BUILDING FOR THE FUTURE

CRAMO PLC

ANNUAL REPORT 2009

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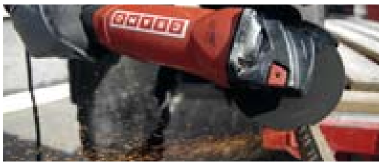
CRAMO PLC ANNUAL REPORT 09

CRAMO

CRAMO PRODUCT PORTFOLIO

TOOLS



Transportation equipment
Concrete mixers
Conveyors and tanks
Compaction equipment
Concrete machines
Temporary power equipment
Temporary electricity equipment
Compressed air equipment
Heating and ventilation equipment
Pumps
Lifting equipment
Earth and rock boring equipment
Screw and nail tools
Chisel hammers
Cross-cutting machines and saws
Grinding and milling machines
Drilling machines
Cutting and bending equipment
Measurement and control instruments
Safety equipment
Cleaning equipment

CONSTRUCTION EQUIPMENT

Mini dumpers
Excavators
Loaders
Demolition equipment
Rollers
Generators and compressors
Drill rigs

ACCESS EQUIPMENT

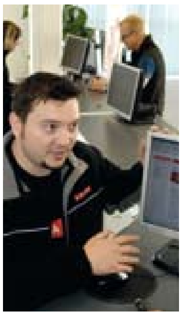
Vertical mast lifts
Scissor lifts
Articulated boom lifts
Telescopic boom lifts
Crawler mounted lifts
Trailer mounted lifts
Truck mounted lifts
Hoists
Scaffolding
Lift trucks

MODULAR SPACE

Site huts
Modules
Trailers
Storage containers

Applications:
Construction sites
Offices
Schools
Day-care
Accommodation

RENTAL CONCEPTS AND SERVICES



Rental concepts:
Outsourcing (insourcing)
Building site infrastructure
Facility management
Cramo Smart Energy
Cramo School
Cramo Flexi
Cramo Safety
Cramo web shop
Cramo 24
Cramo Healthy House

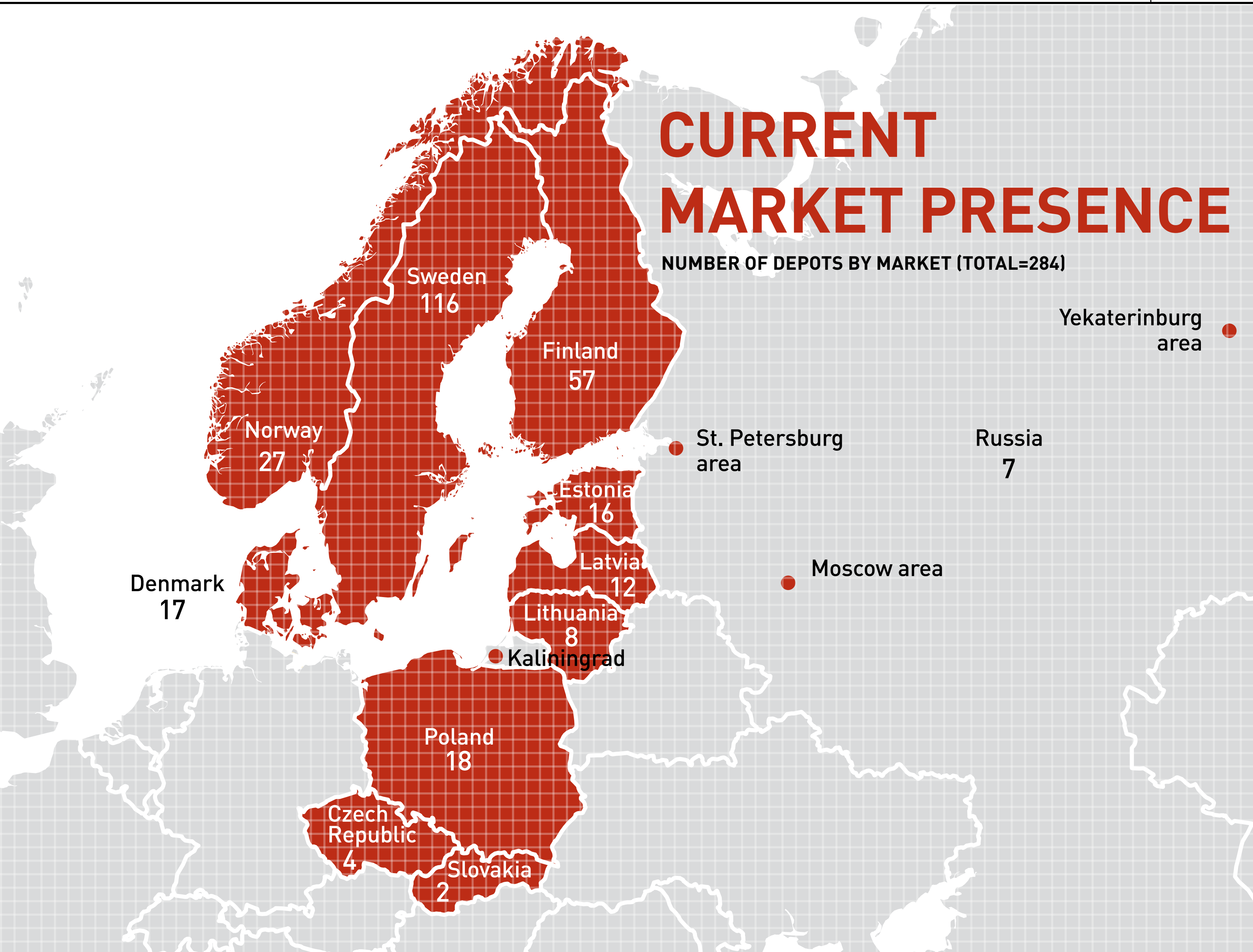
Site services:
On-site delivery
Temporary on-site depots
Drying
Heating
Scaffolding
Temporary electricity

Other services:
Shop assortment at depots
Business Support
Used equipment sale

CONTENTS

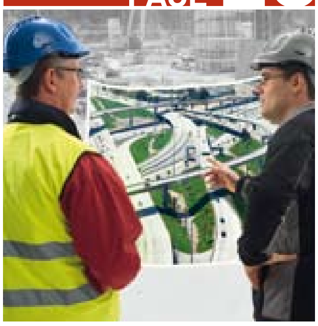
CURRENT MARKET PRESENCE

NUMBER OF DEPOTS BY MARKET (TOTAL=284)



ESTIMATED TOTAL EUROPEAN EQUIPMENT RENTAL MARKET*:
EUR **33.6 B** (2008), DOWN BY **2.8%** FROM 2007.

* Source: The European Rental Industry 2008 Report by the European Rental Association, February 2009.
Figures include rental with operators.

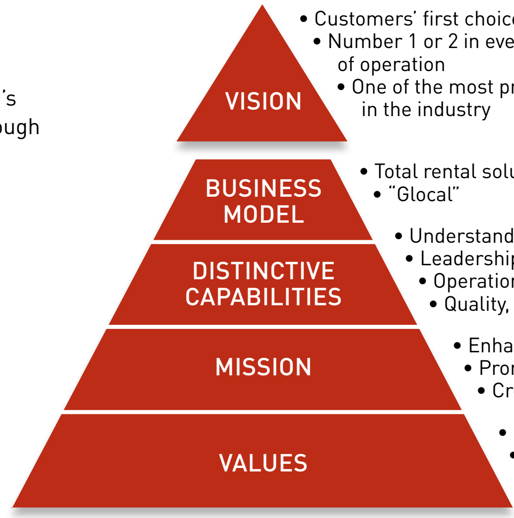


CRAMO IN BRIEF

Cramo is a service company specialising in equipment rental services as well as the rental and sale of modular space. Its equipment rental comprises a wide range of machinery and other equipment as well as rental-related services.

As one of the industry's leading service providers in the Nordic countries and Central and Eastern Europe, Cramo's sales in 2009 were EUR 446.7 million. With around 190,000 rental items, Cramo's 2,356 emplyees serve over 90,000 customers through a network of 284 depots in 11 countries.

Cramo is a Nordic Mid Cap company listed on NASDAQ OMX Helsinki in the Industrials sector.



- Customers' first choice
- Number 1 or 2 in every market of operation
- One of the most profitable in the industry

- Total rental solutions provider
- "Glocal"

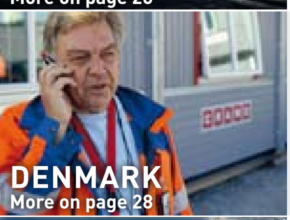
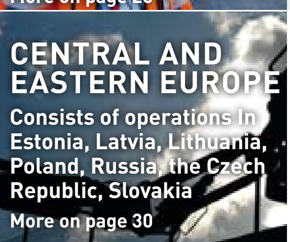
- Understanding customer needs
- Leadership in rental development
- Operational excellence
- Quality, safety and environmental leadership

- Enhance customers' competitiveness
- Promote employee growth
- Create shareholder value

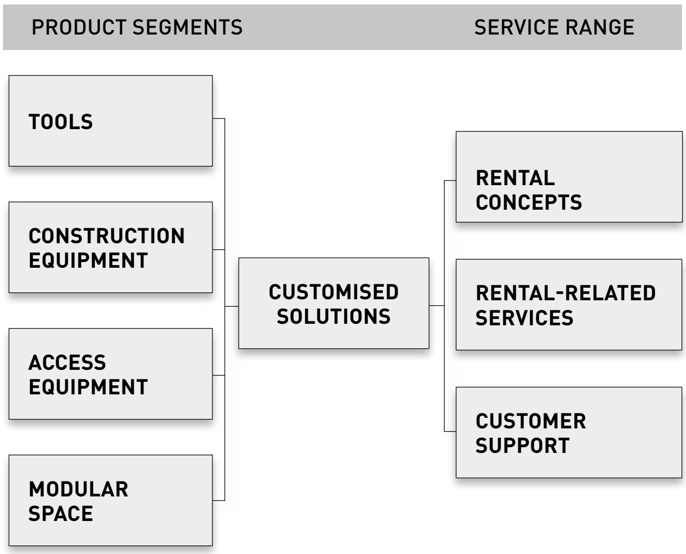
- Credibility
- Creativity
- Commitment

For more on Cramo's strategy, see page 13

CRAMO GROUP BUSINESS SEGMENTS

	Offering	No of depots	Strengths
	Total Solution Provider	57	Strong market position, wide range of rental-related services, efficient hub organisation in place
	Total Solution Provider	116	Long-standing leading market position, efficient depot management supported by a hub organisation
	Total Solution Provider	27	Improving market position, utilisation of proven Cramo concepts and processes
	Total Solution Provider	17	Improving market position, utilisation of proven Cramo concepts and processes
	General rental offering in most countries. Broad tool offering in the Baltics. Strong access equipment offering in Poland, the Czech Republic and Slovakia.	67	Strong market position gained by early entry into the market, proven rental concepts, experienced organisation, transferable best practices, increasing supply of rental equipment

THE TOTAL SOLUTION PROVIDER CONCEPT AND "GLOCAL" APPROACH



Cramo provides total rental solutions to meet the needs for machinery, equipment and modular space in the construction industry, other industries and the public sector. This is achieved through rental of a complete selection of products and related services.

With its extensive international depot network, Cramo combines the strengths of a local company, such as entrepreneurship and proximity to the customer, with the resources of an international corporation.

Strategic priorities	Market position estimate	Competitive landscape
Safeguard margins and cash flow, develop new offerings, be prepared to utilise market opportunities	#2	Two strong players with a number of local and specialist competitors. Modular space product area dominated by a few strong players.
Safeguard margins and cash flow, develop new offerings, be prepared to utilise market opportunities	#1	Two strong players with a number of local and specialist competitors. Modular space product area dominated by a few strong players.
Profitable growth	#2	Four strong players with a number of local competitors. A few players in modular space product area.
Secure profitable growth, stop losses, find level for sustainable operations	#3	Fragmented markets under consolidation. A few small players in modular space product area.
Poland, the Czech Republic, Slovakia and Russia: Safeguard margins, prepare for next growth phase Baltics: Stop losses, find level for sustainable operations	#1 in Estonia and Lithuania #2 in Latvia, Poland and St. Petersburg #1 in access equipment in the Czech Republic and #2 in Slovakia	Mainly smaller national and local players with a few Western European competitors. Various new entrants in 2008. Several niche players in Russia. Markets in an early phase in modular space product area.

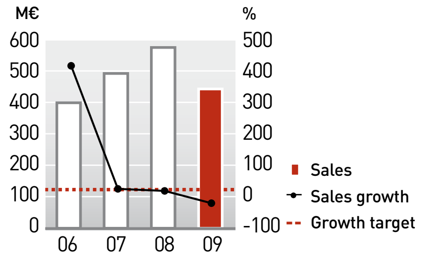
CRAMO GROUP PERFORMANCE 2009

Further information on financial performance on pages 34–36 and 39–43 (Group) and 20–21 (business segments).
All Cramo stock exchange releases published in 2009 can be found at www.cramo.com > Investors > Releases

KEY FIGURES AND RATIOS	2009	2008	CHANGE, %
Income statement			
Sales, M€	446.7	579.8	-23.0
Operating profit before amortisation and impairment on intangible assets resulting from acquisitions, M€	17.3	102.2	-83.1
EBITA %	3.9	17.6	-78.0
Operating profit/loss (EBIT), M€	-11.5	91.8	**
Profit/loss before tax (EBT), M€	-34.2	63.7	**
Profit/loss for the period, M€	-39.9	48.7	**
Balance sheet			
Gearing, %	113.4	149.3	
Equity ratio, %	37.4	32.3	
Net interest-bearing liabilities, M€	383.7	477.1	-19.6
Total assets, M€	918.4	998.4	-8.0
Shareholders' equity, M€	288.3	319.5	-9.8
Other information and ratios			
Average personnel	2,356	2,688	-12.4
Number of depots	284	303	-6.3
Return on equity, %	-12.1	14.9	
Return on investment, %	-1.2	12.0	
Gross capital expenditure, M€	31.5	201.2	-84.4
% of sales	7.0	34.7	
Cash flow from operations, M€	76.6	121.0	-36.7
Share related information			
Earnings per share (EPS) before amortisation and impairment on intangible assets resulting from acquisitions, €	-0.60	1.84	**
Earnings per share (EPS) undiluted, €	-1.30	1.59	**
Earnings per share (EPS) diluted, €	-1.28	1.59	**
Dividend per share, €	0,00*	0.20	-100.0
Equity per share, €	9.50	10.42	-8.6
Market capitalisation, M€	367.6	141.0	**

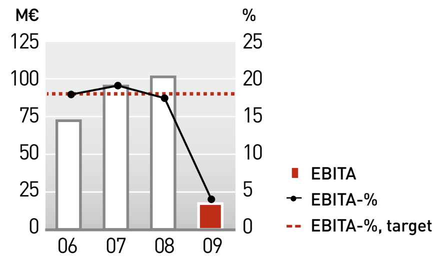
* Board proposal
** Change over 100 percent

SALES, M€
SALES GROWTH, %



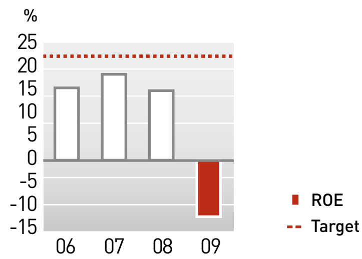
Sales declined clearly in 2009

EBITA, M€
EBITA, %



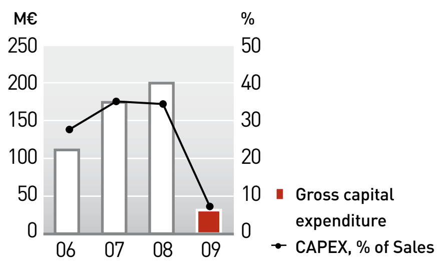
Positive EBITA was secured through extensive cost reduction measures

RETURN ON
EQUITY (ROE), %



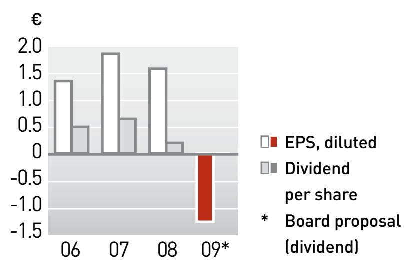
ROE decreased as a result of weakening profitability and write-downs

GROSS CAPITAL EXPENDITURE, M€
CAPEX % OF SALES,%



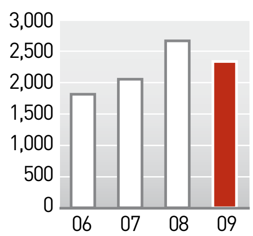
Gross capital expenditure was cut by 84.4%

EPS AND DIVIDEND
PER SHARE, €



EPS was negative as a result of weaker profitability and write-downs on goodwill and assets

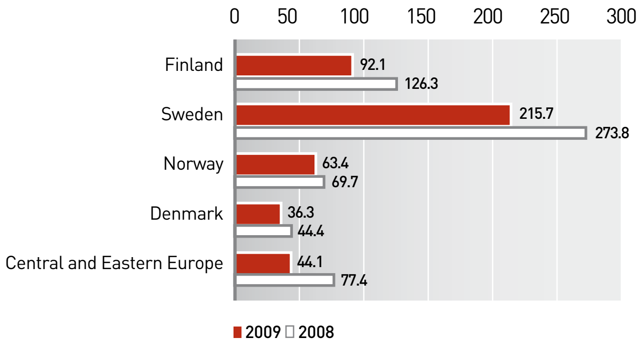
AVERAGE
PERSONNEL



The number of personnel was reduced by over 30% from the peak in August 2008

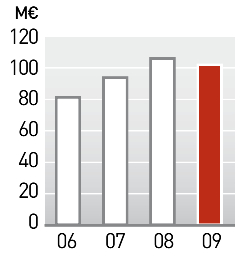
BUSINESS SEGMENTS IN 2009

SALES BY SEGMENT, M€



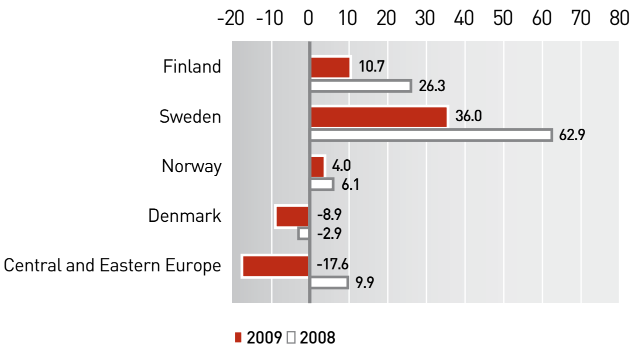
Sales declined in all segments due to challenging markets. Norway declined the least while CEE sales fell by over 40% from 2008.

MODULAR SPACE ORDER BOOK



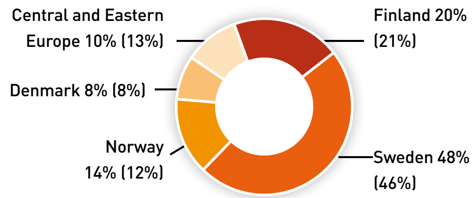
Modular space order book remained at good level

EBITA BY SEGMENT, M€



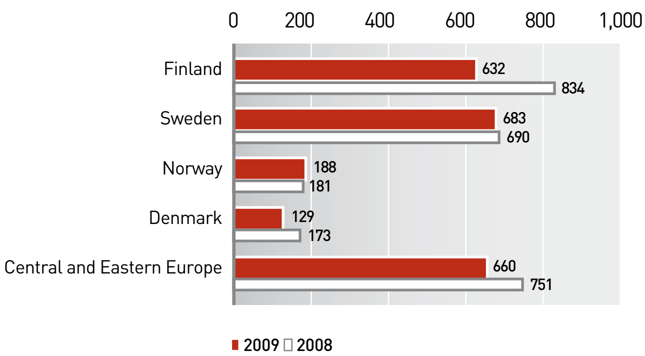
EBITA declined in all segments due to declining sales. Finland and Sweden achieved good profitability, Norway satisfactory profitability, while Denmark and CEE reported negative EBITA.

SALES BY SEGMENT, % OF GROUP 2009 (2008)



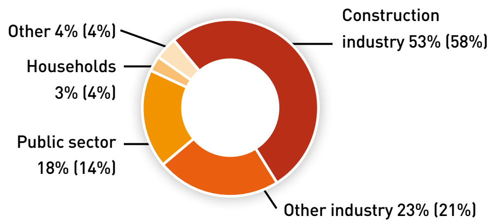
Sweden represents nearly 50% of consolidated sales

AVERAGE NUMBER OF EMPLOYEES BY SEGMENT



Heavy reductions in employees were implemented throughout the Group, with the main impact on Finland, Denmark and CEE

SALES BY CUSTOMER GROUP, % 2009 (2008)

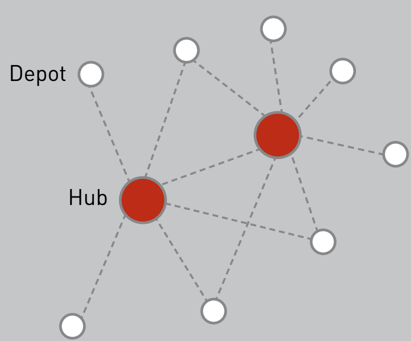


The share of public sector and other industry increased significantly in 2009

Despite an extremely difficult market situation, we continued to invest in competence development and new offerings, rental concepts, systems and processes.

OPERATIONAL IMPROVEMENT

Cramo improves efficiency through regional collaboration. In different countries, hub-depot structures with specialised functions create economies of scale.



YEAR OF ADJUSTMENTS WHILE BUILDING FOR THE FUTURE

The stronger than expected economic recession was reflected in a sharp decline in rental markets in almost every Cramo country. In these challenging circumstances, while we adjusted our activities quickly and were able to maintain acceptable profitability, we also continued to actively develop new rental offerings that drive customer value.

The construction industry was one of the sectors most affected by the economic downturn in 2009. Cramo felt the effect in almost all its markets, particularly in Denmark and Central and Eastern Europe, through a sharp decline in demand for rental equipment. However, we were able to use our strong position in modular space, where demand remained good, thus offsetting some of the recessionary effects.

We also acted quickly and adjusted our short-term priorities to reflect the changing environment. In these uncertain times, we made liquidity a top priority, achieving positive cash flow after investments and reducing net debt. Investments were cut to a minimum and we strengthened our capital structure. In order to keep profitability at the best possible level, we initiated a heavy cost savings programme while increasing our focus on sales activities. At the same time we focused more and more on improving operational efficiency. We raised Group-wide fleet optimisation to an excellent level, expanding our focus from internal equipment transfers to include external fleet sales.

In addition, we further improved efficiency through restructuring, regional co-operation and further centralisation of operations into larger units.

As a result of the weakened market situation, we were forced to cut our personnel by 30%. This was not an easy step to take. However, we had no alternative in these difficult times.

The financial downturn has really acted as an "acid test" for our business model and agility. Our operational hedges have been fully in use. I am delighted that our foundation is considered sound and our adjustment measures are bearing fruit.

We succeeded in reducing costs by approximately EUR 35 million in 2009, while in 2010 the cost burden will be down by more than EUR 50 million compared to 2008. At the same time, despite weakening demand, we believe that we managed to increase our market share in most of our markets.

I am pleased that, despite an extremely difficult market situation, we have been able to continue our forward-looking initiatives, our preparations for the future, with great determination. We have continued our systematic competence development, in sales and customer services and in leadership in particular. As a result, we have continued to invest in new rental offerings, concepts, systems and processes.

Because we aim to be number one in creating customer value, we want to maintain our leadership in the area of quality, safety and environment. Our Cramo Safety and Cramo Smart Energy concepts are good examples of this.

I would like to thank you, our shareholders, for continuing to place your trust in Cramo. My special thanks go out to our employees and managers for their tremendous commitment in these difficult times. This year has demanded a lot from all of you. Your strong commitment and entrepreneurship – the Cramo spirit – create an excellent foundation to weather even difficult market conditions.

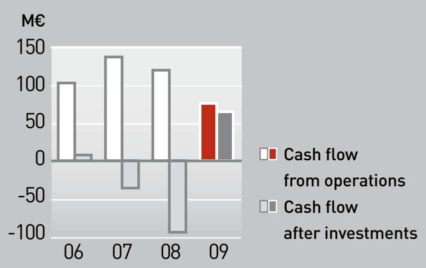
Looking forward, there are already growing signs of recovery. However, 2010 is expected to continue to be challenging. According to forecasts, we have to wait until the second half of the year before there will be an upswing in the demand for equipment rental.

At Cramo, we will vigorously continue our efforts to enhance our internal efficiency and stringent cost discipline, while proceeding with our forward-looking initiatives to drive customer value. We will be ready for the next growth phase!

Yours sincerely,

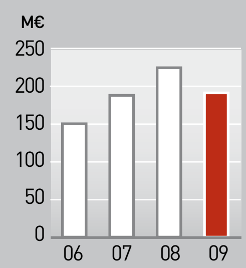
Vesa Koivula
President and CEO

CASH FLOW FROM OPERATIONS AND CASH FLOW AFTER INVESTMENTS, M€



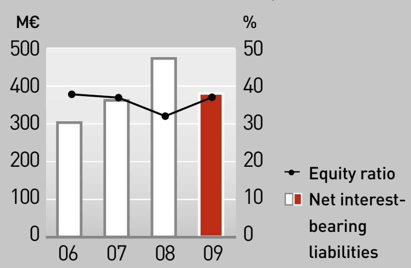
Clearly positive cash flow in 2009

PERSONNEL COSTS AND OTHER FIXED COSTS, M€



Fixed-cost savings achieved according to plan

NET INTEREST-BEARING LIABILITIES, M€ AND EQUITY RATIO, %



Balance sheet structure improved throughout 2009

THE CHAIRMAN'S LETTER TO SHAREHOLDERS

2009 GOES DOWN IN HISTORY AS ONE OF THE TOUGHEST YEARS IN MODERN TIMES FOR THE WESTERN ECONOMY

The recession, triggered in mid-2007 by the American sub-prime loan crisis, accelerated through 2008, erupted in the Lehman bankruptcy in September 2008, and sent 2009 into free fall.

