PONSSE PLC, STOCK EXCHANGE RELEASE, 16 FEBRUARY 2016, 9:00 a.m.

PONSSE'S FINANCIAL STATEMENTS FOR 1 JANUARY – 31 DECEMBER 2015

– Net sales amounted to EUR 461.9 (Q1–Q4/2014 390.8) million.

– Q4 net sales were EUR 151.7 (Q4/2014 120.8) million.

– Operating result totalled EUR 56.0 (Q1-Q4/2014 41.7) million, equalling 12.1 (10.7) per cent of net sales.

– Q4 operating result was EUR 21.8 (Q4/2014 14.2) million, equalling 14.4 (11.8) per cent of net sales.

– Result before taxes was EUR 50.4 (Q1-Q4/2014 38.0) million.

– Cash flow from operating activities was EUR 44.0 (Q1-Q4/2014 37.5) million.

– Earnings per share were EUR 1.48 (1.07).

– Equity ratio was 44.8 (42.0) per cent.

– Order books stood at EUR 158.1 (158.4) million.

– The Board of Directors´proposal for the distribution of profit is EUR 0.55 (0.45) per share.

– After the very strong performance in 2015, the Group´s euro-denominated operating profit is expected to be on a par with 2015 in 2016.

PRESIDENT AND CEO JUHO NUMMELA:
2015 was a very strong year for Ponsse. We managed to improve our position even further after the excellent results of 2014. We succeeded in our goal of finding a balance in business operations between growth, profitability and cash flows. We achieved an 18 per cent growth in net sales, an operating profit margin of over 12 per cent and a EUR 44.0 million cash flow from business operations. The share of exports continued to develop, reaching a record-high figure of 77 (75) per cent of net sales.

The forest machine market was active and order intake was at an excellent level throughout the year. Our order books grew strongly during the year and balanced out towards the end of the year due to high delivery volumes in December. Our order books were still at a very good level at the end of the year, amounting to EUR 158.1 million. The Vieremä factory manufactured a record-high number of forest machines during the review period.

With regard to our market areas, North America was particularly strong. The general economic situation in the United States continued to be good, and the activity of the local forest industry enabled a good work situation for our customers. At the same time, the exchange rate of the US dollar made the operations of our subsidiary easier in the local market. The Canadian market also experienced good growth, influenced by the United States. In Russia, demand for forest machines was actually picking up towards the end of the year. In spite of the very uncertain situation of the country, machine deliveries took place as planned. In Europe, the market was mostly at a good level. The Swedish forest machine market continued to be depressed, and the Finnish forest machine market was larger than the Swedish market for the first time in history.

Our growth in 2015 was strong. All of our business areas developed well, and growth in new machines and maintenance services was excellent in particular. The growth in maintenance services is linked both to the continuously expanding machine base and new business concepts in maintenance services. The company's cumulative net sales amounted to a record-high figure of EUR 461.9 (390.8) million and operating profit was EUR 56.0 (41.7) million. Net sales grew by 18.2 per cent and operating profit by 34.2 per cent compared with the comparable period. The operating profit equalled 12.1 (10.7) per cent of net sales for the period under review.

Cash flow from business operations amounted to EUR 44.0 (37.5) million in the period under review. As a result of this strong growth, the capital temporarily tied up in inventories impaired cash flows. The stock of new machines was almost at the optimum level at the end of the year, but due to the start of serial production of a new machine model series, capital was tied up in materials and supplies and investments in spare part inventories in different market areas impaired the cash flows. The stock of used machines was increasing slightly towards the end of the year due to the high delivery volumes of new machines.

The company's balance sheet strengthened further and our solvency continued its positive development. The company's equity ratio was 44.8 (42.0) per cent.

Ponsse's product range changed strongly during 2015. The serial production of PONSSE Scorpion and PONSSE Bear, the first harvesters of the new model series, started in 2014. The rest of the products in the new model range entered serial production in stages during 2015. The ergonomics, serviceability and productivity of the machines have been developed and the design has been updated. At the same time, new engines compliant with the EU Stage IV emission level pertaining to the new environmental requirements were installed in all forest machines delivered in Europe. The launch of new products and commencing their serial production succeeded well. At the same time, our Vieremä factory was able to manufacture forest machines at full capacity with the volumes growing continuously in a controlled way.

