

PONSSE PLC, STOCK EXCHANGE RELEASE, 14 FEBRUARY 2012, 9:00 a.m.

PONSSE'S FINANCIAL STATEMENTS FOR 1 JANUARY – 31 DECEMBER 2011

- Net sales amounted to EUR 328.2 (Q1–Q4/2010 262.4) million.
- Q4 net sales were EUR 102.7 (Q4/2010 90.6) million.
- Operating result totalled EUR 28.8 (Q1–Q4/2010 21.7) million, equalling 8.8 (8.3) per cent of net sales. The operating result includes a write-down of EUR 3.6 million on external trade receivables in South America.
- Q4 operating result was EUR 10.2 (Q4/2010 6.4) million, equalling 10.0 (7.1) per cent of net sales. The operating result of the last quarter includes a write-down of EUR 1.0 million on external trade receivables in South America.
- Profit before taxes was EUR 26.0 (Q1–Q4/2010 24.4) million.
- Cash flow from business operations was EUR 25.0 (Q1–Q4/2010 25.9) million.
- Earnings per share were EUR 0.47 (0.78).
- Equity ratio was 45.2 (46.9) per cent.
- Order books stood at EUR 71.9 (68.3) million.

PRESIDENT AND CEO JUHO NUMMELA:

The company's business operations grew as planned during the period under review. The efficiency of operational business increased towards the end of the period, which is seen in net sales, operating result, and cash flows from operations. Investments in product development have borne fruit during the period under review. Our improved product families, including our new crane models and eight-wheel harvesters meet market requirements very well.

The uncertainty of the world economy began to affect the demand for forest machines at the end of the third quarter, and this trend continued through the final quarter. Despite the economic uncertainty, there were no problems with customer financing in the past quarter. The company's order books were at a good level throughout the year, amounting to EUR 71.9 (68.3) million at the end of the period, which is 5.3 per cent more than in the corresponding period. The company's order books do not include minimum purchase commitments.

Net sales for the period under review amounted to EUR 328.2 (262.4) million, representing a growth of 25.1 per cent compared with the corresponding period. During the last quarter, the Group's net sales grew by 13.4 per cent compared with the corresponding period and stood at EUR 102.7 (90.6) million. The service business grew over the period under review.

The operating result was EUR 10.2 (6.4) million during the last quarter of the period under review. The operating result came to 10.0 (7.1) per cent of net sales in the past quarter. The operational result without non-recurring items amounted to EUR 11.3 million during the last quarter, which represents 11.0 per cent of net sales. During the past quarter, the operating result was burdened by an impairment of EUR 1.0 million related to the external trade receivables in South America. The operating result without non-recurring items for the period under review amounted to EUR 32.5 million, representing 9.9 per cent of net sales.

Operating costs (staff costs, depreciation and amortisation, and other operating costs), excluding the impairment losses related to trade receivables, showed a planned increase of 22.0 per cent during the period under review.

Cash flow from business operations during the period was positive by EUR 25.0 (25.9) million. Capital is tied up mainly in raw materials and consumables, and in trade-in machines. In contrast, the stocks of new products were at a low level.

The factory operated as planned during the period under review. The machine production volumes were increased temporarily by rearranging working hours during the third quarter, and it was possible to deliver machines from the factory normally. The most recent expansion of the factory of about one thousand square metres was completed at the end of the period.

After the period, the presidents and CEOs of the subsidiaries Ponsse Latin America Ltda (Brazil) and Ponsse AB (Sweden) have been replaced.

NET SALES

Consolidated net sales for the period under review amounted to EUR 328.2 (262.4) million, which was 25.1 per cent more than in the comparison period. International business operations accounted for 69.3 (68.0) per cent of net sales.

Net sales were regionally distributed as follows: Northern Europe 51.6 (49.7) per cent, Central and Southern Europe 18.6 (17.0) per cent, Russia and Asia 16.1 (14.9) per cent, North and South America 13.8 (18.4) per cent and other countries 0.0 (0.0) per cent.