In my commentary on fiscal 2008, I listed a number of Cramo features which, in my opinion, make Cramo a winner in an awkward economic climate. At that point it was already clear that there would be an adverse economic environment in 2009.

Throughout 2009, we maintained our belief that the construction industry would lead the economy out of the recession. We placed our faith in governments reaching consensus on the need for public spending to combat the recession and to jump-start the economy.

Today we know that too little was done, too late.

Unemployment in the Nordic countries – Cramo's home market – is still on the rise. In spite of massive financial support, economic activity shows only weak signals of growth. Recent figures from the construction industry show a positive trend, but actual business numbers still remain at a very low level.

However, even under these adverse circumstances, Cramo's business model proves itself.

Let me repeat the basic elements in our model:

First: Capital efficiency. We believe construction companies benefit from renting, not from owning. Efficient renting means efficient equipment utilisation. That in turn means less unutilised equipment and lower fixed costs.

Second: Access to state-of-the-art equipment as a consequence of high utilisation. A rental company is always in a position to offer modern, i.e. efficient, equipment to its clients.

Third: Equipment and space. Cramo offers a combination of equipment and semi-permanent space. In times of high uncertainty, many operators opt not to tie their money up in large real-estate investments. Instead these actors prefer temporary solutions. Here Cramo's modular space business is an ideal alternative. For Cramo, the combination of fast rolling equipment rental with steadier modular rental yield business stability.

Fourth: Geographical spread. Cramo has developed into a truly international enterprise. From our Nordic home base, we have extended our operations into the Baltics and other Eastern European countries. We believe the construction industry in these countries will be a prime user of rental services in the years to come. The current economic crisis seems to have struck these countries and their weak economies particularly hard with severe consequences for the construction industry and therefore also for the rental industry. In the long term, however, Cramo maintains its basic position.

2009, in brief, was not a good year for Cramo. Profitability plummeted, and we had to make a number of very tough decisions.

However, the basics listed above still apply. Equipment rental offers a win-win option for construction companies, combining short- and long-term rentals to give a good balance. And geographic spread offers stability and opportunity.

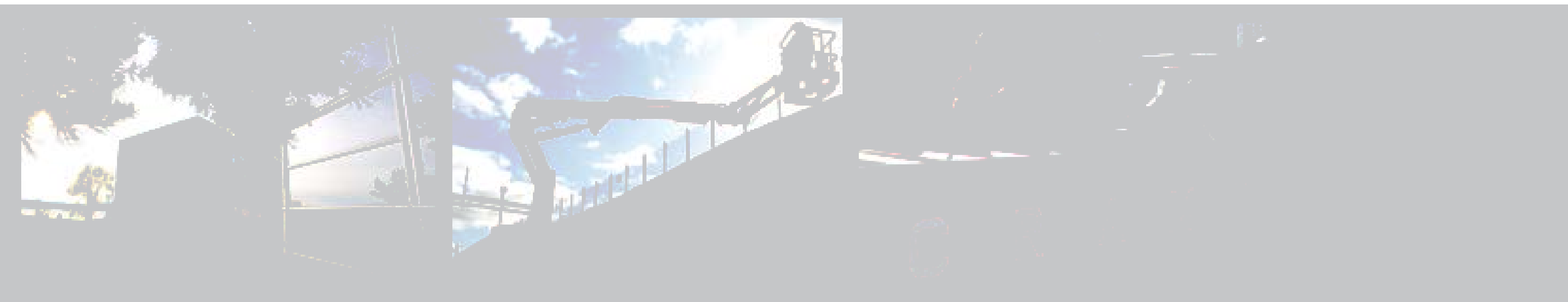
In 2009 Cramo successfully concentrated on its cash flow. As is typical of our business, cash flow is a better measure of business success than the traditional profit and loss statement. Fair enough: our result is a substantial loss. Many items are non-cash items, and therefore distort the picture.

Cramo today sees a dawn in its business operations. Thanks to public spending, the construction sector is back again leading the economy out of recession.

With construction, the equipment rental business will also prosper.

I would like to take this opportunity to welcome all new shareholders, in particular our new major shareholder, the Hartwall family, to a thoroughly sound and interesting growth company.

Stig Gustavson



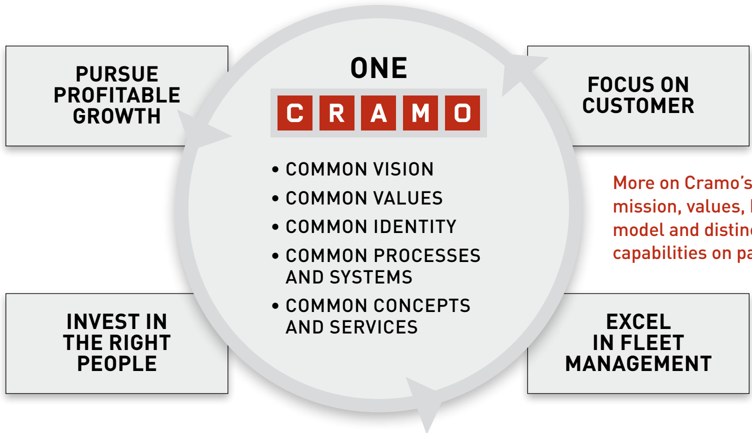
SUSTAINABLE GROWTH THROUGH ONE CRAMO

Cramo's goal is to provide sustainable long-term value growth for its shareholders from equipment and modular space rentals by leveraging the power of a unified Cramo.

STRATEGIC THEMES

Cramo focuses on its core markets in the Nordic countries and Central and Eastern European markets. A focused strategy ensures discipline in taking the Cramo Concept into new markets.

Cramo Group's strategic themes are based on the Company's vision, values and identity. They define the current strategic focus areas and priorities required to achieve profitable growth.



More on Cramo's vision, mission, values, business model and distinctive capabilities on pages 6–7

BUSINESS AGILITY

Cramo's long-term success in rapidly changing rental markets derives from its agile business model. By combining Group synergies with local business know-how, Cramo generates operational efficiency. By developing and implementing common business concepts, processes and systems between markets and customers, Cramo creates economies of scale and scope, thus further improving its efficiency.

OPERATIONAL HEDGES

Cramo's operational hedges, which facilitate increased business agility and reduced exposure to risks, consist of:

- active development of equipment rental and modular space business to balance cyclical variations
- expansion and balancing of the customer base in the public sector and other industry sectors
- expansion of geographical footprint in the CEE market
- standardised fleet management and fleet financing Group-wide

More on Cramo's risk management on pages 105–108

GROUP STRATEGY

SHORT-TERM ADJUSTMENTS SUPPORTING LONG-TERM STRATEGY

Due to the difficult market situation in 2009, Cramo Group's focus in the short term shifted to securing positive cash flow after investments and reducing net debt, keeping profitability at the best possible level, and ensuring Group-wide fleet optimisation. Despite weakening demand, Cramo continued to work on strengthening market position.

In a fast-changing and challenging environment, Cramo's business agility was put to the test in 2009. Cost adjustment measures secured a sufficiently low cost base going forward, with fixed cost savings of over EUR 35 million achieved in 2009. In 2010, the cost burden will be more than EUR 50 million lower than in 2008.

Group-wide fleet optimisation focused on increasing internal equipment transfers and external fleet sales. Cramo managed to maintain or increase its market share in most of its markets. In order to ensure a solid platform for the next growth phase, Cramo continued, alongside restructuring, to invest in new offerings, rental concepts, systems and processes as well as competence development. The benefits of these investments for the future will be more visible when the market turns.

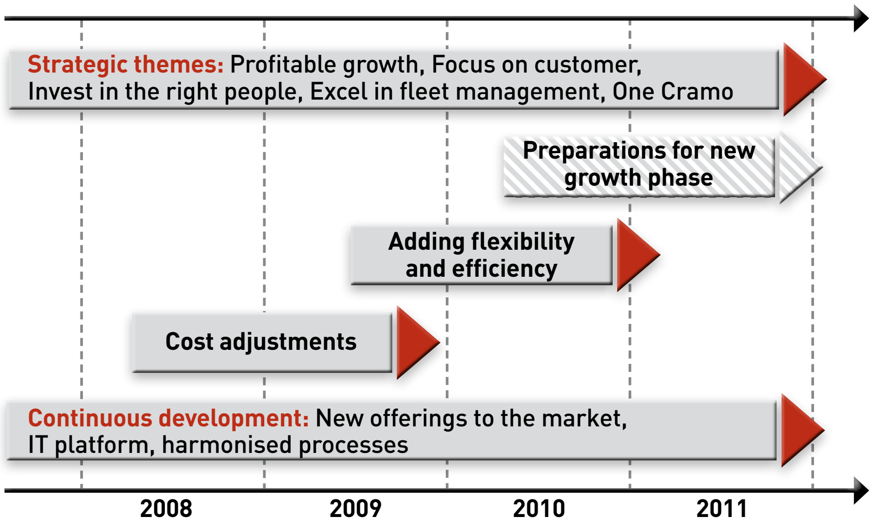
Cramo aims to maintain and develop its position as a rental market innovator in the future as well.

More on pages 23, 25, 27, 29, 31 and 95

TARGETS AND ACHIEVEMENTS 2009

	STRATEGIC TARGETS FOR 2009	SHORT-TERM TARGETS FOR 2009
PURSUE PROFITABLE GROWTH	• Differentiated growth strategy by market, focus on profitable growth • Innovate offerings and drive outsourcing in the Nordic countries • Focus on the growing CEE markets • Introduce the Cramo Concept throughout the Group • Develop and exploit synergies between countries and product areas • Complement organic growth with acquisitions • Improve business agility	• Focus on positive cash flow after investments • Reduce indebtedness in order to improve financial flexibility • Focus on sustaining profitability • Implement further contingency plans in the weakest performing market areas • Prepare further contingency actions for every market • Tighten risk management activities and processes further • Focus growth efforts further on the CEE area • Exploit opportunities arising for acquisitions and outsourcing
FOCUS ON CUSTOMER	• Develop industrial expertise to improve understanding of customers' business and processes to deliver value beyond competition • Leverage Cramo's customer-oriented organisation to speed up market impact • Focus on customer-oriented innovation by co-operating with key customers • Maintain local, entrepreneurial approach to sales • Support customer growth nationally and internationally	• Continue to build long-term customer relationships throughout the Group, including outsourcing deals • Develop the Cramo Concept further based on customer needs • Integrate offering and reap further synergies from the integration of business lines • Continue systematic customer satisfaction surveys
INVEST IN THE RIGHT PEOPLE	• Create professionally, socially and individually rewarding environment • Attract the right people by becoming an employer of choice • Develop people by offering training and opportunities for growth and competence development • Retain the right people by celebrating success and creating a winning culture	• Implement Group-level HR processes and basic tools in every country • Implement common leadership practices and systematic talent management process, launch Cramo Academy • Continue Cramo School roll-out • Implement employee surveys in every country • Prepare common guidelines for remuneration with incentives
EXCEL IN FLEET MANAGEMENT	• Optimise fleet allocation across countries • Leverage the Group's purchasing power • Establish a multi-vendor sourcing strategy • Manage equipment and supply standards and options • Implement common fleet development and fleet strategy • Establish key alliances with vendors to develop new products and risk sharing partnerships	• Investments put on hold; growth achieved mainly through improved utilisation of existing fleet • Use the Group's purchasing power to achieve further gains in the supply of fleet • Develop processes, tools and channels for the external sale of equipment • Further improve fleet management processes and organisation • Initiate fleet life-cycle management
ONE CRAMO	• Create a common internal culture and shared vision • Create a common identity and external image • Create common processes and systems • Create common concepts and services	• Communicate and implement vision and values to all employees (local level) • Implement Active Inspire locally • One name, one brand in every market • Rebrand acquired units swiftly • Implement customer satisfaction and brand image surveys in 4–6 markets annually • Launch and implement Brand portal • Start rental system roll-out in 2009 • Roll out Business Intelligence and planning solution • Implement Group Portal solution

STRATEGIC PRIORITIES AND SHORT-TERM ADJUSTMENTS



	ACHIEVED AND IMPLEMENTED IN 2009	TARGETS 2010
PURSUE PROFITABLE GROWTH	• Achieved clearly positive cash flow after investments • Financial indebtedness successfully reduced, financial flexibility increased • Activities to further improve operational flexibility implemented • Contingency plans implemented and updated • Risk management processes tightened • Focus on active sales effort increased, on growth pocket segments in particular • Depot network and service capability maintained in every Cramo country • Modular space order book maintained at good level	• Maintain cash flow at good level • Increase profitability • Continue net debt reduction • Focus growth efforts further on the CEE region • Exploit opportunities arising for acquisitions and outsourcing
FOCUS ON CUSTOMER	• New business models developed and implemented (more on pages 23 and 29) • Development of standardised modular space solutions initiated • New rental offerings and concepts introduced (more on pages 25 and 27) • Customer service and sales skills training organised in every market • Further development of Key Account Management to support cross-border customer development started • Prioritised leadership in Quality, Safety and Environment issues • CSI surveys in four countries	• Continue to build long-term customer relationships throughout the Group, including outsourcing deals • Further develop the Cramo Concept based on customer needs • Further develop and roll out new offerings and business models • Further develop cross-border sales organisation • Continue customer-focused training in every market • Begin implementation of three-year Quality, Safety and Environment roadmap
INVEST IN THE RIGHT PEOPLE	• Group-level HR processes and basic tools implemented in every country • Cramo Academy organised (see page 95) • Employee surveys implemented in every country	• Continue employee surveys in every country • Common guidelines for remuneration with incentives • Continue roll-out of Cramo School
EXCEL IN FLEET MANAGEMENT	• Fleet mobility improved and fleet trading function implemented • Fleet size adjusted to market situation by increasing internal transfers and external sales as well as utilising flexibility in supply contracts • Fleet procurement centralised • Logistics and transport outsourced • Best practices for fleet management efficiency identified and best practice sharing planned • Creation of a common pool of equipment initiated	• Increase time utilisation rate and decrease costs, in particular with returning fleet, repairs and logistics • Further improve fleet mobility and internal transfers • Develop fleet ownership model • Develop joint modular space fleet and operational model in the Nordic countries • Develop standardised modular space solutions • Further standardise the site hut fleet
ONE CRAMO	• Brand assessment carried out in two markets • Roll-outs of uniform ERP system started • New planning process implemented • Best practices Group-wide identified for each core process, implementation planned • Common depot-level KPIs defined • Rebranding Techniline (CZ/SK) into Cramo	• Further increase sharing of best practices and knowledge throughout the Group • Continue roll out of common IT platform • Implement common depot-level KPIs • Launch One Cramo Enterprise Rental model

DIFFICULT CONDITIONS WITH SIGNIFICANT REGIONAL VARIATION

The recession in Europe bottomed out in late 2009, making it the longest and deepest recession in the region for decades. A gradual but slow recovery is expected in 2010-2011 with substantial regional variation in the pace of improvement in the Cramo countries.

Recovery from the severe recession was driven by exceptionally strong government stimulus measures and a significant pick-up in demand in China and other emerging Asian economies in 2009. Economic recovery has also begun in the US as well as some of the major economies of Europe, spreading across almost all of Europe towards the end of 2009. During the course of 2009, signs of improvement became increasingly apparent in not just confidence indicators but also hard economic data. Further recovery in 2010-2011 is expected to be slow and setbacks are possible given that temporary factors, such as government stimulus packages and inventory adjustments, have contributed significantly to the initial recovery. Worsening unemployment and low levels of domestic demand and private sector investment, as well as additional crises in the financial markets, may hold back recovery once the impact of these temporary positive factors eases.

SIGNS OF ECONOMIC RECOVERY

Recent economic growth estimates by the IMF, OECD and European Commission indicate GDP growth for the Euro area in 2009 of approximately -4%, which is a substantial decline from the slightly positive growth achieved in 2008. In 2010, growth is expected to be moderately positive at approximately 1%.

Of the Nordic economies, Finland is expected to be hardest hit in 2009, with GDP declining by more than 6%, followed by a modest recovery in 2010 of less than 1%. Swedish and Danish GDPs are expected to have decreased by up to 5% in 2009, with an improvement of 1-2% in 2010. Norway is expected to have fared the best, with a modest decline of less than 2% in 2009 and a projected increase of some 1.5% in 2010.

GDP in all Central and Eastern Europe (excluding former CIS countries) is expected to have declined by 4–5% in 2009, with an increase of 2% in sight for 2010. The only economy managing to grow in 2009 is Poland, with the Baltic countries, on the other hand, posting sharp double-digit declines. In Russia, the decline in 2009 is expected to be approximately 9%, with an improvement of 3–4% in 2010.

Sources: IMF World Economic Outlook, January 2010 and October 2009; OECD Economic Outlook, November 2009; European Commission Economic Forecast, October 2009

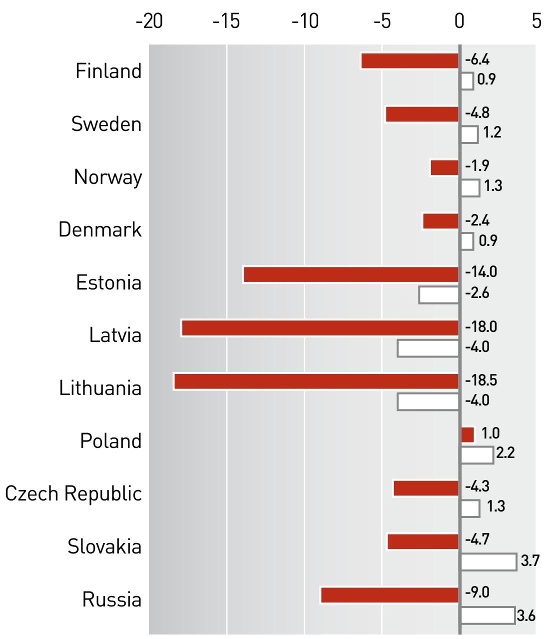
MAJOR DECLINE IN CONSTRUCTION IN 2009

The construction sector slowdown, following the financial crisis of late 2008, escalated into a steeper than expected decline for construction output in Europe in 2009. Construction activity was hit by financial market turbulence combined with falling demand and prices. Public-sector investments in various construction sectors, civil engineering in particular, offset some of the recessionary effects.

Substantial regional variation between markets characterised the year. According to Euroconstruct, construction output is expected to have declined in all of Cramo's markets except Poland during 2009. In the Nordic

GDP GROWTH ESTIMATES, %

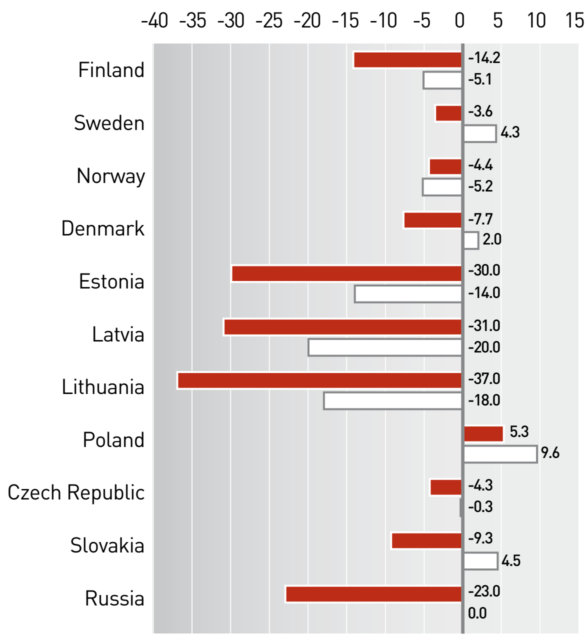
(REAL GROWTH) 2009–2010



■ 2009 estimate □ 2010 estimate | Source: IMF World Economic Outlook, October 2009, except for Russia, January 2010

CONSTRUCTION OUTPUT GROWTH ESTIMATES, %

(CONSTANT PRICES) 2009–2010



■ 2009 estimate □ 2010 estimate | Source: Euroconstruct/VTT, November 2009

GROWTH DRIVERS

LONG-TERM GROWTH POTENTIAL DESPITE SHORT-TERM TURBULENCE

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

Growing construction market
According to Euroconstruct, most construction markets in which Cramo operates are expected to start to recover gradually in 2010–12. The Nordic countries, Russia and Central Europe – particularly Poland – are expected to recover more quickly. The Baltic countries are likely to face a slower recovery.

Increasing rental penetration
Equipment rental is expected to grow faster than the construction market in the long term despite short-term fluctuations in penetration. Particularly in the CEE region, penetration rates remain at a low level compared with Western Europe.

Outsourcing
Construction companies continue to outsource their equipment fleet to free up capital for other use. By outsourcing their fleet, these companies can improve service and logistics efficiency and flexibility. Furthermore, equipment rental companies can achieve greater utilisation rates for rental equipment.

Technological innovation
There is a general exchange of manpower for technology under way in construction. Rental companies are becoming experts in various types of even more specialised machinery. The need for efficiency and environmental rental solutions is most profound in more mature markets, where labour costs have a significant impact on profitability and awareness about sustainability is high.

Rental-related services
There is major growth potential in rental-related services, for example, in various types of construction site set-up services. Building up expertise and service conceptualisation will lead to rental companies taking wider responsibility for their clients' needs.

Consolidation
The difficult economic situation, with increasing competition, is expected to help reshape the fairly fragmented rental industry by creating new opportunities for consolidation. The market for modular space is still relatively young but is developing quickly in most of Cramo's market areas, with the exception of Finland and Sweden, where it has a longer history.

Demographic mobility and urbanisation
Increasing social mobility drives a growing demand for new and better infrastructure as well as more flexible solutions for various purposes such as schools, day-care centres and temporary offices.

Why rent?

Equipment rental enables customers to focus on their core business, while also helping to improve quality and reduce costs.

- **Focus on your core business** For most companies, the supply of machinery is not a core business, but for us it is. We can help your company to focus on what you do best while we take care of support functions like providing machinery and equipment. This allows you to concentrate on generating business opportunities, new concepts and solutions that improve your core business.
- **Cost efficiency** Owning machinery that has low utilisation is not really smart. With a rental solution many companies share the capital and maintenance costs, making it considerably cheaper for each and every company.
- **Freedom** It is the job of rental companies to stay informed about new developments and new laws and regulations. Take advantage of this and use the best methods with the lowest environmental impact. Keep your freedom. Avoid investing in technologies that may soon become obsolete.
- **Flexibility** A rental solution enables you to expand or reduce the fleet of machinery depending on your situation. More machines of the same kind or another kind make no difference, just contact the nearest rental depot.
- **Transparency** Rental solutions give a clear overview of costs for every item rented. Budgeting and control are simplified, and hidden costs become visible.
- **Improved access** There are approximately 190,000 rental items in our Group divided among 284 depots and sales offices in 11 countries. Companies that rent from Cramo have ready access to machinery.

countries, output in Norway is estimated to have declined by approximately 4% in 2009, Sweden 4–6%, Denmark nearly 8% and Finland 12–14%. Within the CEE, Poland is projected to have posted 5% construction growth in 2009, with Czech and Slovak output declining by 4% and 9%, respectively. Russian construction is expected to show a sharp 23% drop in output for 2009 while the Baltics are forecast to post even worse figures, in excess of -30% for all three countries.

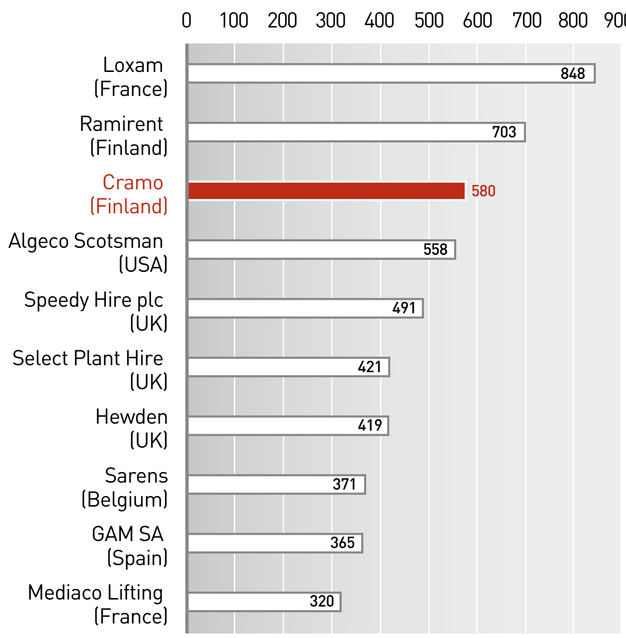
The decline in residential construction that began in most markets as early as 2008 deepened further in 2009 as new project start-ups came to a complete halt in many markets. In the Nordic countries, residential construction decreased in all markets by approximately 12–20%, following declines of some 5–9% in 2008. In the CEE, the Baltic countries are estimated to have been hardest hit, with residential construction declines of 50% estimated in all three countries in 2009. The Czech Republic and Poland are projected to have been slightly less affected, still experiencing declines of 9% and 8%, respectively, with a more significant decline of 21% in Slovakia.

Non-residential construction output also decreased in nearly all Cramo markets in 2009. In the Nordic countries, Finland was worst hit, with a decline of nearly 20%, while the other Nordic countries experienced declines of 7-10%. In the CEE, non-residential output in the Baltic countries was set back substantially, with declines of 30% or more. Czech output was reduced by 24% and Slovakian output by 9%. Polish non-residential construction output is estimated to have remained flat compared to 2008.

Civil engineering output improved most among construction sub-sectors, facilitated by government stimulus packages deployed in a number of countries. Civil engineering output in 2009 grew by approximately 15% in Sweden and Norway and by 5% in Denmark, while in Finland output remained on par with the previous year. Within the CEE, Polish and Czech civil engineering output grew by 22% and 16%, respectively, while it grew by 4% in Slovakia. In the Baltic countries, Estonia and Latvia were set back by 15%, with a 35% drop experienced in Lithuania.

