 Dec 2014	**1,680**	**8,129**	**615,401**	**527**	**625,738**

Net book value of tangible assets increased by EUR 19.1 million from EUR 606.6 million to EUR 625.7 million in 2014. The net book value increased mainly due to investments (EUR 145.8 million) and business acquisitions (EUR 8.1 million), which were above the level of depreciation and impairment losses (EUR 95.0 million) and asset reductions (EUR 16.8 million). Exchange differences reduced the net book value by EUR 23.0 million.

Machinery and equipment includes assets acquired through finance lease contracts. Acquisition cost of such equipment at the end of period was EUR 101.5 (119.2) million, accumulated depreciation EUR 51.6 (53.3) million and net book value EUR 49.9 (65.9) million.

5. ASSETS HELD FOR SALE

EUR 1,000	2014	2013
Net book value at 1 Jan	**4,369**	**3,540**
Exchange differences		233
Additions		1,207
Reclassification to tangible assets		-465
Reclassification to inventory	-1,882	
Reductions	-2,487	-28
Impairment loss (note 22)		-118
Net book value at 31 Dec		**4,369**

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

The allocation of goodwill and other intangible assets with indefinite useful lives
Goodwill and other intangible assets with indefinite useful lives acquired through business combinations have been allocated to cash-generating units for impairment testing. A CGU encompasses the business operations of the segment in each country, except for Central Europe, Latvia and Lithuania, and the Czech Republic and Slovakia. Central Europe consists of business in Germany, Austria 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.

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

	2014		2013	
EUR 1,000	Goodwill	Cramo brand	Goodwill	Cramo brand
Finland	30,412	4,683	29,771	5,149
Sweden	86,546	14,049	91,689	15,894
Norway	16,507	3,707	17,847	4,563
Denmark		1,327		1,431
Central Europe		3,491	9,946	
Estonia	11,806	763	11,806	843
Latvia and Lithuania	948	743	948	809
Poland	3,254	458	3,347	516
The Czech Republic and Slovakia		281		296
Total	**149,472**	**29,500**	**165,352**	**29,500**

Basis for mpairment 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 February 2015 for Central Europe and in December 2013 for other cash-generating units. The test of Central Europe was based on the balance sheet as at 31 December 2014. For other units the test was based on balance sheet as at 31 October 2013. 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 results of impairment test as per 31 December 2014 indicated a need for impairment loss in Central Europe amounting to EUR 25,510 thousand. The classification of impairment loss between balance sheet items is disclosed in note 3 Intangible assets. The transformation program of Central Europe has progressed slower than expected, which has caused weaker than expected financial performance until the end of 2014. This resulted in an impairment loss as per 31 December 2014. For other units there was no need for impairment loss, since the recoverable amount exceeded the carrying amount of assets in other cash generating units.

The key assumptions related to impairment test of 2014 and 2013 are presented in the tables below.

Key assumptions used in value-in-use calculations:

2014	EBITA-%	Compound annual growth rate five-year period, %	Growth rate beyond the five-year period, %	Discount rate before tax, %	Discount rate after tax, %
Finland	16.7–19.8	2.0	1.0	7.86	6.45
Sweden	17.1–18.1	1.0	1.0	8.00	6.43
Norway	10.3–12.8	2.5	1.0	8.99	6.82
Denmark	7.4–11.0	1.4	1.0	8.72	7.03
Central Europe	1.4–9.0	3.8	1.0	9.44	6.79
Eastern Europe	5.6–21.9	1.9–7.8	1.5–2.0	8.37–9.65	6.89–8.10

2013	EBITA-%	Compound annual growth rate five-year period, %	Growth rate beyond the five-year period, %	Discount rate before tax, %	Discount rate after tax, %
Finland	18.4–21.9	2.4	1.0	8.49	6.95
Sweden	17.4–20.4	3.2	1.0	8.68	6.92
Norway	10.7–13.4	4.9	1.0	9.66	7.28
Denmark	3.0–9.8	3.5	1.0	9.16	7.47
Central Europe	3.0–11.6	8.9	1.0	9.76	7.25
Eastern Europe	6.4–24.9	2.9–10.8	2.0	8.72–10.10	7.38–8.61

EBITA margin
The Group's profitability deteriorated in 2014. Market conditions and efficiency improvements are expected to gradually improve the profitability in majority of the CGUs during the forecasting period. Profitability level used in terminal value calculation reflects moderate historical level. There is significant improvement potential in utilisation rates especially in Central Europe but also in other units.

Growth rate for the five year period
Future growth estimates are mainly based on higher utilisation rates. Growth investments and their impact have been carved out. Sales is expected to reach an annual average growth rate of 1.0–7.8% in 2015–2019. In the Nordic countries the annual average growth rate is expected to vary between 1.0–2.5%, depending on the unit. In Central Europe the growth in sales is expected to grown annually an average rate of 3.8% in 2015–2019. In Eastern-Europe, the annual average growth rate is expected to be 1.9–7.8%.

Growth rate beyond the five years
The growth rate beyond five years for Eastern Europe countries equals 1.5–2.0% per year depending on unit 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

Forecasted cash flows are discounted to present value with CGU specific discount rate. Cramo Group's weighted average cost of capital (WACC) consitutes the basis for the determination of the discount rate. Cost of capital includes assumptions for capital structure, risk-free interest rate, risk premium, cost of debt and equity and equity beta. In determining the CGU-specific discount rates the weighted average cost of capital is increased by a CGU specific risk factor, which includes assumptions for country, currency and price risks inherent to CGU.

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	-9.0	-15.6	-11.5	5.9	143.9	50–100
Sweden	-7.1	-11.1	-6.0	3.7	315.5	50–100
Norway	-3.5	-7.4	-3.5	2.3	39.6	20–50
Denmark	0.0	0.0	0.0	0.0	0.0	0–10
Central Europe	0.0	0.0	0.0	0.0	0.0	0–10
Eastern Europe	-7.7–0.0	-14.3–0.0	-11.3–0.0	0.0–5.9	0.0–19.7	0–100

In Central Europe and Denmark, deterioration of any assumption would make the value is use lower than the net book value. In these units there is no goodwill allocated, but only Cramo brand according to sales in Central Europe EUR 3.5 million and in Denmark EUR 1.3 million. Fair value less cost to sell of tangible assets exceeds net book value also in these units.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

EUR 1,000	2014	2013
At 1 Jan	**347**	**349**
Exchange differences		-2
Disposals	-2	
Change in fair value reserve	-158	
At 31 Dec	**187**	**347**

Due to their immaterial nature for the Group, it was decided during 2014 to reclassify available-for-sale financial assets to be measured at historical 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.

8. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

EUR 1,000 At 31 Dec 2014	Note	Financial asset/liability at fair value through profit and loss	Loans and other receivables	Available-for-sale financial assets	Loans and other liabilities	Hedge accounted derivatives	Book value	Fair value	Fair value hierarchy
Non-current financial assets									
Interest-bearing receivables	9		17,689				17,689	17,689	2
Available-for-sale financial investments	7			187			187		-
Trade and other receivables	9		1,046				1,046		-
Current financial assets									
Derivative financial instruments	14	3,632					3,632	3,632	2
Trade and other receivables	9		105,889				105,889		-
Cash and short-term deposits	11		5,689				5,689	5,689	2
Total		**3,632**	**130,313**	**187**			**134,132**		
Non-current financial liabilities									
Interest-bearing liabilities	13				294,392		294,392	299,830	2
Derivative financial instruments	14					9,286	9,286	9,286	2
Other non-current liabilities	16				1,369		1,369		-
Current financial liabilities									
Interest-bearing liabilities	13				96,676		96,676	96,676	2
Derivative financial instruments	14	580					580	580	2
Trade and other payables	17				63,178		63,178		-
Total		**580**			**455,615**	**9,286**	**465,481**		

EUR 1,000 At 31 Dec 2013	Note	Financial asset/liability at fair value through profit and loss	Loans and other receivables	Available-for-sale financial assets	Loans and other liabilities	Hedge accounted derivatives	Book value	Fair value	Fair value hierarchy
Non-current financial assets									
Interest-bearing receivables	9		20,250				20,250	20,250	2
Available-for-sale financial investments	7			347			347		-
Trade and other receivables	9		1,039				1,039		-
Current financial assets									
Derivative financial instruments	14	2,053					2,053	2,053	2
Trade and other receivables	9		108,436				108,436		-
Cash and short-term deposits	11		4,770				4,770	4,770	2
Total		**2,053**	**134,495**	**347**			**136,895**		
Non-current financial liabilities									
Interest-bearing liabilities	13				269,881		269,881	272,293	2
Derivative financial instruments	14					6,001	6,001	6,001	2
Other non-current liabilities	16				2,759		2,759		-
Current financial liabilities									
Interest-bearing liabilities	13				99,719		99,719	99,719	2
Derivative financial instruments	14	422					422	422	2
Trade and other payables	17				56,893		56,893		-
Total		**422**			**429,252**	**6,001**	**435,675**		

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. Due to their immaterial nature for the Group, it was decided during 2014 that available-for-sale financial assets are all measured at historical cost. The unquoted shares were already earlier measured at historical cost due to missing markets, and because the Group has no intention to sell these shares. The value of other shares was 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 receivables and liabilities
The fair value of loans and loans receivable 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 and investments. 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 2013, the Group adopted IFRS 13 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. NON-CURRENT AND CURRENT RECEIVABLES

EUR 1,000	2014	2013
Non-current receivables		
Loan receivables from joint ventures (see note 30)	17,656	20,250
Pension assets (see note 32)		90
Other receivables	1,079	1,039
Non-current receivables, total	**18,735**	**21,379**
Current receivables		
Trade receivables	100,231	97,839
Other receivables	5,658	10,597
Prepaid expenses and accrued income	22,878	18,800
Current receivables, total	**128,767**	**127,236**

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

A total amount of EUR 5,187 (4,806) thousands 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	2014	2013
At 1 Jan	**6,043**	**7,121**
Exchange differences	-161	-229
Charge for the period (+)/income (-)	248	-849
At 31 Dec	**6,130**	**6,043**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36

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, insurance, personnel and leasing expenses.

EUR 1,000 **Ageing analysis of trade receivables**	2014	2013
Trade receivables, not due at reporting date	68,073	70,751
Trade receivables 1–30 days overdue	25,626	20,204
Trade receivables 31–60 days overdue	3,053	3,299
Trade receivables 61–90 days overdue	473	1,403
Trade receivables 91–180 days overdue	1,375	1,388
Trade receivables more than 180 days overdue	1,631	795
Total	**100,231**	**97,839**

EUR 1,000 **Trade receivables by currencies**	2014	2013
EUR	26,576	24,927
SEK	48,103	45,559
NOK	14,731	14,174
DKK	6,110	7,299
PLN	1,653	2,141
Other	3,058	3,739
Total	**100,231**	**97,839**

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	2014	2013
Materials, supplies and goods for sale	9,908	8,034
Obsolesence provision	-190	-194
Total	**9,718**	**7,841**

At the end of the period, inventories have been written down by EUR 190 (194) thousands to correspond to their net realisable value. The amount of write-down is recognised in materials and services in the income statement.

11. CASH AND CASH EQUIVALENTS

EUR 1,000	2014	2013
Cash in hand and at banks	5,689	4,770
Total	**5,689**	**4,770**

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

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

At 31 December 2014, the Group had available EUR 217,6 (199,3) million of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the abovementioned figures for cash in hand and at banks at 31 December 2014 and 31 December 2013.

12. SHARE CAPITAL AND EQUITY FUNDS

EUR 1,000 **Movements during the year**	Number of shares	Share capital	Other reserves	Total
At 1 Jan 2013	42,024,675	24,835	304,373	**329,208**
Exercise of share options	819,658		14,069	**14,069**
Changes within equity			300	**300**
At 31 Dec 2013	**42,844,333**	**24,835**	**318,742**	**343,577**
Exercise of share options	1,059,221		4,395	**4,395**
Changes within equity			-300	**-300**
At 31 Dec 2014	**43,903,554**	**24,835**	**322,837**	**347,672**

During the financial year Cramo Plc had two stock option plans and other share plans. More information on 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 include the subscription price of the shares and also the premiums received on exercise of share options and other share issues under the old Limited Liability Companies Act.