We are developing Ponsse with a long-term perspective. It is important to continuously reform our operations and products. We have increasingly invested in both fixed assets and R&D. Since 2010, we have invested approximately EUR 56 million in R&D, while our capital expenditure for the same period amounted to approximately EUR 87 million.

Our investments in the service network and factory functions have continued. In addition to Finland, we have invested strongly in the service centres of our subsidiaries. Currently, investment projects are in progress in the United States, Russia, Uruguay, France and the United Kingdom. In addition, we are increasing the capacity of the Iisalmi logistics centre by investing in the expansion of its premises. The development of the factory is strongly focused on developing productivity and quality making ability throughout the production network. Organisational reforms made in the supply chain in autumn 2015 succeeded well and the development of the different parts of the supply chain is progressing nicely. The factory will be expanded significantly in the years to come, which will be made possible by the investments on which we have already decided. The investments will support our ability to manufacture PONSSE forest machines in Finland and respond to market needs.

NET SALES

Consolidated net sales for the period under review amounted to EUR 461.9 (390.8) million, which was 18.2 per cent more than in the comparison period. International business operations accounted for 76.9 (74.5) per cent of net sales.

Net sales were regionally distributed as follows: Northern Europe 37.3 (41.2) per cent, Central and Southern Europe 18.6 (20.2) per cent, Russia and Asia 12.3 (16.4) per cent, North and South America 31.5 (22.1) per cent and other countries 0.4 (0.1) per cent.

PROFIT PERFORMANCE

The operating result amounted to EUR 56.0 (41.7) million. The operating result equalled 12.1 (10.7) per cent of net sales for the period under review. Consolidated return on capital employed (ROCE) stood at 32.8 (30.1) per cent.

Staff costs for the period totalled EUR 67.6 (58.6) million. Other operating expenses stood at EUR 40.3 (35.9) million. The net total of financial income and expenses amounted to EUR -5.6 (-3.7) million. Exchange rate gains and losses with a net effect of EUR -4.0 (-1.9) million were recognised under financial items for the period. Result for the period under review totalled EUR 41.3 (29.8) million. Diluted and undiluted earnings per share (EPS) came to EUR 1.48 (1.07).

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 267.7 (205.8) million. Inventories stood at EUR 104.6 (92.7) million. Trade receivables totalled EUR 40.2 (25.2) million, while liquid assets stood at EUR 26.5 (12.7) million. Group shareholders’ equity stood at EUR 117.9 (86.0) million and parent company shareholders’ equity (FAS) at EUR 113.6 (104.2) million. The amount of interest-bearing liabilities was EUR 62.4 (51.7) 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 60.9 (73.2) million. The parent company’s receivables from subsidiaries mainly consisted of trade receivables. Consolidated net liabilities totalled EUR 35.9 (39.0) million, and the debt-equity ratio (net gearing) was 30.5 (45.3) per cent. The equity ratio stood at 44.8 (42.0) percent at the end of the period under review.

Cash flow from operating activities amounted to EUR 44.0 (37.5) million. Cash flow from investment activities came to EUR -24.2 (-19.0) million.

ORDER INTAKE AND ORDER BOOKS

Order intake for the period totalled EUR 469.4 (451.7) million, while period-end order books were valued at EUR 158.1 (158.4) million.

DISTRIBUTION NETWORK

The subsidiaries included in the Ponsse Group are Ponsse AB, Sweden; Ponsse AS, Norway; Ponssé S.A.S., France; Ponsse UK Ltd, the United Kingdom; Ponsse North America, Inc., the United States; Ponsse Latin America Ltda, Brazil; Ponsse Uruguay S.A., Uruguay; OOO Ponsse, Russia; Ponsse Asia-Pacific Ltd, Hong Kong; Ponsse China Ltd, China and Epec Oy, Finland. The Group includes also the property company OOO Ocean Safety Center, Russia. Sunit Oy, Finland, is an associate in which Ponsse Plc has a holding of 34 per cent.