PROFIT PERFORMANCE

The operating result amounted to EUR 28.8 (21.7) million. The operating result equalled 8.8 (8.3) per cent of net sales for the period under review. An impairment loss worth about EUR 3.6 million related to external trade receivables in South America was recognised as an expense during the period. Consolidated return on capital employed (ROCE) stood at 24.3 (23.6) per cent.

Staff costs for the period totalled EUR 49.2 (38.2) million, including an expense item of EUR 1.9 million, which included, among other things, a profit bonus paid to Group personnel. Other operating expenses stood at EUR 34.8 (28.0) million. The net total of financial income and expenses amounted to EUR -2.6 (2.8) million. Exchange rate gains and losses with a net effect of EUR -1.2 (3.9) million were recognised under financial items for the period. The impact of the Adjustment Board decisions concerning the taxation of the parent company for the period amounts to EUR -1.5 (1.5) million. Profit for the period under review totalled EUR 14.8 (23.3) million. Diluted and undiluted earnings per share (EPS) came to EUR 0.47 (0.78). The interest on the subordinated loan for the period, less tax, has been taken into account in the calculation of EPS.

STATEMENT OF FINANCIAL POSITION AND FINANCING ACTIVITIES

At the end of the period under review, the total consolidated statements of financial position amounted to EUR 173.9 (161.7) million. Inventories stood at EUR 80.5 (72.4) million. Trade receivables totalled EUR 28.4 (33.7) million, while liquid assets stood at EUR 16.3 (11.0) million. Group shareholders' equity stood at EUR 78.6 (75.2) million and parent company shareholders' equity at EUR 75.4 (64.2) million. Group shareholders' equity includes a hybrid loan of EUR 19 million issued on 31 March 2009. The interest paid on the hybrid loan (EUR 5.7 million) and the allocated interest for the following year according to the dividend distribution decision (EUR 1.1 million), totalling EUR 6.8 million, less tax, are recognised as a deduction from Group equity. The amount of interest-bearing liabilities was EUR 39.1 (36.8) million. The company has used 17 per cent of its credit facility limit. The parent company's net receivables from other Group companies stood at EUR 74.8 (65.1) million. The parent company's receivables from subsidiaries mainly consisted of trade receivables. Consolidated net liabilities totalled EUR 22.5 (24.2) million, and the debt-equity ratio (gearing) was 49.7 (48.9) per cent. The equity ratio stood at 45.2 (46.9) percent at the end of the period under review.

Cash flow from business operations amounted to EUR 25.0 (25.9) million. Cash flow from investment activities came to EUR -9.4 (-4.8) million.

ORDER INTAKE AND ORDER BOOKS

Order intake for the period totalled EUR 333.7 (311.2) million, while period-end order books were valued at EUR 71.9 (68.3) million. The minimum order commitments for retailers are not included in the order book total.

DISTRIBUTION NETWORK

No changes took place in the Group structure during the period under review.

The subsidiaries included in the Ponsse Group are: Epec Oy, Finland; OOO Ponsse, Russia; Ponsse AB, Sweden; Ponsse AS, Norway; Ponsse Asia-Pacific Ltd, Hong Kong; Ponsse China

Ltd, China; Ponsse Latin America Ltda, Brazil; Ponsse North America, Inc., the United States; Ponsse S.A.S., France; Ponsse UK Ltd, the United Kingdom; and Ponsse Uruguay S.A., Uruguay. Sunit Oy, based in Kajaani, Finland, is an affiliated company in which Ponsse Plc has a holding of 34 per cent.

CAPITAL EXPENDITURE AND R&D

During the period under review, the Group's R&D expenses totalled EUR 8.8 (5.9) million, of which EUR 2.7 (1.7) million was capitalised.

Capital expenditure totalled EUR 9.4 (4.8) million. It mainly consisted of ordinary maintenance and replacement investments for machinery and equipment.