EUR 1,000 Movements during the year	Fair value reserve	Hedging fund	Total
At 1 Jan 2013	119	-8,144	**-8,025**
Cash flow hedges			
Fair value gains in period		2,860	**2,860**
Tax on fair value losses		-1,172	**-1,172**
Effect of change in tax percent		-270	**-270**
At 31 Dec 2013	**119**	**-6,726**	**-6,607**
Cash flow hedges			
Fair value gains in period		-2,093	**-2,093**
Tax on fair value losses		657	**657**
Effect of change in tax percent	-119		**-119**
At 31 Dec 2014		**-8,162**	**-8,162**

Fair value reserve
During 2014 the Group reclassified the available-for-sale financial assets to be measured at cost through profit and loss or financial assets at amortised cost. 2013 year end closing 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.

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.

DIVIDENDS

The Board proposes to the AGM a dividend of EUR 0.55 (0.60) per share for year 2014.

13. INTEREST-BEARING LIABILITIES

EUR 1,000 Non-current interest-bearing liabilities	2014 Book value	2014 Fair value	2013 Book value	2013 Fair value
Syndicated bank loan	180,191	180,191	139,476	139,476
Bond	99,662	105,100	99,538	101,950
Other bank loans	613	613	100	100
Repurchase liabilities	202	202	202	202
Finance lease liabilities	13,724	13,724	30,565	30,565
Total	**294,392**	**299,830**	**269,881**	**272,293**
Current interest-bearing liabilities	**Book value**		**Book value**	
Other bank loans	1,199		12,738	
Finance lease liabilities	13,018		11,177	
Commercial papers	82,459		75,804	
Total	**96,676**		**99,719**	
Total interest-bearing liabilities	**391,068**		**369,600**	

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 217.6 (199.3) million, of which long-term EUR 192.0 (184.0) million and short-term EUR 25.6 (15.3) million.

In 2014 Cramo refinanced its long-term syndicated loan facilities totalling EUR 375 million. The replaced facility was agreed in 2010 and was due to mature in December 2015. The new unsecured syndicated loan matures on 1 January 2020 with one year extension option. The loan consists of a EUR 125 million term loan and a EUR 250 million revolving credit facility. The previous loan had two covenants, the Net Debt to EBITDA ratio and Gearing. The new loan has only one financial covenant, the Net Debt to EBITDA ratio, with higher maximum level than previously. The Group has extensive headroom towards the essential parameters breaking the covenant. Furthermore, the new loan arrangement improves the maturity profile of Cramo's debt portfolio and reduces the Group's interest expenses.

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EUR 1,000 Interest-bearing liabilities mature as follows, 2014	2015	2016	2017	2018	2019	2020+	Total
Syndicated bank loan						180,191	**180,191**
Bond				99,662			**99,662**
Other bank loans	1,813						**1,813**
Repurchase liabilities				202			**202**
Finance lease liabilities	13,017	6,465	3,655	1,769	1,835		**26,741**
Commercial papers	82,459						**82,459**
Total	**97,289**	**6,465**	**3,655**	**101,633**	**1,835**	**180,191**	**391,068**

EUR 1,000 Interest-bearing liabilities mature as follows, 2013	2014	2015	2016	2017	2018	2019+	Total
Syndicated bank loan		139,476					**139,476**
Bond					99,538		**99,538**
Other bank loans	12,738	92	8				**12,838**
Repurchase liabilities					202		**202**
Finance lease liabilities	11,177	15,641	7,857	3,189	1,859	2,019	**41,742**
Commercial papers	75,804						**75,804**
Total	**99,719**	**155,209**	**7,865**	**3,189**	**101,599**	**2,019**	**369,600**

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	2014	2013
SEK	14,799	21,202
NOK	5,867	8,976
EUR	3,694	6,344
Other	2,381	5,220
Total	**26,741**	**41,742**

EUR 1,000 Gross finance lease liabilities – minimum lease payments	2014	2013
Payable < 1 year from balance sheet date	13,572	14,978
Payable 1–5 years from balance sheet date	14,347	26,430
Payable > 5 years from balance sheet date		2,031
Total	**27,919**	**43,439**
Future finance charges on finance leases	1,178	1,697
Present value of minimum future finance lease payments	**26,741**	**41,742**

Weighted average maturity and interest rates at 31 Dec	2014 Maturity, years	Interest, %	2013 Maturity, years	Interest, %
Bank loans excluding interest rate swaps	5.0	1.39	2.0	1.98
Bank loans including interest rate swaps	5.0	2.41	2.0	3.33
Bond	3.2	4.50	4.2	4.50
Finance leases	1.5	2.83	1.9	2.33
Repurchase liabilities	3.6	4.08	4.6	4.08
Commercial papers	0.1	0.56	0.2	0.89
Total (including interest rate swaps)	**3.3**	**2.58**	**2.2**	**2.94**

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 objectives of the Group Treasury are 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, the Group Treasury actively monitors the actual values of the 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 and is partly off-set by the bond with fixed interest rate. At the balance sheet date, 49.2% (52.0%) of outstanding interest-bearing liabilities were at fixed interest rates when including the effect of derivatives used. During 2014 the Group's borrowings were denominated mainly in the EUR. The currency specification of financial lease liabilities is presented in table later in this note. The weighted average fixing period for loan portfolio was 2.3 (2.5 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.

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 at 31 December 2014 EUR 90.0 (91.0) million. IAS 39 hedge accounting was applied to a part of these interest rate swaps representing a total nominal value of EUR 90.0 (EUR 91.0) 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 2014 on EUR-denominated borrowings had been 1 % higher/lower with all other variables held constant, the impact to pre-tax profit for the year would have been EUR +1.6/-0.3 (+1.3/-1.3) million, 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. The impact to other components of equity would have been EUR +4.3/-4.6 (+4.2/-4.5) million, 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.

MEUR	2014				2013			
	Income statement		Equity		Income statement		Equity	
Effect of change in interest rates	**+1%**	**-1%**	**+1%**	**-1%**	**+1%**	**-1%**	**+1%**	**-1%**
Interest-bearing liabilities	-2.3	0.4			-2.0	2.0		
Interest rate derivatives								
Hedge accounted	0.7	-0.7	4.3	-4.6	0.7	-0.7	4.2	-4.5
Non-hedge accounted								
Total	**-1.6**	**-0.3**	**4.3**	**-4.6**	**-1.3**	**1.3**	**4.2**	**-4.5**

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 crown. 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 translation differences in other comprehensive income items. The Group Treasury regularly monitors and evaluates the translation risk. In 2014 the Group had not hedged any foreign currency denominated equity.

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. Hedge accounting is not applied for these derivatives and 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 31 Dec 2014	SEK	NOK	Other currencies total	Total
Translation risk and hedging				
Equity exposed to translation risk	359,422	29,698	31,680	**420,800**
Open exposure	**359,422**	**29,698**	**31,680**	**420,800**
Sensitivity analysis, 5% depreciation of each currency against euro				
Equity exposed to translation risk	-17,971	-1,485	-1,584	**-21,040**
Total	**-17,971**	**-1,485**	**-1,584**	**-21,040**

EUR 1,000 31 Dec 2013	SEK	NOK	Other currencies total	Total
Translation risk and hedging				
Equity exposed to translation risk	363,356	30,985	33,008	**427,349**
Open exposure	**363,356**	**30,985**	**33,008**	**427,349**
Sensitivity analysis, 5% depreciation of each currency against euro				
Equity exposed to translation risk	-18,168	-1,549	-1,650	**-21,367**
Total	**-18,168**	**-1,549**	**-1,650**	**-21,367**

During 2014 and 2013 Cramo has not utilised any financial instruments to hedge the net investments in subsidiaries denominated in other currencies than EUR.

During previous years also a proportion of the Group's RUB-denominated lending to its subsidiaries has been designated as a part of the net investment in the respective subsidiaries. Previous year, 2013, the cumulative foreign exchange loss of EUR 2.3 million on translation of the borrowing to base currency was recognised in income statement, as the respective companies were transferred to a new joint venture Fortrent. See more about the joint venture in note 29.

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EUR 1,000 31 Dec 2014	SEK	NOK	Other currencies total	Total
Transaction risk and hedging				
Transaction exposure	-17,025	58,526	46,095	**87,596**
Hedges	14,905	-46,173	-39,442	**-70,710**
Open exposure	**-2,121**	**12,353**	**6,654**	**16,886**
Sensitivity analysis, 5% depreciation of each currency against euro				
Transaction exposure	851	-2,926	-2,305	**-4,380**
Hedges	-745	2,309	1,972	**3,536**
Total	**106**	**-618**	**-333**	**-844**

EUR 1,000 31 Dec 2013	SEK	NOK	Other currencies total	Total
Transaction risk and hedging				
Transaction exposure	535	49,519	38,185	**88,239**
Hedges	-542	-45,737	-42,183	**-88,462**
Open exposure	**-7**	**3,782**	**-3,998**	**-223**
Sensitivity analysis, 5% depreciation of each currency against euro				
Transaction exposure	-27	-2,476	-1,909	**-4,412**
Hedges	27	2,287	2,109	**4,423**
Total		**-189**	**200**	**11**

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 2014	Positive fair value	Negative fair value	Net fair value
FX forward contracts	3,376	-325	3,051
Interest rate swaps, cash flow hedges		-9,286	-9,286
Total	**3,376**	**-9,611**	**-6,234**
Non-current portion			
Interest rate swaps, cash flow hedges		-9,286	-9,286
Non-current portion		**-9,286**	**-9,286**
Current portion	**3,376**	**-325**	**3,051**

EUR 1,000 Fair values 31 Dec 2013	Positive fair value	Negative fair value	Net fair value
FX forward contracts	2,053	-421	1,632
Interest rate swaps, cash flow hedges		-6,001	-6,001
Total	**2,053**	**-6,422**	**-4,369**
Non-current portion			
Interest rate swaps, cash flow hedges		-6,001	-6,001
Non-current portion		**-6,001**	**-6,001**
Current portion	**2,053**	**-421**	**1,632**

EUR 1,000 Nominal values of derivative financial instruments	2014	2013
FX forward contracts	138,569	107,349
Interest rate swaps	90,000	91,000
Total	**228,569**	**198,349**

The derivatives used in 2014 and 2013 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 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 2014 the open derivative exposure reflects well the exposure retained during the financial year.

Cramo enters into derivative transactions under master netting agreements. In general the amounts owed by each counterparty are settled with one single net payment by each currency. In certain circumstances, e.g. when a credit event such as a default occurs, all outstanding transactions under the agreements are terminated and only one amount is payable in settlement of all transactions. The netting agreements do not meet the criteria for offsetting in the statement of financial position. The following table illustrates the carrying amounts of derivative instruments that are subject to the agreements described above.

EUR 1,000 Derivative financial assets	2014	2013
Gross amounts in the statement of financial position	3,376	2,053
Related instruments that are not offset	-2,800	-1,230
Total	**576**	**823**

EUR 1,000 Derivative financial liabilities	2014	2013
Gross amounts in the statement of financial position	9,611	6,422
Related instruments that are not offset	-2,800	-1,230
Total	**6,811**	**5,193**

EUR 1,000 Derivative instruments mature as follows, 2014	2015	2016	2017	2018	2019	2020+	Total
Currency derivative instruments	138,569						**138,569**
Interest rate derivative instruments				40,000		50,000	**90,000**
Total interest derivative instruments	**138,569**			**40,000**		**50,000**	**228,569**

EUR 1,000 Derivative instruments mature as follows, 2013	2014	2015	2016	2017	2018	2019+	Total
Currency derivative instruments	107,349						**107,349**
Interest rate derivative instruments					40,000	51,000	**91,000**
Total interest derivative instruments	**107,349**				**40,000**	**51,000**	**198,349**

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 2014.