No changes took place in the Group structure except for the merger of the joint real estate company Kiinteistö Oy Kaupinkuja 3 into the parent company on 30 June 2015. In addition, the business operations of Ponsse's retailer AN Maskinteknik Ab in the Norrbotten region in Northern Sweden were transferred to Ponsse's subsidiary Ponsse AB on 31 August 2015.

CAPITAL EXPENDITURE AND R&D

During the period under review, the Group’s R&D expenses totalled EUR 12.2 (10.3) million, of which EUR 3.9 (3.1) million was capitalised.

Capital expenditure totalled EUR 24.4 (19.2) million. It consisted in addition to capitalised R&D expenses of investments in buildings and ordinary maintenance and replacement investments for machinery and equipment.

ANNUAL GENERAL MEETING

Annual General Meeting was held in Vieremä, Finland 14 April 2015. The AGM approved the parent company financial statements and the consolidated financial statements, and members

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of the Board of Directors and the President and CEO were discharged from liability for the 2014 financial period.

The AGM decided to pay a dividend of EUR 0.45 per share for 2014 (dividends totaling EUR 12,585,109). No dividend will be paid to shares owned by the company itself (33,092 shares). The dividend payment record date was 16 April 2015, and the dividends were paid on 23 April 2015.

Annual General Meeting authorised the Board of Directors to decide on the acquisition of treasury shares so that shares can be acquired in one or several instalments to a maximum of 250,000 shares. 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 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, used for increasing shareholders' ownership value 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 of the share issue.

The authorisation is proposed to be valid until the next Annual General Meeting; however, no later than 30 June 2016. The previous authorisations are cancelled.

The AGM authorised the Board of Directors to decide on 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 2016. Previous authorisations are canceled.

BOARD OF DIRECTORS AND THE COMPANY’S AUDITORS

The Board of Directors comprised seven members during the period under review. Heikki Hortling, Mammu Kaario, Ilkka Kylävainio, Ossi Saksman, Janne Vidgrén, Juha Vidgrén and Jukka Vidgrén were re-elected to the Board. 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 ten times during the period under review. The attendance rate was 95.7 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; Juha Haverinen, Factory Director (until 17 August 2015); Petri Härkönen, CFO; Juha Inberg, Technology and R&D Director; Tapio Mertanen, Service Director; Paula Oksman, HR Director; Tommi Väänänen, Purchasing Director (until 1 November 2015) and Director of Delivery Chain Process (starting from 1 November 2015) and Jarmo Vidgrén, Deputy CEO, Sales and Marketing Director. The company management has regular management liability insurance.

The area director organisation of sales is led 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), Carl-Henrik Hammar (Sweden, Denmark), Marko Mattila (the Baltic countries) and Sigurd Skotte (Norway),
Central and Southern Europe: Janne Vidgrén (Austria, Poland, Romania, Germany, the Czech Republic and Hungary), Clément Puybaret (France), Jussi Hentunen (Spain, Italy and Portugal) and Gary Glendinning (the United Kingdom)
Russia and Asia: Jaakko Laurila (Russia, Belarus), Norbert Schalkx (Japan, Australia and South Africe) and Risto Kääriäinen (China),
North and South America: Pekka Ruuskanen (the United States), Marko Mattila (North American dealers and Chile), Teemu Raitis (Brazil) and Martin Toledo (Uruguay).

Carl-Henrik Hammar has been appointed Managing Director of Ponsse Plc´s Swedish subsidiary, Ponsse AB, as of 1 July 2015. A separate release was issued on the matter on 14 January 2015.

PERSONNEL

The Group had an average staff of 1,329 (1,200) during the period and employed 1,373 (1,246) people at period-end.

SHARE ISSUE RELATED TO THE INCENTIVE PLAN FOR KEY EMPLOYEES

In order to implement the key employee Matching Share Plan 2015, the Board of Directors of Ponsse Plc decided on two share issues directed to the key employees belonging to target group of the plan. The Company has announced a release on the Matching Share Plan and the related share issues on 17 February 2015.