Sources: Euroconstruct/VTT, November 2009; RT/Confederation of Finnish Construction Industries, October 2009; BI/Swedish Construction Federation, February 2010

LEADING EQUIPMENT RENTAL COMPANIES BY EUROPEAN SALES 2008 (M€)



Source: International Rental News, June 2009

GRADUAL RECOVERY IN CONSTRUCTION

A slow recovery is expected in construction during 2010–12. However, construction output in most Cramo markets is expected to continue its decline in 2010, although at a lower rate than in 2009. In the Nordic countries, Sweden and Denmark are expected to turn to positive growth in construction, while Norway and Finland are expected to see another year of decline. In the CEE area, Poland is expected to lead growth at nearly 10% in 2010, and Slovakian output is also expected to grow, with Russia and the Czech Republic remaining flat compared to 2009. The Baltic countries, however, are expected to see further major declines of between 14% and 20% in 2010. By 2011, most Cramo markets, with the exception of the Baltic countries, are projected to have entered a recovery phase in the construction sector.

Sources: Euroconstruct/VTT, November 2009

SHARP DECLINE ALSO IN RENTAL BUSINESS

The major drop in European construction output in 2009 was reflected in a sharp decline in the equipment rental business. Cramo believes that the rental market declined in all of its geographic market areas during 2009 and that the decline in rental business was temporarily faster than in the overall economy or the construction sector. This decline was also evident in price pressure and shorter contract periods in the equipment rental business. In modular space, demand remained good in the Nordic countries. Demand for rental-related services was hit even harder by the recession than the actual rental services.

RENTAL BUSINESS CONTINUES TO BE CHALLENGING

The ERA / IRN Rental Tracker survey indicates continued difficult business conditions in Europe's rental sector, but with some signs of increasing confidence. Business conditions are generally weak and utilisation rates low, but there was an improvement in the conditions towards the end of 2009. There have not yet been major improvements in rental revenues, so fleet investment plans for 2010 remain largely at the same low level as in 2009.

Sources: European Rental Association and International Rental News, November 2009 – January 2010

Because of the cyclical nature of the construction industry and the low investment level in the industrial sector, demand for equipment rental services may continue to decrease in several markets in the first half of 2010. In the beginning of the year, extraordinary winter conditions also slowed down construction starts in Central and Eastern Europe in particular. Cramo expects the first quarter in 2010 to be challenging.

Despite the recession, the demand for modular space is expected to continue growing even with tightening competition. Demand growth is maintained by the various space needs of municipalities and industrial companies. The modular space business is less cyclical than general equipment rental due to substantially lower rental contracts and a wider range of customer segments.

OUTSIDER'S VIEW

Outlook for Construction Markets in Europe

The past year has not been kind to European construction markets, and while the recession is at or near its end, the coming year will not usher in renewed building activity.

The ECB has cut rates aggressively and engaged in major "non-conventional" measures to stimulate the financial sector. Support to banks should increasingly lead to easing of credit conditions. Confidence is increasing and world economic activity and trade appear to be improving – vital to European exports.

However, serious headwinds remain. The Eurozone banking system was hit hard by the global financial crisis and is suffering from problems at home and from exposure to Eastern Europe. Despite ECB intervention, credit markets remain tight for both businesses and consumers. While improving, Eurozone economic sentiment remains relatively depressed and investment intentions remain weak across the region. Over the medium term, Eurozone growth will be held back by the need for major, corrective fiscal tightening to rein in bloated public deficits. However, to do so prematurely could trigger an economic relapse.

The situation is similar in Central/Eastern Europe, where the IMF and EU intervened to prevent financial catastrophe. Indeed, excess home prices and credit issues which have been so well publicised for countries like Ireland, Spain and the United Kingdom also hold true for this region. A key to the view of Central/Eastern Europe is foreign direct investment. Over the past five years, the share of the economy comprised by investment has averaged near 25% in Central/Eastern Europe, with some countries, notably Latvia, Estonia and Bulgaria exceeding 30%. This is considerably higher than the investment rate of the previous five years and is arguably unsustainable. It is certainly unsustainable without foreign funds, which will be hampered by global financial conditions for at least the medium term as international capital markets have all but shut down for many Central European/CIS countries.

What will this mean for construction spending, and ultimately rental?

For Western European countries, further declines are likely in 2010 with only a slow recovery in 2011

"The nature of this recession provides unique opportunities to rental companies".

and beyond. Total construction spending is expected to be down about nine percent in 2009, and a decline of another three percent in 2010 seems likely. In 2011 and beyond, growth returns but remains under 5% in inflation-adjusted terms. This suggests that the construction market will not return to its 2007 peak value until early 2014, which has clear implications for desired fleet size.

For Central/Eastern European countries, the need for new development remains high. As such, while 2009 will see a decline in spending, growth will return in 2010, albeit in the three percent range. Growth will improve in 2011 and beyond, but the story for Central/Eastern Europe is that the days of rapid, double-digit construction growth are mostly over. For fleet management purposes, the key is that, all things being equal, the need for fleet expansion will be lower in the future than in the recent past. This assumes constant rental penetration, of course; to the extent that rental companies can displace contractor-owned or leased equipment, fleet size would need to expand accordingly.

While the near term market potential is bleak, that does not mean there is not opportunity. Construction equipment rental companies can think about potential along three dimensions: geography, structure type and penetration.

First, there will be wide variation with construction outlooks across countries. Spain and the United Kingdom are afflicted with both price correction and overcapacity issues and may not see growth once more until 2012. Germany's construction market has been least affected by the downturn and has one of the better outlooks over the next five years. Only Switzerland offers better growth potential with Western Europe. Within Central/Eastern Europe, Poland represents one of the better opportunities. Indeed, the Polish economy has managed to avoid a technical recession altogether, and may even eke out some construction spending gains in 2009. Slovakia, while a smaller economy, also offers above average potential.

Secondly, the most deeply impacted structure type in terms of reduced spending is residential. This is fortuitous in the sense that this is the least equipment-intensive of building types and poses the least risk to rental. To put this in perspective, the peak-to-trough decline for the residential segment in Western Europe will be 25%, while that for non-residential structures will be 19% and infrastructure related spending will actually grow as stimulus spending more than offsets cyclical declines. Indeed, five years from now, Western European residential investment will still be below its 2007 value, and while nonresidential structures will do better, the performance will be weak. Infrastructure spending, which includes power, will be growing at roughly five percent per year. Equipment expressly tailored to such activity, such as trenchers, or which can be used in such activity, such as excavators, will see higher demand than other equipment.

The broad story is similar for Central/Eastern Europe, although the potential is greater. Residential investment will be the growth laggard while infrastructure leads. However, growth in each construction segment will typically be five percentage points higher than in Western Europe.

Finally, the nature of this recession provides unique opportunities to rental companies. It is often unclear when a recovery is truly beginning and so contractors do not buy new equipment when work first picks up. They hedge risk by renting. So, one would expect that in the initial stages of recovery, that is, in 2010, rental equipment companies should expect to see improvement in revenues and utilisation. This particular recovery offers additional benefit to rental companies, however. First, it will be a prolonged recovery with relatively slow growth, which suggests that renting may be a preferable option to owning for a longer time. Secondly, financing will be tight for all major purchases, including construction equipment. This will also improve the potential for rental companies. Indeed, this may be an opportunity for rental equipment companies to gain penetration in countries that have not traditionally been fertile ground for rental.

In short, Europe should expect an extended period of construction growth that will be well below its recent experience. However, there will be pockets of national and structural opportunity for those with the right equipment and market understanding. Most importantly, conditions will be present to allow construction equipment rental to gain penetration and perform better than the construction economy and construction equipment industry overall.

Scott Hazelton

IHS Global Insight's senior principal, business planning solutions

IHS Global Insight performed a study for the European Rental Association about the European rental market in 2008.

RESTRUCTURING YEAR IN ALL MARKETS

	TARGETS FOR 2009	KEY ACTIVITIES AND ACHIEVEMENTS IN 2009
 	**FINLAND** • Achieve best possible profitability in a weakening market • Continue contingency plan actions • Grow market share in strategic focus areas • Enhance customer service • Increase business agility	• EBITA margin of 11.6% achieved despite a 27.1% decline in sales • Adjustment measures successfully implemented • Market position maintained • Customer base in industrial maintenance expanded • Customer satisfaction improved – extensive customer service training carried out • Franchising concept introduced • Hub organisation completed
 	**SWEDEN** • Achieve best possible profitability in a weakening market • Continue contingency plan actions • Grow market share in strategic focus areas • Focus on the Total Solution Provider concept and add-on sales • Drive penetration through outsourcing	• Profitability maintained at good level (EBITA margin 16.7%) despite a significant drop in sales • Adjustment measures exceeded expectations • Leading market position maintained • New organisation launched and implemented • Two shared hubs opened with Danish operations • Availability improved by 24/7 depots, web shop and further enhancement of franchising • New service concepts introduced
 	**NORWAY** • Continue contingency plan actions • Achieve balanced growth towards leadership position • Improve profitability • Roll out full range of products and services • Provide the Total Solution Provider concept to large accounts	• Profitability satisfactory despite adjustment measures • Market position strengthened in a difficult market environment • Customer base expanded in small and medium-size construction companies and in industry • Further development of key customer relations • Reorganisation of logistics, transport and service networks
 	**DENMARK** • Continue contingency plan actions • Improve profitability • Roll out full range of products and services • Provide the Total Solution Provider concept to large accounts • Expand customer base apart from construction	• Profitability unsatisfactory in a difficult market despite the heavy adjustment measures • Market position maintained • Strong sales and project focus starting to bear fruit • Customer base expanded in industrial and public sectors • Two shared hubs opened with Swedish operations
 	**CENTRAL AND EASTERN EUROPE** INCLUDING BALTIC COUNTRIES, POLAND, THE CZECH REPUBLIC, SLOVAKIA AND RUSSIA. • Continue growth in Russia, Poland, the Czech Republic and Slovakia • Cramo rebranded in the Czech Republic and Slovakia; launch tool rental in the Czech Republic • Introduce fleet mobility between markets and optimise equipment utilisation across markets • Continue contingency plan actions • Expand customer and product segments • Roll out the Total Solution Provider concept • Increase customer loyalty • Further expand depot network • Develop new markets where appropriate	• Negative sales growth in all markets except Moscow due to the very low market demand caused by the global financial crisis • Profitability unsatisfactory despite heavy adjustment measures • Market position strenghtened in Poland, the Baltic countries and the Moscow region. Position maintained in other CEE markets • Customer base expanded • Latvian and Lithuanian operations combined • New services introduced in Russia • Competence development primarily in sales and fleet management • Shared management and tighter integration of Russian operations • Franchise operations started in Latvia and Lithuania • Fleet sales effort ramped up especially in the Baltics

Further information on financial performance on pages 8–9, 34–36 and 39–43
Releases for 2009 can be found at www.cramo.com > Investors > Releases

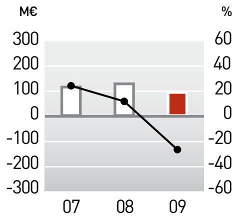
TARGETS FOR 2010

FINANCIAL PERFORMANCE IN 2007–2009

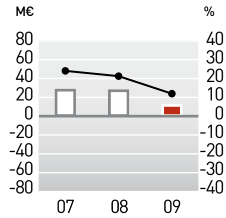
Sales · Sales growth % | EBITA · EBITA, % | Gross capex · Gross capex as % of sales

- Maintain market share and good profitability
- Find new customer segments in industry and trade
- Further develop the Cramo Concept
- Improve utilisation rates, fleet efficiency and mobility
- Improve operational flexibility
- Fully utilise modular space synergies in the Nordic countries
- Be prepared to take advantage of market opportunities

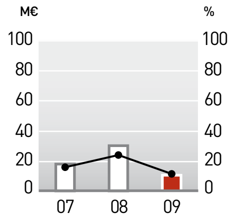
SALES, M€ AND SALES GROWTH, %



EBITA, M€ AND EBITA, %

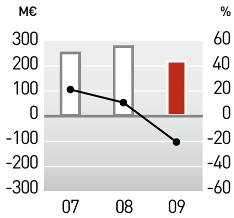


GROSS CAPEX, M€ AND CAPEX AS % OF SALES

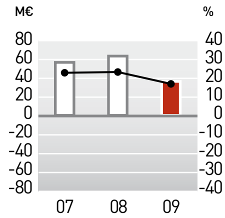


- Maintain market share and good profitability
- Increase sales effort in targeted areas in Sweden
- Further develop fleet-related processes and efficiency
- Improve operational flexibility
- Fully utilise modular space synergies in the Nordic countries
- Be prepared to take advantage of market opportunities

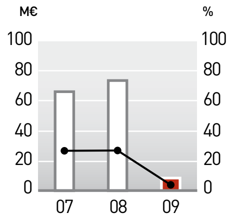
SALES, M€ AND SALES GROWTH, %



EBITA, M€ AND EBITA, %

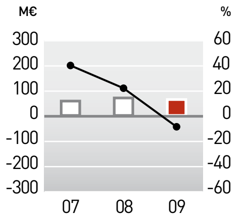


GROSS CAPEX, M€ AND CAPEX AS % OF SALES

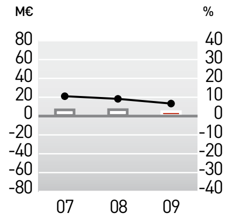


- Profitable growth and further market share gain
- Focus on developing key accounts
- Increase focus on industry and public sector customers
- Continue developing the Cramo Concept
- Develop resource/service centre structure further
- Improve fleet efficiency and mobility
- Be prepared to take advantage of market opportunities
- Fully utilise modular space synergies in the Nordic countries

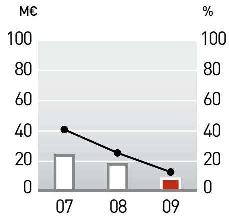
SALES, M€ AND SALES GROWTH, %



EBITA, M€ AND EBITA, %

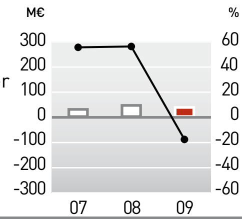


GROSS CAPEX, M€ AND CAPEX AS % OF SALES

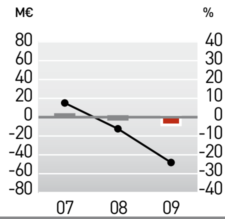


- Improve profitability – secure acceptable results in weak market
- Ensure a balanced, right-sized fleet
- Continue developing Total Solution Provider concept
- Improve sales orientation down to the depot level
- Increase focus on industry and public sector customers
- Develop hub structure and service and logistics organisation further
- Improve fleet efficiency and mobility
- Be prepared to address acquisition and outsourcing opportunities
- Leverage the strong market position in modular space to sell the full Cramo offering

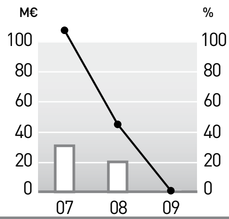
SALES, M€ AND SALES GROWTH, %



EBITA, M€ AND EBITA, %

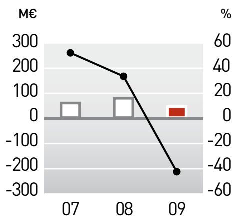


GROSS CAPEX, M€ AND CAPEX AS % OF SALES

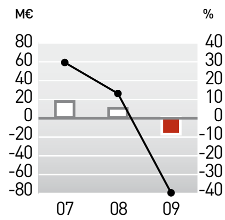


- Improve profitability – secure acceptable results in a weak market by adjusting operations to the current market environment
- Maintain market position
- Further improve fleet efficiency and mobility
- Expand product segments, such as modular space
- Expand customer segments particularly outside construction
- Roll out the Total Solution Provider concept
- Develop partner network for improved efficiency and service to current and new customer segments
- Prepare for the next growth phase
- Develop new markets where appropriate

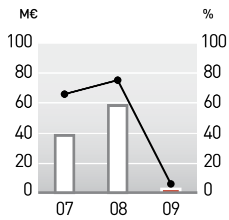
SALES, M€ AND SALES GROWTH, %



EBITA, M€ AND EBITA, %



GROSS CAPEX, M€ AND CAPEX AS % OF SALES



Sales · Sales growth % | EBITA · EBITA, % | Gross capex · Gross capex as % of sales

ADJUSTMENT MEASURES SUCCESSFUL IN FINLAND

Measures initiated to maintain best possible profitability in a weak market were successful. At the same time Cramo continued to increase business agility and improve customer service. Cramo is well-positioned to capitalise on its strong market position when the growth phase begins.

More on Cramo's strengths, growth potential, market position and competitive landscape on pages 6-7

SALES DOWN, MARKET POSITION MAINTAINED

As a result of lower construction activity and fewer start-ups in 2009, sales in Finland were EUR 92.1 (126.3) million, down 27.1% compared to 2008. Increased competition in equipment rental services led to marked price competition in some product areas.

Demand and price development of rental-related site set-up and installation services were hit even harder by the recession than actual rental services. In the equipment rental business, the recession was also reflected in shorter rental periods. In the modular space product area, demand remained good, sustained by municipalities' various space needs.

Cramo maintained its position as one of two leading players in Finland and gained new customers in industrial maintenance projects. Among the most important new customer agreements were those signed with NCC and Destia.

PROFITABILITY AT A SATISFACTORY LEVEL

Although sales fell below the targeted level, EBITA was satisfactory at EUR 10.7 (26.3) million, or 11.6% (20.9) of sales. Good profitability was supported by economising measures, restructuring and the modular space product area. Profit includes EUR 1.4 million in reorganisation expenses.

During the year Cramo initiated personnel reduction measures both in the equipment rental business and in modular space production. The effects of these reductions are expected to be evident in 2010.

FLEXIBILITY INCREASED

A new central repair centre was opened in Tuusula. The development of the hub structure initiated in 2007 was completed. As a result Cramo serves customers in nine hubs, three of which are specialised in modular space solutions.

The weaker market situation decreased utilisation rates for the rental equipment fleet. Logistics efficiency was improved by fine-tuning processes and centralising logistics. Adjustments to demand in the rental equipment fleet were made by selling old equipment. Collaboration in cross-border rental solutions continued.

The franchising model was further implemented. The total number of entrepreneur-managed franchising depots increasing to 15. The total number of depots decreased by 4 to 57 (61).

The Group's new joint enterprise resource planning system, to be launched in Finland in 2010, will further increase efficiency and flexibility.

CUSTOMER SERVICE ENHANCED

Cramo aims to provide the best customer service in its industry. The customer service process was upgraded, and extensive customer service training aimed at improving sales, customer service and customer satisfaction was continued. This was supported by the concept of mystery shopping and customer service questionnaires.

Implementation of a segment-based sales organisation was completed. A new centralised customer service centre improving availability was opened in Vantaa. These initiatives together with the CRM system placed in service in 2008 have improved the quality and efficiency of sales and customer service to a new level.

GRADUAL RECOVERY IN SIGHT

As a strongly export-driven economy, Finland has been significantly hit by the recession, and recovery seems to be lagging slightly behind the global average. Construction output is forecast to have dropped between 12% (RT) and 14% (Euroconstruct) in 2009.

Despite declining for the third year in a row, new residential construction fell even further to 29% in 2009. The bottom may have been reached around mid-year as the first signs of improvement were seen in the second half. New non-residential construction decreased by as much as 27% from the record-high levels of 2008. Civil engineering output stabilised in 2009. In all construction sub-sectors, new construction was hit harder than renovation activity.

In 2010, total construction output in Finland is expected to see another year of decline. RT and Euroconstruct expect the decline to be 3% and 5%, respectively. Residential construction is expected to recover slightly, driven by government-subsidised production and construction of rental flats, as well as low interest rates and general improvement in the economy. Non-residential construction, however, is expected to decline by a further 13–14% in 2010, normalising from the extraordinarily high output levels of 2008. After a number of good years, civil engineering is expected to go into a contractionary period, as the volume of new project starts is insufficient to balance the projects ending. The Finnish construction sector as a whole is expected to see only modest increase in 2011.

Sources: RT/Confederation of Finnish Construction Industries, October 2009; Euroconstruct, November 2009

SHARE OF GROUP SALES, %

FINLAND 20%

KEY FIGURES	2009	2008	CHANGE, %
Sales, MEUR	92.1	126.3	-27.1
EBITA, MEUR	10.7	26.3	-59.4
EBITA -%	11.6	20.9	
Gross capital expenditure, MEUR	10.4	30.0	-65.3
Number of depots	57	61	-6.6
Average number of employees	632	834	-24.2

ENTREPRENEURIAL

NEW BUSINESS MODELS TO INCREASE AVAILABILITY

Cramo develops new business models that give premium service at a lower cost. By operating selected depots through an agent, Cramo maintains a comprehensive depot network while reducing fixed costs.

Cramo's agents are independent companies that are entitled by an agreement to represent Cramo. They have full access to Cramo's wide rental fleet and business systems and the right to use the Cramo brand.

"Customers don't see any difference between franchised or Cramo's own depots in the product assortment or in service, except in some franchised depots, where there may be an even wider offering available as Cramo's assortment is combined with related business, thus creating synergies for both the agent and its customers. Some agents have only Cramo operations. Some are shop-in-shops where Cramo divides space with its partner", explains Mr Tatu Hauhio, SVP and MD Cramo Finland.

"The agent concept was already very common in Sweden a decade ago. In the present economic situation, however, the driving force behind the concept has shifted from securing a presence in locations that are otherwise too small to turning fixed costs into variable costs while at the same time maintaining a comprehensive depot network. This assists us in improving agility in rapidly fluctuating markets", he continues.

In Lithuania and Latvia, while restructuring the organisation and combining country operations, Cramo converted a number of previously owned depots into agents by offering this opportunity to the depot managers. To support their success, Cramo also allows them to start parallel, non-competing business operations. In Russia, Cramo has some pilot shop-in-shop partnerships.

More on page 29

"We promote an entrepreneurial spirit among our partners, agents and own employees. Our aim is to keep the Cramo spirit at a high level", says Mr Darius Norkus, MD Cramo Latvia and Lithuania.

Cramo serves customers at 284 depots, 219 of which were its own depots, 65 were entrepreneur-managed agent depots and four were Cramo 24 depots in Sweden. In addition, Cramo is in the process of introducing a web-shop solution in every market. The number of entrepreneur-managed agent depots increased from 38 to 65 in 2009.

More on page 25

"We foresee rapidly increasing revenue from agents, web orders and other cost-effective channels. We believe that in this way we can keep our cost structure feasible and at the same time stay closer to our customers through a dense network. Increased cost effectiveness also enables Cramo to offer premium service at lower costs", says Mr Erik Bengtsson, SVP and MD Cramo Sweden.

SOLID PROFITABILITY DESPITE SLOW-DOWN IN SWEDEN

Despite the weakening market, Cramo succeeded in keeping profitability at a good level in Sweden. The effectiveness of cost-saving programmes exceeded expectations. At the same time, Cramo further improved sales and customer service activities. The company has an excellent position to benefit from when economic growth starts again.

More on Cramo's strengths, growth potential, market position and competitive landscape on pages 6-7

SALES DECLINED, MARKET SHARE INCREASED

Swedish sales in 2009 were EUR 215.7 (273.8) million, down 21.2%. Measured in local currency, the change in sales was -13.9%. The demand for construction and equipment rental services remained low. Weakening markets combined with tightening competition was reflected in increased price pressure and shorter contract periods towards the end of the year.

Demand for rental-related services was particularly affected by the slow-down. The market situation in the modular space product area remained relatively good, and due to its long agreements, Cramo was able to maintain a reasonable price level.

Cramo expanded its operations in the Stockholm area, acquiring the rental operations of Lidingö Hyrcenter. An agreement with NCC, according to which Cramo is now one of NCC's five suppliers of rental services in Sweden, was signed. As a result, Cramo is the only rental solution provider having agreements with all the large construction companies in Sweden.

Cramo succeeded in strengthening its leading position, particularly with large customers.

PROFITABILITY AT A GOOD LEVEL

Considering the market situation, EBITA remained at a good level at EUR 36.0 (62.9) million, or 16.7% (23.0) of sales. Positive development of the modular space product segment contributed to the result.

ADJUSTMENTS IN COSTS AND FLEET

Utilisation rates for the rental equipment fleet were decreased by the weaker market situation. The equipment fleet was adjusted by means of equipment sales and the return of operationally-leased equipment. Measures initiated at the end of 2008 to cut human resource costs were increased to meet the demand.

The Group's new joint enterprise resource planning system was launched in Sweden in June. This easy-to-use system creates a common IT platform for all future Group activities.

BETTER CUSTOMER SERVICE

Cramo successfully carried out a reorganisation aimed at better customer service and increased sales operations. Whereas regions and depots focus on sales and customer service, fleet management takes care of product and service development, maintenance and procurement. New concepts such as Cramo Flexi were introduced in the markets.

More on page 27

Cramo's operations in southern Sweden and Denmark increased their co-operation in maintenance and logistics. Shared and centralised hubs for repair and maintenance as well as for access equipment were opened in southern Sweden. Logistics were outsourced.

More on page 29

The franchising model was further implemented, with the number of entrepreneur-managed franchised depots increasing to about one third of the depots. The total number of depots increased to 116 (111). A new web shop was launched in the autumn.

More on page 23

CONSTRUCTION UPSWING EXPECTED IN 2010

As a result of the financial crisis and a substantial drop in exports, 2009 is expected to have been a very weak year for the Swedish economy. Euroconstruct forecasts a drop in Swedish construction output of nearly 4% in 2009 while the Swedish Construction Federation forecasts a 6% decline.

Residential construction is expected to show another major drop in 2009, 15–20% over the previous year. Non-residential construction declined compared to 2008. The civil engineering sector had a strong growth year, with estimated growth rates of 9–15%, which accounts for the relatively small overall rates of decline in the Swedish construction industry. In addition, renovation activity fared considerably better than new projects in building construction.