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 2014 undrawn committed credit facilities totalled EUR 217.6 (199.3) 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 2014	Less than 1 year	1–2 years	2–5 years	Over 5 years	Total
Derivatives					
FX forward contracts, outflow	-422				**-422**
FX forward contracts, inflow	2,053				**2,053**
Interest rate swaps, outflow	-1,930	-2,925	-3,366	-3,843	**-12,063**
Interest rate swaps, inflow	65	82	437	1,626	**2,209**
Derivatives, net	**-234**	**-2,843**	**-2,929**	**-2,217**	**-8,223**
Accounts payable and other non-interest bearing liabilities	-115,377				**-115,377**
Borrowings (excl. finance lease liabilities)	-87,674	-9,012	-104,500	-183,000	**-384,186**
Finance lease liabilities	-13,573	-6,752	-7,595		**-27,920**
Repurchase liabilities	-8	-8	-218		**-234**
Total	**-216,632**	**-15,772**	**-112,313**	**-183,000**	**-527,717**

EUR 1,000 Maturities of financial liabilities at 31 Dec 2013	Less than 1 year	1–2 years	2–5 years	Over 5 years	Total
Derivatives					
FX forward contracts, outflow	-421				**-421**
FX forward contracts, inflow	2,053				**2,053**
Interest rate swaps, outflow	-2,192	-2,198	-5,991	-1,377	**-11,758**
Interest rate swaps, inflow	265	317	2,829	1,118	**4,529**
Derivatives, net	**-295**	**-1,881**	**-3,162**	**-259**	**-5,597**
Accounts payable and other non-interest bearing liabilities	-112,022				**-112,022**
Borrowings (excl. finance lease liabilities)	-95,736	-146,680	-109,683		**-352,099**
Finance lease liabilities	-14,978	-13,155	-13,275	-2,031	**-43,439**
Repurchase liabilities	-8	-8	-226		**-242**
Total	**-222,744**	**-159,843**	**-123,184**	**-2,031**	**-507,802**

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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.

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 the previous year, 2013, Cramo exercised its right to call the EUR 50 hybrid bond issued in 2009. One of the essential financial targets of the Group is to keep the gearing ratio below 100%. This target was met well (gearing at 31 Dec 2014 84.7%, 31 Dec 2013 72.9%).

The net interest-bearing liabilities of the Group at 31 December 2014 totalled EUR 385.4 million, while at 31 December 2013 they were EUR 364.8 million. During 2014 the net interest-bearing liabilities increased by EUR 20.6 million.

Net debt and gearing are represented in the table below.

EUR 1,000	2014	2013
Interest-bearing liabilities	391,068	369,600
Cash and cash equivalents	-5,689	-4,770
Net interest-bearing liabilities	**385,379**	**364,830**
Total equity	**454,990**	**500,474**
Gearing, %	**84.7**	**72.9**

15. DEFERRED TAXES

Deferred tax assets and liabilities as presented in the balance sheet

EUR 1,000	2014	2013
Deferred tax asset	14,336	14,820
Deferred tax liabilities	68,096	75,337
Deferred tax liabilities net	**53,760**	**60,517**

Change in deferred tax liabilities and assets recognised in the balance sheet

EUR 1,000	2014	2013
Deferred tax liabilities net at 1 Jan	**60,517**	**65,584**
Acquired and disposed subsidiaries	1,356	230
Items recognised in the income statement	-4,450	-5,090
Items recognised in other comprehensive income	-788	1,442
Exchange rate differences	-2,874	-1,649
Deferred tax liabilities net at 31 Dec	**53,760**	**60,517**

Movements in deferred tax assets and liabilities during the year:

EUR 1,000	1 Jan 2014	Recognised in income statement	Recognised in other comprehensive income	Acquisitions and disposals	Exchange difference	31 Dec 2014
Deferred tax assets						
Tax losses carried forward	9,913	-1,012			-526	**8,375**
Depreciation difference, negative	122	1,426			-3	**1,545**
Financial leases	589	-199			-8	**382**
Fair value of hedging fund	1,200		657			**1,857**
Derivative financial instruments	587	-471				**116**
Elimination of internal profit	1,181	-188				**993**
Retirement benefit liabilities	139	285	131		-13	**542**
Other temporary differences	1,089	-550			-13	**526**
Total	**14,820**	**-709**	**788**		**-563**	**14,336**
Deferred tax liabilities						
Depreciation difference	51,085	1,411			-2,852	**49,643**
Financial leases	4,219	-169			-171	**3,879**
Derivative financial instruments	411	315				**726**
Valuation of assets to fair value in business combinations	19,010	-6,543		1,356	-412	**13,411**
Undistributed retained earnings	532	-160				**372**
Other temporary differences	80	-13			-2	**65**
Total	**75,337**	**-5,159**		**1,356**	**-3,437**	**68,096**
Deferred tax liabilites net	**60,517**	**-4,450**	**-788**	**1,356**	**-2,874**	**53,760**

EUR 1,000	1 Jan 2013	Recognised in income statement	Recognised in other comprehensive income	Acquisitions and disposals	Exchange difference	31 Dec 2013
Deferred tax assets						
Tax losses carried forward	3,223	7,315			-625	**9,913**
Depreciation difference, negative	100	92		-66	-4	122
Financial leases	5,187	-4,333			-265	**589**
Fair value of hedging fund	2,643		-1,442			**1,200**
Exchange rate differences of net investments	287	-287				
Derivative financial instruments	308	279				**587**
Elimination of internal profit	1,608	-427				**1,181**
Retirement benefit obligations	131	10			-2	**139**
Other temporary differences	1,117	379		-164	-245	**1,089**
Total	**14,604**	**3,028**	**-1,442**	**-230**	**-1,141**	**14,820**
Deferred tax liabilities						
Depreciation difference	50,132	3,210			-2,257	**51,085**
Financial leases	6,626	-2,235			-172	**4,219**
Exchange rate differences of net investments	287	-287				
Derivative financial instruments	74	336				**411**
Valuation of assets to fair value in business combinations	23,018	-3,649			-359	**19,010**
Undistributed retained earnings	0	532				**532**
Other temporary differences	51	31			-2	**80**
Total	**80,188**	**-2,062**			**-2,790**	**75,337**
Deferred tax liabilites net	**65,584**	**-5,090**	**1,442**	**230**	**-1,649**	**60,517**

Deferred tax liability for the annual profits of the Estonian subsidiary has been recognised since the financial year 2013 corresponding to the half of the profit in line with the new dividend distribution policy for future earnings. No deferred tax liability has been recognised on the undistributed earnings of the earlier years, because the distribution is in the control of the Group and such distribution is not probable within foreseeable future.

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The group did not recognise deferred tax asset of EUR 1,822 (4,451) thousands of the current year tax losses in respect of subsidiaries that are currently making loss.

16. OTHER NON-CURRENT LIABILITIES

EUR 1,000 Other non-current liabilities	2014	2013
Advances received	428	582
Other non-current liabilities	1,369	2,759
Total	**1,797**	**3,341**

17. TRADE AND OTHER PAYABLES

EUR 1,000	2014	2013
Trade payables	53,223	49,231
Advances received	11,070	10,225
Accrued expenses and deferred income	41,152	44,904
Other current liabilities	9,932	7,662
Total	**115,377**	**112,022**

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 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	2014	2013
Collateral given on own behalf		
Debts, secured by collateral		
Finance lease liabilities	26,741	41,742
Collateral given		
Pledges, finance lease	49,880	65,868
Other contingent liabilities		
Investments	21,001	17,271
Other contingent liabilities	1,212	2,008
Group's share of commitments in joint ventures	120	175

Joint venture contingent liabilities see note 29.

EUR 1,000 Commitments to office and depot rents	2014	2013
Payable < 1 year from balance sheet date	24,756	27,574
Payable 1–5 years from balance sheet date	58,890	74,436
Payable > 5 years from balance sheet date	8,011	12,681
Total	**91,657**	**114,690**

EUR 1,000 Operational lease payments	2014	2013
Payable < 1 year from balance sheet date	12,178	12,226
Payable 1–5 years from balance sheet date	16,687	11,401
Total	**28,865**	**23,627**

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.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36

19. OTHER OPERATING INCOME

EUR 1,000	2014	2013
Net capital gain on sale of tangible assets	8,067	6,313
Reversal of earn-out payment for business combinations	2,594	1,281
Rent on premises	1,037	715
Income from insurance companies	338	326
Other income	1,120	1,372
Total	**13,156**	**10,007**

20. MATERIALS AND SERVICES

EUR 1,000	2014	2013
Cost of sub-rental and rental-sharing	-31,363	-38,052
Cost of goods sold	-32,104	-36,888
Repair and maintenance cost	-54,797	-48,864
Transportation cost	-52,039	-51,959
Cost of external services	-62,360	-52,240
Total	**-232,663**	**-228,002**

21. EMPLOYEE BENEFIT EXPENSES

EUR 1,000	2014	2013
Wages and salaries, including restructuring costs 255 (588) tEUR	-106,077	-105,260
Share-based payment	-977	-1,668
Social security costs	-21,911	-23,099
Pension costs – defined contribution plans	-9,535	-8,705
Total	**-138,500**	**-138,732**
Average number of personnel	**2,528**	**2,463**
Average number of personnel in joint ventures	**371**	**372**

The employee benefits of the Group's management are disclosed in note 30 and information concerning share based payments are presented in note 28. Joint ventures, see note 29.

22. DEPRECIATION AND IMPAIRMENT

EUR 1,000	2014	2013
Depreciation of tangible assets	-93,484	-91,629
Amortisation of intangible assets	-2,022	-1,391
Total depreciation	**-95,506**	**-93,019**
Impairment loss of tangible assets	-1,502	-731
Impairment loss of assets held for sale		-118
Depreciation and impairment loss related to tangible and intangible assets	**-97,008**	**-93,868**
Amortisation on intangible assets resulting from acquisitions	-10,455	-11,091
Impairment loss related to intangible assets resulting from acquisitions	-25,510	-350
Impairment loss on disposals		-1,708
Amortisation and impairment loss resulting from acquisitions and disposals	**-35,965**	**-13,150**
Total depreciation, amortisation and impairment losses	**-132,974**	**-107,018**
Depreciation of tangible assets	-93,484	-91,629
Amortisation of intangible assets	-2,022	-1,391
Amortisation of intangible assets resulting from acquisitions	-10,455	-11,091
Total depreciation and amortisation	**-105,961**	**-104,110**
Impairment loss of tangible assets	-1,502	-731
Impairment loss of assets held for sale		-118
Impairment loss related to intangible assets resulting from acquisitions	-25,510	-350
Impairment loss on disposals		-1,708
Total impairment losses	**-27,012**	**-2,907**
Total depreciation, amortisation and impairment losses	**-132,974**	**-107,018**

In 2014 was recorded an impairment loss of EUR 25,510 thousand related to Central Europe goodwill and other intangible assets. In 2013 was recorded an impairment loss of EUR 350 thousand related to brand value of acquisition in Norwegian operations and an impairment of EUR 1,708 thousand related to business operations transferred to the Russian joint venture Fortrent.

23. OTHER OPERATING EXPENSES

EUR 1,000	2014	2013
Rent for premises	-32,187	-32,426
Other expenses for premises	-13,300	-13,194
Operational leases	-14,935	-17,424
Bad debts	-5,187	-4,806
Marketing	-8,361	-8,664
Temporary staff	-8,164	-10,742
Other personnel related expenses	-10,499	-9,854
Other administrative and operating expenses	-33,292	-30,274
Total	**-125,927**	**-127,385**

EUR 1,000	2014	2013
Audit fees		
Authorised Public Accountants Ernst & Young		
Audit fees	-139	-913
Tax consultation	-153	-173
Other services	-122	-38
Total	**-414**	**-1,125**
Authorised Public Accountants KPMG		
Audit fees	-396	
Tax consultation	-24	
Other services	-16	
Total	**-436**	
Total	**-851**	**-1,125**

Cramo Plc's Annual General Meeting on 1 April 2014 appointed KPMG Oy Ab, Authorised Public Accountants, as Cramo Plc's auditor, with Mr Toni Aaltonen APA, as the responsible auditor.