A maximum total of 106,450 shares held by the Company were offered in the share issue against payment, for subscription to the key employees belonging to the target group of the Matching Share Plan 2015. The share subscription price for the shares was EUR 12.12 per share, and the shares had to be paid upon subscription. The share subscription period of the shares ended on 18 March 2015. The Board of Directors of the Company approved the subscriptions of a total of 92,310 shares in the share issue, corresponding to a total of 1,118,797.20 euros.

A total of 87,498 shares held by the Company were given to the Group key employees belonging to the target group of the Matching Share Plan 2015 in the share issue without payment. According to the terms and conditions of the Matching Share Plan, the key employees may not transfer the shares received as reward before 31 March 2018.

The Company transferred a total of 179,808 shares held by the Company on the basis of the share issues on 31 March 2015. The Company holds 33,092 shares after the share transfer.

SHARE PERFORMANCE

The company's registered share capital consists of 28,000,000 shares. At the end of the period under review the company had 9,206 shareholders. The trading volume of Ponsse Plc shares for 1 January – 31 December 2015 totalled 4,190,494, accounting for 15.0 per cent of the total number of shares. Share turnover amounted to EUR 64.0 million, with the period's lowest and highest share prices amounting to EUR 11.66 and EUR 19.77, respectively.

At the end of the period, shares closed at EUR 18.36, and market capitalisation totalled EUR 514.1 million.

At the end of the period under review, the company held 33,092 treasury shares.

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QUALITY AND ENVIRONMENT

Ponsse is committed to observing the ISO 9001:2000 quality standard, the ISO 14001 environmental system standard and the OHSAS 18001 occupational safety and health standard, the first two of which are certified. Lloyd’s Register Quality Assurance conducted an audit of the ISO 9001:2008 quality system and the ISO 14001 environmental system during the period under review.

The company has included the procedures required by these quality, environmental and occupational safety and health standards in Ponsse’s sustainable development principles. At Ponsse, sustainable development means taking the economic, social and ecological points of view into account in all the company’s operations. Procedures according to sustainable development related to profitability, cash flow from operating activities and growth ensure the company’s economic performance in the long term. Procedures related to the social point of view ensure the availability of competent human resources for the company and its customers and maintain the professional skills and well-being of the company’s employees. The environmental point of view ensures the environmental friendliness of our products and production, improving our customers’ profitable operations by means of, for example, lower fuel consumption and emissions.

Procedures and production processes are developed through both internal and external audits. The company's audit system was a key tool in promoting development during 2015, and its use has been expanded significantly. During the period under review, internal audits assessing the procedures and working environment of services were expanded in the company’s service network. The aim of the quality audits of services is to ensure efficient and safe procedures in the PONSSE service network. Moreover, the subsidiaries have adopted a model for assessing good management policies. The company develops the management policies of its subsidiaries with the subsidiaries' assessment model.

Production processes are continuously developed in accordance with the operating model of continuous improvement. The company’s quality assurance system emphasises the importance of prevention. During the period under review, a procedure development model internal to the company, which is based on Lean Six Sigma quality management principles, was used successfully.

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 prolonged insecurity in the world economy and weak economic situation may result in a decline in the demand for forest machines. The uncertainty may be increased by the volatility of developing countries' foreign exchange markets. The geopolitical situation, in particular, will increase the uncertainty through financial market operations and sanctions.

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

The company has no important events after the conclusion of the period under review.

OUTLOOK FOR THE FUTURE

After the very strong performance in 2015, the Group's euro-denominated operating profit is expected to be on a par with 2015 in 2016.

Ponsse's strongly reformed and competitive product range and new service solutions have significantly grown the company. Our investments are focused on developing the level of service and capacity of the supply chain and spare part logistics and developing the service network in Finland and abroad.

ANNUAL GENERAL MEETING

Ponsse Plc's Annual General Meeting will be held on 12 April 2016, 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 parent company Ponsse Plc had 103,374,345.27 euros of distributable funds on 31 December 2015.