2010 is expected to be a clear growth year in the Swedish construction industry, with growth rates of approximately 4–5%. The increase is expected to be driven by continuing demand growth in civil engineering, rising nearly 10% in 2010. Residential construction growth is expected to recover slightly in 2010, due to a long-term need for new apartments and apartment building renovations. Non-residential construction is expected to be flat or decline slightly due to the continuing weakness in the general economy. Euroconstruct predicts that recovery will take full effect in 2011, when the economy should be back on a sustainable growth path and all construction sub-sectors are expected to achieve solid growth rates.

Sources: BI/ Swedish Construction Federation, February 2010; Euroconstruct, November 2009

SHARE OF GROUP SALES, %

SWEDEN 48%

KEY FIGURES	2009	2008	CHANGE, %
Sales, MEUR	215.7	273.8	-21.2
EBITA, MEUR	36.0	62.9	-42.7
EBITA -%	16.7	23.0	
Gross capital expenditure, MEUR	8.4	73.1	-88.5
Number of depots	116	111	4.5
Average number of employees	683	690	-1.0

ACCESSIBILITY

PRODUCTS AND SERVICES ACCESSIBLE WHENEVER CUSTOMERS WANT

Cramo aims to have its products and services accessible whenever and wherever customers want. While supporting operational excellence, the new flexible business models, Cramo 24 and Cramo web shop, provide premium service at a lower cost.

Cramo 24 – Equipment around the clock

An unmanned depot with a basic assortment of the most commonly used tools provides accessibility around the clock for subscribing customers.

"What is best about Cramo 24 is easy accessibility", confirms Mr Marcus Spång from the Swedish construction company BTH Bygg AB.

With Cramo 24, subscribing customers receive an electronic ID card with a personal code that opens the depot door. Depots are easily recognised by their Cramo 24 signs. All items are identified and traceable by RFID at the depot. When a customer takes out equipment, the name of the customer, machine or machines taken and time are automatically registered in the rental system.

The standard Cramo 24 depot assortment can be found on the website. However, any additional equipment can be pre-ordered to the depot by booking online. The customer can return the equipment to any Cramo 24 depot at any time, or to regular depots during office hours.

"Cramo 24 has got a positive response, especially among small and medium-size entrepreneurs. The concept provides immediate access to equipment around the clock. For example, in urgent cases at night, such as sudden flooding in cellars, this is crucial. The first 24/7 depot was opened in Stockholm in 2008. Since then, we have opened three new depots in Sweden, and after assessments the concept will probably be rolled out in the Nordic countries", says Mr Erik Bengtsson, SVP and MD, Cramo Sweden.

Cramo web shop – Renting anytime anywhere

A new easy-to-use web shop allows customers to order rental equipment regardless of the time or place. The online shop also provides a better overview of Cramo's complete assortment.

With the Cramo web shop, subscribing customers can order products from a limited assortment to be delivered directly on site or picked up from the depot they have chosen.

"The second-generation web shop allows pricing based on individual agreements and online payment. Roll-out of a new generation shop with a direct link to Cramo's new business system, which provides full functionality, was initiated in Sweden in autumn 2009. It will be completed within the next few years in other Cramo countries", Mrs Eva Harström, CIO, notes.

More on new business models on page 23

MARKET POSITION IMPROVED IN NORWAY

Growth investments from 2008 continued to bear fruit in Norway. While profitability remained satisfactory, Cramo succeeded in strengthening its position among construction companies and the industrial sector in particular. Cramo will continue measures aimed at improving profitability.

More on Cramo's strengths, growth potential, market position and competitive landscape on pages 6-7

SALES DECLINED SLIGHTLY, MARKET SHARE EXPANDED

As a result of a weakening market, Norwegian sales in 2009 were EUR 63.4 (69.7) million, down 9.0%. Measured in local currency, sales were down only slightly at 4.5%. Increased competition, especially in large building and construction projects, has resulted in high pressure on price levels.

Cramo was able to exploit its depot network, expanded in 2008, and further increased its equipment rental market share among large and medium-sized construction companies and the industrial sector in particular. For example, Cramo signed significant agreements with NCC, Statoil and AF Group, one of Norway's largest construction companies.

In modular space, demand continued to be relatively good and Cramo was able to expand its customer base to the public sector and other industries. The Norwegian government's investments in recovery measures – the highest in the Nordic region and directed especially at civil engineering and public services – were reflected positively in Cramo's operations.

PROFITABILITY SATISFACTORY

EBITA was EUR 4.0 (6.1) million, or 6.3% (8.8) of sales. Measures aimed at improving profitability included reorganisation of logistics and the service and maintenance network, as well as some personnel reductions.

EFFICIENCY IMPROVED

Logistics efficiency was improved by fine-tuning processes and the reorganisation of logistics and transport. Service and maintenance was centralised into regions. The equipment fleet was adjusted to the new market situation with the sale of some machinery.

The number of depots at the end of the period remained at 27 (27).

FOCUS ON SERVICE QUALITY

Cramo focused on developing sales and key customer relations. The nationwide key account management model was placed into service, with long-term focus on the largest customers. Furthermore, development of a sales culture in which sales personnel take a position as adviser and partner was enhanced. In competence development, Cramo focused on acquiring more know-how in electricity and heating.

FURTHER DECLINE IN CONSTRUCTION FROM PEAK LEVELS

Despite the global recession, the Norwegian economy is expected to have declined only slightly in 2009 as a result of strong stimulus measures and solid performance in the oil-related industries. Norwegian construction output is predicted to have declined by 4% in 2009 but the decline started from historically high levels of activity following several years of growth.

The decline in construction output in 2009 was driven by new residential (-21% from previous year) and new non-residential construction (-11%). Civil engineering output, however, is expected to have grown sharply, by 15%, supported by the strongest government stimulus in the Nordic region. In building construction, renovation activity has fared clearly better than new construction projects.

In 2010, the Norwegian construction industry is expected to continue to decline from its high peak levels of 2007-08 at possibly even a higher rate than in 2009. The modest recovery in GDP is insufficient to boost construction activity. Civil engineering is expected to drop as stimulus packages are discontinued. Non-residential construction is also expected to fall substantially due to slowly recovering demand. Residential construction, however, is expected to turn to modest growth during 2010. 2011 is expected to be characterised by solid growth in Norwegian construction output, driven by civil engineering and residential construction.

Source: Euroconstruct, November 2009

SHARE OF GROUP SALES, %

KEY FIGURES	2009	2008	CHANGE, %
Sales, MEUR	63.4	69.7	-9.0
EBITA, MEUR	4.0	6.1	-34.9
EBITA -%	6.3	8.8	
Gross capital expenditure, MEUR	7.8	17.4	-55.3
Number of depots	27	27	0.0
Average number of employees	188	181	3.9

CREATIVITY

INNOVATIVE NEW SERVICES TO DELIVER CUSTOMER VALUE

More on page 93

Based primarily on two of its core values – Creativity and Customer Commitment – Cramo has set out to develop its leadership in delivering customer value. This includes understanding customer needs and developing new, innovative services.

Cramo Safety – Increases safety at the construction site
Cramo Safety is a complete package of products and services that simplifies and improves safety and the work environment at construction sites.

"Cramo is committed to promoting safety in the intended use of the products and services it delivers as well as at its customers' sites. To support this and meet ever-increasing requirements, we have developed Cramo Safety", explains Mrs Anna-Lena Berg, Head of Business Development, Cramo Sweden.

Cramo Safety provides a wide assortment of fall protection products and work safety-related devices as well as various access solutions like staircases and platforms for temporary and personal fall protection. All products meet EN13374 European standards for temporary fall protection.

Services include customer training in fundamental work environment safety, aerial operations, and scaffolding mounting and security. Services and consultancy advice cover areas like mounting, demounting, dimensioning, risk analysis, calculations and documentation of work environment plans.

Cramo Flexi - Flexible rental alternative to buying tools
A new service, Cramo Flexi, offers a flexible rental alternative with reasonable pricing and product range to buying hand tools with a normal service life less than 18 months.

"Cramo Flexi both increases flexibility and allows us to minimise capital tied in equipment. As an opening offer, we got a six-month agreement on three machines for SEK 17 a day", says Mr Daniel Hultengren, Managing Director of BEVAB, Byggentreprenad Väst AB, Sweden.

Furthermore, Cramo Flexi service enables customers to minimise the loss of working time when machines break down. Transparent and fixed invoicing assists customers in budgeting, cost control and the invoicing of machine-related costs from their customers.

Cramo Flexi agreement customers get a fixed monthly rental fee for a minimum of six months and at least three machines. A Cramo Flexi contract can be signed for any number of machines at any Cramo depot. In case of break-down, Cramo Flexi ensures quick replacement of machines. It also provides optional rental insurance at favourable rates.

Cramo Safety is available in Sweden while Cramo Flexi is available in Sweden and Denmark. After evaluation, they will be assessed locally and adapted for implementation in other Cramo countries as well.

Cramo Healthy House – Comprehensive service concept
A new versatile Healthy House solution saves time and trouble in producing healthy buildings. With decades of experience, Cramo can propose the fastest and the most cost-effective solution for each construction phase, from a property condition survey to temporary premises as well as equipment and services needed.

"Healthy House is a service concept which gathers all our knowledge and decades of experience in building condition surveys, renovation and modular space delivery. When problems such as humidity, mould or related health problems arise, Cramo can help the customer with numerous services and solutions throughout the process of making the building healthy again. The service portfolio includes various types of surveys, analysis, sterilisation, air filtering, drying, heating etc. To top it all, Cramo will deliver modular space for the duration of the project to keep all the customer's operations running without interruption", says Mr Lasse Huuhka, Marketing Manager, Cramo Finland.

The Healthy House concept is unique in the Finnish market. No other company can provide such an extensive range of services.

RESTRUCTURING CONTINUED IN DENMARK

Denmark was hit early and more severely by the downturn compared to the other Nordic markets. Current estimates also indicate a later recovery. Despite the adjustment measures taken, Cramo's profitability remained poor in 2009. However, the company succeeded in further reducing its reliance on the building and construction industry. Cramo will continue to focus on increasing profitability and building on its strong position in modular space solutions.

More on Cramo's strengths, growth potential, market position and competitive landscape on pages 6-7

SALES DECREASED, MARKET POSITION MAINTAINED

Danish sales in 2009 were EUR 36.3 (44.4) million, down by 18.2%. The weak market situation combined with heavy competition in fragmented markets led to significant price erosion compared with the previous year. However, price levels stabilised at low levels towards year-end.

In line with its target, Cramo was able to increase market share as a rental services provider for industrial and public sector customers. Overall, the company maintained its market position in equipment rentals. The modular space business developed favourably and Cramo strengthened its position as the largest provider of modular space in the Danish hospital sector.

Cramo sold its Danish crane fleet to the rental service company Ajos A/S, an equipment company owned by the construction company MT Højgaard.

PROFITABILITY UNSATISFACTORY

EBITA was EUR -8.9 (-2.9) million, or -24.4% (-6.5) of sales. Profit was negatively affected by reorganisation expenses and remained unsatisfactory.

Reorganisation expenses, EUR 3.5 million, include capital losses on the sale of used equipment totalling EUR 1.3 million.

EFFICIENCY IMPROVED

Measures to cut costs, reduce fleet size and increase efficiency continued. The organisation and structure were adjusted to the weak demand. Efficiency in transport was increased by outsourcing logistics. Fleet size was adjusted by internal transfers and by selling old equipment. However, fleet utilisation rates still decreased.

The number of personnel was reduced to correspond to the new operating model. Cramo's operations in southern Sweden and Denmark increased their co-operation in maintenance and logistics. Shared and centralised hubs for repair and maintenance as well as for access equipment were opened in southern Sweden (more on page 29). As part of the operational reorganisation, five depots were closed, the number of depots decreasing to 17 (22).

MULTI-SERVICE PROJECT APPROACH INTRODUCED

Efficiency in customer service was increased by applying a multi-service project approach starting with site huts and building on the complete Cramo offering. This, together with strengthening the modular space business beyond construction and construction-related industries, bore fruit. Cramo started various projects, for example, with IKEA and NNE Pharmaplan.

Reorganisation of sales and customer service ensured higher efficiency and a more structured approach to different market segments and customer profiles.

Cramo's position in the public sector developed favourably and was helped in particular by the application expertise in Modular Space solutions for the hospital sector.

MODEST CONSTRUCTION RECOVERY IN 2010

Faced with a declining GDP as early as in 2008, the Danish economy saw a steeper decline in 2009, driven by falling domestic demand, exports and investments. The Danish construction sector has now experienced two difficult years in a row as a result of the cooling down of a residential construction boom. Construction output reductions of 6% in 2008 and nearly 8% in 2009 were reported.

The construction decline was driven by further steep declines of 30% in new residential construction and 13% in new non-residential construction. On the other hand, civil engineering activity is expected to have grown by 5% in 2009. Building renovation also fared significantly better than new building projects.

In 2010, Danish construction output is expected to recover, with a 2% increase over 2009. Residential construction is expected to stabilise while non-residential construction should get back on a growth track. Continued stable growth for civil engineering output is forecast. Construction growth rates are expected to show slight further improvement going into 2011.

Source: Euroconstruct, November 2009

SHARE OF GROUP SALES, %

DENMARK 8%

KEY FIGURES	2009	2008	CHANGE, %
Sales, MEUR	36.3	44.4	-18.2
EBITA, MEUR	-8.9	-2.9	*
EBITA -%	-24.4	-6.5	
Gross capital expenditure, MEUR	0.3	19.9	-98.6
Number of depots	17	22	-22.7
Average number of employees	129	173	-25.4

* Change over 100 percent

PROACTIVE

REGIONAL CO-OPERATION ENSURES BETTER CUSTOMER SERVICE

Cramo improves customer service and operational efficiency through co-operation regionally as well as across borders. For customers, closer co-operation and co-ordination in selected regions guarantee harmonised services, better quality and reasonable price levels.

Short distances and readily available transport make close co-operation or even a common organisation for ownership and maintenance of equipment a viable alternative, enabling economies of scale, a broader product range and reduced external sub-rentals. Co-operation areas include fleet management and fleet transfer, repairs and maintenance as well as spare parts, sales and administration.

Hub structure fosters in-depth expertise

Across countries and regions, hub-depot structures have been developed in order to yield operational efficiency gains. The hub-depot structure also supports closer cross-border co-operation and co-ordination.

Certain functions such as repair and maintenance and spare parts are centralised in hubs, while depots focus increasingly on sales and customer service. Co-operation allows smaller point-of-sale depots and use of the franchising model for depots.

"A hub structure with specialised hubs promotes the best possible knowledge and expertise. For customers, this is reflected in better service and products and for Cramo as improved efficiency through economies of scale", says Mr Finn Løkken, SVP and MD Cramo Norway.

Collaboration increases efficiency

In the Nordic countries, cross-border co-operation has long been the case in the Tornio-Haparanda area of northern Sweden and Finland. This is enhanced by shared depot management, ie. with the same depot manager running depots on both sides of the border.

In 2009, Cramo organised a common access centre for Denmark and southern Sweden. Centralised hubs for repair and maintenance as well as for access equipment were opened in Malmo, Sweden. While Cramo Sweden owns the equipment, Cramo Denmark sub-rents it. At the same time, transport was outsourced and the transport fleet sold to a new service provider. Both countries have separate sales organisations.

"A centralised hub structure allows us to increase efficiency. For customers, this means better quality and availability of equipment through shorter repair and maintenance times as well as reasonable pricing", says Mr Anders Gothe, Market Manager, access equipment, Cramo Denmark.

In the CEE area, regional co-operation has also been tightened substantially. In Russia, the operations in Moscow and St. Petersburg have been more closely integrated operationally with shared management resources. Operations in the Czech Republic and Slovakia are run using shared management resources, and operational co-operation is also increasing with Poland. In the Baltic countries, the Latvian, Lithuanian and Kaliningrad operations were integrated in 2009, with operational co-operation tightening with Estonia.

Best practices generate best service

To achieve operational excellence and quality, safety and environmental leadership, Cramo has set out to harmonise its operational processes in every market by utilising the best experience from the Group.

In 2009, the best operational practices of each core process – key account management, fleet mobility and optimisation, repair and maintenance, pre-emptive maintenance, systems and processes – were identified, and a gap analysis was performed in each operating country. Implementation will begin in 2010 in selected countries.

EXTENSIVE ADJUSTMENT MEASURES IN CEE

The economic recession hit the CEE region harder than expected. Despite extensive adjustment measures, profitability remained unsatisfactory in 2009. However, Cramo has established a good position in the future growth markets. Ongoing reorganisation measures are expected to improve profitability in 2010.

More on Cramo's strengths, growth potential, market position and competitive landscape on pages 6-7

SALES DEPRESSED, MARKET SHARE MAINTAINED

Sales in Central and Eastern Europe were EUR 44.1 (77.4) million, down by 43.0%. In local currencies, the change in sales was -39.4%.

The impact of the economic recession stemming from the credit crunch was stronger than expected in Central and Eastern Europe. Demand fell particularly sharply in the Baltic countries. In Poland, demand for rental services was maintained due to significant civil engineering projects and investments related to the upcoming European Football Championships. A major decline in new construction and tighter competition led to a drop in prices, which was reflected in Cramo's sales and profit.

Cramo strengthened its position in Poland, in the Baltic countries and in the Moscow region. In the other Central and Eastern European markets, market position was maintained under difficult conditions while the company entered new customer and product segments.

PROFITABILITY UNSATISFACTORY

EBITA was EUR -17.6 (9.9) million, or -40.0% (12.8) of sales. The negative EBITA is due to a significant weakening in demand, lower rental prices, high credit losses, expenses arising from the reorganised cost structure and, in particular, heavy depreciation related to fleet investments made during the operational growth phase.

EXTENSIVE ADJUSTMENTS

Cramo systematically adjusted its operations to weakening markets by further streamlining its depot network structure, cutting costs and reducing personnel, selling equipment and further optimising the utilisation of the rental fleet between markets.

In Russia, operational integration was carried out together with personnel reductions. A new hub was opened in the Moscow-Oblast area, and the common operational model will be placed in service in 2010. In the Baltic countries, personnel was reduced by approximately 50% compared with 2008. The Latvian and Lithuanian operations were combined; by the end of the year, the joint depot network in these countries comprised some 20 depots, half of which operate as franchise outlets. In Estonia, adjustments were targeted at fleet size and reducing fixed costs. Fixed costs were also cut in other Central and Eastern European markets. For example, in the Czech Republic the transportation of equipment was outsourced. At the same time, Cramo enhanced its sales control by developing its sales monitoring and pricing systems and by expanding its customer base to new customer segments.

The number of depots at the end of the year was 67 (82).

SALES COMPETENCE ENHANCED

As a result of centralised procurement and repair and maintenance, depots can focus on sales and customer service. Sales activities, key account management in particular, were enhanced in the Baltic countries and Russia. Extensive training in sales and account management was organised in every country. In Poland, as a result of a new sales organisation, tools and training, Cramo is able to take part in the largest construction tenders.

The range of products and services continued to be expanded in general depots. In Russia, temporary electricity setup and installation service were introduced. Development of the pre-emptive maintenance concept was initiated. In the Czech Republic, Cramo started tool rental in the Prague area. In Poland, the expansion of modular space for construction site purposes continued and in the Czech Republic the same products were successfully introduced.

VARYING SPEEDS OF RECOVERY

The financial crisis has hit the emerging markets of Central and Eastern Europe more severely than expected. Only Poland managed to show GDP growth in 2009. At the other end of the spectrum, the small Baltic economies have experienced significant declines in GDP as economic activity is cooling down further after the boom years.

2010 is expected to bring varying degrees of recovery to the CEE area. The rate of construction growth in Poland is expected to nearly double to 10%, supported by continuous high growth in civil engineering and a modest up-turn in building construction. The Czech Republic, Slovakia and Russia are expected to see flat or slightly positive growth in construction in 2010. In Poland, the Czech Republic, Slovakia and Russia, the bulk of improvement in construction is expected to be driven by civil engineering, with building construction practically flat or even declining. For the Baltic countries, the clear decline in construction is set to continue in 2010 throughout the construction sector. 2011 is expected to bring broad-based construction growth to Poland, Russia and Slovakia, while the Czech Republic and Baltic countries are expected to remain at the previous year's level.

Source: Euroconstruct/VTT, November 2009

SHARE OF GROUP SALES, %

CENTRAL AND EASTERN EUROPE 10%

KEY FIGURES	2009	2008	CHANGE, %
Sales, MEUR	44.1	77.4	-43.0
EBITA, MEUR	-17.6	9.9	*
EBITA -%	-40.0	12.8	
Gross capital expenditure, MEUR	2.6	58.0	-95.5
Number of depots	67	82	-18.3
Average number of employees	660	751	-12.1

* Change over 100 percent

COMMITMENT

CUSTOMER-DRIVEN ECO CONCEPTS COMPLY WITH INCREASING REQUIREMENTS

While customer and legal requirements further increase, Cramo continues to develop environmental services and solutions to maintain its leadership in quality, safety and environment issues.

Cramo Smart Energy – energy savings at the construction site
Site huts and lighting account for more than 70% of energy use on a construction site. Cramo Smart Energy reduces energy consumption on this type of equipment by approximately 50%, thus resulting in a lower impact on the environment.

"As a response to a major customer's request, we started to develop the energy efficiency of site huts in 2007. Since then we have continuously developed our product to improve energy efficiency. Today Cramo Smart Energy consists of energy saving for site huts, exterior lighting, containers and hoists as well as site installation", says Mr Jan Isgård, Product Area Manager, Fleet Management.

Most building sites have high electricity consumption. Cramo has developed different aspects of the building site so the savings can be 50%. Major achievements have been fresh air ventilation with heat exchanger, motion sensors to turn lights on and off, energy-efficient double glazed windows and a drying room with heat exchanger. Heat loss surface area is reduced by placing site huts on two levels and sealing horisontal and vertical joints as well as the foundation.

Energy-efficient external lighting consists of low-energy 150W light bulbs instead of the traditional 1500W bulbs, while regular 60W light bulbs for working light have been replaced by low-energy 23W lamps. Storage containers have improved insulation and building hoists have frequency-controlled currency to minimise the peak current used at start-up.

"Cramo Smart Energy provides not only low-energy products but also complete service of measuring and sizing electricity needed. We can even measure consumption at different parts of the construction site and customers can follow it on our website. Working together with the customer, we can decrease energy consumption at the site further", says Mr Jan Isgård.

Green modules – energy-efficient alternatives for space
Cramo is the first provider of environmentally friendly modular space. For example, the C40 module series can be equipped with an efficient water heating system. It gives comfortable warmth and comfort, thereby contributing to a pleasant indoor environment.

It could be called "the green module" given that it reduces energy consumption by half compared with other conventional systems. Fully-equipped installations with heat pump retrieve heat from the outdoor air and meet the demand for heating and ventilation as well as hot water.

Alternatively, heating requirements can be met by using an external water heating source, for example, connecting to central heating or a boiler room with biofuel. In this case, environmental benefits and lower operating costs can be achieved.

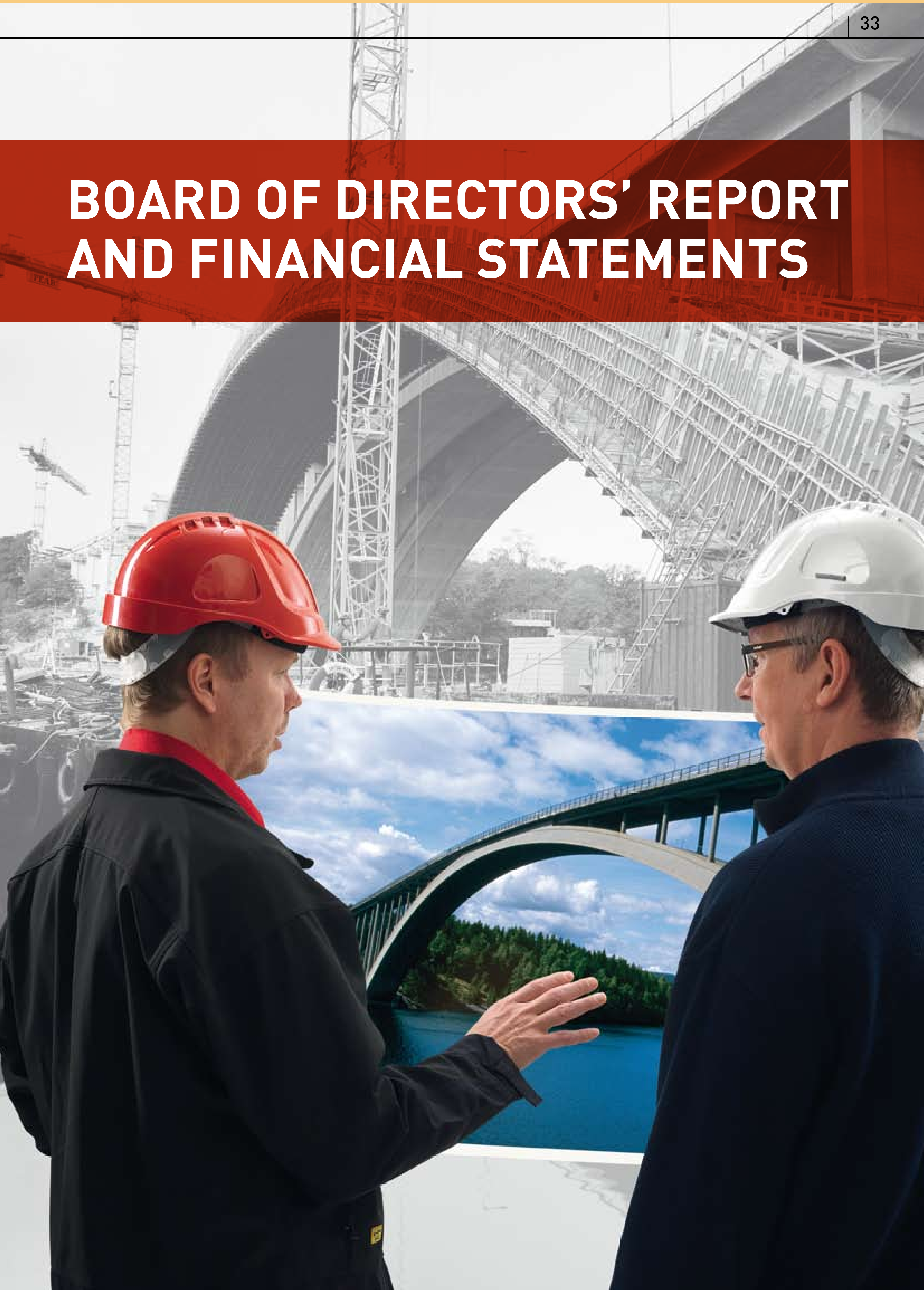
"Green modules are perfect, for instance, for people who need more office space or a new school classroom while taking into consideration the environment and a better climate", says Ms Camilla Hensäter, MD for Modular Space operations in Sweden.