24. FINANCIAL INCOME AND EXPENSES

EUR 1,000	2014	2013
Interest income on loans receivable and cash and cash equivalents	1,349	1,262
Other financing income	1	94
Incomes total	**1,350**	**1,356**
Interest expenses on financial liabilities measured at amortised cost	-8,702	-10,521
Interest expenses on financial leases	-947	-1,819
Net interest expenses on interest rate derivatives, cash flow hedges	-3,254	-2,060
Change in fair value of foreign exchange rate derivatives, non-hedge accounted	4,043	2,389
Other exchange rate differences	-3,533	-2,337
Arrangement and commitment fees relating to interest-bearing loans	-1,640	-1,673
Other financing expenses	-166	-192
Expenses total	**-14,199**	**-16,213**
Net financial incomes and expenses	**-12,849**	**-14,857**

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	2014	2013
Current tax	-9,660	-14,200
Adjustment for prior years	-261	-50
Change in deferred taxes	4,450	5,090
Total	**-5,471**	**-9,160**

Amounts recognised in OCI	2014 Before tax	2014 Tax effect	2014 Net of tax	2013 Before tax	2013 Tax effect	2013 Net of tax
Remeasurements of defined benefit liability	-454	131	**-324**	-125	37	-88
Change in hedging fund	-2,967	657	**-2,309**	2,860	-1,442	1,418
Available-for-sale financial assets	-119		**-119**			
Share of OCI of joint ventures	-12,689		**-12,689**	-4,386		-4,386
Change in translation differences	-25,243		**-25,243**	-13,450		-13,450
Total	**-41,472**	**788**	**-40,684**	**-15,101**	**-1,405**	**-16,506**

Reconciliation of effective tax rate
The difference between income taxes at the domestic tax rate in Finland 20 % (2013 24.5 %) and income taxes recognised in the consolidated income statement is reconciled as follows:

EUR 1,000	2014	2013
Profit before tax	21,479	51,941
Tax calculated with domestic corporate tax rate	-4,296	-12,697
Foreign subsidiaries divergent tax rate +/-	2,452	2,823
Tax from the previous financial periods	-261	-50
Change in tax rates		1,782
Non-taxable income	732	377
Non-deductable expenses	-1,557	-1,452
Goodwill impairment	-2,979	
Share of result of joint ventures reported net of taxes	-105	139
Tax losses for which no deferred income tax asset was recognised	-1,970	-4,451
Utilisation of previously unrecognised tax losses	860	371
Recognition of previously unrecognised tax losses	1,146	1,984
Other items	507	2,014
Taxes in income statement	**-5,471**	**-9,160**
Group's effective tax rate, %	**25.5**	**17.6**

Deferred taxes have been recalculated due to the following changes in tax rates: 2014: No changes (2013: Finland from 24.5% to 20%)

26. OTHER NON-CASH CORRECTIONS

EUR 1,000	2014	2013
Net capital gain on sale of tangible assets	-8,067	-6,313
Share-based payments	676	1,347
Reversal of contingent consideration	-2,594	-1,281
Other non-cash corrections	-79	
Total	**-10,064**	**-6,246**

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27. EARNINGS PER SHARE

	2014	2013
Profit for the year attributable to owners of the parent company , EUR 1,000	**16,008**	**42,781**
Number of shares		
Basic weighted average number of shares outstanding	**43,455,457**	**42,297,421**
Effect of options and share plans granted	466,358	441,148
Diluted weighted average number of shares outstanding	**43,921,815**	**42,738,569**
Earnings per share from profit attributable to owners of the parent company		
Basic, EUR	0.37	1.01
Diluted, EUR	0.36	1.00

Basic earnings per share is calculated by dividing the net profit attributable to the owners of the parent company 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 stock option plans and other share plans with a dilutive effect, which increases the number of shares. The stock options have a dilutive effect when their exercise price is lower than the fair value of a share. For the stock options the dilutive effect is the number of the shares which has to be issued without consideration. With the proceeds from the exercise of stock options the Group could not issue the same number of shares at fair value. The fair value of a share is based on the average share price during the period.

28. SHARE-BASED PAYMENTS

STOCK OPTIONS

During the financial year Cramo had stock options 2010 and 2011 in operation. Under the plans the Board of Directors is authorised to grant up to 2 milloin stock options to the key employees of Cramo Group. 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 on the right.

Options Basic information	**Stock Options 2010**	**Stock Options 2011**
Annual General Shareholders' Meeting date	13-Apr-10	24-Mar-11
Initial grant date	04-Nov-10	31-Oct-11
Maximum number of stock options	1,000,000	1,000,000
The number of shares subscribed by one option	1.3	1
Initial exercise price, EUR	14.79	7.30
Dividend adjustment	Yes	Yes
Current exercise price, EUR*	12.40	5.98
Beginning of exercise period, date (vesting)	01-Oct-13	01-Oct-14
End of excercise period, date (expiration)	31-Dec-14	31-Dec-15
Maximum contractual life, years	4.2	4.2
Remaining contractual life, years	-	1.0
Number of persons 31 Dec 2014	Expired	76

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

Options Changes during the period 2014	**Stock Options 2010**	**Stock Options 2011**	**Total**	**Weighted average exercise price in EUR***	**Weighted average remaining life, years**
1 Jan 2014					
Outstanding at the beginning of the period	778,500	827,000	**1,605,500**	9.69	
Changes during the period					
Granted					
Forfeited		40,000	**40,000**	5.98	
Exercised	212,766	161,475	**374,241**	9.63	
Expired	565,734		**565,734**	12.40	
Weighted average share price, EUR**	13.97	11.25	**9.54**		
31 Dec 2014					
Outstanding at the end of the period		625,525	**625,525**	5.98	1.0
Exercisable at the end of the period		625,525	**625,525**		

* Exercise price in the beginning of the period is status at Dec. 31, 2013. Exercise price for the options forfeitured during the period is based on the status at Dec. 31, 2014. Exercise price for the options exercised during the period is based on the realised exercise price.
** Weighted average price for the company share during the reporting period or partial instrument term within

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36

Options Changes during the period 2013	Stock Options 2006C	Stock Options 2009	Stock Options 2010	Stock Options 2011	Total	Weighted average exercise price in EUR*	Weighted average remaining life, years
1 Jan 2013							
Outstanding at the beginning of the period	428,046	816,500	889,500	928,000	**3,062,046**	9.70	
Changes during the period							
Granted							
Forfeited			111,000	101,000	**212,000**	9.94	
Exercised	420,030	812,500			**1,232,530**	8.78	
Expired	8,016	4,000			**12,016**	7.49	
Weighted average share price, EUR**	9.62	12.21	14.71	-			
31 Dec 2013							
Outstanding at the end of the period			778,500	827,000	**1,605,500**	9.69	1.5
Exercisable at the end of the period			778,500		**778,500**	13.00	

* Exercise price in the beginning of the period is status at Dec. 31, 2012. Exercise price for the options forfeitured during the period is based on the status at Dec. 31, 2013. Exercise price for the options exercised during the period is based on the realised exercise price.
** Weighted average price for the company share during the reporting period or partial instrument term within

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 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 2014 and 2013 financial years 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	Discretionary Period 2013	Discretionary Period 2014	Total
Maximum number of shares				**1,000,000**
Dividend adjustment	-	-	-	
Grant date	25-Jun-12	15-Apr-13	17-Mar-14	
Beginning of earning period	01-Jan-12	01-Jan-13	01-Jan-14	
End of earning period	31-Dec-12	31-Dec-13	31-Dec-14	
End of restriction period	08-Jan-15	31-Jan-16	31-Jan-17	
Vesting conditions	EPS	EPS	EPS	
	Service period	Service period	Service period	
Maximum contractual life, years	2.5	2.8	2.9	
Remaining contractual life, years		1.1	2.1	
Number of persons at the end of the reporting year	54	55	61	
Payment method	Cash & Equity	Cash & Equity	Cash & Equity	

Performance share plan Changes during the period 2014	Discretionary Period 2012**	Discretionary Period 2013**	Discretionary Period 2014**	Weighted remaining life in years
1 Jan 2014				
Outstanding at the beginning of the period*	280,500	313,000		
Changes during the period*				
Granted			336,000	
Forfeited	14,500	14,000	3,000	
Exercised				
Expired				
31 Dec 2014				
Outstanding at the end of the period*	266,000	299,000	333,000	
Achievement of reward target, %	15	30	14	
Corresponding number of reward shares	39,900	89,700	46,620	1.4

* 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

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36

Performance share plan Changes during the period 2013	Discretionary Period 2012**	Discretionary Period 2013**	Weighted remaining life in years
1 Jan 2013			
Outstanding at the beginning of the period*	315,500		
Changes during the period*			
Granted		319,000	
Forfeited	35,000	6,000	
Exercised			
Expired			
31 Dec 2013			
Outstanding at the end of the period*	280,500	313,000	
Achievement of reward target, %	15	30	
Corresponding number of reward shares	42,075	93,900	1.8

* 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 to the fair value determination of the share plans granted during the financial year 2014 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 14% of the target and the company's estimate on December 31, 2014 as to the number of shares to be eventually vesting.

Performance share plan Valuation parameters	Discretionary Period 2014
Share price at grant date, EUR	15.59
Expected dividends, EUR	1.77
Fair value of the equity-settled component per share, EUR	13.82
Fair value of the cash-settled component per share on 31 Dec 2014, EUR	12.08
Total fair value on 31 Dec 2014, EUR thousands	531

ONE CRAMO SHARE PLAN

One Cramo Share Plan 2014–2015
The Board of Directors of Cramo Plc approved the terms of the One Cramo Share Plan for the commencing Plan Period during the financial year 2014. 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.

425 of Cramo's employees participated in the Plan and the participation percentage was approximately 17%. During the Plan Period (1 October 2014–30 September 2015) 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 628 thousand.

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 2018. 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 2018 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 2018.

The 201–2014 Plan had no effect on the company's result and financial position on 31 Dec 2014.

At the end of the financial year 2014, 425 participants remained in the plan.

One Cramo Share Plan 2012–2013 and 2013–2014
During the One Cramo Share Plan 2012–2013 all together 459 participants saved up to EUR 719 thousand, which shall entitle to approximately 27 812 matching shares in spring 2016. During the One Cramo Share Plan 2013–2014 all together 444 participants saved up to EUR 665 thousands, which shall entitle to approximately 24 770 matching shares in spring 2017.

The key data and changes in the amounts of share ownership plans during the financial years 2014 and 2013 are presented in the tables below.

One Cramo share plan Basic information	One Cramo 2012–2013	One Cramo 2013–2014
Grant date	22-Feb-13	26-Feb-14
Vesting date	15-May-16	15-May-17
Maximum contractual life, years	3.2	3.2
Remaining contractual life, years	1.4	2.4
Number of persons at the end of the reporting year	459	444
Payment method	Cash & Equity	Cash & Equity

One Cramo share plan Changes during the period 2014	One Cramo 2012–2013*	One Cramo 2013–2014*
1 Jan 2014		
Outstanding at the beginning of the period	29,540	
Changes during the period		
Granted		25,323
Forfeited	1,728	553
Exercised		
Expired		
31 Dec 2014		
Outstanding at the end of the period	27,812	24,770

* The number of shares is presented in gross terms, i.e. the matching share figures include both the reward paid in shares and a number of shares corresponding to the amount of the reward paid in cash.

One Cramo share plan Changes during the period 2013	One Cramo 2012–2013*
1 Jan 2013	
Outstanding at the beginning of the period	
Changes during the period	
Granted	30,501
Forfeited	961
Exercised	
Expired	
31 Dec 2013	
Outstanding at the end of the period	29,540

* The number of shares is presented in gross terms, i.e. the matching share 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 to the fair value determination of the One Cramo Share Plan granted during the financial year 2014 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 company's estimate on December 31, 2014 as to the number of shares to be eventually vesting.