ANNUAL GENERAL MEETING

Annual General Meeting was held in Vieremä, Finland 12 April 2011. The AGM approved the parent company financial statements and the consolidated financial statements, and members of the Board of Directors and the President and CEO were discharged from liability for the 2010 financial period.

The AGM decided to authorise a dividend per share of EUR 0.35 per share for 2010 (dividends totalling EUR 9,725,485). No dividend will be paid to shares owned by the company itself (212,900 shares). The dividend payment record date was 15 April 2011, and the dividends were paid on 26 April 2011. In addition, the Annual General Meeting authorised the Board of Directors to decide on the payment of a potential additional dividend by the end of 2011.

The AGM authorised the Board of Directors to decide on the acquisition of the treasury shares so that a maximum of 250,000 shares can be acquired in one or more batches. The maximum amount corresponds to approximately 0.89 per cent of the company's total shares and votes.

The shares will be acquired in public trading organised by NASDAQ OMX Helsinki Ltd ("the Stock Exchange"). Furthermore, they will be acquired and paid according to the rules of the Stock Exchange and Euroclear Finland Ltd.

The Board may, pursuant to the authorisation, only decide upon the acquisition of the treasury shares using the Company's unrestricted shareholders' equity.

The authorisation is required for supporting the Company's growth strategy in the Company's potential business arrangements or other arrangements. In addition, the shares can be issued to the Company's current shareholders or used for increasing the ownership value of the Company's shareholders by invalidating shares after their acquisition, or used in personnel incentive systems. The authorisation includes the right of the Board to decide upon all other terms and conditions in the acquisition of own shares.

The authorisation is valid until the next AGM; however, no later than 30 June 2012.

The AGM authorised the Board of Directors to decide on the issue of new shares and the assignment of treasury shares held by the company against payment or free of charge so that a maximum of 250,000 shares will be issued on the basis of the authorisation. The maximum amount corresponds to approximately 0.89 per cent of the company's total shares and votes.

The authorisation includes the right of the Board to decide upon all other terms and conditions of the share issue. Thus, the authorisation includes a right to organise a directed issue in deviation of the shareholders' subscription rights under the provisions prescribed by law. The authorisation is proposed for use in supporting the Company's growth strategy in the Company's potential corporate acquisitions or other arrangements. In addition, the shares can be issued to the Company's current shareholders, sold through public trading or used in personnel incentive systems.

The authorisation is valid until the next AGM; however, no later than 30 June 2012.

BOARD OF DIRECTORS AND THE COMPANY'S AUDITORS

The Board of Directors comprised six members during the period under review. Heikki Hortling, Mammu Kaario, Ilkka Kylävainio, Ossi Saksman and Juha Vidgrén were re-elected to the Board. Jukka Vidgrén was elected as a new Board member. Juha Vidgrén acted as the Chairman of the Board and Heikki Hortling as the Vice Chairman.

The Board of Directors did not establish any committees or commissions from among its members.

The Board of Directors convened eleven times during the period under review. The attendance rate was 95.3 percent.

During the period under review, auditing firm PricewaterhouseCoopers Oy acted as the company auditor with Sami Posti, Authorised Public Accountant, as the principal auditor.

MANAGEMENT

The following persons were members of the Management Team: Juho Nummela, President and CEO, acting as the chairman; Pasi Arajärvi, Purchasing and Logistics Director; Juha Haverinen, Factory Director; Petri Härkönen, CFO; Juha Inberg, Technology and R&D Director; Executive Director, Corporate Development and Strategy, Timo Karppinen (as of 3 January 2011); Tapio Mertanen, Service Director; Paula Oksman, HR Director and Jarmo Vidgrén, Deputy CEO, Sales and Marketing Director. The company management has regular management liability insurance.