Cramo provides complete modular space solutions from installation to interior furnishings and set-up.

Green modules comply with the legal requirements for energy savings in Sweden. Modules are available in Sweden and will be rolled out in other Cramo countries.

CONTENTS

BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS



BOARD OF DIRECTORS' REPORT ON THE 56TH YEAR OF OPERATION

OPERATING ENVIRONMENT

Cramo is a service company specialising in equipment rental services as well as the rental and sale of modular space. As one of the industry's leading service providers in the Nordic countries and Central and Eastern Europe, Cramo Plc operates in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and Russia.

Construction volumes fell heavily in 2009. While the number of new housing, commercial and office starts fell markedly in the first half of the year, new residential construction has shown signs of picking up in several markets. Renovation projects and civil engineering have increased in various markets. Decision-making periods for other industrial and public sector procurement became longer in 2009.

The construction market is estimated to have decreased by about 14 percent in Finland and by about 4 percent in Sweden in 2009. In Norway, construction decreased by around 4 percent and in Denmark by around 8 percent. In Estonia, the decline was 30 percent; in Latvia, 7 percent; and in Lithuania, 37 percent. In Russia, construction is estimated to have decreased by 20 percent. Construction volumes also fell in the Czech Republic and Slovakia. In Poland, the growth in construction was around 5 percent. (Source: Euroconstruct, November 2009.)

In order to adjust to the changed market situation, Cramo increased the efficiency of its processes and decreased the number of personnel. Adjustments were concluded by the end of the financial year as planned, resulting in the targeted level of fixed cost savings of over EUR 35 million in 2009. The 2010 cost burden will be approximately EUR 50 million below the level of 2008. Efficiency in the use of the rental fleet was also improved by reducing fleet size and optimising equipment utilisation between different countries.

BUSINESS REVIEW

Cramo Group's business segments consist of Finland, Sweden, Norway, Denmark, and Central and Eastern Europe. In the comparison year 2008, Cramo's business consisted of two business segments: equipment rental and modular space. The equipment rental business was divided into geographical segments, with Norway and Denmark reporting jointly as a single segment. The 2008 comparison figures have been adjusted to correspond to 2009 segment reporting.

Cramo's main objectives in 2009 were to achieve a positive cash flow after investments, a decreasing gearing and the best possible profitability in a weakening market. Except for profitability in Denmark and Central and Eastern Europe, these objectives were successfully achieved. Despite the weakening demand, the aim was still to strengthen the market position, and this was successfully achieved in most market areas.

The nature of the Group's business is associated with seasonal variation. Rather than accumulating steadily throughout the year, the level of sales and profit for the business segments varies in different quarters.

In 2009 sales were down in all market areas. EBITA was positive in Sweden, Finland and Norway. In Sweden, profitability remained on a good level. In Finland, profitability improved due to adjustments to a good level in the second half of the year. In Norway, profitability was satisfactory. In Denmark and Central and Eastern Europe, profitability continued to be unsatisfactory.

In 2009, Finland generated EUR 92.1 (126.3) million, or 20.4 (21.3) percent of the total consolidated sales; Sweden generated EUR 215.7 (273.8) million, or 47.8 (46.3) percent; Norway generated EUR 63.4 (69.7) million, or 14.0 (11.8) percent; Denmark generated EUR 36.3 (44.4) million, or 8.0 (7.5) percent; and Central and Eastern Europe generated EUR 44.1 (77.4) million or 9.8 (13.1) percent.

SALES AND PROFIT

Cramo Group's consolidated sales in 2009 were down 23.0 percent, totalling EUR 446.7 (2008: 579.8; 2007: 496.4) million. In local currencies, the change in sales was -18.5 percent.

EBITA totalled EUR 17.3 (2008: 102.2; 2007: 96.0) million, or 3.9 (2008: 17.6; 2007: 19.3) percent of sales. As measured in euros, EBITA was down 83.1 percent.

Sales and profit were negatively affected by the market situation, which remained weak throughout the year, by the Group's reorganisation expenses, credit losses and credit loss provisions and by significant impairments. Reorganisation expenses due to adjustments were EUR 6.1 million. Credit losses and credit loss provisions were EUR 6.7 million.

Cramo recognised an impairment loss of EUR 21.8 million on the goodwill and intangible assets of the Central and Eastern Europe segment. The write-down was due to the current low level of business volumes in Latvia, Lithuania and the Czech Republic. Cramo sees potential for business growth in these market areas in the long run. Cramo's profit also includes write-downs of EUR 2.4 million on fleet.

Consolidated operating profit (EBIT) in 2009 was EUR -11.5 (2008: 91.8; 2007: 91.8) million, representing -2.6 (2008: 15.8; 2007: 18.5) percent of sales. The 2009 net finance costs were EUR 22.7 (28.1) million. Profit before taxes was EUR -34.2 (2008: 63.7; 2007: 75.8) million and profit for the year EUR -39.9 (2008: 48.7; 2007:

57.5) million. In accordance with the prudence principle, Cramo has not recognised deferred income tax assets for any loss-making Group companies which have not shown a clear profit in the past few years. Unrecognised deferred tax assets for 2009 totalled EUR 7.9 (1.4) million.

Earnings per share were EUR -1.30 (2008: 1.59; 2007: 1.88). Diluted earnings per share were EUR -1.28 (2008: 1.59; 2007: 1.87).

Return on investment (rolling 12 months) was -1.2 (2008: 12.0; 2007: 13.7) percent and return on equity (rolling 12 months) -12.1 (2008: 14.9; 2007: 18.4) percent.

CAPITAL EXPENDITURE AND DEPRECIATION/AMORTISATION

Gross capital expenditure was EUR 31.5 (201.2) million. The investment level was decreased as planned, and the majority of investments were made in the modular space product area. Acquisitions carried out during the period under review are not included in gross capital expenditure.

Reported depreciation and impairment on tangible assets and software were EUR 88.7 (85.4) million. This includes write-downs of EUR 2.4 million of the Group's tangible assets and on assets available for sale.

The Group's depreciation policy, which is based on linear time-based depreciations, has not been changed to reflect the fleet's lower utilisation rates.

Amortisation and impairment on intangible assets resulting from acquisitions were EUR 28.8 (10.4) million. This includes write-downs of Group goodwill and acquisitions totalling EUR 21.8 million. At the end of the year, goodwill totalled EUR 137.3 (147.9) million.

FINANCIAL POSITION AND BALANCE SHEET

The Group showed a positive net cash flow of EUR 76.6 (121.0) million from operating activities. Cash flow from investing activities was EUR -11.2 (-216.6) million. Cash flow from financing activities was EUR -53.5 (87.5) million. At the end of the period, cash and cash equivalents amounted to EUR 18.5 (8.1) million, with the net change amounting to EUR 11.9 (-8.1) million. The Group's cash flow after investments was EUR 65.4 (-95.6) million.

Asset sales were EUR 22.6 million, and the net capital gain from asset sales was EUR 3.1 million. At the end of the period, the Group had EUR 6.1 million of assets available for sale in its balance sheet.

At the end of the period, Cramo Group's gross interest-bearing liabilities totalled EUR 402.2 (485.2) million. EUR 144.2 million of variable-rate liabilities were hedged with interest rate swaps. Hedge accounting is applied to EUR 98.2 million of these interest rate hedges. On 31 December 2009, Cramo Group had undrawn committed credit facilities (excluding leasing facilities) of EUR 130.1 million, of which non-current facilities totalled EUR 95.0 million and current facilities EUR 35.1 million.

On 29 April 2009, Cramo Plc issued a EUR 50 million hybrid bond in order to strengthen the Group's capital structure and repay existing interest-bearing debt. The coupon rate for the bond is 12.0 percent per annum. The bond has no maturity date but the company may call the bond after four years. The bond was sold to Finnish investors. A hybrid bond is a bond that is subordinated to the company's other debt obligations and treated as equity in the IFRS financial statements. Hybrid bonds do not confer to holders the right to vote at shareholder meetings or dilute the holdings of current shareholders.

On 31 December 2009, Cramo Group's net interest-bearing liabilities totalled EUR 383.7 (477.1) million. Gearing was 113.4 (149.3) percent.

The balance sheet total on 31 December 2009 was EUR 918.4 (998.4) million and the equity ratio was 37.4 (2008: 32.3; 2007: 37.3) percent. Tangible assets amounted to EUR 522.2 (585.6) million.

Off-balance sheet operating lease liabilities totalled EUR 40.2 (68.9) million on 31 December 2009. Off-balance sheet hybrid bond-related interest liabilities totalled EUR 4.0 million.

BUSINESS DEVELOPMENT AND ACQUISITIONS AND DIVESTMENTS

Despite the economising measures, Cramo has continued to invest in developing its IT systems, operating processes and service concepts as planned. The Group's new joint enterprise resource planning system was launched in Sweden in June. System introduction in other parts of the Group will begin in 2010.

At the beginning of 2009, Cramo Group expanded its operations in Stockholm, Sweden, as Cramo Sverige AB acquired the business operations of Lidingö Hyrcenter, which operates in the rapidly developing former harbour area of Värtan. In December, Cramo announced the sale of its Finnish diamond drilling and floor grinding business to Kuusakoski Oy. The business sold consisted of 45 employees, and its sales totalled approximately EUR 3.7 million in 2009. Since the divestment, Cramo has concentrated increasingly on equipment rental and closely related services. The share of entrepreneur-managed depots was increased in Finland, Latvia and Lithuania.

Cramo's vision is to be the preferred rental solutions provider in the eyes of customers. Cramo aims to be one of the two largest industry players in every market in which it operates, and to be one of the most profitable companies in the industry.

GROUP STRUCTURE

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, Denmark, Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and Russia. Cramo Plc also owns a financing company in Belgium and a company in Sweden which offers Group-level services. Cramo Management Oy, owned by the members of the Executive Committee, has been consolidated into the Group according to SIC-12 as a Special Purpose Entity.

At the end of the year, equipment rental services were provided through a network of 284 (303) depots.

HUMAN RESOURCES

During the period under review, Group staff averaged 2,356 (2008: 2,688; 2007: 2,070). In addition, the Group employed 49 (85) persons as hired work force. At the end of period Group staff amounted to 2,018 (2,785). The number of staff is reported as full time equivalent (FTE).

The total amount of salaries and fees paid was EUR 76.8 (2008: 90.2; 2007: 77.3) million.

The distribution of personnel is as follows: Finland, 472 employees (23.4 percent of the Group); Sweden, 657 (32.5 percent); Norway, 178 (8.8 percent); Denmark, 115 (5.7 percent) and Central and Eastern Europe, 533 (26.4 percent). The relative share of personnel reductions was the highest in the Baltic countries.

Due to the adjustment measures, the number of personnel was reduced by approximately 770 during 2009. This figure includes employment relationships that had already ended and employees that were not included in the workforce at year-end due to dismissals. The number of personnel has decreased by over 30 percent, compared with August 2008, at which time the number of personnel was at its highest (3,006 employees including the hired work force).

HR development programmes continued as planned. Staff training focussed particularly on developing customer service and sales skills. Cramo also supported its staff in completing competence-based qualifications. Management coaching through Cramo Academy was continued.

STAFF BY SEGMENT AT YEAR-END (FTE)	Number of employees		Percent of the entire staff	
	2009	2008	2009	2008
Finland	472	823	23.4	29.6
Sweden	657	724	32.5	26.0
Norway	178	209	8.8	7.5
Denmark	115	155	5.7	5.6
Central and Eastern Europe	533	812	26.4	29.2
Group activities	64	62	3.2	2.2
-of which in parent company	20	25	1.0	0.9
Group total	2,018	**2,785**	100.0	**100.0**

STAFF AGE DISTRIBUTION AT YEAR-END (FTE)	Number of employees		Percent of the entire staff	
	2009	2008	2009	2008
–23	88	161	4.4	5.8
24–35	616	900	30.5	32.3
36–45	663	865	32.9	31.0
46–59	540	725	26.8	26.0
60–	110	134	5.5	4.8
Group total	2,018	**2,785**	100.0	**100.0**

GROUP MANAGEMENT

Cramo streamlined the structure of its Group management team at the beginning of September. The Group management team consists of the following persons: Mr Vesa Koivula, President and CEO of Cramo Group, Mr Göran Carlson, Deputy CEO, with added responsibility for the Group's operations in Denmark, Poland, the Czech Republic and Slovakia, and Mr Martti Ala-Härkönen, CFO, with added responsibility for business development, the Group's legal function and human resource development.

Mr Koivula, Mr Carlson and Mr Ala-Härkönen comprise the Group's Executive Committee.

The other members of the Group management team at the end of the financial year were Mr Tatu Hauhio, Senior Vice President, Finland; Mr Erik Bengtsson, Senior Vice President, Sweden; Mr Jarmo Laasanen, Senior Vice President, Baltic countries and Russia; Mr Finn Løkken, Senior Vice President, Norway, appointed as a new member; Mr Ossi Alastalo, Senior Vice President, Fleet Management/Modular Space, Mr Martin Holmgren, Vice President, Fleet Management/Equipment Rental, and Mrs Eva Harström, Vice President, CIO.

SHARES AND SHARE CAPITAL

On 31 December 2009, Cramo Plc's share capital was EUR 24,834,753.09 and the number of shares was 30,660,189 including Cramo Management Oy's holding of 316,288 shares. Each share entitles the shareholder to one (1) vote.

There were no changes in the share capital or the number of shares during the financial year.

CURRENT OPTION PROGRAMMES AND INCENTIVE SCHEMES

The Extraordinary General Meeting held on 20 November 2006 decided on an option scheme under which a maximum of 3,000,000 stock options will be issued, entitling their holders to subscribe for a maximum of 3,000,000 new company shares. The subscription period for stock options 2006A, subscribed for under the 2006 option scheme, began on 1 October 2009 and ends on 31 January 2011. The subscription period for stock options 2006B is from 1 October 2010 to 31 January 2012, and for stock options 2006C from 1 October 2011 to 31 January 2013. The subscription price for stock options 2006A is EUR 14.51, in other words, the trading-weighted average share price between 1 October and 31 October 2006. The subscription price for stock options 2006B is EUR 26.47 and for stock options 2006C EUR 5.56. Annual dividends will be deducted from the subscription prices.

Trading in stock options 2006A began on NASDAQ OMX Helsinki Ltd on 20 October 2009. A total of 1,000,000 stock options 2006A have been issued, of which 674,000 were held by 29 key employees at the end of the financial year. The remaining 326,000 stock options 2006A were held by a wholly-owned subsidiary of Cramo Plc. As a result of subscriptions made pursuant to these stock options, the number of Cramo Plc shares may increase by a maximum of 674,000 new shares, which will represent 2.2% of Cramo Plc shares and voting rights after a potential share capital increase.

The Annual General Meeting held on 1 April 2009 resolved the issue of stock options 2009 to the key personnel of the company and its subsidiaries. The maximum total number of the stock options is 1,000,000. The share subscription price will be the market price of the Cramo Plc share on the NASDAQ OMX Helsinki Ltd in October 2009, which was EUR 11.06. The share subscription period will be from 1 October 2012 to 31 December 2013. Dividends paid before the subscription price will be deducted from the subscription price.

On 31 December 2009, Cramo Group's key personnel held a total of 674,000 stock options 2006A, 820,000 stock options 2006B, 949,500 stock options 2006C and 955,000 stock options 2009. The 2006 option scheme covers about 100 of the company's key employees; the 2009 option scheme covers 112 key employees.

On 8 June 2009, Cramo Plc's Board of Directors announced a new share ownership programme for Cramo's Executive Committee, the purpose of which is to commit the Committee members to the company. For the purpose of the share ownership, the Executive Committee members established a company called Cramo Management Oy, which had acquired a total of 316,288 Cramo Plc shares from the market by 20 September, for a total of approximately EUR 2.48 million. The arrangement will be valid until autumn 2012. The transfer of Cramo Plc shares held by Cramo Management Oy is restricted during the validity of the arrangement.

ANNUAL GENERAL MEETING

On 1 April 2009, Cramo Plc's Annual General Meeting (AGM) adopted the consolidated financial statements and parent company's financial statements for the financial year 2008 and discharged the members of the Board of Directors and the President and CEO from personal liability. The AGM confirmed the dividend to be EUR 0.20 per share as proposed by the Board of Directors. The Board was to separately reassess the possibilities for an additional dividend and, if necessary, convene an Extraordinary General meeting to resolve the matter. After due consideration of all relevant factors, Cramo Plc's Board of Directors decided on 2 November 2009 not to propose an additional dividend to be paid during 2009.

The number of the members of the Board of Directors was confirmed as seven (7). Mr Stig Gustavson, Mr Gunnar Glifberg, Mr Eino Halonen, Mr Hannu Krogerus, Mr Esko Mäkelä and Mr Fredrik Cappelen were re-elected and Mr Jari Lainio, CEO of Rakennustoimisto Lainio & Laivoranta Oy, was elected as a new member of the Board of Directors.

The Annual General Meeting confirmed the remuneration payable to the Chairman of the Board of Directors as EUR 60,000, to the Deputy Chairman as EUR 40,000 and to the other members of the Board as EUR 30,000 annually. It was further resolved that 40 percent of the annual remuneration be paid in Cramo shares purchased on the market on behalf of the Board members. In addition, it was decided to pay an attendance fee of EUR 1,000 for attendance at each Board committee meeting and to reimburse reasonable travel expenses according to invoice.

Ernst & Young Oy, a firm of authorised public accountants, were appointed as the company's auditors, with Mr Erkka Talvinko, APA, as the responsible auditor.

VALID BOARD AUTHORISATIONS

The Annual General Meeting authorised the Board of Directors to decide on the acquisition of a maximum of 3,066,000 of the company's own shares in one or several tranches. The shares will be acquired in public trading as a directed acquisition through NASDAQ OMX Helsinki Ltd. The Board of Directors will decide on the means of acquisition and other terms. Derivatives may be used in the acquisition. Under the authorisation, own shares may only be acquired using the company's unrestricted equity. Thus, the acquisition of own shares will reduce the company's distributable equity. The Board of Directors did not act on the authorisation to acquire own shares during the financial year 2009.

The Annual General Meeting authorised the Board of Directors to decide on the transfer of treasury shares in one or several tranches and to decide on the terms for the transfer. The transfer may be carried out as a directed share issue, provided that a weighty financial reason exists for the company to do so. The Board of Directors may also act on this authorisation in order to grant stock option rights and other special rights entitling to shares, pursuant to Chapter 10 of the Finnish Limited Liability Companies Act.

The authorisations will remain in force until the next Annual General Meeting of Shareholders, but no later than 1 October 2010.

The Annual General Meeting resolved on the issue of stock options 2009 to key personnel of the company and its subsidiaries. The maximum number of stock options to be issued will be 1,000,000 and they will entitle the holders to subscribe for a maximum of 1,000,000 company shares.

CORPORATE GOVERNANCE AND AUDITORS

As of 1 April 2009, the Cramo Plc Board of Directors consisted of Mr Stig Gustavson (Chairman), Mr Eino Halonen (Deputy Chairman), Mr Fredrik Cappelen, Mr Gunnar Glifberg, Mr Hannu Krogerus, Mr Jari Lainio and Mr Esko Mäkelä.

The Audit Committee members are Mr Eino Halonen (Chairman), Mr Fredrik Cappelen, Mr Jari Lainio and Mr Esko Mäkelä. Members of the Nomination and Compensation Committee are Mr Stig Gustavson (Chairman), Mr Gunnar Glifberg and Mr Hannu Krogerus; and Mr Erik Hartwall as a non-Board member.

The Board members until 1 April 2009 were Mr Stig Gustavson (Chairman), Mr Eino Halonen (Deputy Chairman), Mr Fredrik Cappelen, Mr Gunnar Glifberg, Mr Hannu Krogerus, Mr Juhani Nurminen and Mr Esko Mäkelä.

The Board met 9 times during the financial year. The average attendance rate of Board members was 93.7 percent. The Audit Committee met 4 times and the Nomination and Compensation Committee met 4 times.

On 31 December 2009, the Board members, the President and CEO and his deputy held, either directly or through companies in which they exercise control, a total of 429,257 Cramo Plc shares, which represents 1.40 percent of the company's shares and votes, and a total of 593,000 stock options.

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

As of 1 January 2009, Cramo Plc observes the Finnish Corporate Governance Code that entered into force on 1 January 2009. Cramo Plc's insider guidelines are based on the Finnish Securities Markets Act, rules and regulations issued by the Financial Supervision Authority, and the insider guidelines of the stock exchange. Euroclear Finland Ltd maintains an insider register of Cramo Plc's permanent insiders, whose holdings are also available on Cramo Plc's website.

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

ESSENTIAL RISKS AND UNCERTAINTIES

The main sources of uncertainty in Cramo's business are related to global economic developments, as well as the economic cycle and financial development of each country, fluctuations in interest and exchange rates, availability of financing, credit loss risks and the success of the Group's acquisitions, personnel-related risks, availability of competent management and recruitment-related risks, tax risks, and other different kinds of business risks. Economic recession has increased the risks involved with the business. The risks associated with the reorganisation of the Group's operations, fleet management related risks, the availability and price of financing, risks related to financial covenants of loan terms, exchange rate risks, risks related to the implementation of the Group's ERP system, risks related to franchising arrangements, risks related to rental prices in different markets and credit loss risks in particular increased in 2009. In addition, the weakened market situation increased the Group's impairment risks related to the balance sheet values of acquisitions. Cramo has further heightened the level of attention paid to the Group's risk management in the changed operating environment.

RISK MANAGEMENT AND THE ENVIRONMENT

Cramo Group's risk management is aimed at ensuring that the company identifies its business-related risks and assesses and monitors them on an ongoing basis. Risk management consists of continuous and systematic activities aimed at preventing personal injuries and safeguarding the assets of Cramo Group while ensuring steady and profitable business growth.

STRATEGIC RISKS

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

The construction industry has historically been characterised by seasonal fluctuations. Despite the fact that Cramo has reduced its dependence on the construction industry, the Group's sales and profit vary in different quarters in a manner typical of equipment rental operations. The Group attempts to counteract the potential unfavourable impacts of economic trends by ensuring the cost efficiency of its service production and the competitiveness of its equipment and service range. The modular space business is less dependent on economic cycles than the equipment rental business and thus reduces the Group's sensitivity to economic fluctuations.

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

In addition, there are risks associated with the amount, allocation and timing of Group investments, and with other business decisions at the strategic level. The aim is to control the risks associated with investments by means of a careful approval process for investments, optimising fleet use on a Group-wide basis, financing some investments through operative leasing, and utilising external and internal indicators to forecast future market development. Indicators that illustrate the future are monitored by each country company on a monthly basis.

OPERATIVE RISKS

The Group's operative risks include risks associated with business and the staff, contract risks, occupational safety risks, IT-related risks, risks associated with compliance with general laws and regulations, and risks related to the Group's administrative principles.

In order to control the most significant strategic and operative risks, the Group and its subsidiaries have their own contingency plans. During 2009, a contingency plan was introduced in several countries as a result of the strong change in the operating environment.

ECONOMIC AND FINANCING RISKS

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

The Group's primary financing risks are interest risk on cash flow, currency rate risk, credit risk and liquidity risk. In order to manage the interest risk, Group borrowing and investments have been dispersed to fixed and variable interest instruments. Derivative contracts, such as interest rate swaps, have also been used to manage the interest risk. The exchange rate risk mainly comprises net investments in foreign units and currency-denominated loans, with protection instruments including currency forwards. The objective of protection activities is to protect the Group from significant financing risks.

The Group's financing policy specifies the responsibilities and procedures as well as the targets and principles of the financing function. Group financing is handled in a centralised manner, primarily through internal Group loans. Group Treasury identifies, analyses and manages financing risks in cooperation with Group management and the Group companies.

TRANSACTION RISKS

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

ENVIRONMENT RISKS

Environmental responsibility is an important part of Cramo's business model. Cramo's environmental responsibility involves ensuring that its rental equipment and modular space solutions are of high quality and carefully serviced and overhauled. The environmental load caused by equipment manufacture and use is taken into consideration before purchasing. Long equipment service life is maintained through careful maintenance. Cramo's processes in Sweden, Denmark and Norway are based on the ISO 14001 environmental certificate and the ISO 9001 quality system certificate. In Finland, the Group's quality management system is based on the ISO 9001:2000 quality management certificate granted by Det Norske Veritas.

The Group aims to minimise environmental harm by recycling equipment and modular space solutions from one user to another. It also strives to reduce environmental load by delivering its equipment fully tested and without unnecessary packaging. Regional profit centres are responsible for the appropriate storage and reprocessing of chemicals and hazardous waste. All material from equipment that is removed from use is recycled as effectively as possible. The Group also seeks to reduce the environmental load of construction by maintaining high utilisation rates for its equipment.

OUTLOOK FOR 2010

Overall, there is still considerable uncertainty related to the general economic climate in 2010.