One Cramo share plan Valuation parameters	One Cramo 2013–2014
Share price at grant date, EUR	13.83
Share price at reporting period end, EUR	12.08
Cost of equity, %	8.88
Holding period, years	2.8
Interest expense (one share), EUR	1.07
Expected dividends, EUR	2.17
Fair value of the equity-settled component per share, EUR	7.36
Fair value of the cash-settled component per share on 31 Dec 2014, EUR	12.08
Total fair value on 31 Dec 2014, EUR thousands	212

EUR 1,000 Effect of Stock Options and Share Plans on the result and financial position	
Expenses for the financial period, share-based payments	977
Expenses for the financial period, share-based payments, equity-settled	675
Liabilities arising from share-based payments on 31 Dec 2014	668

29. JOINT VENTURES

Reconciliation of summarised financial information

EUR 1,000	Fortrent		Fellesutleie AS		Total	
Summarised financial information	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Opening net assets 1 Jan	32,512		255	193	32,767	193
Contribution in kind		40,153				40,153
Profit/loss for the period	-1,048	1,131	2	94	-1,046	1,225
Other comprehensive income items	-25,378	-8,772	-19	-31	-25,397	-8,803
Closing net assets 31 Dec	**6,086**	**32,512**	**238**	**255**	**6,324**	**32,767**
Interest in joint venture (50%)	3,043	16,256	119	128	3,162	16,384
Transaction costs	1,091	1,091			1,091	
Carrying amount of investment	**4,134**	**17,347**	**119**	**128**	**4,254**	**17,475**

Cramo and Ramirent closed the forming of a joint venture in order to combine their business operations in Russia and Ukraine on 7 March 2013. The parent company of the joint venture was created on 6 th of November 2012 under a newly established Finnish limited liability company Fortrent Oy (former Eastbound Machinery Oy), to which Cramo and Ramirent contributed their respective Russian and Ukrainian subsidiaries' shares as contribution in kind. The joint venture is owned and controlled jointly by Cramo (50%) and Ramirent (50%). Cramo presents its share of the profit of the joint venture using the equity method of accounting above EBITDA.

In order to reach equal ownership, Cramo paid to Ramirent a cash contribution of approximately EUR 9.2 million in connection with the closing of the transaction in 2013. In addition to the contribution in kind, Cramo and Ramirent granted loans to the joint venture totalling EUR 40.5 million. In 2014 Fortrent has amortised the loans by EUR 5.2 million.

The Group has also 50% share in a joint venture Fellesutleie AS. The company operates in machinery rental in Norway. Cramo presents its share of the profit of the joint venture using the equity method of accounting above EBITDA.

EUR 1,000	Fortrent		Fellesutleie AS	
Summarised balance sheet	**2014**	**2013**	**2014**	**2013**
Current assets				
Cash and cash equivalents	811	4,514	157	190
Other current assets (excluding cash)	5,910	10,287	109	108
Total current assets	**6,721**	**14,801**	**266**	**297**
Other current liabilities	3,305	4,747	31	26
Total current liabilities	**3,305**	**4,747**	**31**	**26**
Non-current assets				
Goodwill	4,819	8,436		
Intangible assets relating to PPA	9,952	9,952		
Other non-current assets	23,796	45,956	427	646
Deferred tax assets	2,283	3,393		
Total non-current assets	**40,850**	**67,737**	**427**	**646**
Interest bearing liabilities	35,311	40,500	363	572
Deferred tax liabilities	2,868	4,778	61	91
Total non-current liabilities	**38,179**	**45,278**	**424**	**663**
Net assets	**6,086**	**32,512**	**238**	**255**

Fortrent has commitments amounting to EUR 0.2 (0.4) million

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EUR 1,000 Summarised statement of comprehensive income	Fortrent 2014	2013*	Fellesutleie AS 2014	2013
Revenue	**37,970**	**42,535**	**412**	**380**
Materials and services	-10,674	-11,695		
Other expenses	-14,279	-16,149	-392	-220
Depreciation	-10,983	-10,239		
EBITA	**2,034**	**4,452**	**19**	**159**
Amortisation	-1,528	-972		
Interest expense	-1,120	-1,056		
Other financial expenses	-798	-279	-17	-29
EBT	**-1,412**	**2,146**	**2**	**131**
Income taxes	364	-1,015	0	-37
Profit for the year	**-1,048**	**1,131**	**2**	**94**
Other comprehensive income	-25,378	-8,772	-19	-31
Total comprehensive income	**-26,426**	**-7,641**	**-17**	**63**

* Reporting period 1.3.2013–31.12.2013

30. RELATED PARTY TRANSACTIONS

The Group's related parties include its management personnel (the Board of Directors, the President and CEO and the Group management team), companies controlled by them, subsidiaries and joint ventures. The subsidiaries and joint ventures are listed in a separate note 33 Group companies.

The related party transactions disclosed consist of transactions carried out with related parties that are not eliminated in the consolidated financial statements.

In the tables below are shown compensation to President and CEO and Group management team. Bonuses are transaction-based. Post-employment benefits includes voluntary pension systems, which are defined contribution plans

EUR 1,000 Executive remuneration	2014	2013
Compensation to President and CEO		
Salaries, bonuses and fringe benefits	475	642
Post-employment benefits	84	84
Share-based payments	120	250
Total	**679**	**976**
Compensation to the Group management team		
Salaries, bonuses and fringe benefits	1,567	1,523
Post-employment benefits	14	14
Share-based payments	337	632
Total	**1,919**	**2,168**
Total compensation to President and CEO and other Group management	**2,598**	**3,144**

Total compensation to President and CEO and other Group management
The value of share-based payments represents the IFRS 2 expense of the stock options and performance share plans granted to the President and CEO and other Group management.

According to Employees' Pensions Act (TyEL 395/2006), pension costs EUR 111.4 (145.2) thousand were recognised based on the compensation to the President and CEO. TyEL pension system is part of the Finnish social security system. It is a collective arrangement, in which the employer has no direct responsibility for the pension, but the responsibility lies on the pension system. Arrangements for the financing of pensions is done in two different ways: part of the pensions paid in future is funded in advance, and part funded by the so-called distribution system only when the pensions are paid.

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. 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	2014	2013
Helene Biström	73	38
Eino Halonen	48	49
Leif Boström	37	
Victor Hartwall	38	39
Raimo Seppänen	37	
Erkki Stenberg	38	37
Caroline Sundewall	37	
Stig Gustavson	1	73
Jari Lainio	1	38
Esko Mäkelä	1	39
Peter Therman	2	1
Tom von Weymarn	2	2
J.T. Bergqvist		1
Total	**315**	**317**

An amount of EUR 0 (145) thousand of the Board fees has been paid in the form of Cramo shares.

Related party transactions
Tatu Hauhio, Executive Vice President, Eastern Europe, and Managing Director, Cramo Finland is a joint-owner of Kiinteistö Oy Hosionrinne, to which Cramo paid real estate rents amounting to EUR 1,725 (1,694) thousand in 2014.

Loans to related parties

EUR 1,000 Loans to joint ventures	2014	2013
1 Jan	20,250	
Loans granted during the period		20,250
Amortisations during the period	-2,594	
Accrued interest	560	475
Paid interest	-560	-475
31 Dec	**17,656**	**20,250**

Cramo Plc has granted a loan to its joint venture Fortrent in 2013.

31. BUSINESS COMBINATIONS

BUSINESS COMBINATIONS 2014

Cramo's Finnish subsidiary Cramo Finland Oy acquired 9 April 2014 the shares of OptiRent Oy. OptiRent, founded in 2007, was the market leader in Finland in the rental of earth moving equipment weighing under 10 tons. OptiRent's sales in 2013 were EUR 2.3 million and the company employs four persons.

Cramo Plc acquired the shares of modular space rental company C/S RaumCenter GmbH. The company was consolidated from 1 April 2014 onwards. The company sales were EUR 4 million in 2013 and it employed 21 people.

Cramo's Swedish subsidiary Cramo AB acquired the shares of BMS Uthyrning i Kalmar AB with operations in Kalmar and Nybro. The company is consolidated from 1 October 2014 onwards. The company annual sales were approximately EUR 1.1 million prior to acquisition.

The Group sales would have increased by EUR 2.0 million and EBITA would have been the same, if the acquisition had been completed 1 January 2014.

Total consideration includes EUR 1.25 million contingent consideration relating to OptiRent and C/S RaumCenter, which is paid based on the financial development after the consolidation date. In 2014 the contingent consideration has been reversed by EUR 0.2 million and recognised in other operating income. The contingent consideration liability of EUR 2.4 million relating to acquisitions prior to 2014 was reversed and recognised in other operating income.

The acquisition values have been converted to euros by using the exchange rates prevailing at the acquisition date. Exchange differences compared with the balance sheet date's exchange rates are immaterial.

EUR 1,000	2014
Consideration	
Cash	5,818
Contingent consideration	1,250
Total consideration	**7,068**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Identifiable assets	
Non-current assets	
Intangible assets	
Customer relationships	841
Brand (amortised)	657
Non-compete agreements	793
Software	4
Total intangible assets	**2,296**
Tangible assets	
Machinery and equiment	7,928
Buidings	199
Total tangible assets	**8,127**
Total non-current assets	**10,423**
Current assets	
Inventories	449
Trade and other receivables	699
Income tax receivables	29
Cash and cash equivalents	416
Total current assets	**1,594**
Total identifiable assets	**12,017**
Assumed liabilities	
Deferred tax liabilities	1,386
Interest bearing liabilities	3,606
Trade and other payables	774
Income tax liabilities	161
Total liabilities assumed	**5,927**
Total identifiable net assets	**6,089**
Goodwill	**979**

BUSINESS COMBINATIONS 2013

Cramo's Norwegian subsidiary Cramo AS acquired 1 February 2013 rental assets of Lambertsson AS and Kranpunkten AS. At the same time Cramo AS made a long-term rental agreement with Peab in Norway.

In 2013 the acquired business increased Group sales by approximately EUR 11 million. The Group sales would have increased EUR 1.2 million and EBITA would have been same, if the acquisition had been completed 1 January 2013.

Total consideration includes EUR 4.0 million contingent consideration, which is paid based on three years' sales development after acquisition. In 2013 contingent consideration has been reversed EUR 1.3 million, which is shown in other operating income. In 2014 remaining consideration of EUR 2.5 million was reversed and shown as other operating income.

The acquisition values have been converted to euros by using the exchange rates prevailing at the acquisition date. The exchange differences compared with the year-end rates amounted to negative EUR 2.3 million as Norwegian krona had weakened against euro during the year.

EUR 1,000	2013
Consideration	
Cash	16,834
Contingent consideration	4,035
Total consideration	**20,869**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Identifiable assets	
Customer relationships	2,696
Tangible assets	17,086
Inventories	260
Total identifiable assets	**20,043**
Assumed liabilities	
Other liabilities	269
Total liabilities assumed	**269**
Total identifiable net assets	**19,774**
Goodwill	**1,095**

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32. RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations as presented in the balance sheet as follows:

EUR 1,000	2014	2013
Liabilities in the balance sheet		
Defined pension benefits	1,818	1,601
Other long-term employee benefits	44	43
Total	**1,861**	**1,644**
Assets in the balance sheet		
Defined pension benefits (see note 9)		90
Total		**90**

The Group operates a number of retirement benefit plans in accordance with local conditions and practises in the countries in which it operates. Most of the retirement benefit plans are defined contribution plans. Currently there are two retirement benefit plans in Germany and Sweden that are classified as defined benefit plans.

The pension obligations in Germany are directly at the Group's own responsibility and there are no funded assets. The plan applies to already retired former employees.

The defined benefit plan in Sweden applies to retired former employees. The plan is funded.