The area director organisation of sales is lead by Jarmo Vidgrén, Group's Sales and Marketing Director and Tapio Mertanen, Service Director. The geographical distribution and the responsible persons are presented below:

Northern Europe: Jarmo Vidgrén (Finland), Jerry Wannberg (Sweden, Denmark), Lyder Ellevold (until 1 September 2011) and Sigurd Skotte (as of 1 September 2011) (Norway),
Central and Southern Europe: Janne Vidgrén (Austria, Poland, Romania, Germany, the Czech Republic and Hungary), Tapio Ingervo (Spain, Italy, Portugal and France until 15 August 2011), Clément Puybaret (France as of 15 August 2011), Jussi Hentunen (Spain, Italy, Portugal and Norrbotten/Sweden as of 15 August 2011) and Gary Glendinning (the United Kingdom)
Russia and Asia: Jaakko Laurila (Russia, Belarus), Norbert Schalkx (Japan and the Baltic countries) and Risto Kääriäinen (China),
North and South America: Pekka Ruuskanen (the United States as of 1 June 2011) Marko Mattila (the United States until 1 June 2011 and North American dealers as of 1 June 2011), Cláudio Costa (Brazil) and Martin Toledo (Uruguay).

Sigurd Skotte took up his post as the President and CEO of Ponsse AS on 1 September 2011.

Clément Puybaret took up his post as the President and CEO of Ponssé S.A.S. on 15 August 2011.

PERSONNEL

The Group had an average staff of 948 (825) during the period and employed 978 (860) people at period-end.

SHARE PERFORMANCE

The company's registered share capital consists of 28,000,000 shares. The trading volume of Ponsse Plc shares for 1 January – 31 December 2011 totalled 2,638,091, accounting for 9.4 per cent of the total number of shares. Share turnover amounted to EUR 24.4 million, with the period's lowest and highest share prices amounting to EUR 5.85 and EUR 11.85, respectively.

At the end of the period, shares closed at EUR 7.00, and market capitalisation totalled EUR 196.0 million.

At the end of the period under review, the company held 212,900 treasury shares.

DISCLOSURE NOTIFICATIONS

According to the notification received by the company, of the 13,348,074 Ponsse Plc shares and 47.67 per cent of the votes held by the estate of Einari Vidgrén, 13,348,072 shares and 47.67 per cent of the votes were in the distribution of estate transferred to the ownership and

control of the direct heirs of Einari Vidgrén. As a result of the distribution of estate on 23 March 2011, the share held by the estate of Einari Vidgrén of the Ponsse Plc shares and voting rights has been reduced to below 1/20, and the share held by the direct heirs of Einari Vidgrén of the Ponsse Plc shares and voting rights has exceeded 1/10.

The Ponsse Plc shares owned and controlled by Einari Vidgrén's estate were in the distribution of estate divided equally between his four direct heirs, so that after the distribution the direct heirs of Einari Vidgrén hold the following portions of the shares and voting rights of Ponsse Plc: Janne Vidgrén's ownership 3,691,742 shares (earlier ownership 354,724 shares) and 13.18 per cent of voting rights (earlier ownership 1.27 per cent of voting rights), Juha Vidgrén's ownership 6,205,018 shares (2,868,000) and 22.16 per cent of voting rights (10.24), Jarmo Vidgrén's ownership 3,679,938 shares (342,920) and 13.14 per cent of voting rights (1.22) and Jukka Vidgrén's ownership 3,764,778 shares (427,760) and 13.45 per cent of voting rights (1.53).

Janne Vidgrén is employed by Ponsse Plc as an Area Director, Juha Vidgrén as the Chairman of the Board of Ponsse Plc and Jarmo Vidgrén as the Sales and Marketing Director of Ponsse Plc and as the Deputy to the CEO. Jukka Vidgrén acts as an entrepreneur in the media industry and as a member of the Board of Ponsse Plc as of 12 April 2011.

QUALITY AND ENVIRONMENT

Ponsse observes in its operations the ISO 9001:2000 quality standard, the ISO 14001 environmental system standard and the OHSAS 18001 occupational safety and health standard, of which the first two are certified. During the period under review, Lloyd's Register Quality Assurance performed an audit of the ISO 9001:2008 quality system and the ISO 14001 environmental system.