Market sentiment stabilised during the second half of 2009, and some signs of recovery could be observed in the construction industry. Euroconstruct predicts a recovery in construction for 2010 in Sweden, Denmark, Slovakia, and possibly also in Russia. While growth in Poland will continue, the construction markets in Norway, the Czech Republic and the Baltic countries are expected to decline further. For Finland, absent a general increase, signs of growing construction activity are seen.

Because of the cyclical nature of the construction industry and the low investments level in the industrial sector, demand for the equipment rental services may continue to decrease in several markets in the first half of 2010. In the beginning of the year, extraordinary winter conditions also slowed down construction starts in Central and Eastern Europe in particular. Cramo expects the first quarter in 2010 to be challenging.

The benefit of cost adjustments in 2008 and 2009 will be realised in 2010.

In 2010, the Group's capital expenditure will be approximately EUR 30–40 million. Fleet management activities will continue to be focussed on optimising equipment utilisation between Cramo's market areas.

The Group sees gradual market improvement. Gearing will continue to come down based on steady cash flow. The EBITA margin will improve compared with 2009.

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

In accordance with the company's profit distribution policy specified in February 2007, Cramo Plc's profit distribution goal is to distribute around one-third of the Group's annual profit as share buybacks and/or dividends. The aim is to maintain a steadily improving flow of dividends, while taking into account the Group's investment requirements for growth.

Cramo Plc's distributable profits are EUR 35,063,450.87, which includes profit for the period of EUR 5,786,915.37.

The Board of Directors proposes to the Annual General Meeting to be held on 13 April 2010 that the distributable profits be used as follows: no dividend is to be paid for the financial year 2009 or from preceeding financial years. The Board proposes that EUR 35,063,450.87 be carried forward in equity. However, the Board has resolved to consider calling an Extraordinary General Meeting to decide on a possible dividend payment during the second half of the financial year 2010.

KEY FIGURES AND RATIOS

KEY FIGURES ON FINANCIAL PERFORMANCE		IFRS 2009	IFRS 2008	IFRS 2007	IFRS 2006	IFRS 2005
Sales	M€	446.7	579.8	496.4	402.4	77.0
Change - %	%	-23.0	+16.8	+23.4	+426.6	+7.8
Operating profit/loss	M€	-11.5	91.8	91.8	68.6	18.0
% of sales	%	-2.6	15.8	18.5	17.0	23.3
Profit/loss before taxes	M€	-34.2	63.7	75.8	56.6	16.2
% of sales	%	-7.7	11.0	15.3	14.1	21.1
Profit/loss for the year	M€	-39.9	48.7	57.5	41.9	11.9
% of sales	%	-8.9	8.4	11.6	10.4	15.5
Return on equity	%	-12.1	14.9	18.4	15.5	24.0
Return on investment	%	-1.2	12.0	13.7	11.7	18.6
Equity ratio	%	37.4	32.3	37.3	38.2	49.0
Gross capital expenditure	M€	31.5	201.2	175.5	111.9	29.6
% of sales	%	7.0	34.7	35.4	27.8	38.5
Equity	M€	338.4	319.5	333.7	292.2	54.1
Net interest-bearing liabilities	M€	383.7	477.1	365.0	305.6	48.6
Gearing	%	113.4	149.3	109.4	104.6	
Average number of personnel	No.	2,356	2,688	2,070	1,828	569

PER-SHARE RATIOS		IFRS 2009	IFRS 2008	IFRS 2007	IFRS 2006	IFRS 2005
Earnings per share	€	-1.30	1.59	1.88	1.39	0.83
Earnings per share diluted *)	€	-1.28	1.59	1.87	1.36	0.81
Shareholders' equity per share	€	9.50	10.42	10.88	9.66	3.77
Dividend per earnings	%	0.0**)	12.6	34.6	36.0	30.8
Dividend per share	€	0.00**)	0.20	0.65	0.50	0.25
Market capitalisation of A/B Series share capital	M€	367.6	141.0	531.0	571.8	170.4
Trading volume of B Series shares	No.	38,541,898	38,913,460	45,714,185	37,070,980	6,830,907
% of total number	%	126	127	149	123	54
Issue-adjusted average number of A Series shares	No.					1,728,000
Issue-adjusted average number of B Series shares	No.	30,552,534	30,660,189	30,586,040	30,121,137	12,611,807
Issue-adjusted average number of A Series shares at year end	No.					1,728,000
Issue-adjusted average number of B Series shares at year end	No.	30,343,901	30,660,189	30,660,189	30,332,793	14,699,675
P/E ratio		Neg.	2.9	9.2	13.9	15.2
Effective dividend yield	%	0.0**)	4.3	3.8	2.6	2.0
Market capitalisation of share capital	M€	367.6	141.0	531.0	571.8	155.9
Average price	€	7.72	10.96	26.66	13.44	8.42
Closing price at year end	€	11.99	4.60	17.32	18.90	12.36
Lowest quotation	€	4.78	4.25	16.75	11.10	6.15
Highest quotation	€	13.07	18.50	38.80	19.00	12.46

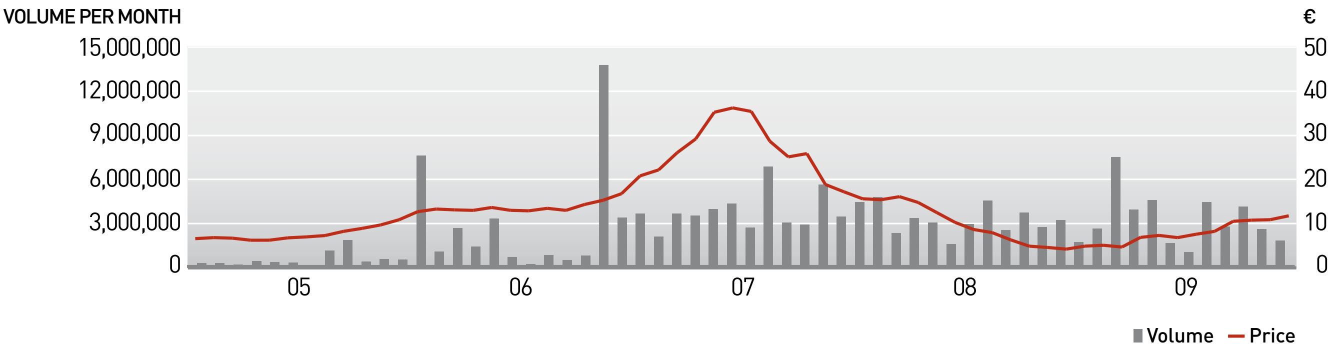
*) Adjusted by the dilution effect of shares entitled by warrants

**) The Board proposes to the AGM not to pay a dividend for the financial year 2009. However, the Board has resolved to consider calling an EGM to decide on a possible dividend payment during H2/2010.

DISCLAIMER

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

CRAMO SHARE PRICE AND VOLUME



CONSOLIDATED BALANCE SHEET (EUR 1,000)

ASSETS	Note	31 Dec 2009	31 Dec 2008
Non-current assets			
Tangible assets	4	522,191	585,554
Intangible assets	3	228,182	245,109
Deferred tax assets	15	19,137	17,391
Available-for-sale financial assets	7	340	314
Derivative financial instruments	14	238	956
Trade and other receivables	9	4,990	2,964
Total non-current assets		**775,079**	**852,289**
Current assets			
Inventories	10	11,591	15,920
Trade and other receivables	9	99,526	113,075
Income tax receivables		6,599	4,394
Derivative financial instruments	14	898	4,625
Cash and cash equivalents	11	18,520	8,123
Total current assets		**137,134**	**146,138**
Assets available for sale	5	6,148	
TOTAL ASSETS		**918,360**	**998,427**

EQUITY AND LIABILITIES	Note	31 Dec 2009	31 Dec 2008
Equity			
Share capital	12	24,835	24,835
Share premium	12	186,910	186,910
Fair value reserve	12	117	117
Hedging fund	12	-2,296	-1,373
Translation differences	12	-12,431	-22,124
Retained earnings	12	91,117	131,111
Equity attributable to equity holders of the parent company		288,252	319,476
Non-controlling interest	12	503	
Hybrid capital	12	49,630	
Total equity		**338,385**	**319,476**
Non-current liabilities			
Interest-bearing liabilities	13	351,606	413,700
Derivative financial instruments	14	3,809	2,312
Deferred tax liabilities	15	79,036	78,967
Provisions	16		186
Other non-current liabilities	16	6,816	5,622
Total non-current liabilities		**441,267**	**500,787**
Current liabilities			
Interest-bearing liabilities	13	50,596	71,546
Derivative financial instruments	14	680	248
Trade and other payables	17	82,855	93,515
Income tax liabilities		4,576	12,855
Total current liabilities		**138,707**	**178,164**
Total liabilities		**579,975**	**678,951**
TOTAL EQUITY AND LIABILITIES		**918,360**	**998,427**

CONSOLIDATED INCOME STATEMENT (EUR 1,000)

	Note	1 Jan–31 Dec 2009	1 Jan–31 Dec 2008
Revenue		**446,676**	**579,802**
Other operating income	19	7,262	16,855
Change in inventories of finished goods and work in progress	20	-1,486	-770
Production for own use	20	9,148	18,725
Materials and services	20	-150,882	-195,596
Employee benefit expenses	21	-103,062	-118,452
Depreciation and impairment on tangible assets and assets available for sale	22	-88,669	-85,412
Amortisation and impairment on intangible assets resulting from acquisitions	22	-28,754	-10,350
Other operating expenses	23	-101,700	-112,999
Operating profit/loss		**-11,467**	**91,804**
Financial income	24	1,684	1,316
Financial expenses	24	-24,419	-29,444
Total financial income and expenses		-22,734	-28,129
Profit/loss before tax		**-34,202**	**63,675**
Income taxes	25	-5,657	-15,025
Profit/loss for the year		**-39,858**	**48,650**
Attributable to			
Equity holders of the parent company		-39,831	48,650
Non-controlling interest		-27	
		-39,858	**48,650**
Earnings per share for profit attributable to the equity holders of the parent company			
Basic, EUR	27	-1.30	1.59
Diluted, EUR	27	-1.28	1.59
CONSOLIDATED COMPREHENSIVE INCOME			
Profit/loss for the year		-39,858	48,650
Other comprehensive income			
Change in hedge fund, net of tax		-923	-5,437
Change in exchange rate differences, net of tax		15,915	-40,256
Total other comprehensive income		14,992	-45,693
Total comprehensive income		**-24,866**	**2,957**

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

	Attributable to equity holders of the parent company							Non-controlling interest	Hybrid capital	Total equity
	Share capital	Share premium	Fair value reserve	Hedging fund	Translation difference	Retained earnings	Total			
At 1 Jan 2008	**24,835**	**186,910**	**117**	**4,064**	**403**	**117,351**	**333,680**			**333,680**
Translation difference					-22,527	-17,729	-40,256			-40,256
Hedging fund				-5,437			-5,437			-5,437
Profit for the year						48,650	48,650			48,650
Comprehensive income				-5,437	-22,527	30,921	2,957			2,957
Dividend distribution						-19,929	-19,929			-19,929
Share-based payments						2,768	2,768			2,768
At 31 Dec 2008	**24,835**	**186,910**	**117**	**-1,373**	**-22,124**	**131,111**	**319,476**			**319,476**
At 1 Jan 2009	**24,835**	**186,910**	**117**	**-1,373**	**-22,124**	**131,111**	**319,476**			**319,476**
Translation difference					9,693	6,222	15,915			15,915
Hedging fund				-923			-923			-923
Loss for the year						-39,858	-39,858			-39,858
Comprehensive income				-923	9,693	-33,636	-24,866			-24,866
Dividend distribution						-6,132	-6,132			-6,132
Share-based payments						2,254	2,254			2,254
Non-controlling interest						-2,480	-2,480	503		-1,977
Hybrid capital									49,630	49,630
At 31 Dec 2009	**24,835**	**186,910**	**117**	**-2,296**	**-12,431**	**91,117**	**288,252**	**503**	**49,630**	**338,385**

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 2009	1 Jan–31 Dec 2008
Cash flow from operating activities			
Profit/loss before tax		-34,202	63,675
Non-cash adjustments			
Depreciation, amortisation and impairment charges	22	117,423	95,762
Other non cash corrections	26	1,171	-12,649
Finance cost (net)	24	22,734	28,129
Operating profit before changes in working capital		107,126	174,917
Change in working capital			
Change in inventories		2,689	375
Change in trade and other receivables		18,025	-11,259
Change in trade and other payables		-11,631	5,640
Cash generated from operations		116,209	169,673
Interest paid		-21,636	-37,535
Interest received		1,360	1,230
Other financial items		324	87
Income taxes paid		-19,692	-12,494
Net cash flow from operating activities		**76,565**	**120,960**
Cash flow from investing activities			
Investments in tangible and intangible assets		-31,311	-201,192
Sale of tangible and intangible assets		22,581	27,876
Acquisition of subsidiaries and business operations, net of cash aquired		-2,432	-43,252
Cash flow from investing activities		**-11,162**	**-216,568**
Cash flow from financing activities			
Change in interest-bearing receivables		94	-47
Change in finance lease liabilities		-25,806	39,154
Proceeds from interest-bearing liabilities			173,900
Repayments of interest-bearing liabilities		-69,209	-105,618
Hybrid capital		49,500	
Acquisition of own shares		-2,480	
Related party investment		503	
Dividends paid	12	-6,132	-19,929
Net cash flow from financing activities		**-53,530**	**87,460**
Change in cash and cash equivalents		**11,873**	**-8,149**
Cash and cash equivalents at beginning of the year		8,123	18,489
Translation differences		-1,476	-2,217
Cash and cash equivalents at year end	11	**18,520**	**8,123**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS

COMPANY PROFILE

Cramo is a service company specialising in equipment rental services, as well as the rental and sale of modular space. Cramo operates in eleven countries in the Nordic and in Central and Eastern Europe with 284 depots and 2,356 employees.

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

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

In its meeting on 9 February 2010, the Board of Directors approved these consolidated financial statements for issue. According to the Finnish Companies Act, the shareholders have the opportunity to approve or reject the financial statements at the Annual General Meeting held after their publication. Furthermore, the Annual General Meeting can decide on modifications to be made to the financial statements.

BASIS OF PREPARATION

The consolidated financial statements of Cramo have been prepared in accordance with International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and the SIC and IFRIC interpretations valid on 31 December 2009. In the Finnish Accounting Act and ordinances based on the provisions of the Act, IFRS refer to the standards and their interpretations adopted in accordance with the procedures laid down in regulation (EC) No.1606/2002 of the European Parliament and of the Council. The notes of the consolidated financial statements also conform to the demands of the Finnish accounting and corporate legislation which supplement the IFRS.

The consolidated financial statements have been prepared under the historical cost convention, except the available-for-sale financial assets, which have been recognised at fair value. The information in the financial statements is presented in thousands of euros. Since 1 January 2009, the Group has applied the following new and amended standards and interpretations:

- The revised IAS 1 Presentation of Financial Statements. The changes have mainly affected the manner in which the consolidated income statement and the calculation showing the changes in equity are presented. The calculation principle for the key ratio of earnings per share has remained the same.
- IFRS 8 Operating Segments (in force in the financial year beginning on 1 January 2009 or the succeeding financial years). According to IFRS 8, the presented segment information must be based on internal reporting within an entity which is filed to the management, and on the accounting principles observed in this reporting. Adopting IFRS 8 has not significantly changed the information presented of the segments, as the earlier segment information published by the Group were already based on Group-internal reporting.
- Changes to IFRS 7 Financial Instruments: Disclosures. Information presented in the financial statements – Improving the Notes concerning financial instruments. The changes were introduced in March 2009 because of the international financial crisis. Along with the changes, a new three-level hierarchy for the presentation of the fair value of financial instruments will be adopted. The revised standard also requires additional notes to facilitate the assessment of the relative reliability of fair value. In addition, the changes to standards will clarify and expand the previous presentation requirements of information concerning liquidity risks. Due to the changes, the number of notes to be presented in the Group's annual financial statements has increased in relation to those issues mentioned above.
- Revised IAS 23 Borrowing costs. The revised standard requires that the acquisition cost of the asset which fulfils the conditions set, such as computer software, directly includes the borrowing costs incurred by the acquisition, construction or manufacture of the asset in question. The Group has recognised its borrowing costs as an expense in the previously allowed manner in the financial year during which they incurred.
- Changes to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations. The standard changes require that all the conditions not issuing a final right be taken into account in defining the fair value of the issued equity instruments. In addition, the changes in standards are used in specifying the instructions concerning the accounting treatment of reversals. The changes have not affected the Group's financial statements.
- Improvements to IFRSs (May 2008). The small and non-urgent changes to the standards made through the Annual Improvements procedure are collected together and implemented all at once, once a year. The changes in this project apply to a total of 34 standards. The affects of the changes vary from standard to standard but have not been significant for the consolidated financial statements.
- Changes to IFRIC 9 Reassessment of Embedded Derivatives and to IAS 39 Financial instruments: Recognition and Measurement. Writing off and measuring – Embedded derivatives. The purpose of these changes is to clarify that all embedded derivatives must be re-measured and treated separately in the financial statements if necessary when a financial asset is transferred from the group of financial assets of fair value measured through profit and loss. The changes have not affected the Group's financial statements.
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation. The interpretation clarifies the accounting treatment of the hedge of the net investment made in a foreign operation in the consolidated financial statements. The interpretation has not had a significant affect on the Group's financial statements.
- IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Construction of Real Estate and changes to IAS 1 Presentation of Financial Statements and IAS 32 Financial Instruments: Presentation: manner of presentation – Puttable Instruments and Obligations Arising on Liquidation: the adoption of these changed standards has not affected the Group's financial statements.

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

CONSOLIDATION PRINCIPLES

Subsidiaries

The consolidated financial statements include the parent company, Cramo Plc, and those subsidiaries over which the Group has control. The Group has control of an entity when it has an interest of more than one half of the voting rights or otherwise exerts control. The existence of potential voting rights has also been taken into consideration in estimating the conditions of control when the instruments entitling an entity to potential voting rights are viable at the time of the consideration. Control refers to the power to govern the financial and operating policies of a business so as to obtain benefits from its activities. Acquired subsidiaries are consolidated from the date on which control is transferred to the Group, and are no longer consolidated from the date that control ceases. The subsidiaries are listed in note 29.

The Group's mutual holding of shares is eliminated by the purchase method. The acquisition cost is based on the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The separately identifiable assets, liabilities and contingent liabilities of the acquisition are estimated at their fair value at the acquisition date, without deducting non-controlling interest. The excess of the costs of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

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

Special purpose entity

In accordance with SIC 12, Cramo Management Oy, which was established for the share holding programme of the members of the Group's Executive Committee, has been consolidated. The purpose of the limited company is to acquire a maximum of EUR 2,500,000 worth of Cramo Plc's shares. The share acquisitions will be financed with equity financing totalling approximately EUR 500,000 and a loan from Cramo Plc. For more information is included in the section on accounting policies called Share-based payment.

FOREIGN CURRENCY TRANSLATION

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

Foreign currency transactions

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

Translating the currency of the financial statements of foreign entities

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

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

INTANGIBLE ASSETS

Goodwill

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

Customer relationships, brand and depot network

Initial measurement of customer relationships has been prepared by applying the Multi-period Excess Earnings Method. The fair value of the Cramo brand and co-brand has been determined by applying the relief-from-royalty 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. The useful life of the Cramo brand 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.

Research and development

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

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

Other intangible assets

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

Estimated useful lives are:	
Customer relationships	4–10 years
Depot network	20 years
Co-brands	3 years
Other intangible assets	3–5 years

PROPERTY, PLANT AND EQUIPMENT

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

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

Buildings and structures	15–50 years
For rental:	
• Modular space	10–20 years
• Machinery and equipment	6–10 years
• Tents and shelters	6 years
Machinery and equipment for services	6–10 years
Machinery and equipment for own use	3–6 years
Other tangible assets	3–10 years

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

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

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount, and are included in the operating profit.

GOVERNMENT GRANTS

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

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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

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

Impairment loss is recognised when the carrying amount of the asset is greater than its recoverable amount. Impairment loss is charged directly to the income statement. If a cash-generating unit is subject to an impairment loss, it is allocated first to decrease the goodwill and subsequently, to decrease the other assets of the unit. At recognition of the impairment loss, the useful life of the assets amortised is reassessed. Impairment loss from other assets than goodwill is reversed in the case that a change has occurred in the estimates used in measuring the recoverable amount of the asset. The increased carrying amount must not, however, exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. Previously recognised impairment loss of goodwill is not reversed in any circumstance.

RENTAL CONTRACTS

Lessee

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

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

Lessor

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

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

FINANCIAL ASSETS AND LIABILITIES

Financial assets

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

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

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

c) Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date, in which case they are included in current assets.

Purchases and sales of financial assets are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss.

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

All unrealised gains and losses arising from changes in the fair value of available-for-sale securities are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recorded in equity are included in the income statement in financial income and expenses.

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

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

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

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

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

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

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

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

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

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

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

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

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

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

The fair values of various derivative instruments used for hedging purposes are disclosed in note 14. Movements on the hedging reserve in shareholders' equity are shown in note 12. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Derivatives, for which hedge accounting is not applied, are classified as a current asset or liability.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of selling.

TRADE RECEIVABLES

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

CASH AND CASH EQUIVALENTS

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

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

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

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

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

SHARE CAPITAL

Share capital attributable to equity holders of the parent company

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

When a company of the Group purchases own shares, the amount paid and the directly attributable incremental costs are shown as a deduction, net of tax, in equity from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid and any directly attributable incremental costs (net of taxes) are deducted from retained earnings within equity. The treasury shares held by Cramo Management Oy are presented in retained earnings as a deduction of equity.

In the option plans, the proceeds gained from share subscriptions, adjusted by possible transaction costs, are recorded according to the conditions of the plan into the invested unrestricted equity fund.

Non-controlling interest

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

Hybrid bond

A hybrid bond is an equity bond with no maturity that is subordinated to a company's other debt instruments. 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 commitments. Payable interest is presented as a reduction of equity and as liability from the date the liability to pay arises to the date it is paid. Hybrid bond do not confer to holders the right to vote at shareholder meetings.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognised when the Group has a present legal or constructive obligation, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are measured at the present value of the required costs to cover the obligation. For the calculation of the present value, the chosen discount rate is one that reflects the time value of money and the risks included in the obligation at the time of observation. If it is possible to receive reimbursement for part of the obligation from a third party, the reimbursement is stated as a separate asset when receipt is practically certain.

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

EMPLOYEE BENEFITS

Pension obligations

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

Share-based payments

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

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

PRINCIPLES OF REVENUE RECOGNITION

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

Rental income

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

The sales of modular space, which also include a rental agreement with the third party, and when the modular space has been sold to a finance company on a repurchase commitment, has been considered a lease agreement, because the significant risks and rewards incidental to ownership are not considered to transfer to the finance company. The proceeds of the sale of the buildings with the related rental agreements are recognised as rental income over time. Interest on the liability is calculated using the effective interest rate method.

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

Goods and services sold

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

Interest and dividends

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

BORROWING COSTS

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

TAXES BASED ON TAXABLE INCOME AND DEFERRED TAXES

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

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

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

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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

DIVIDEND DISTRIBUTION

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

EBITA

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

ACCOUNTING POLICIES REQUIRING DISCRETION BY MANAGEMENT AND CRUCIAL 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 principles to financial statements

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

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

Factors of uncertainty associated with estimates

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

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

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

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

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

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

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

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

APPLYING THE NEW AND REVISED IFRs

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.

- Revised IFRS 3, Business Combinations (issued 2008), (in force from 1 July 2009 or in accounting periods following that date). The scope of the revised standard has become broader. This revised standard includes several important changes for the Group. The standard changes affect the amount recognised for the goodwill of acquisitions and the proceeds from disposals. These changes also have an influence on the items recognised through profit and loss both over the acquisition period and the accounting period during which additional purchase prices are paid or additional purchases are carried out. In accordance with the transitional provisions of the standard, business combinations whose acquisition date precedes the compulsory start-up date of the standard are not adjusted.
- IAS 27 Consolidated and Separate Financial Statements (issued 2008), (in force from 1 July 2009 or the succeeding accounting periods). The revised standard requires that the effects caused by changes in ownership in subsidiaries are charged directly to the Group's equity when the entity remains under the control of the parent. If control in the subsidiary is lost, any possible remaining investment is measured at fair value through profit and loss. In the future, a corresponding bookkeeping procedure is applied also to investments in associates (IAS 28) and joint ventures (IAS 31). As a result of the change in standard, the losses of a subsidiary can be allocated to non-controlling interest shareholders even when they exceed the amount of their investment.
- Change to IAS 39, Financial Instruments. Recognition and Measurement - Eligible Hedged Items (in force from 1 June 2009 or the succeeding accounting periods). These changes relate to hedge accounting. Their purpose is to clarify the instructions of IAS 39 on the hedging of unilateral risk and risk of inflation in items belonging to financial assets or liabilities. The Group estimates that the change will not have a significant effect on its financial statements.
- IFRIC 17 Distributions of Non-cash Assets to Owners (in force from 1 July 2009 or the succeeding accounting periods). This interpretation gives guidance on how an entity should treat in its bookkeeping the dividend distributed to owners, which is distributed in other assets than cash, or dividend when the owner has the possibility to choose whether to accept cash or another kind of payment. It is expected that the interpretation will not have an influence on the Group's financial statements. IFRIC 17 has not yet been approved for application in the EU.
- IFRIC 18 Transfers of Assets from Customers (in force from 1 July 2009 or the succeeding accounting periods). The interpretation clarifies the demands of IFRSs with regard to contracts according to which the company receives from the customer property, plant and equipment or money to be invested in such an asset, and the company must use the asset in question in such a way that the customer is connected to a distribution network or given continuous right to receive goods or services or both for these purposes. The interpretation will not affect the Group's financial statements. The interpretation has not yet been approved for application in the EU.
- Improvements to IFRSs (May 2009), (in force principally from 1 January 2010 or the succeeding accounting periods). The small and less urgent changes to the standards made through the Annual Improvements procedure are collected together and implemented all at once, once a year. The changes in this project apply to a total of 12 standards. The effects of the changes vary from standard to standard but will not be significant for the future consolidated financial statements. The changes of standards have not yet been approved for application in the EU.
- Changes to IFRS 2, Share-based Payment – Group Cash-Settled Share-Based Payment Arrangements (in force from 1 January 2010 or the succeeding accounting periods). The purpose of these changes is to clarify that a company receiving goods or services from suppliers or service providers must apply IFRS 2, even if it does not have an obligation to make the required share-based cash payments. The management will estimate the effect of the changes on the Group's upcoming financial statements. The changed standard has not yet been approved for application in the EU.
- Change to IAS 32, Financial Instruments. Presentation - Classification of Rights Issues (in force from 1 July 2009 or the succeeding accounting periods). The change applies to the accounting treatment (classification) for the issue of shares, options and warrant outside the issuer's functional currency. The changes are not significant for the upcoming consolidated financial statements. The change of IAS 32 has not yet been approved for application in the EU.