The amounts recognised in the balance sheet are determined as follows:

EUR 1,000	2014	2013
Present value of funded obligations	1,342	1,181
Fair value of plan assets	-1,276	-1,271
Excess of funded plans	66	-90
Present value of unfunded obligations	1,752	1,601
Total deficit of defined benefit plans	**1,818**	**1,511**

Defined benefit obligation has changed during the period as follows:

EUR 1,000	2014	2013
Net book value at 1 Jan	**2,781**	**1,574**
Exchange differences	-67	
Additions		1,181
Benefits paid	-166	-145
Interest cost	92	47
Remeasurements	454	125
Net book value at 31 Dec	**3,094**	**2,781**

Fair value of plan assets has changed during the period as follows:

EUR 1,000	2014	2013
Balance at 1 Jan	1,271	
Exchange differences	-72	
Additions		1,271
Benefits paid	-24	
Interest income	102	
Balance at 31 Dec	**1,276**	1,271

Expense in the income statement has been defined as follows:

EUR 1,000	2014	2013
Net interest income (+)/cost (-)	10	-47
Total	**10**	**-47**

Remeasurements charged (+) or credited (-) to equity in other comprehensive income as follows:

EUR 1,000	2014	2013
Remeasurements:		
Gain (-)/Loss (+) from change in financial assumptions	455	-27
Experience gains (-)/losses (+)	-1	152
Total	**454**	**125**

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

%	2014	2013
Discount rate	1.70–2.50	3.30
Expected pension increase rate	2.00	2.00

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is	**Change in assumption**	**Effect of increase in assumption on the obligation**	**Effect of decrease in assumption on the obligation**
Discount rate, %	0.50	Decrease by 5.7	Increase by 6.3
Pension growth rate, %	1.00	Increase by 3.1	Decrease by 3.0
Life expectancy	1 year	Increase by 7.3%	Decrease by 7.5%

Expected maturity analysis of undiscounted pension liabilities:

EUR 1,000 At 31 Dec 2014	Less than a year	Between 1–2 years	Between 2–5 years	Over 5 years	Total
Pension benefits	246	238	664	2,479	**3,628**

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 treated as defined contribution plans.

33. GROUP COMPANIES

The Group consists of Cramo Plc and the following subsidiaries.

			% of shares	
Subsidiaries		**Domicile**	**Parent company**	**Group**
Cramo AB	Sollentuna	Sweden	100	
Cramo AG	Feldkirchen	Germany	100	
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 Kaliningrad OOO	Kaliningrad	Russia	100	
Cramo New Holding AB	Sollentuna	Sweden	100	
Cramo SK s.r.o.	Bratislava	Slovakia	100	
Cramo s.r.o.	Prague	the Czech Republic	100	
Cramo UAB	Vilnius	Lithuania	100	
BMS Uthyrning i Kalmar AB	Kalmar	Sweden	100	
Construction Vehicles Karvina s.r.o.	Karvina	the Czech Republic	100	
C/S Raum Center GmbH	Frankfurt	Germany	100	
SIA Cramo	Riga	Latvia	100	
Suomen Tähtivuokraus Oy	Vantaa	Finland	100	
Cramo Dutch Holding BV	Rotterdam	Netherlands		100
Cramo GmbH & Co. KG	Wien	Austria		100
Cramo Kft.	Budapest	Hungary		100
Cramo Scaffolding Oy	Kemi	Finland		100
Cramo Services AB	Sollentuna	Sweden		100
Cramo Sp.zo.o	Warszawa	Poland		100
Ehitustööriist OÜ	Tallinn	Estonia		100
Mupol Förvaltnings AB	Stockholm	Sweden		100

The Group has ownership in the following joint ventures. See more in note 29. Joint ventures.
There are no associated companies in the Group.

			% of shares	
Joint ventures	**Domicile**		**Parent company**	**Group**
Fellesutleie AS	Oslo	Norway		50
Fortrent Oy	Vantaa	Finland		50

34. EVENTS AFTER BALANCE SHEET DATE

On 4 February 2015, Cramo announced that it will acquire all the shares of equipment rental company Vuokra-Pekat Oy. The company's sales in 2014 was approximately EUR 4.8 million, it reported a good result and employs 20 people. Vuokra-Pekat has two rental depots in the Helsinki Metropolitan Area and a leading position in construction site dust control services. The acquisition strengthens Cramo's market position in southern Finland and as a provider of dust control services as part of Cramo Rental Concept.

On 8 January 2015, Cramo announced a directed share issue related to Cramo Performance Share Plan 2012. In the share issue, 20,738 Cramo Plc shares held by the company were conveyed without consideration to the key employees participating in the Performance Share Plan 2012 in accordance with the terms and conditions of the Plan. The decision on the share issue, made by Cramo Plc's Board of Directors on 17 December 2014, is based on the authorisation granted by the Annual General Meeting.

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35. CALCULATION OF THE KEY FIGURES AND RATIOS

KEY FIGURES ON FINANCIAL PERFORMANCE:

Return on equity, %

$$= \frac{\text{Profit for the period}}{\text{Total equity (average)}} \times 100$$

Return on investment, %

$$= \frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing liabilities (average)}} \times 100$$

Equity ratio, %

$$= \frac{\text{Total equity}}{\text{Balance sheet total – advance payments received}} \times 100$$

Net interest-bearing liabilities

= Interest-bearing liabilities – cash and cash equivalents

Gearing, %

$$= \frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$$

Personnel on average

= The average number of employees at the end of each calendar month during the accounting period, adjusted with the number of part-time employees

PER-SHARE RATIOS:

Earnings per share (EPS)

$$= \frac{\text{Net income attributable to the shareholders of the parent company}}{\text{Average number of issue-adjusted shares during the period}}$$

Shareholders' equity per share

$$= \frac{\text{Shareholders' equity}}{\text{Number of issue-adjusted shares at the end of the period}}$$

Dividend per share

$$= \frac{\text{Dividend distribution for the period}}{\text{Number of issue-adjusted shares at the end of the period}}$$

Dividend per earnings, %

$$= \frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

Effective dividend yield, %

$$= \frac{\text{Dividend per share}}{\text{Issue-adjusted closing price at the end of the period}} \times 100$$

Price/earnings ratio (P/E)

$$= \frac{\text{Issue-adjusted closing price at the end of the period}}{\text{Earnings per share}}$$

Market capitalisation

= Number of shares at the end of the period x closing price at the end of the period

36. SHARES AND SHAREHOLDERS

	2014		2013	
	No	EUR 1,000	No	EUR 1,000
Shares	43,903,554	24,835	42,844,333	24,835

All shares are issued, registered and fully paid. Each share entitles the holder to one vote.

Shareholders
The Group had 9,149 shareholders in the share register as at 31 December 2014.

Major shareholders 31 Dec 2014	Number of shares	%	Voting rights	%
Hartwall Capital Oy Ab	4,491,702	10.23	4,491,702	10.23
Rakennusmestarien Säätiö (Construction engineers' fund)	2,129,422	4.85	2,129,422	4.85
Nordea Nordenfonden	1,575,055	3.59	1,575,055	3.59
Odin Finland	811,828	1.85	811,828	1.85
Fondita Nordic Micro Cap	700,000	1.59	700,000	1.59
Investment Fund Aktia Capital	600,000	1.37	600,000	1.37
OP-Finland Value Fund	519,527	1.18	519,527	1.18
Varma Mutual Pension Insurance Company	518,387	1.18	518,387	1.18
Nordea Avanti fund	483,858	1.10	483,858	1.10
OP-Delta Fund	475,000	1.08	475,000	1.08
Nordea Life Assurance Finland Ltd	405,000	0.92	405,000	0.92
Rakennusmestarit ja -insinöörit AMK RKL ry	391,220	0.89	391,220	0.89
Savings Bank Finland Fund	389,648	0.89	389,648	0.89
OP-Finland Small Firms Fund	355,014	0.81	355,014	0.81
Ilmarinen Mutual Pension Insurance Company	346,931	0.79	346,931	0.79
Danske Invest Finnish Equity Fund	270,671	0.62	270,671	0.62
SEB Finlandia Investment Fund	253,000	0.58	253,000	0.58
K. Hartwall Invest Oy	200,000	0.46	200,000	0.46
Mariatorp Oy	200,000	0.46	200,000	0.46
Helsingin Rakennusmestarit ja -insinöörit AMK ry	173,973	0.40	173,973	0.40
Investment Fund Aktia Nordic	170,000	0.39	170,000	0.39
Lindström Kim	161,030	0.37	161,030	0.37
Danske Invest Pohjoisen Parhaat Fund	159,491	0.36	159,491	0.36
Danske Arvo Finland Value Fund	154,812	0.35	154,812	0.35
Laakkonen Mikko	135,300	0.31	135,300	0.31
Other	10,988,793	25.03	10,988,793	25.03
Nominee registered	16,835,723	38.35	16,835,723	38.35
Transferred to book-entry securities system total	**43,895,385**	**99.98**	**43,895,385**	**99.98**
Not transferred to book-entry securities system total	8,169	0.02	8,169	0.02
Total	**43,903,554**	**100.00**	**43,903,554**	**100.00**

Distribution of shareholding by size range 31 Dec 2014 Number of shares	Number of shareholders	% of shareholders	Number of shares	% of share capital
1–100	2,235	24.43	130,633	0.30
101–1000	5,246	57.34	2,038,179	4.64
1001–10 000	1,490	16.29	3,837,217	8.74
10 001–100 000	138	1.51	3,756,150	8.56
100 001–500 000	29	0.32	6,394,641	14.57
500 001–	11	0.12	27,738,565	63.18
Transferred to book-entry securities system total	**9,149**	**100.00**	**43,895,385**	**99.98**
Not transferred to book-entry securities system total			8,169	0.02
Total			**43,903,554**	**100.00**

Distribution of shareholding by sector 31 Dec 2014 Shareholding by sector	Number of shares	% of share capital	Number of votes	% of votes
Corporations	7,440,821	16.95	7,440,821	16.95
Financial and insurance corporations	22,057,512	50.24	22,057,512	50.24
General Government	953,318	2.17	953,318	2.17
Non-profit institutions	3,453,617	7.87	3,453,617	7.87
Households	6,948,869	15.83	6,948,869	15.83
Foreign shareholders	3,041,248	6.93	3,041,248	6.93
Transferred to book-entry securities system total	**43,895,385**	**99.98**	**43,895,385**	**99.98**
Not transferred to book-entry securities system total	8,169	0.02	8,169	0.02
Total	**43,903,554**	**100.00**	**43,903,554**	**100.00**

Shareholding of Board members and CEO of the Group

On 31 December 2014, the Board members and the President and CEO held, either directly or through companies in which they exercise control, a total of 403,550 Cramo Plc shares, representing 0.92 % of the company's shares and votes, and a total of 30,000 stock options.