The company complies with environmental legislation in its operations. Regulatory amendments are continuously monitored and the necessary actions are taken accordingly. In accordance with the company's environmental policy, Ponsse aims to develop and manufacture products with the lowest possible load on the environment.

Practices and production processes are developed through internal audits and supplier audits. Investments in auditing have continued, and they have assisted the company in creating new and better practices, both for its own operations and those of its suppliers. Production processes are being developed utilising the method of continual improvement. The quality assurance system stresses the significance of proactive measures. The Lean Six Sigma quality improvement scheme was continued during the year.

The company continued its close cooperation with occupational healthcare. The focus was on developing preventive occupational healthcare with active patient participation.

The Group-level Data Security Team is responsible for the general development of information security, maintenance of the Group information security policy and coordination of information security training.

GOVERNANCE

In its decision-making and administration, the company observes the Finnish Limited Liability Companies Act, other regulations governing publicly listed companies and the company's Articles of Association. The company's Board of Directors has adopted the Code of Governance that complies with the Finnish Corporate Governance Code approved by the Board of the Securities Market Association in 2010. The purpose of the code is to ensure that the company is professionally managed and that its business principles and practices are of a high ethical and professional standard.

The Code of Governance is available on Ponsse's website in the Investors section.

RISK MANAGEMENT

Risk management is based on the company's values, as well as strategic and financial objectives. Risk management aims to support the achievement of the objectives specified in the company's strategy, as well as to ensure the financial development of the company and the continuity of its business.

Furthermore, risk management aims to identify, assess and monitor business-related risks which may influence the achievement of the company's strategic and financial goals or the continuity of its business. Decisions on the necessary measures to anticipate risks and react to observed risks are made on the basis of this information.

Risk management is a part of regular daily business, and it is also included in the management system. Risk management is controlled by the risk management policy approved by the Board.

A risk is any event that may prevent the company from reaching its objectives or that threatens the continuity of business. On the other hand, a risk may also be a positive event, in which case the risk is treated as an opportunity. Each risk is assessed on the basis of its impact and probability. Methods of risk management include avoiding, mitigating and transferring risks. Risks can also be managed by controlling and minimising their impact.

SHORT-TERM RISK MANAGEMENT

The rapid escalation of the problems in the economies of Europe and the United States in the financial market may have an impact on the availability of customer financing.

The parent company monitors the changes in the Group's internal and external trade receivables and the associated risk of impairment.

The key objective of the company's financial risk management policy is to manage liquidity, interest and currency risks. The company ensures its liquidity through credit limit facilities agreed with a number of financial institutions. The effect of adverse changes in interest rates is minimised by utilising credit linked to different reference rates and by concluding interest rate swaps. The effects of currency rate fluctuations are mitigated through derivative contracts.

Changes taking place in the fiscal and customs legislation in countries to which Ponsse exports may hamper the company's export trade or its profitability.

EVENTS AFTER THE PERIOD

Claudio Costa, Managing Director of Ponsse's Latin American subsidiary Ponsse Latin America Ltda, works no longer for the company as of 7 February 2012.

Fabio Nogueira is a Financial Director and for the time being manages the operations in Ponsse Latin America Ltda in addition to his own duties. Nogueira reports to Jarmo Vidgrén, Sales and Marketing Director at Ponsse Plc. Nogueira is located in Mogi das Cruzes, Brazil. Fabio Nogueira has been working as a Controller for Ponsse Latin America Ltda since 2007.

Jerry Wannberg, Managing Director of Ponsse's Swedish subsidiary Ponsse AB left the company due to personal reasons 7 February 2012.

For the time being, Glenn Nyman acts as the Managing Director of Ponsse AB in addition to his own duties. Nyman has been working as a Financial Manager and Controller for Ponsse AB since 1996. Nyman reports to Jarmo Vidgrén, Sales and Marketing Director of Ponsse Plc, and his office is located in Surahammar, Sweden.