2. SEGMENT REPORTING

As of the beginning of 2009, Cramo Group has reported only by geographic segment. The modular space business has no longer been reported as a separate segment. The new business segment structure reflects the Group's internal reporting structure, in which equipment rental and modular space businesses have been combined under the management of each country. As of the beginning of 2009, Norway and Denmark have been reported as separate segments rather than as the Western Europe segment. In addition to segment information, Cramo also continues to report the order book value for modular space.

Consequently, Cramo Group's business segments in 2009 are as follows:

- Finland
- Sweden
- Norway
- Denmark
- Central and Eastern Europe

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

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

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

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

BUSINESS SEGMENTS 2009 (EUR 1,000)

Income statement	Finland	Sweden	Norway	Denmark	CEE	Non-allocated	Eliminations	Total Group
External revenue	91,639	211,513	63,427	36,199	43,837		61	446,676
Inter-segment revenue	428	4,162	0	104	281		-4,976	0
Total revenue	**92,067**	**215,675**	**63,427**	**36,303**	**44,119**		**-4,915**	**446,676**
Depreciation	-16,678	-30,573	-9,391	-8,071	-23,843	-517	406	-88,669
EBITA	**10,704**	**36,026**	**3,995**	**-8,860**	**-17,631**	**-6,982**	**34**	**17,286**
Amortisation and impairment on intangible assets resulting from acquisitions	-373	-3,345	-638	-219	-24,178			-28,754
Net finance items								-22,734
EBT								**-34,202**
Income taxes								-5,657
Loss for the year								**-39,858**
Segment assets and liabilities								
Intangible assets	36,191	103,848	19,678	7,951	27,085	33,430		228,182
Tangible and other assets	115,402	294,300	74,834	50,931	134,209	22,779	-2,278	690,178
Total assets	**151,593**	**398,148**	**94,512**	**58,882**	**161,294**	**56,209**	**-2,278**	**918,360**
Total liabilities	**44,291**	**148,230**	**37,019**	**15,679**	**54,047**	**281,155**	**-447**	**579,975**
Other disclosures								
Capital expenditure	10,406	8,408	7,782	288	2,589	1,992		31,465
Number of employees 31 Dec	472	657	178	115	533	64		2,018
Average number of employees	632	683	188	129	660	65		2,356

VALUE OF OUTSTANDING ORDERS FOR THE SALES AND RENTAL OF MODULAR SPACE 2009 (EUR 1,000)

	Finland	Sweden	Norway	Denmark	CEE	Non-allocated	Eliminations	Total Group
Sales	1,488							1,488
Rental	47,710	34,236	7,610	11,729				101,285
Total	**49,197**	**34,236**	**7,610**	**11,729**				**102,773**

BUSINESS SEGMENTS 2008 (EUR 1,000)

Income statement	Finland	Sweden	Norway	Denmark	CEE	Non-allocated	Eliminations	Total Group
External revenue	118,025	270,728	69,684	44,077	77,289			579,802
Inter-segment revenue	8,261	3,121	0	310	145		-11,838	0
Total revenue	**126,286**	**273,849**	**69,684**	**44,387**	**77,434**		**-11,838**	**579,802**
Depreciation	-15,998	-30,106	-9,218	-7,508	-22,186	-661	264	-85,412
EBITA	**26,346**	**62,909**	**6,135**	**-2,888**	**9,880**	**552**	**-781**	**102,153**
Amortisation and impairment on intangible assets resulting from acquisitions	-313	-3,419	-435	-219	-2,589	-3,374		-10,350
Net finance items								-28,129
EBT								**63,675**
Income taxes								-15,025
Profit for the year								**48,650**
Segment assets and liabilities								
Intangible assets	35,684	98,895	17,320	8,160	51,234	33,817		245,110
Tangible and other assets	122,310	276,054	64,927	69,166	168,020	54,683	-1,844	753,317
Total assets	**157,994**	**374,949**	**82,247**	**77,326**	**219,254**	**88,500**	**-1,844**	**998,427**
Total liabilities	**40,334**	**163,136**	**28,800**	**21,774**	**76,009**	**348,892**	**7**	**678,951**
Other disclosures								
Capital expenditure	30,020	73,079	17,424	19,891	58,032	2,746		201,192
Number of employees 31 Dec	823	724	209	155	812	62		2,785
Average number of employees	834	690	181	173	751	60		2,688

VALUE OF OUTSTANDING ORDERS FOR THE SALES AND RENTAL OF MODULAR SPACE 2008 (EUR 1,000)

	Finland	Sweden	Norway	Denmark	CEE	Non-allocated	Eliminations	Total Group
Sales	4,228							4,228
Rental	48,310	38,649	7,526	8,121				102,606
Total	**52,538**	**38,649**	**7,526**	**8,121**				**106,833**

3. GOODWILL AND OTHER INTANGIBLE ASSETS (EUR 1,000)

	Goodwill	Other intangible assets							Total
		Cramo-brand	Co-brands	Customer relationships	Depot network	Non-competition agreement	Other intangible assets	Software	
Acquisition cost									
At 1 Jan 2008	**156,591**	**29,500**	**420**	**21,363**	**44,013**	**1,436**	**1,823**	**5,108**	**260,254**
Translation differences	-13,439		24	-1,576	-4,156	-55	-56	-490	-19,748
Additions							1,021	1,852	2,873
Business acquisitions (note 30)	9,637		548	8,081	4,963	2,826	106	27	26,188
Reclassification between asset categories								-67	-67
Reductions	-715								-715
At 31 Dec 2008	**152,074**	**29,500**	**992**	**27,868**	**44,820**	**4,207**	**2,894**	**6,430**	**268,785**
Accumulated depreciation, amortisation and impairment									
At 1 Jan 2008	**-4,224**		**-33**	**-2,878**	**-3,817**		**-440**	**-1,135**	**-12,528**
Depreciation (note 22)							-422	-375	-797
Amortisation resulting from acquisitions (note 22)			-430	-3,121	-2,340	-1,085			-6,976
Impairment (note 22)			-264	-2,034	-701	-376			-3,374
At 31 Dec 2008	**-4,224**		**-727**	**-8,033**	**-6,858**	**-1,460**	**-862**	**-1,510**	**-23,674**
Acquisition cost									
At 1 Jan 2009	**152,074**	**29,500**	**992**	**27,868**	**44,820**	**4,207**	**2,894**	**6,430**	**268,785**
Translation differences	6,379		-6	1,178	2,082	99	10	269	10,011
Additions							1,282	1,708	2,991
Business acquisitions (note 30)	258				259				517
Reductions							-14	-8	-23
At 31 Dec 2009	**158,711**	**29,500**	**986**	**29,047**	**47,160**	**4,306**	**4,172**	**8,400**	**282,281**
Accumulated depreciation, amortisation and impairment									
At 1 Jan 2009	**-4,224**		**-727**	**-8,033**	**-6,858**	**-1,460**	**-862**	**-1,510**	**-23,674**
Translation differences	19		10	-310	-362	-21	-10	-20	-693
Reductions								7	7
Reclassification between asset categories								-11	-11
Depreciation (note 22)							-466	-509	-975
Amortisation resulting from acquisitions (note 22)			-269	-3,157	-2,380	-1,114			-6,921
Impairment (note 22)	-17,167			-3,075	-1,590				-21,833
At 31 Dec 2009	**-21,372**		**-986**	**-14,576**	**-11,191**	**-2,595**	**-1,338**	**-2,043**	**-54,100**
Net book value:									
At 1 Jan 2008	**152,367**	**29,500**	**387**	**18,484**	**40,196**	**1,436**	**1,384**	**3,972**	**247,726**
At 31 Dec 2008	**147,850**	**29,500**	**266**	**19,835**	**37,961**	**2,747**	**2,032**	**4,919**	**245,109**
At 31 Dec 2009	**137,339**	**29,500**		**14,471**	**35,969**	**1,711**	**2,835**	**6,357**	**228,182**

4. TANGIBLE ASSETS (EUR 1,000)

	Land	Buildings and improvements	Machinery and equipment	Uncompleted purchases	Total
Acquisition cost					
At 1 Jan 2008	**3,448**	**25,254**	**585,104**	**126**	**613,932**
Translation differences	-36	-1,138	-62,962		-64,137
Additions	140	2,945	195,166	68	198,319
Business acquisitions (note 30)	1,247	149	38,342		39,739
Reductions	-2,599	-8,111	-18,842		-29,552
Reclassification between asset categories	-76	573	-3,030	-126	-2,659
At 31 Dec 2008	**2,124**	**19,673**	**733,777**	**68**	**755,642**
Accumulated depreciation and impairment					
At 1 Jan 2008		**-8,588**	**-118,305**		**-126,893**
Translation differences		693	27,808		28,501
Reductions		49	9,967		10,016
Reclassification between asset categories		-167	3,070		2,903
Depreciation (note 22)		-1,806	-81,997		-83,803
Impairment (note 22)	-8		-804		-812
At 31 Dec 2008	**-8**	**-9,819**	**-160,261**		**-170,088**
Acquisition cost					
At 1 Jan 2009	**2,124**	**19,673**	**733,777**	**68**	**755,642**
Translation differences	33	759	30,306		31,099
Additions	144	689	27,642		28,474
Business acquisitions (note 30)			160		160
Reductions	-150	-1,283	-26,793		-28,225
Reclassification between asset categories	-3	-51	2,315	-68	2,192
Reclassification to assets available for sale (note 5)			-29,275		-29,275
At 31 Dec 2009	**2,148**	**19,787**	**738,132**		**760,067**
Accumulated depreciation and impairment					
At 1 Jan 2009	**-8**	**-9,819**	**-160,261**		**-170,088**
Translation differences		-474	-11,391		-11,866
Reductions		858	17,638		18,496
Reclassification between asset categories		42	-159		-117
Reclassification to assets available for sale (note 5)			13,029		13,029
Depreciation (note 22)		-1,658	-83,669		-85,327
Impairment (note 22)	-7	-307	-1,688		-2,002
At 31 Dec 2009	**-15**	**-11,359**	**-226,501**		**-237,875**
Net book value:					
At 1 Jan 2008	**3,448**	**16,666**	**466,799**	**126**	**487,038**
At 31 Dec 2008	**2,116**	**9,853**	**573,516**	**68**	**585,554**
At 31 Dec 2009	**2,133**	**8,428**	**511,631**		**522,191**

Impairment loss of EUR 2.0 (0.8) million was recognised on tangible assets in 2009. Impairment loss comprises EUR 1.7 million recorded on machinery and equipment and EUR 0.3 million recorded on buildings and improvements. Impairment loss is recorded due to depot closures and machines being in bad condition.

Machinery and equipment includes assets acquired through finance lease contracts. Acquisition cost of such equipment at the end of period was EUR 244.4 (254.2) million, accumulated depreciation EUR 88.4 (73.2) million and net book value EUR 156.0 (180.9) million. Financially leased assets and assets under hire purchase contracts are pledged as security for the related finance and hire purchase liabilities. See note 18 for the collaterals given for the liabilities.

5. ASSETS AVAILABLE FOR SALE (EUR 1,000)

	2009	2008
Net book value at 1 Jan		
Translation differences	1	
Reclassification to assets available for sale	16,247	
Reductions	-9,736	
Impairment (note 22)	-365	
Net book value at 31 Dec	**6,148**	

Impairment loss of EUR 0.4 million was recorded on assets available for sale at the end of 2009. Assets available for sale are measured at lower of its carrying amount and fair value less costs to sell.

6. IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES (EUR 1,000)

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. In 2008, the modular space businesses of Finland and Sweden were tested as separate CGUs. In 2009, the combination reflects the Group's internal reporting structure, in which equipment rental and modular space businesses have been not only combined under the management of each country but also integrated to each other on an operative basis. The Cramo brand has been considered as a corporate-level asset which is annually allocated to CGUs for impairment on the basis of their 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:

	2009		2008	
	Goodwill	Cramo brand	Goodwill	Cramo brand
Finland	29,219	5,996	29,069	6,401
Sweden	71,536	14,046	67,351	13,550
Norway	14,889	4,131	12,675	3,448
Denmark	5,517	2,364	5,510	2,196
Estonia	11,806	624	11,806	909
Latvia		341	6,233	531
Lithuania	948	343	7,432	656
Poland	3,387	677	3,347	772
The Czech Republic and Slovakia		404	4,427	460
Russia, St. Petersburg		379		447
Russia, Moscow and other	36	193		130
Total	**137,339**	**29,500**	**147,850**	**29,500**

Impairment testing
Goodwill is tested for impairment annually, or on a more frequent basis should there be an indication of a potential impairment. The latest impairment test has been performed in December 2009. The test was based upon the balance sheet at 31 October 2009. 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 altogether a period of five years, are based on experience as well as on the estimated future development of markets. Also, the projections take into account the significant restructurings the Group has conducted during 2009. The projections are in line with the external information to the extent such projections are available. The management has approved the plans upon which the impairment tests are based.

The economic downturn faced in 2009 has had a significant effect on Cramo's operating environment. The utilisation rates of the Group's rental fleet and the level of rental prices have fallen, which has had a negative impact on both sales and profitability. In 2009 the cost burden and the amount of rental fleet have been adjusted to the prevailing market environment. The effects of the recession have been faced differently by countries.

Impairment losses
As a result of the impairment test performed in December 2009, a total amount of EUR 21.8 million was recognised as impairment loss for the accounting period 2009. The impairment loss was solely directed to the Central and Eastern Europe business segment (CEE). The impairment loss totalled EUR 8.4 million, EUR 7.0 million and EUR 6.4 million in Latvia, Lithuania and the Czech Republic, respectively. Of the total amount EUR 17.1 million was allocated to goodwill, EUR 3.1 million to customer relationships and EUR 1.6 milion to depot network. The impairment loss is attributable to a significant fall in business volumes vis-à-vis the tested assets.

Key assumptions used in value-in-use calculations:

	EBITA-%	Compound annual growth rate five-year period	Growth rate beyond the five-year period	Discount rate
Finland	14.1–22.0%	3.8%	1.0%	8.17%
Sweden	18.0–21.9%	3.0%	1.0%	8.17%
Norway	7.4–12.9%	4.9%	1.0%	8.62%
Denmark	-1.4–11.0%	1.9%	1.0%	9.37%
Central and Eastern Europe	-33.6–29.0%	1.7–19.9%	2.0%	10.12 –11.32%

EBITA margin
It is believed that the profitability level incurred in 2009 does not represent the long-term level of profitability in any of Cramo's business areas. The adjustment measures conducted in 2008–2009 and the gradual recovery of both the utilisation rates and the price level of rental fleet are expected to improve the profitability of Cramo's CGUs during the forecasting period 2010–2014. The forecasted EBITA margins within 2010–2014 do not, however, exceed the profitability level of years 2007–2008 in CGUs other than Norway, Denmark and Moscow. In Norway, it is assessed that the market recovery and the improvement in utilisation rates will assist EBITA margin in reaching a level of 12.9 percent during 2010–2014. In Denmark, the heavy adjustments as well as the improvement in utilisation rates are expected to result in an EBITA margin level of 11.0 percent during 2010–2014. However, in both units the best EBITDA margins within 2010–2014 are virtually akin to the level realised in 2007–2008. In the Moscow unit, on the other hand, the profitability level reached during the establishment phase does not reflect the unit's projected long-term profitability level.

The EBITA margins vary significantly between the units within CEE. The weak EBITA margin incurred in 2009 is attributable to the significant fall in business volumes because of which depreciation has amounted to over 50 percent of sales. The EBITDA margin of CEE was 14.1 percent positive also in 2009. It is forecasted that all units within CEE will achieve a clearly positive EBITA margin (15.9–29.0%) during 2010–2014. Concurrently, the fleet adjustments will cause the depreciation to decrease approximately by a third from the 2009 level. Thus, the amount of maintenance investments within 2010–2014 is expected to be noticeably lower than the depreciation level in 2009.

Growth rate for the five year period
The utilisation rates and price level of rental fleet realised in 2009 are not seen as representing a long-term normal situation in any of Cramo's business areas. According to the forecasts, depending on the CGU, sales is expected to reach an annual average growth rate of 1.7–19.9 percent within 2010–2014. The growth is based on utilisation rates rising on a gradual basis as well as on increasing price levels of rental fleet. In the Nordic countries the annual average growth rate is expected to vary between 1.9–4.9 percent, depending on the unit. In the Russian units and the Czech Republic the growth in sales is expected to be the strongest, an annual average rate of 11.3–19.9 percent within 2010–2014. In the Baltic countries, the annual average growth rate is expected to be 1.7–3.2 percent. The amount of rental fleet in the Baltic countries is adjusted to reflect the changed market environment.

Growth rate beyond the five years
As a result of the recession, the forecasts for the period 2010–2014 have been cut considerably – especially in respect of CEE. Correspondingly, the forecast for the CEE's growth rate beyond five years has been raised from one percent to two percent. The growth rate beyond five years for the Nordic businesses equals one percent per year. This is predicted to reflect a moderate long-term inflation forecast.

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

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

The pre-tax WACC of the Group has decreased by 0.98 percentage units from the impairment test performed in 2008.

The pre-tax WACC of the Group has been determined based on the following factors: Equity and debt finance are expected to consitute 40 and 60 percent, respectively, of the capital structure in the long haul. This capital structure represents the general capital structure of the companies engaged in the industry. The cost of debt has increased by 0.85 percentage units from the test performed in 2008. Whilst the risk free rate has decreased, the Group's credit spreads have increased. The cost of equity has decreased by 3.73 percentage units from the test performed in 2008. The market risk premium has been increased by 0.50 percentage units from the 2008 level. Cramo's company-specific risk level (beta) has decreased from the test performed in 2008. The company-specific beta used in 2009 calculations is based on the average level used by equity analysts.

	2009	2008
Capital structure		
Share of equity capital	40.0%	40.0%
Share of debt capital	60.0%	60.0%
Cost of debt		
Risk-free rate	3.58%	4.38%
Credit spread	2.50%	0.85%
Cost of debt	**6.08%**	**5.23%**
Cost of equity		
Market risk premium	5.50%	5.00%
Cost of equity (market)	9.08%	9.38%
Beta	1.20	1.91
Cost of equity	**10.18%**	**13.91%**
Cramo pre-tax WACC	**7.72%**	**8.70%**

The CGU specific market risk factor is determined by assessing the country, currency and price risks inherent to each unit. Each component of risk is given a value ranging from 0 to 10, whereby the risk points range from 0 to 30. One risk point equals an increase of 0.15 percent in interest rate. Altogether, the market risk factor can range from 0 to 4.5 percent, depending on the risk points. See below for the CGU specific discount rates, which reflect the senior management's view on the CGU specific market risks of Cramo's business. Unit specific risks are not readily available from a single source. Instead, they are based on senior management's best assessment which relies on various kinds of market and risk estimates. Compared to 2008, the CGU specific market risks have decreased in the Nordic countries and Russia, remained at the same level in Poland and Estonia, and increased in the Czech Republic, Slovakia, Latvia and Lithuania. The CGU specific discount rates, on other hand, have decreased in all units except for Latvia and Lithuania.

	Country risk (0–10 p.)	Currency risk (0–10 p.)	Price risk (0–10 p.)	Market risk total (0–30 p.)	Cash generating unit specific market risk	Cramo's pre-tax WACC	CGU specific discount rate
Finland	0	0	3	3	0.45%	7.72%	8.17%
Sweden	0	2	1	3	0.45%	7.72%	8.17%
Norway	0	2	4	6	0.90%	7.72%	8.62%
Denmark	0	1	10	11	1.65%	7.72%	9.37%
Central and Eastern Europe	5–10	5–10	5–8	16–24	2.40–3.60%	7.72%	10.12–11.32%

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 others 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	-14.0%	-23.0%	-38.3%	11.2%	208.2	>100%
Sweden	-12.5%	-19.0%	-23.2%	8.9%	411.7	>100%
Norway	-4.8%	-11.0%	-7.8%	4.3%	47.1	50–100%
Denmark	-0.6%	-1.0%	-0.7%	0.5%	2.7	0–10%
Central and Eastern Europe	0– -4.0%	0– -6.5%	0– -3.8%	0–2.3%	0.0–5.5	0–30%

Summary of the sensitivity analysis
After the recognised impairment losses the recoverable amount equals the carrying amount in Latvia, Lithuania and the Czech Republic. A change in any of the main assumptions could result in another recognition of an impairment loss. At the end of the period, the total amount of goodwill and the Cramo brand allocated to these countries totalled approximately EUR 0.9 million and EUR 1.1 million, respectively.

In Denmark, the recoverable amount exceeds the carrying amount approximately by five percent (i.e. EUR 2.7 million). The amount of fleet has considerably been adjusted in Denmark in 2009. In order for Denmark to avoid recognition of an impairment loss, its EBITA margin should recover to the level of 10 percent within 2010–2014. This is to say that the EBITA margin shall not deviate more than 0.6 percentage units from the forecasted one. The growth rate for the five-year period shall not decrease more than 1.0 percentage units, the growth rate beyond the five-year period shall not decrease more than 0.7 percentage units, and the discount rate shall not increase more than 0.5 percentage units in order to avoid a need for a recognition of an impairment loss. At the end of the period, the total amount of goodwill and the Cramo brand allocated to Denmark totalled EUR 5.5 million and EUR 2.4 million, respectively.

In Finland and Sweden, the recoverable amount exceeds the carrying amount by over 100 percent. At the end of the period, the total amount of goodwill allocated to the CGUs of Finland and Sweden totalled EUR 100.8 million, i.e. 73.4 percent of the Group's total goodwill. The total amount of the Cramo brand allocated to these countries totals approximately EUR 20.0 million.

In Norway, the recoverable amount exceeds the carrying amount by over 50 percent. The total amount of goodwill and the Cramo brand allocated to Norway totals approximately EUR 19.0 million.

In CEE segment, the recoverable amount exceeds the carrying amount by 10–20 percent in Estonia and Moscow, and by 20–30 percent in Poland and St. Petersburg.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS (EUR 1,000)

	2009	2008
At 1 Jan	**314**	**332**
Translation differences	1	-4
Additions	25	
Disposals		-14
At 31 Dec	**340**	**314**
Total non-current available-for-sale financial assets	340	314

During 2008 and 2009 the Group has not reclassified financial assets at fair value through profit and loss or financial assets at amortised cost.

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

8. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (EUR 1,000)

At 31 Dec 2009	Note	Financial asset/liability at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets	Loans and borrowings	Hedge accounted derivatives	Book value	Fair value	Fair value hierarchy
Non-current financial assets									
Available-for-sale financial investments	7			340			340	340	-
Derivative financial instruments	14	238					238	238	2
Trade and other receivables	9	4,990					4,990	4,990	-
Current financial assets									
Derivative financial instruments	14	898					898	898	2
Trade and other receivables	9		99,526				99,526	99,526	-
Cash and short-term deposits	11		18,520				18,520	18,520	-
Total		**6,126**	**118,046**	**340**			**124,512**	**124,512**	
Non-current financial liabilities									
Interest-bearing liabilities	13				351,606		351,606	353,106	-
Derivative financial instruments	14	706				3,103	3,809	3,809	2
Other non-current liabilities	16				6,816		6,816	6,816	-
Current financial liabilities									
Interest-bearing liabilities	13				50,596		50,596	50,596	-
Derivative financial instruments	14	680					680	680	2
Trade and other payables	17				82,855		82,855	82,855	-
Total		**1,386**			**491,873**	**3,103**	**496,362**	**497,862**	

At 31 Dec 2008	Note	Financial asset/liability at fair value through profit and loss	Loans and receivables	Available-for-sale financial assets	Loans and borrowings	Hedge accounted derivatives	Book value	Fair value	Fair value hierarchy
Non-current financial assets									
Available-for-sale financial investments	7			314			314	314	-
Derivative financial instruments	14	956					956	956	2
Trade and other receivables	9	2,964					2,964	2,964	-
Current financial assets									
Derivative financial instruments	14	4,625					4,625	4,625	2
Trade and other receivables	9		113,075				113,075	113,075	-
Cash and short-term deposits	11		8,123				8,123	8,123	-
Total		**8,545**	**121,198**	**314**			**130,057**	**130,057**	
Non-current financial liabilities									
Interest-bearing liabilities	13				413,700		413,700	414,101	-
Derivative financial instruments	14	592				1,720	2,312	2,312	2
Other non-current liabilities	16				5,622		5,622	5,622	-
Current financial liabilities									
Interest-bearing liabilities	13				71,546		71,546	71,546	-
Derivative financial instruments	14	248					248	248	2
Trade and other payables	17				93,515		93,515	93,515	-
Total		**840**			**584,383**	**1,720**	**586,943**	**587,344**	

Available-for-sale financial assets

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

Derivative financial instruments

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

Interest-bearing liabilities

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

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

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

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

9. TRADE AND OTHER RECEIVABLES (EUR 1,000)

	2009	2008
Non-current receivables		
Interest-bearing non-current receivables		
Finance lease receivables	2,020	2,152
Non-interest-bearing non-current receivables		
Other receivables	2,970	813
Total	**4,990**	**2,964**
Current receivables		
Interest-bearing current receivables		
Finance lease receivables	132	118
Other receivables	11	
Non-interest-bearing current receivables		
Trade receivables	82,994	91,219
Other receivables	3,237	3,112
Prepaid expenses and accrued income	13,152	18,627
Total	**99,526**	**113,075**
Finance lease receivables fall due as follows		
Not later than one year	251	244
Later than one year and not later than five years	1,067	1,052
Later than five years	2,240	2,507
Gross investment in finance leases	**3,558**	**3,803**
Present value of minimum lease receivables		
Not later than one year	132	118
Later than one year and not later than five years	680	627
Later than five years	1,340	1,525
Present value of minimum lease receivables	**2,152**	**2,270**
Unearned financial income	1,406	1,533
Gross investment in finance leases	**3,558**	**3,803**

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

A total amount of EUR 6,671 (4,171) thousand of trade receivables has been recognised in the income statement as credit losses. See below for the movements in the provision for bad debts. For further guidance, see credit risk note 14.