Insider guidelines

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

BALANCE SHEET OF THE PARENT COMPANY (FAS)

EUR 1,000	Note	31 Dec 2014	31 Dec 2013
ASSETS			
Non-current assets			
Intangible assets	2	843	666
Tangible assets	2	440	479
Investments			
Shares in Group companies	2	361,761	343,293
Shares in other companies	2	119	119
Non-current receivables	3	398,355	379,373
Total non-current assets		**761,518**	**723,931**
Current assets			
Current receivables	4	69,082	284,483
Cash and cash equivalents		1,564	240
Total current assets		**70,646**	**284,723**
TOTAL ASSETS		**832,164**	**1,008,654**
EQUITY AND LIABILITIES			
Equity			
Share capital		24,835	24,835
Share premium		3,331	3,331
Invested unrestricted equity		138,157	133,761
Retained earnings		11,517	18,881
Profit for the period		27,999	18,622
Total equity	5	**205,838**	**199,431**
Appropriations	6	**174**	**116**
Provisions	7	**305**	**314**
Liabilities			
Non-current liabilities	8	483,341	451,535
Current liabilities	8	142,506	357,259
Total liabilities		**625,847**	**808,794**
TOTAL EQUITY AND LIABILITIES		**832,164**	**1,008,654**

INCOME STATEMENT OF THE PARENT COMPANY (FAS)

EUR 1,000	Note	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Sales	9	**1,138**	**1,102**
Other operating income	10	97	323
Personnel expenses	11	-3,148	-3,628
Depreciation and impairment	12	-192	-130
Other operating expenses	13	-5,113	-6,074
Operating loss		**-7,218**	**-8,406**
Financial income		63,302	96,624
Financial expenses		-44,010	-82,424
Total financial income and expenses	14	19,292	14,201
Profit before extraordinary items		**12,074**	**5,794**
Extraordinary income	15	15,983	13,034
Profit before appropriations and taxes		**28,057**	**18,829**
Appropriations	16	-58	-56
Income taxes	17		-151
Profit for the year		**27,999**	**18,622**

CASH FLOW STATEMENT OF THE PARENT COMPANY (FAS)

EUR 1,000	Note	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
Cash flow from operating activites			
Profit before taxes		28,057	18,829
Non-cash adjustments:			
Depreciation	12	192	130
Financial income and expenses	14	-19,292	-14,201
Other non-cash corrections		-11	33
Extraordinary items	15	-15,983	-13,034
Operating loss before change in working capital		-7,037	-8,244
Change in working capital[1]		-6,538	10,507
Cash generated from operations		-13,575	2,263
Taxes paid		-9,786	-151
Dividends received	14	31,118	56,851
Interest received		13,466	8,511
Interest and other financial expenses paid		-18,353	-17,848
Net cash flow from operating activities		**2,871**	**49,626**
Cash flow from investing activities			
Investments in tangible and intangible assets		-330	-315
Acquisition of subsidiaries		-23,721	-9,346
Non-current loans granted		-28,000	-375,736
Proceeds from repayments of non-current loans		25,803	62,490
Change in current loans		204,109	64,108
Cash flow used in investing activities		**177,861**	**-258,798**
Cash flow from financing activities			
Proceeds from share options exercised		11,358	6,141
Proceeds from non-current liabilities		42,000	218,108
Payment of non-current liabilities			-211,347
Change in current liabilities		-208,187	212,015
Dividends paid	5	-25,982	-17,747
Net cash flow from financing activities		**-180,811**	**207,170**
Change in cash and cash equivalents		**-79**	**-2,003**
Cash and cash equivalents at beginning of the year		240	5
Cash from merger		153	20
Exchange rate difference		1,251	2,217
Cash and cash equivalents at year end		1,564	240
[1] Change in working capital			
Increase (-)/decrease (+) in short-term receivables		1,001	14,476
Increase (+)/decrease (-) in short-term non-interest bearing liabilities		-7,539	-3,970
Total		**-6,538**	**10,507**

PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (FAS)

1. ACCOUNTING PRINCIPLES

Measurement of tangible assets
Tangible assets 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.

Depreciations according to plan are as follows:

Buildings and structures	20 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 2014	339	40	268	191	838
Additions			4		4
Disposals				-1	-1
Acquisition cost at 31 Dec 2014	339	40	272	190	841
Accumulated depreciation		-35	-153	-171	-359
Depreciation for the financial year 2014		-5	-37		-42
Net book value at 31 Dec 2014	339		81	19	440
Acquisition cost at 1 Jan 2013	339	40	264	191	834
Additions			4		4
Acquisition cost at 31 Dec 2013	339	40	268	191	838
Accumulated depreciation		-30	-115	-171	-316
Depreciation for the financial year 2013		-5	-38		-43
Net book value at 31 Dec 2013	339	5	115	20	479

INTANGIBLE ASSETS EUR 1,000	Intangible rights	Other capitalised longterm expenditure	Total intangible assets
Acquisition cost at 1 Jan 2014	**340**	**565**	**905**
Additions	326		**326**
Acquisition cost at 31Dec 2014	665	565	**1,230**
Accumulated depreciation	-88	-151	**-238**
Amortisation for the financial year 2014	-61	-88	**-149**
Net book value at 31 Dec 2014	**516**	**326**	**843**
Acquisition cost at 1 Jan 2013	**81**	**513**	**594**
Additions	258	52	**310**
Acquisition cost at 31Dec 2013	340	565	**905**
Accumulated depreciation	-77	-75	**-152**
Depreciation for the financial year 2013	-11	-76	**-87**
Net book value at 31 Dec 2013	**252**	**414**	**666**

INVESTMENTS EUR 1,000	Shares in Group companies	Shares in other companies	Total investments
Acquisition cost at 1 Jan 2014	**343,293**	**119**	**343,413**
Additions	29,629		**29,629**
Disposals	-5,915		**-5,915**
Impairment	-5,246		**-5,246**
Net book value at 31 Dec 2014	**361,761**	**119**	**361,880**
Acquisition cost at 1 Jan 2013	**574,574**	**119**	**574,693**
Additions	14,709		**14,709**
Disposals	-223,633		**-223,633**
Impairment	-22,356		**-22,356**
Net book value at 31 Dec 2013	**343,293**	**119**	**343,413**

For shares and shareholdings, see consolidated financial statements in note 33.

ACCUMULATED DEPRECIATION DIFFERENCE EUR 1,000	2014	2013
Machinery and equipment		
Accumulated difference in total depreciation and depreciation according to plan at 1 Jan.	116	60
Increase in accumulated depreciation difference for the period of 1 Jan–31 Dec.	58	56
Accumulated difference in total depreciation and depreciation according to plan at 31 Dec.	**174**	**116**

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	2014	2013
From Group companies		
Loan receivables	377,553	357,137
From others		
Loan receivables*	17,656	20,250
Prepaid expences and accrued income	3,147	1,986
Total	**398,355**	**379,373**

* Loan receivables from joint venture Fortrent Oy. For joint venture, see consolidated financial statement in note 29.

4. CURRENT RECEIVABLES

EUR 1,000	2014	2013
From Group companies		
Loan receivables	55,549	49,316
Accounts receivables	101	409
Prepaid expenses and accrued income*	2,353	226,476
From others		
Accounts receivables	15	109
Other receivables	1,246	8,015
Prepaid expenses and accrued income	9,818	158
Total	**69,082**	**284,483**
Prepaid expenses and accrued income		
From Group companies		
Accrued interest	470	562
Other prepaid expences and accrued income*	1,882	225,914
From others		
Income tax receivables**	9,722	10
Other prepaid expences and accrued income	96	149
Total	**12,171**	**226,634**

* During financial year 2013 Cramo Plc centralised all of the Group's Treasury functions with the parent company and gradually unwind Cramo Finance NV's operations. Cramo Plc is responsible for the financing of subsidiaries from 1 October 2013. In addition Cramo Plc reduced the Cramo Finance NV's restricted equity by EUR 223,557 thousands, which has been paid during financial year 2014.

** In 2013, the Tax Administration issued a residual tax decision, total amount of EUR 9.7 million, for Cramo Plc concerning 2009–2012. According to decision, the interest income from Cramo's financing company in Belgium should have taxed in Finland. Cramo has paid the taxes in Belgium. Cramo Plc considers the decision unfounded and has appealed. The tax payment is recognised as an income tax receivable.

5. EQUITY

EUR 1,000	2014	2013
Share capital at 1 Jan/31 Dec	24,835	24,835
Share premium fund at 1 Jan/31 Dec	3,331	3,331
Invested unrestricted equity at 1 Jan	133,761	119,693
Exercise of share options, option program 2006C		3,369
Exercise of share options, option program 2009		10,700
Exercise of share options, option program 2010	3,430	
Excercise of share options, option program 2011	966	
Invested unrestricted equity at 31 Dec	**138,157**	**133,761**
Retained earnings at 1 Jan	37,503	39,108
Own shares received in subsidiary merger		-2,480
Dividend distribution	-25,986	-17,747
Retained earnings at 31 Dec	**11,517**	**18,881**
Profit for the year	27,999	18,622
Total equity	**205,838**	**199,431**
Distributable funds		
Retained earnings at 31 Dec	11,517	18,881
Profit for the year	27,999	18,622
Invested unrestricted equity	138,157	133,761
Total	**177,672**	**171,265**

SHARE CAPITAL	2014 No.	2014 EUR	2013 No.	2013 EUR
Share capital	43,903,554	24,834,753.09	42,844,333	24,834,753.09

Option rights
Details about current option programmes and incentive schemes are disclosed in the consolidated financial statements, note 28.

6. APPROPRIATIONS

EUR 1,000	2014	2013
Accumulated depreciation difference	174	116

7. PROVISIONS

EUR 1,000	2014	2013
Other provisions	305	314

Other provisions include the cash reward of the share plans payable during the financial periods 2015–2017.

8. LIABILITIES

EUR 1,000	2014	2013
Non-current liabilities		
Bonds	100,000	100,000
Loans from credit institutions	183,000	141,000
Loans from group companies	200,141	210,535
Other liabilities	200	
Total	**483,341**	**451,535**
Current liabilities		
To Group companies		
Liabilities to Group companies*	48,478	250,511
Accounts payables	505	139
Accrued liabilities and deferred income	4,243	12,589
Total	**53,226**	**263,239**
To others		
Loans from credit institutions	1,181	12,723
Accounts payables	1,018	243
Accrued liabilities and deferred income	4,519	5,130
Commercial papers	82,459	75,804
Other current liabilities	103	121
Total	**89,280**	**94,020**
Total current liabilities	**142,506**	**357,259**
Total liabilities	**625,847**	**808,794**
ACCRUED LIABILITIES AND DEFERRED INCOME		
To Group companies		
Interest expenses	4,874	4,989
Other accruals	-631	7,600
Total	**4,243**	**12,589**
To others		
Interest expenses	4,070	4,063
Personnel expenses	448	812
Other accruals		254
Total	**4,519**	**5,130**
Total	**8,761**	**17,719**

* During financial year 2013 Cramo Plc centralised all of the Group's Treasury functions with the parent company and gradually unwind Cramo Finance NV's operations. Cramo Plc is responsible for the financing of subsidiaries from 1 October 2013. Due to the refinancing of intra group loans, at the year end 2013 Cramo Plc had a liability to Cramo Finance NV, which has been paid during financial year 2014.

NON-CURRENT LIABILITIES, MATURITY < 5 YEARS		
Loans from credit institutions	183,000	

9. SALES BY GEOGRAPHICAL SEGMENTS

EUR 1,000	2014	2013
Service Charges		
Finland	332	321
Sweden	414	347
Norway	104	105
Denmark	91	101
Central Europe	157	105
Eastern Europe	41	124
Total	**1,138**	**1,102**

10. OTHER OPERATING INCOME

EUR 1,000	2014	2013
Rental of premises	25	23
Merger gain		203
Other	72	97
Total	**97**	**323**

11. PERSONNEL EXPENSES

EUR 1,000	2014	2013
Wages and salaries	-2,537	-2,905
Pensions	-530	-591
Other statutory employer contributions	-81	-132
Total	**-3,148**	**-3,628**
Average number of personnel		
Clerical personnel	22	24
Executive remuneration*		
Wages and salaries with fringe benefits		
President and CEO	-475	-642
Management team	-543	-499
Board members	-315	-317
Total	**-1,333**	**-1,458**

* Executive remuneration, see consolidated financial statements note 30, related party transactions.

12. DEPRECIATION AND IMPAIRMENT

EUR 1,000	2014	2013
Depreciation according to plan on intangible assets	-149	-87
Depreciation according to plan on tangible assets	-42	-43
Total	**-192**	**-130**

13. OTHER OPERATING EXPENSES

EUR 1,000	2014	2013
Premises expenses	-358	-307
Investor relations	-444	-410
Expert services	-1,858	-2,765
Intra-Group services	-1,304	-1,411
Other administrative expenses	-1,149	-1,180
Total	**-5,113**	**-6,074**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

AUDIT FEES*	KPMG Oy Ab	2014 Ernst & Young Oy	Total	2013 Ernst & Young Oy
Authorised Public Accountants				
Audit fees	-49	-52	**-101**	-139
Tax consultation	-8	-61	**-69**	-98
Other services	0	-119	**-120**	-38
Total	-58	-232	**-290**	-276

* Cramo Pls's Annual General Meeting on 1st April 2014 appointed KPMG Oy Ab, Authorised Public Accountants, as Cramo Plc's auditor, with Mr Toni Aaltonen, APA, as the responsible auditor.