The company's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.55 per share shall be paid for the year 2015. The Board proposes to the Annual General Meeting that a profit bonus will be paid to the staff for the year 2015.

PONSSE GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)

	IFRS 1-12/15	IFRS 1-12/14
NET SALES	461,928	390,831
Increase (+)/decrease (-) in inventories of finished goods and work in progress	-1,021	3,173
Other operating income	2,152	1,185
Raw materials and services	-289,294	-251,067
Expenditure on employment-related benefits	-67,554	-58,583
Depreciation and amortisation	-9,890	-7,962
Other operating expenses	-40,335	-35,875
OPERATING RESULT	55,987	41,704
Share of results of associated companies	-50	1
Financial income and expenses	-5,552	-3,745
RESULT BEFORE TAXES	50,385	37,959
Income taxes	-9,105	-8,164
NET RESULT FOR THE PERIOD	41,280	29,795
OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:		
Translation differences related to foreign units	880	-3,093
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	42,160	26,702
Diluted and undiluted earnings per share	1.48	1.07

	IFRS 10-12/15	IFRS 10-12/14
NET SALES	151,729	120,829
Increase (+)/decrease (-) in inventories of finished goods and work in progress	-10,492	-2,676
Other operating income	843	213
Raw materials and services	-86,297	-74,866
Expenditure on employment-related benefits	-20,289	-17,420
Depreciation and amortisation	-2,704	-2,077
Other operating expenses	-11,003	-9,785
OPERATING RESULT	21,788	14,217
Share of results of associated companies	-40	58
Financial income and expenses	182	-3,742
RESULT BEFORE TAXES	21,929	10,533
Income taxes	-4,391	-2,991
NET RESULT FOR THE PERIOD	17,538	7,542

OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:		
Translation differences related to foreign units	-704	-1,040
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	16,834	6,502
Diluted and undiluted earnings per share	0.63	0.27

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)

	IFRS	IFRS
ASSETS	31 Dec 15	31 Dec 14
NON-CURRENT ASSETS		
Intangible assets	18,009	15,954
Goodwill	3,842	3,440
Property, plant and equipment	59,294	47,282
Financial assets	105	104
Investments in associated companies	817	946
Non-current receivables	2,134	832
Deferred tax assets	2,786	1,267
TOTAL NON-CURRENT ASSETS	86,988	69,825
CURRENT ASSETS		
Inventories	104,584	92,734
Trade receivables	40,199	25,226
Income tax receivables	104	591
Other current receivables	9,288	4,701
Cash and cash equivalents	26,495	12,719
TOTAL CURRENT ASSETS	180,670	135,971
TOTAL ASSETS	267,658	205,796
SHAREHOLDERS’ EQUITY AND LIABILITIES		
SHAREHOLDERS’ EQUITY		
Share capital	7,000	7,000
Other reserves	2,452	130
Translation differences	-796	-1,676
Treasury shares	-346	-2,228
Retained earnings	109,602	82,790
EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS	117,912	86,016

NON-CURRENT LIABILITIES		
Interest-bearing liabilities	39,346	33,712
Deferred tax liabilities	905	867
Other non-current liabilities	7	0
TOTAL NON-CURRENT LIABILITIES	40,259	34,580
CURRENT LIABILITIES		
Interest-bearing liabilities	23,056	17,997
Provisions	6,120	4,747
Tax liabilities for the period	1,906	812
Trade creditors and other current liabilities	78,405	61,644
TOTAL CURRENT LIABILITIES	109,487	85,200
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES	267,658	205,796

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)

	IFRS 1-12/15	IFRS 1-12/14
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net result for the period	41,280	29,795
Adjustments:		
Financial income and expenses	5,552	3,745
Share of the result of associated companies	50	-1
Depreciation and amortisation	9,890	7,962
Income taxes	9,105	8,164
Other adjustments	-26	-2,049
Cash flow before changes in working capital	65,850	47,616
Change in working capital:		
Change in trade receivables and other receivables	-19,666	-920
Change in inventories	-11,850	-6,967
Change in trade creditors and other liabilities	17,238	9,251
Change in provisions for liabilities and charges	1,373	129
Interest received	224	187
Interest paid	-1,069	-1,071
Other financial items	723	-2,080
Income taxes paid	-8,840	-8,675
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	43,982	37,472
CASH FLOWS USED IN INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-24,360	-19,154
Proceeds from sale of tangible and intangible assets	193	147
NET CASH FLOWS USED IN INVESTMENT ACTIVITIES (B)	-24,167	-19,007