The appointments for managing directors of Ponsse Latin America Ltda and Ponsse AB will be announced in the near future.

OUTLOOK FOR THE FUTURE

The Group's operating result in euros is expected to remain at the same level as in 2011.

Exacerbation of the problems in the economy or an extension of the current economic situation may affect the making of investment decisions on forest machines and lead to weakening demand. The company's order books at the end of the period under review enable normal operations for the present.

The factory and service operate normally at full capacity. The development of operating costs is monitored in an enhanced manner, and any decisions to initiate investments will be made with discretion.

ANNUAL GENERAL MEETING

Ponsse Plc's Annual General Meeting will be held on 17 April 2012, starting at 11:00 a.m. at the company's registered office at Ponssentie 22, FI-74200 Vieremä, Finland.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISPOSAL OF PROFIT

The company's Board of Directors proposes that the Annual General Meeting authorises a dividend per share of EUR 0.35 for 2011. The Board proposes to the Annual General Meeting that a profit bonus will be paid to the staff for the year 2011.

PONSSE GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)

	IFRS 1-12/11	IFRS 1-12/10
NET SALES	328,191	262,416
Increase (+)/decrease (-) in inventories of finished goods and work in progress	2,672	476
Other operating income	1,297	898
Raw materials and services	-214,137	-170,810
Expenditure on employment-related benefits	-49,176	-38,243
Depreciation and amortisation	-5,221	-5,079
Other operating expenses	-34,781	-27,984
OPERATING RESULT	28,844	21,674
Share of results of associated companies	-181	5
Financial income and expenses	-2,617	2,769
RESULT BEFORE TAXES	26,046	24,448
Income taxes	-11,233	-1,111
NET RESULT FOR THE PERIOD	14,812	23,338
OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:		
Translation differences related to foreign units	-943	-904
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	13,869	22,434
Diluted and undiluted earnings per share [*]	0.47	0.78
	IFRS 10-12/11	IFRS 10-12/10
NET SALES	102,707	90,597
Increase (+)/decrease (-) in inventories of finished goods and work in progress	-7,246	-6,085
Other operating income	485	220
Raw materials and services	-61,399	-56,238
Expenditure on employment-related benefits	-13,307	-11,604
Depreciation and amortisation	-1,422	-1,273
Other operating expenses	-9,575	-9,194
OPERATING RESULT	10,244	6,422
Share of results of associated companies	4	236
Financial income and expenses	1,656	1,052
RESULT BEFORE TAXES	11,903	7,710
Income taxes	-4,373	-2,162
NET RESULT FOR THE PERIOD	7,530	5,548

OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:		
Translation differences related to foreign units	-786	-250
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	6,744	5,298
Diluted and undiluted earnings per share *	0.26	0.22

* The interest on the subordinated loan for the period, less tax, was taken into account in this figure.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)

	IFRS 31 Dec 11	IFRS 31 Dec 10
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	9,057	6,571
Goodwill	3,440	3,440
Property, plant and equipment	26,165	24,443
Financial assets	111	111
Investments in associated companies	1,294	1,625
Non-current receivables	1,535	3,144
Deferred tax assets	2,826	1,712
TOTAL NON-CURRENT ASSETS	44,428	41,045
CURRENT ASSETS		
Inventories	80,475	72,391
Trade receivables	28,258	32,125
Income tax receivables	4	623
Other current receivables	4,499	4,483
Cash and cash equivalents	16,267	11,036
TOTAL CURRENT ASSETS	129,504	120,659
TOTAL ASSETS	173,932	161,704
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	7,000	7,000
Other reserves	19,030	19,030
Translation differences	-1,975	-1,032
Treasury shares	-2,228	-2,228
Retained earnings	56,736	52,396

EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS	78,563	75,166
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	18,630	16,255
Deferred tax liabilities	1,110	469
Other non-current liabilities	20	28
TOTAL NON-CURRENT LIABILITIES	19,760	16,752
CURRENT LIABILITIES		
Interest-bearing liabilities	20,434	20,603
Provisions	4,627	4,706
Tax liabilities for the period	3,527	215
Trade creditors and other current liabilities	47,022	44,263
TOTAL CURRENT LIABILITIES	75,609	69,787
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	173,932	161,704

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)

	IFRS 1-12/11	IFRS 1-12/10
CASH FLOW FROM BUSINESS OPERATIONS:		
Net result for the period	14,812	23,338
Adjustments:		
Financial income and expenses	2,617	-2,769
Share of the result of associated companies	181	-5
Depreciation and amortisation	5,221	5,079
Income taxes	10,878	1,108
Other adjustments	1,284	-1,454
Cash flow before changes in working capital	34,994	25,297
Change in working capital:		
Change in trade receivables and other receivables	5,034	-12,015
Change in inventories	-8,084	-4,471
Change in trade creditors and other liabilities	1,953	18,437
Change in provisions for liabilities and charges	-79	-229
Interest received	216	486
Interest paid	-1,346	-1,365
Other financial items	-715	1,096
Income taxes paid	-6,947	-1,310
NET CASH FLOW FROM BUSINESS OPERATIONS (A)	25,024	25,927
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-9,430	-4,825
CASH OUTFLOW FROM INVESTMENT ACTIVITIES (B)	-9,430	-4,825

FINANCING

Acquisition of treasury shares	0	-1,564
Interest paid, hybrid loan	-2,280	-2,280
Withdrawal/Repayment of current loans	-150	-8,621
Change in current interest-bearing liabilities	25	-8
Withdrawal/Repayment of non-current loans	2,886	-6,573
Payment of finance lease liabilities	-519	-421
Change in non-current receivables	208	435
Dividends paid	-9,725	-4,193
NET CASH OUTFLOW FROM FINANCING (C)	-9,556	-23,227
Change in cash and cash equivalents (A+B+C)	6,039	-2,125
Cash and cash equivalents on 1 January	11,036	10,626
Impact of exchange rate changes	-808	2,536
Cash and cash equivalents on 31 December	16,267	11,036

Consolidated statement of cash flows has been adjusted with regard to unrealised exchange rate changes, which have been moved from the "Other financial items" line to "Impact of exchange rate changes" line.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR 1,000)

- A = Share capital
- B = Share premium and other reserves
- C = Translation differences
- D = Treasury shares
- E = Retained earnings
- F = Total shareholders' equity

	EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS					
	A	B	C	D	E	F
SHAREHOLDERS' EQUITY 1						
JAN 2011	7,000	19,030	-1,032	-2,228	52,396	75,166
Adjustment for previous periods regarding the hybrid loan interest					960	960
Adjusted shareholders' equity 1 Jan 2011	7,000	19,030	-1,032	-2,228	53,356	76,126
Translation differences			-943			-943
Result for the period					14,812	14,812
Total comprehensive income for the period			-943		14,812	13,869
Direct entries to retained					-1,707	-1,707