14. NET FINANCIAL ITEMS

EUR 1,000	2014	2013
Dividend income		
From Group companies	31,118	56,851
From others	0	0
Total dividend income	**31,118**	**56,851**
Interest income		
From Group companies*	12,804	8,861
From others	566	480
Total interest income	**13,370**	**9,341**
Interest expenses		
To Group companies	-6,482	-7,666
To others	-11,372	-18,370
Total interest expenses	**-17,854**	**-26,036**
Other financial expenses		
Impairment on non-current investments	-5,246	-22,356
Other financial expenses	-1,687	-1,696
Total financial expenses	**-6,933**	**-24,052**
Exchange gains and losses		
To Group companies	-5,096	-11,320
To others	4,688	9,416
Total exchange gains and losses	**-409**	**-1,903**
Net financial items	**19,292**	**14,201**

* During financial year 2013 Cramo Plc centralised all of the Group's Treasury functions with the parent company and gradually unwind Cramo Finance NV's operations. Cramo Plc is responsible for the financing of subsidiaries from 1 October 2013.

15. EXTRAORDINARY ITEMS

EUR 1,000	2014	2013
Group contributions received	15,983	13,034
Total extraordinary items	**15,983**	**13,034**

16. APPROPRIATIONS

EUR 1,000	2014	2013
Depreciation difference, increase (-)/ decrease (+):		
Intangible assets	-55	-32
Machinery and equipment	-4	-24
Total	**-58**	**-56**

17. INCOME TAXES

EUR 1,000	2014	2013
Current tax	3,197	3,193
Taxes on extraordinary income	-3,197	-3,193
Tax from previous financial periods		-151
Total		**-151**

18. COLLATERALS AND CONTINGENT LIABILITIES

EUR 1,000	2014	2013
COLLATERALS GIVEN		
Collaterals given on behalf of the Group companies		
Guarantees given	11,001	16,082
COMMITMENTS AND CONTINGENCIES		
Leasing liabilities		
Leasing liabilities in the following year	273	100
Subsequent leasing liabilities	351	117
Leasing liabilities are 3–4 year contracts without redemption clauses.		
Rental liabilities		
Rental liabilities in the following year	1,833	1,788
Subsequent rental liabilities	4,276	5,961
Rental liabilities of business premises are 10-year contracts without redemption clauses.		
Investment commitments		
Investment commitments in the following year		1,054
Subsequent investment commitments		

19. INTEREST RATE AND CURRENCY DERIVATIVES

	2014		2013	
EUR 1,000	Notional value	Fair value	Notional value	Fair value
INTEREST RATE DERIVATIVES				
Interest rate swap	90,000	-9,286	91,000	-6,001
Negative fair value		-9,286		-6,001
CURRENCY DERIVATIVES				
Forward contracts	138,569	3,051	107,349	1,632
Positive fair value		3,376		2,053
Negative fair value		-325		-421

Financial derivarive instruments of parent company which are valid at the closing date, will mature during financial years 2015–2023.

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	2014	2013
Deferred tax asset from negative depreciation provisions	5	4
Deferred tax asset on tax losses carried forward	641	6,411
	646	**6,415**
Deferred tax liability from depreciation difference	-35	-23
Deferred tax liability from provisions	-61	-63
	-96	**-86**
Total	**550**	**6,329**

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

SIGNATURES

Vantaa, 9 February 2015

Helene Biström	*Eino Halonen*	*Leif Boström*	*Victor Hartwall*
Raimo Seppänen	*Erkki Stenberg*	*Caroline Sundewall*	*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 year ended 31 December 2014. The financial statements comprise the consolidated statement of financial position, 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 liability for the financial period audited by us.

Helsinki, 9 February 2015

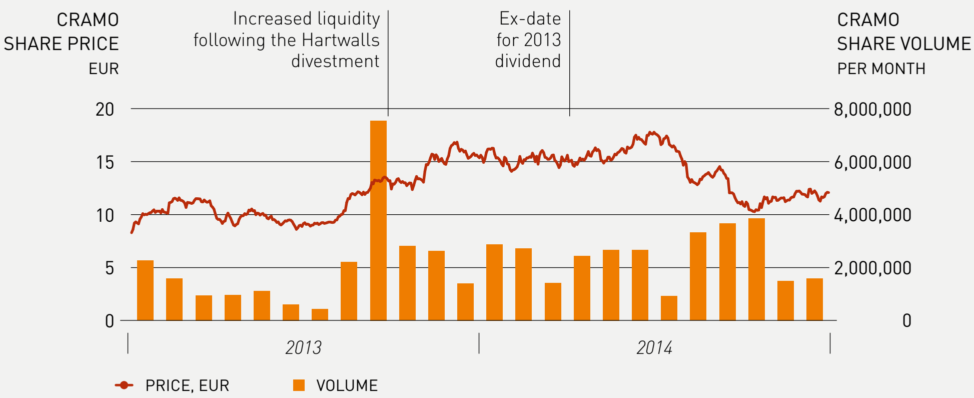
KPMG OY AB

Toni Aaltonen
Authorized Public Accountant

WE TARGET ATTRACTIVE RETURNS FOR OUR SHAREHOLDERS

We support the correct valuation of Cramo's share by providing capital markets with up-to-date information on the company's business, strategy and financial position.

CRAMO SHARE PRICE AND TRADING VOLUME



SHARE INFORMATION

- Listed on 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 2014: 43,903,554
- Listing date: 1 August 1988

CHANGES IN SHARE CAPITAL

As a result of share subscriptions based on stock options 2009 and 2010, the number of Cramo Plc's shares increased by 1,059,221 to 43,903,554 shares in 2014. Based on subscriptions with the 2009 option programme, the number of Cramo shares increased by 782,626 new shares in 2014. As a result of the 2010 option programme, the number of Cramo shares increased by 276,595 new shares. In the fourth quarter, 161,475 new shares were subscribed based on the 2011 option programme. These shares were registered in the Finnish Trade Register on 16 January 2015. The subscription prices have been reported under the invested unrestricted equity fund. Pages 92–95.

SHAREHOLDERS

Cramo had 9,156 shareholders as of 1 January 2014 and 9,149 as of 31 December 2014. The largest shareholders, page 100. Shares held by the management team: www.cramo.com ▶ Investors ▶ Share ▶ Insiders

DIVIDEND PAYMENT

In accordance with the company's profit distribution policy, the Board proposes a dividend of EUR 0.55 per share for the financial year 2014, representing 149.3% of reported earnings per share. A dividend of EUR 0.60 was paid for the financial year 2013, representing 59.3% of reported earnings per share.

MANAGEMENT AND EMPLOYEE INTEREST ON 31 DECEMBER 2014

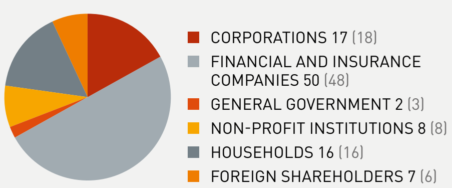
At year-end, the members of the Board of Directors, the President and CEO and other members of the Cramo management team and their interested parties held a total of 485,726 Cramo Plc shares (617,817 in 2013), representing about 1.11% (1.44) of the total shares and voting rights in the company.

At year-end, as a result of the first and second phases of the One Cramo Share Plan, employees held a total of 81,158 Cramo Plc shares (59,081 in 2013), representing about 0.18% (0.14) of the total shares and voting rights in the company.

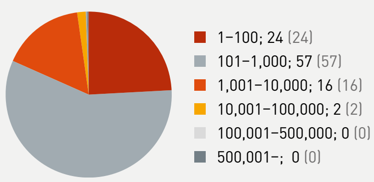
VALID BOARD AUTHORISATIONS

Board of Directors' report, pages 55–60.

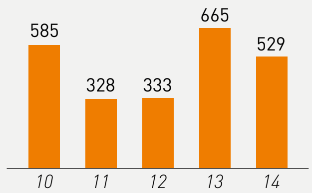
SHAREHOLDING BY SECTOR
31 DECEMBER 2014 (2013) % OF SHARES



SHAREHOLDING BY SIZE
31 DECEMBER 2014 (2013) %



MARKET CAPITALISATION ON NASDAQ OMX HELSINKI 2010–2014 MEUR



INVESTOR RELATIONS POLICY

Cramo's investor relations seek to support the correct valuation of the company's share by providing capital markets with up-to-date information about the company's business, strategy and financial position. In its investor communications, Cramo follows the principle of impartiality and publishes all investor information including its annual report on its website in Finnish and English.

Cramo observes a three-week silent period prior to the publication of its results. At other times, we are happy to answer the enquiries of analysts and investors by phone or email, or at the investor meetings arranged.

ANNUAL GENERAL MEETING

Time: Tuesday, 31 March 2015 at 10.00 am (EET)
Venue: Finlandia Hall
Address: Mannerheimintie 13 e, Congress Wing, Hall A, Helsinki, Finland.
Admission of registered shareholders begins at 9.00 am.

Shareholders who wish to attend the AGM must be registered on 19 March 2015 in the company's shareholders' register held by Euroclear Finland Ltd. Shareholders must also give prior notice of their attendance to the company by 26 March 2015 at 6.00 pm. Such notice can be given:

- on the company website: www.cramo.com
- by phone +358 10 661 1242 (Mon–Fri 8.00 am–6.00 pm)
- by fax to +358 10 661 1298
- in writing to Cramo Plc, "Annual General Meeting", Kalliosolantie 2, FI-01740 Vantaa, Finland

Any proxy documents should be delivered as originals prior to the final date for registration. If a shareholder wishes 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.

ANALYST RESEARCH

According to the information available to the company, analysts in the service of at least the following banks and brokerage firms have made investment analyses of Cramo in 2014: ABG Sundal Collier, Carnegie, Danske Markets, Evli Bank Plc, Handelsbanken Capital Markets, Inderes, Nordea Markets, Pareto Securities Oy, Pohjola Bank plc and SEB Enskilda Equities. Cramo takes no responsibility for the opinions expressed.

CHANGE OF ADDRESS

If your address or account number for dividend payment changes, we ask that you send written notification of this to the particular register holding your book entry account.

If you have any questions, please contact
Vesa Koivula, President and CEO
tel: +358 10 661 1240
email: vesa.koivula@cramo.com

Martti Ala-Härkönen, CFO
tel: +358 10 661 1270
email: martti.ala-harkonen@cramo.com

Merja Naumanen, IR Communication Officer
tel: +358 10 661 1211
email: merja.naumanen@cramo.com

Financial documents can be obtained from
Cramo Plc
Kalliosolantie 2, FI-01740 Vantaa, Finland
tel: +358 10 661 1211
email: investor.relations@cramo.com

Investor information:
www.cramo.com ▶ Investors
Releases for 2014:
www.cramo.com ▶ Investors ▶ Releases

Week 10 2015	Annual report, electronic version
31 March 2015	Annual General Meeting
5 May 2015	Interim report for January–March
5 August 2015	Interim report for January–June
29 October 2015	Interim report for January–September

We are committed to raising the standards of the rental business, and we do so in partnership with our customers. It's the promise we give our customers, and it will be based on the feedback they give us.

#1 WE ARE ALWAYS HELPFUL

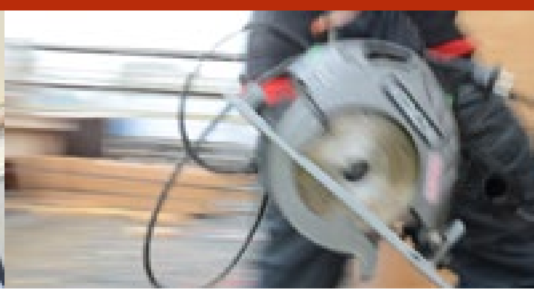
Every Cramo country has its own Ombudsman. The Ombudsman is a neutral authority who is willing and able to solve any causes for dissatisfaction. Their job is to make our customers happy and help us to improve.

#2 WE ARE ALWAYS ON TIME

We understand your needs and timetables so well, that every delay is too much. One minute late or one hose short, we'll take responsibility – just to keep our service standards at least as high as your expectations.

#3 OUR EQUIPMENT NEVER FAILS

High quality equipment is the very core of our business. When equipment needs to be fixed or substituted, we'll do it faster than you could imagine.



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