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CASH FLOWS FROM FINANCING ACTIVITIES

Sales of treasury shares	1,118	0
Withdrawal/Repayment of current loans	3,000	-3,540
Withdrawal of non-current loans	17,520	5,000
Repayment of non-current loans	-9,659	-9,773
Payment of finance lease liabilities	-167	-280
Change in non-current receivables	216	-4
Dividends paid	-12,586	-8,336
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	-558	-16,933
Change in cash and cash equivalents (A+B+C)	19,257	1,532
Cash and cash equivalents on 1 January	12,719	11,958
Impact of exchange rate changes	-5,481	-770
Cash and cash equivalents on 31 December	26,495	12,719

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 2015	7,000	130	-1,676	-2,228	82,790	86,016
Translation differences			880			880
Result for the period					41,280	41,280
Total comprehensive income for the period			880		41,280	42,160
Matching Share Plan		2,422		1,882	-1,882	2,422
Dividend distribution					-12,586	-12,586
Other changes		-100				-100
SHAREHOLDERS' EQUITY 31 DEC 2015	7,000	2,452	-796	-346	109,602	117,912
SHAREHOLDERS’ EQUITY 1 JAN 2014	7,000	30	1,417	-2,228	61,331	67,550
Translation differences			-3,093			-3,093
Result for the period					29,795	29,795
Total comprehensive income for			-3,093		29,795	26,702

the period						
Dividend distribution					-8,336	-8,336
Other changes		100				100
SHAREHOLDERS' EQUITY 31 DEC 2014	7,000	130	-1,676	-2,228	82,790	86,016

	31 Dec 15	31 Dec 14
1. LEASING COMMITMENTS (EUR 1,000)	914	1,326

2. CONTINGENT LIABILITIES (EUR 1,000)	31 Dec 15	31 Dec 14
Guarantees given on behalf of others	462	476
Repurchase commitments	4,290	1,966
Other commitments	276	137
TOTAL	5,028	2,579

3. PROVISIONS (EUR 1,000)	Guarantee provision
1 January 2015	4,747
Provisions added	2,633
Provisions cancelled	-1,260
31 December 2015	6,120

KEY FIGURES AND RATIOS	31 Dec 15	31 Dec 14
R&D expenditure (EUR million)	12.2	10.3
Capital expenditure (EUR million)	24.4	19.2
as % of net sales	5.3	4.9
Average number of employees	1,329	1,200
Order books (EUR million)	158.1	158.4
Equity ratio, %	44.8	42.0
Diluted and undiluted earnings per share (EUR)	1.48	1.07
Equity per share (EUR)	4.21	3.07

FORMULAE FOR FINANCIAL INDICATORS

Return on capital employed, %:
Result before tax + financial expenses

Shareholder´s equity + interest-bearing financial liabilities (average during the year) * 100

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.

Net gearing, %:
Interest-bearing financial liabilities – cash and cash equivalents
----
Shareholders' equity * 100

Equity ratio, %:
Shareholders' equity + Non-controlling interests

Balance sheet total - advance payments received * 100

Earnings per share:
Net result for the period - Non-controlling interests

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 (EUR million)	1-12/15	1-12/14
Ponsse Group	469.4	451.7

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 2014.

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, 16 February 2016

PONSSE PLC

Juho Nummela
President and CEO

FURTHER INFORMATION
Juho Nummela, President and CEO, tel. +358 20 768 8914 or +358 400 495 690
Petri Härkönen, CFO, tel. +358 20 768 8608 or +358 50 409 8362

DISTRIBUTION
NASDAQ OMX Helsinki Ltd
Principal media
www.ponsse.com

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.