earnings*						
Dividend distribution					-9,725	-9,725
Purchase of treasury shares						0
Other changes						0
SHAREHOLDERS' EQUITY 31						
DEC 2011	7,000	19,030	-1,975	-2,228	56,736	78,563
SHAREHOLDERS' EQUITY 1						
JAN 2010	7,000	19,030	-128	-665	34,329	59,566
Translation differences			-904			-904
Result for the period					23,338	23,338
Total comprehensive income for the period			-904		23,338	22,434
Direct entries to retained earnings*					-1,078	-1,078
Dividend distribution					-4,193	-4,193
Purchase of treasury shares				-1,563		-1,563
Other changes						0
SHAREHOLDERS' EQUITY 31						
DEC 2010	7,000	19,030	-1,032	-2,228	52,396	75,166
* Consists of the interest paid, less tax, for the hybrid loan classified as equity.						
					31 Dec 11	31 Dec 10
1. LEASING COMMITMENTS (EUR 1,000)					4,085	4,991
2. CONTINGENT LIABILITIES (EUR 1,000)					31 Dec 11	31 Dec 10
Guarantees given on behalf of others					859	425
Repurchase commitments					1,765	2,501
Other commitments					3,391	2,659
TOTAL					6,014	5,585
3. PROVISIONS (EUR 1,000)						
1 January 2011					Guarantee provision	
Provisions added					4,706	
Provisions cancelled					859	
31 December 2011					-938	
					4,627	
KEY FIGURES AND RATIOS					31 Dec 11	31 Dec 10
R&D expenditure, MEUR					8.8	5.9
Capital expenditure, MEUR					9.4	4.8
as % of net sales					2.9	1.8
Average number of employees					948	825
Order books, MEUR					71.9	68.3
Equity ratio, %					45.2	46.9
Diluted and undiluted earnings per share (EUR)					0.47	0.78

Equity per share (EUR)	2.81	2.68
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FORMULAE FOR FINANCIAL INDICATORS

Average number of employees:

Average of the number of personnel at the end of each month. The calculation has been adjusted for part-time employees.

Equity ratio, %:

Shareholders' equity + Non-controlling interests

Balance sheet total - advance payments received * 100

Earnings per share:

Net income for the period - Non-controlling interests - Interest on hybrid loan for the period less tax

Average number of shares during the accounting period, adjusted for share issues

Equity per share:

Shareholders' equity

Number of shares on the balance sheet date, adjusted for share issues

ORDER INTAKE, MEUR	1-12/11	1-12/10
Ponsse Group	333.7	311.2

The stock exchange release for annual financial statements has been prepared observing the recognition and valuation principles of IFRS standards, but not all of the requirements of IAS 34 have been complied with. The same accounting principles were observed for the closing of the books as for the annual financial statements dated 31 December 2010, with the exception, however, that the following new standards, interpretations and amendments adopted by the EU were introduced from 1 January 2011: IAS 24 (revised) – Related Party Disclosures; IAS 32 (amendment) – Classification of Rights Issue; IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments; and IFRIC 14 (amendment) – Prepayments of a Minimum Funding Requirement.

In July 2010, the IASB published improvements to standards or interpretations as part of its annual improvements. The Group has adopted the amendments, after EU approval, in its financial statements for 2011: IFRS 3 (amendment) – Business Combinations; IFRS 7 (amendment) – Financial Instruments: Disclosures; IAS 1 (amendment) – Presentation of Financial Statements; IAS 27 (amendment) – Consolidated and Separate Financial Statements; IAS 34 (amendment) – Interim Financial Reporting; IFRIC 13: Customer Loyalty Programmes.

These new standards, interpretations, amendments and improvements have no impact on the Group's interim report.

The above figures have been audited.

The above figures have been rounded and may therefore differ from those given in the official financial statements.

This communication includes future-oriented statements that are based on the assumptions currently made by the company's management and its current decisions and plans. Although the management believes that the future expectations are well founded, there is no certainty that these expectations will prove to be correct. This is why the results may significantly deviate from the assumptions included in the future-oriented statements as a result of, among other things, changes in the economy, markets, competitive conditions, legislation or currency exchange rates.

Vieremä, 14 February 2012

PONSSE PLC

Juho Nummela
President and CEO

FURTHER INFORMATION

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Ponsse Plc is a company specialising in the sales, manufacture, servicing and technology of cut-to-length method forest machines and is driven by genuine interest in its customers and their business. Ponsse develops and manufactures sustainable and innovative harvesting solutions based on customers' needs.

The company was established by forest machine entrepreneur Einari Vidgrén in 1970, and it has been a leader in timber harvesting solutions based on the cut-to-length method ever since. Ponsse is headquartered in Vieremä, Finland. The company's shares are quoted on the NASDAQ OMX Nordic List.