Movements in the provision for bad debts	**2009**	**2008**
At 1 Jan	**5,284**	**2,724**
Charge for the year	6,671	4,171
Utilised	-4,172	-1,611
At 31 Dec	**7,783**	**5,284**

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

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

Ageing analysis of trade receivables	2009	2008
Trade receivables, not due at reporting date	63,501	72,043
Trade receivables 1–30 days overdue	11,810	10,819
Trade receivables 31–60 days overdue	2,267	3,279
Trade receivables 61–90 days overdue	1,180	1,592
Trade receivables 91–180 days overdue	1,860	1,683
Trade receivables more than 180 days overdue	2,375	1,803
Total	**82,994**	**91,219**

Trade receivables by currencies	2009	2008
EUR	9,914	13,057
SEK	46,219	44,276
NOK	11,315	10,326
DKK	8,164	10,214
PLN	2,562	2,956
RUB	2,211	2,063
Other	2,608	8,329
Total	**82,994**	**91,219**

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

10. INVENTORIES (EUR 1,000)

	2009	2008
Materials and supplies	6,467	9,577
Work in progress	3,881	5,801
Finished goods	1,244	542
Total	**11,591**	**15,920**

At the end of the period, inventories have been written down by EUR 116 (69) thousand to correspond to their net realisable value. The amount of write-down is recognised in cost of sales.

A total amount of EUR 2.0 million has been reclassified from inventory to tangible assets in 2009.

11. CASH AND CASH EQUIVALENTS (EUR 1,000)

	2009	2008
Cash in hand and at banks	18,520	8,123
Total	**18,520**	**8,123**

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 2009, the Group had available EUR 130 (100) million of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

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

12. SHARE CAPITAL AND EQUITY FUNDS (EUR 1,000)

SHARE CAPITAL	Number of shares	Share capital	Share premium	Total
At 1 Jan 2008	30,660,189	24,835	186,910	211,745
Exercise of share options				
At 31 Dec 2008	**30,660,189**	**24,835**	**186,910**	**211,745**
Exercise of share options				
At 31 Dec 2009	**30,660,189**	**24,835**	**186,910**	**211,745**

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. Cramo Plc has two option right plans in force and an analysis of the share-based payments is given in note 28.

Share premium
The share premium includes the premium received on exercise of share options.

OTHER EQUITY FUNDS	Fair value reserve	Hedging fund	Total
At 1 Jan 2008	117	4,064	4,181
Cash flow hedges			
Fair value losses in period		-7,347	-7,347
Tax on fair value losses		1,910	1,910
At 31 Dec 2008	**117**	**-1,373**	**-1,256**
Cash flow hedges			
Fair value losses in period		-1,248	-1,248
Tax on fair value losses		325	325
At 31 Dec 2009	**117**	**-2,296**	**-2,179**

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

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

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

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

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

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

Non-controlling interest
The Board of Directors of Cramo Plc accepted in June 2009 a new share ownership program for Cramo's Executive Committee. For the purpose of the share ownership, Cramo Executive Committee members have established a company called Cramo Management Oy. In the Group's IFRS financial statements, Cramo Management Oy is reported as a special purpose entity.

DIVIDENDS
After the balance sheet date, the Board proposes to the AGM not to pay a dividend for the financial year 2009.

The dividend for year 2008 (2007) was EUR 0.20 (0.65) per share. The total dividend amounting to EUR 6,132 (19,929) thousands was paid on 15 April 2009 (6 May 2008).

13. INTEREST-BEARING LIABILITIES (EUR 1,000)

	2009		2008	
Non-current interest-bearing liabilities	Book value	Fair value	Book value	Fair value
Syndicated bank loan	226,744	226,744	269,677	269,677
Other bank loans	3,339	3,339	6,616	6,616
Pension loans	8,900	9,573	8,900	9,300
Repurchase liabilities	5,939	6,765	3,134	3,134
Finance lease liabilities	106,685	106,685	125,374	125,374
Total	**351,606**	**353,106**	**413,700**	**414,101**
Current interest-bearing liabilities	Book value	Fair value	Book value	Fair value
Syndicated bank loan	12,430		11,094	
Other bank loans	3,245		3,408	
Repurchase liabilities	1,334		1,743	
Finance lease liabilities	31,598		31,674	
Commercial papers	1,989		23,627	
Total	**50,596**		**71,546**	
Total interest-bearing liabilities	**402,202**		**485,246**	

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 130.1 (100.0) million, of which long-term EUR 95.0 (70.0) million and short-term EUR 35.1 (30.0) million.

The main financial covenants of the syndicated loan facility are the gross debt to EBITDA ratio, the interest coverage ratio and the equity ratio. In addition, there are other general terms related to the loan facility. Gross debt is calculated as an average of the previous two quarters and EBITDA as accumulated EBITDA of the previous 12 months. Interest coverage ratio is computed by dividing EBITDA with net financial expenses. Gross debt to EBITDA determines the applied margin for the syndicated loan quarterly. The maximum values of the financial covenants will change during the loan period. The maximum and actual values of the financial covenants as at 31 December 2009 are presented below:

	2009		2008	
	Value of covenants	Actual	Value of covenants	Actual
Gross debt to EBITDA, maximum	4.50	3.89	3.35	2.96
Interest coverage ratio, minimum	3.50	4.66	5.00	6.67
Equity ratio %, minimum	30.0	37.4	30.0	32.3

The following table presents a sensitivity analysis of financial covenants with the actual values at 31 December 2009. The table shows the maximum deviation of each essential parameter before breaking the financial covenant value.

EUR millions	Gross debt Max increase	EBITDA Max decrease	Net financial expenses Max increase	Equity Max decrease
Gross debt to EBITDA	76.5	14.4	-	-
Interest coverage ratio	137.8	26.5	7.5	-
Equity ratio	223.7	-	-	67.6

Interest-bearing liabilities mature as follows, 2009

EUR 1,000	2010	2011	2012	2013	2014	2015+	Total
Syndicated bank loan	12,430	12,430	12,430	201,884			**239,174**
Other bank loans	3,245	1,749	849	741			**6,584**
Pension loans	2,543	2,543	2,543	1,271			**8,900**
Repurchase liabilities	1,334	802		260	4,139	738	**7,273**
Finance lease liabilities	34,665	30,443	22,312	15,633	10,967	24,263	**138,283**
Commercial papers	1,989						**1,989**
Total	**56,206**	**47,967**	**38,134**	**219,788**	**15,106**	**25,001**	**402,202**

Syndicated loan by currency and maturity, 2009

EUR 1,000	2010	2011	2012	2013	2014	2015+	Total
EUR	4,000	4,000	4,000	147,720			**159,720**
SEK	8,430	8,430	8,430	54,164			**79,454**
Total	**12,430**	**12,430**	**12,430**	**201,884**			**239,174**

Interest-bearing liabilities mature as follows, 2008

EUR 1,000	2009	2010	2011	2012	2013	2014+	Total
Syndicated bank loan	11,280	11,280	11,280	11,280	235,651		**280,771**
Other bank loans	3,408	2,193	1,903	1,633	887		**10,024**
Pension loans		2,543	2,543	2,543	1,271		**8,900**
Repurchase liabilities	1,743	1,334	802		260	738	**4,877**
Finance lease liabilities	31,674	28,660	30,046	22,359	20,050	24,259	**157,048**
Commercial papers	23,627						**23,627**
Total	**71,732**	**46,010**	**46,574**	**37,815**	**258,119**	**24,997**	**485,246**

Syndicated loan by currency and maturity, 2008

EUR 1,000	2009	2010	2011	2012	2013	2014+	Total
EUR	4,000	4,000	4,000	4,000	192,917		**208,917**
SEK	7,280	7,280	7,280	7,280	42,734		**71,854**
Total	**11,280**	**11,280**	**11,280**	**11,280**	**235,651**		**280,771**

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.

Gross finance lease liabilities – minimum lease payments

EUR 1,000	2009	2008
Payable < 1 year from balance sheet date	37,217	35,866
Payable 1–5 years from balance sheet date	83,813	117,682
Payable > 5 years from balance sheet date	25,006	28,129
Total	**146,036**	**181,677**
Future finance charges on finance leases	7,753	24,629
Present value of minimum future finance lease payments	**138,283**	**157,048**

Finance lease liabilities by currency

EUR 1,000	2009	2008
SEK	61,426	71,526
NOK	20,242	16,028
DKK	8,385	12,012
EUR	18,015	25,370
Other	30,215	32,112
Total	**138,283**	**157,048**

Weighted average maturity and interest rates at 31 Dec	2009 Maturity (years)	2009 Interest	2008 Maturity (years)	2008 Interest
Bank loans	1.7	3.49%	1.8	5.07%
Bank loans including interest rate swaps	1.7	4.04%	1.8	4.38%
Pension loan	1.8	4.75%	2.7	4.75%
Finance leases	2.2	4.56%	2.8	4.88%
Repurchase liabilities	3.9	4.20%	2.5	3.85%
Commercial papers	0.0	1.57%	0.3	5.18%

14. FINANCIAL RISK MANAGEMENT

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

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

MARKET RISK

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

The Group's interest rate risk arises mainly from its long-term borrowings. The Group is mainly exposed to cash flow interest rate risk, which arises from liabilities at variable rates. At the balance sheet date, 41.7% (37.0%) of outstanding interest-bearing liabilities were at fixed interest rates when including the effect of derivatives used. During 2009 and 2008, the Group's borrowings at variable rate were denominated in the EUR, the SEK and the LVL. The currency specification of financial lease liabilities is presented in table later in this note. The weighted average fixing period for loan portfolio was 1.4 (1.2) years. The Treasury Policy states the limit for the portion of fixed interest to be 20–50% of the whole loan portfolio and duration to stay in a range from one to three years. During the financial period the Group moved slightly upwards in both values.

The Group manages its cash flow interest rate risk by using interest rate swaps in accordance with the Treasury Policy. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. The nominal value of the Group's interest rate swaps was EUR 144.2 (142.3) million at 31 December 2009. IAS 39 hedge accounting was applied to a part of these interest rate swaps representing a total nominal value of EUR 98.2 (122.3) 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 2009 on EUR-denominated borrowings had been 1% higher/lower with all other variables held constant, profit before tax for the year would have been EUR 0.3 (2.0) million lower/higher, as a result of changes in the interest flows on floating rate borrowings and hedging instruments and the change of market value of the non-hedge accounted interest rate swaps; other components of equity would have been EUR 2.6 (3.6) million higher/lower, as a result of a change in the fair value of interest rate swaps for which hedge accounting is applied. The following table illustrates the sensitivity analysis.

	2009				2008			
	Income statement		Equity		Income statement		Equity	
	+ 1%	- 1%	+ 1%	- 1%	+ 1%	- 1%	+ 1%	- 1%
Interest-bearing liabilities	-2.8	2.8			-3.2	3.2		
Interest rate derivatives								
Hedge accounted	0.7	-0.7	2.6	-2.6	0.7	-0.7	3.6	-3.6
Non-hedge accounted	1.8	-1.8			0.5	-0.5		
Total	**-0.3**	**0.3**	**2.6**	**-2.6**	**-2.0**	**2.0**	**3.6**	**-3.6**

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing liabilities and their average interest rates are presented in note 13.

Foreign exchange risk

The Group operates internationally and is exposed to risks arising from foreign exchange rate fluctuations, primarily from exposures with respect to the Swedish crone. Foreign exchange risk arises primarily from internal funding and net investments in foreign operations as well as from recognised assets and liabilities.

Since Cramo has subsidiaries outside the Euro zone, the euro denominated value of the shareholders' equity is exposed to fluctuations in exchange rates. Equity changes caused by movements in foreign exchange rates are shown as a translation difference in the Group consolidation. The Group Treasury regularly monitors and evaluates the translation risk. At the balance sheet date the Group had hedged Swedish crone -denominated equity with an external currency loan. The foreign exchange difference arising from the loan is recognised in equity under translation differences.

Foreign exchange risk arising from internal funding, recognised assets and liabilities is managed primarily through forward contracts. A table following in this note presents the maturity structure of these derivatives. The changes in the fair value of derivatives are recognised in the income statement.

Sales in Group companies are carried out in the functional currency of the local entities. These transactions do not expose the Group to significant foreign exchange risk. Purchases are carried out both in Euros and local currencies. The currency risk arising from purchases is considered insignificant. Hence, according to the Treasury Policy, future purchase commitments are not hedged.

Sensitivity analysis, in accordance with IFRS 7, aims to represent the sensitivity of the consolidated income and equity with respect to foreign exchange rate fluctuations. The open Euro exposure against other functional currencies arises from account payables, leasing liabilities in other than local currency, as well as from the open exposure of the Group Treasury.

The following table presents the Group's currency exposure and the sensitivity effects to profit before tax 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.

Translation risk and hedging 31 Dec 2009

EUR 1,000	SEK	NOK	DKK	EEK	LVL	LTL	PLN	RUB	CZK	Total
Equity exposed to translation risk	254,524	33,199	1,466	42,714	-9,373	-2,866	12,978	4,296	4,356	**341,294**
Lending designated as part of net investment					11,225			14,484		**25,709**
Hedging loans	-55,930									**-55,930**
Open exposure	**198,594**	**33,199**	**1,466**	**42,714**	**1,852**	**-2,866**	**12,978**	**18,780**	**4,356**	**311,073**

Sensitivity analysis, 5% depreciation of each currency against Euro

EUR 1,000	SEK	NOK	DKK	EEK	LVL	LTL	PLN	RUB	CZK	Total
Equity exposed to translation risk	-12,726	-1,660	-73	-2,136	469	143	-649	-215	-218	**-17,065**
Lending designated as part of net investment					-561			-724		**-1,285**
Hedging loans	2,797									**2,797**
Total	**-9,930**	**-1,660**	**-73**	**-2,136**	**-93**	**143**	**-649**	**-939**	**-218**	**-15,554**

Translation risk and hedging 31 Dec 2008

EUR 1,000	SEK	NOK	DKK	EEK	LVL	LTL	PLN	RUB	CZK	Total
Equity exposed to translation risk	235,099	27,601	6,237	44,125	6,521	10,346	13,779	11,983	14,232	**369,923**
Lending designated as part of net investment								15,140		**15,140**
Hedging loans	-67,255									**-67,255**
Open exposure	**167,844**	**27,601**	**6,237**	**44,125**	**6,521**	**10,346**	**13,779**	**27,124**	**14,232**	**317,809**

Sensitivity analysis, 5% depreciation of each currency against Euro

EUR 1,000	SEK	NOK	DKK	EEK	LVL	LTL	PLN	RUB	CZK	Total
Equity exposed to translation risk	-11,755	-1,380	-312	-2,206	-326	-517	-689	-599	-712	**-18,496**
Lending designated as part of net investment								-757		**-757**
Hedging loans	3,363									**3,363**
Total	**-8,392**	**-1,380**	**-312**	**-2,206**	**-326**	**-517**	**-689**	**-1,356**	**-712**	**-15,890**

A proportion of the group's SEK-denominated borrowing amounting to EUR 55.9 (67.3) million is designated as a hedge of the net investment in the Group's Swedish subsidiaries. The fair value of the borrowing at 31 December 2009 was EUR 8.5 (13.1) million. The foreign exchange loss of EUR 4.6 (gain of 10.9) million on translation of the borrowing to currency at the end of the reporting period is recognised in translation differences, in shareholders' equity.

A proportion of the group's RUB- and LVL -denominated lending to its subsidiaries totalling EUR 25.7 (15.1) million are designated as a part of the net investment in the respective subsidiaries. The fair value of the lending at 31 December 2009 was EUR -3.7 (-2.9) million. The foreign exchange loss of EUR 0.8 (2.9) million on translation of the borrowing to currency at the end of the reporting period is recognised in translation differences, in shareholders' equity.

Transaction risk and hedging 31 Dec 2009

EUR 1,000	SEK	NOK	DKK	EEK	LVL	LTL	PLN	RUB	CZK	Total
Transaction exposure	-70,555	22,933	38,163		13,058	9,052	4,114	18,529	14,242	**49,536**
Hedges	12,290	-22,181	-38,163			-8,565	-4,025	-3,012	-15,169	**-78,825**
Open exposure	**-58,265**	**752**			**13,058**	**487**	**89**	**15,517**	**-927**	**-29,289**

Sensitivity analysis, 5% depreciation of each currency against Euro

EUR 1,000	SEK	NOK	DKK	EEK	LVL	LTL	PLN	RUB	CZK	Total
Transaction exposure	3,528	-1,147	-1,908		-653	-453	-206	-926	-712	**-2,477**
Hedges	-615	1,109	1,908			428	201	151	758	**3,941**
Total	**2,913**	**-38**			**-653**	**-24**	**-4**	**-776**	**46**	**1,464**

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

Fair values 31 Dec 2009

EUR 1,000	Positive fair value	Negative fair value	Net fair value
FX forward contracts	898	-629	269
Interest rate swaps, non-hedge accounting	238	-757	-519
Interest rate swaps, cash flow hedges		-3,103	-3,103
Total	**1,136**	**-4,489**	**-3,353**
Non-current portion			
FX forward contracts		-178	-178
Interest rate swaps, non-hedge accounting	238	-528	-290
Interest rate swaps, cash flow hedges		-3,103	-3,103
Non-current portion	**238**	**-3,809**	**-3,571**
Current portion	**898**	**-680**	**218**

Fair values 31 Dec 2008

EUR 1,000	Positive fair value	Negative fair value	Net fair value
FX forward contracts	5,581	-251	5,330
Interest rate swaps, non-hedge accounting		-589	-589
Interest rate swaps, cash flow hedges		-1,720	-1,720
Total	**5,581**	**-2,560**	**3,021**
Non-current portion			
FX forward contracts	956	-3	953
Interest rate swaps, non-hedge accounting		-589	-589
Interest rate swaps, cash flow hedges		-1,720	-1,720
Non-current portion	**956**	**-2,312**	**-1,356**
Current portion	**4,625**	**-248**	**4,377**

Nominal values of derivative financial instruments

EUR 1,000	2009	2008
FX forward contracts	129,588	134,880
Interest rate swaps	144,178	142,310
Total	**273,767**	**277,190**

The derivatives used in 2009 and 2008 were currency forward contracts and interest rate swaps. These were used for hedging purposes in line with the Group's hedging policy.

The fair value of currency derivatives and non-hedge accounted interest rate derivatives has been recognised in the income statement. The fair value of hedge accounted interest rate derivatives has been recognised in equity, as net of tax, and in other items of comprehensive income. At 31 December 2009 the open derivative exposure reflects well the exposure retained during the financial year.

Derivative instruments mature as follows, 2009

EUR 1,000	2010	2011	2012	2013	2014	2015+	Total
Currency derivative instruments	**97,376**	**32,213**					**129,588**
Interest derivative instruments							
EUR	10,000			61,000	20,000		**91,000**
SEK				47,154			**47,154**
NOK					6,024		**6,024**
Total interest derivative instruments	**10,000**			**108,154**	**26,024**		**144,178**

Derivative instruments mature as follows, 2008

EUR 1,000	2009	2010	2011	2012	2013	2014+	Total
Currency derivative instruments	**125,567**	**9,313**					**134,880**
Interest derivative instruments							
EUR		10,000			61,000		**71,000**
SEK	26,837		26,837		17,637		**71,310**
Total interest derivative instruments	**26,837**	**10,000**	**26,837**		**78,637**		**142,310**

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 2009.

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 2009 undrawn committed credit facilities totalled EUR 130.1 (100.0) 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.

Maturities of financial liabilities at 31 Dec 2009

EUR 1,000	Less than 1 year	1–2 years	2–5 years	Over 5 years	Total
Derivatives					
FX forward contracts, outflow	-246	-99			**-345**
FX forward contracts, inflow	993				**993**
Interest rate swaps, outflow	-4,699	-3,417	-4,438		**-12,554**
Interest rate swaps, inflow	915	880	1,759		**3,554**
Derivatives, net	**-3,037**	**-2,637**	**-2,679**		**-8,353**
Accounts payable and other non-interest bearing liabilities	-82,855				**-82,855**
Borrowings (excl. finance lease liabilities)	-28,811	-24,682	-219,781		**-273,274**
Finance lease liabilities	-40,185	-34,477	-51,135	-24,817	**-150,614**
Repurchase liabilities	-1,612	-1,035	-4,522	-753	**-7,922**
Total	**-156,500**	**-62,830**	**-278,118**	**-25,570**	**-523,018**

CAPITAL STRUCTURE

The Group's objectives when managing capital structure are to safeguard the Group's ability to continue as a going concern and to maintain the optimum capital structure. The targets for capital structure are determined by the Board of Directors. The Group's treasury regularly monitors the development of the capital structure.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. Gearing is calculated as the ratio of net interest bearing liabilities to equity. During 2009 one of the essential targets of the Group was to decrease the gearing ratio substantially. This target was met (gearing at 31 Dec 2009 113.4%, 31 Dec 2008 149.3%).

The net interest-bearing liabilities of the Group at 31 December 2009 totalled EUR 383.7 million, while at 31 December 2008 EUR 477.1 million. The Group succeeded to decrease net interest-bearing liabilities by EUR 93.4 million in 2009.

Net interest-bearing liabilities and gearing are presented in the table below.

EUR 1,000	2009	2008
Interest-bearing liabilities	402,202	485,246
Cash and cash equivalents	-18,520	-8,123
Net interest-bearing liabilities	**383,682**	**477,123**
Total equity	**338,385**	**319,476**
Gearing	**113.4%**	**149.3%**

15. DEFERRED TAXES (EUR 1,000)

	2009	2008
Deferred tax assets		
Tax losses carried forward	4,538	4,683
Financial leases	12,256	9,062
Fair value of hedging fund	807	447
Exchange rate difference of net investments	3,401	4,380
Derivative financial instruments	360	218
Elimination of internal profit	1,997	1,687
Other temporary differences	1,237	1,210
Total	**24,596**	**21,687**
Deferred tax liabilities		
Depreciation difference and other untaxed reserves	43,188	34,348
Financial leases	10,092	7,459
Exchange rate difference of net investments	3,401	4,380
Derivative financial instruments	295	1,440
Valuation of assets to fair value in business combinations	21,399	23,702
Unrealised exchange rate gains	3,833	7,128
Other temporary differences	2,287	4,806
Total	**84,495**	**83,263**
Deferred tax liabilities net	**59,899**	**61,576**
Reflected in the balance sheet as follows		
Deferred tax asset	19,137	17,391
Deferred tax liabilities	79,036	78,967
Deferred tax liabilities net	**59,899**	**61,576**
Change in deferred tax liabilities and assets recognised in the balance sheet		
Deferred tax liabilities net at beginning of the year	61,576	59,226
Acquired and disposed subsidiaries	83	5,902
Change in tax rates	-63	-3,892
Other items recognised in the income statement	-2,081	5,444
Items recognised in equity	-1,758	196
Exchange rate differences	2,142	-5,300
Deferred tax liabilities net at year end	**59,899**	**61,576**

Deferred tax liability has not been recognised on Estonian undistributed earnings because distribution is in the control of the Group and such distribution is not probable within foreseeable future.

Deferred tax assets arising from tax loss carried forward of EUR 7,894 (1,435) thousand have not been recognised in the consolidated financial statements in respect of subsidiaries that are currently making loss. As for the subsidiaries that are expected to return to black, deferred tax assets have been recognised to the extent that the realisation of the related tax benefit through future profits is probable. Of this amount, EUR 721 thousand has no expiry date, EUR 167 thousand expires year 2014 and the remainder thereafter.

16. PROVISIONS AND OTHER NON-CURRENT LIABILITIES (EUR 1,000)

Provisions

At 31 December 2009, the Group had not recognised any provisions. In 2008, the Group had two non-cancellable lease contracts which did not produce economic benefit. The provision recognised for the losses attributable to these contracts amounted to EUR 186 thousand at year-end 2008. This provision was fully utilised during the financial year 2009.

Other non-current liabilities	2009	2008
Advances received	6,154	3,002
Other non-current liabilities	662	2,620
Total	**6,816**	**5,622**

17. TRADE AND OTHER PAYABLES (EUR 1,000)

	2009	2008
Trade payables	31,225	39,517
Advances received	7,970	7,815
Accrued expenses and deferred income	36,765	38,469
Other current liabilities	6,895	7,714
Total	**82,855**	**93,515**

Material items included in accrued expenses and deferred income consist of personnel expenses and periodised interest expenses of liabilities.
The management considers that the carrying amount of trade and other liabilities approximates their fair value.
Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 14–60 day terms
- Other current liabilities are non-interest bearing and have an average term of three months
- For explanations on the Group's credit risk management processes, refer to note 14

18. COLLATERALS AND CONTINGENT LIABILITIES (EUR 1,000)

	2009	2008
Collateral given on own behalf		
Debts, secured by collateral		
Loans from credit institutions	241,082	281,523
Finance lease liabilities	138,283	157,048
Collateral given		
Mortgages on company assets	83,317	83,317
Pledges	169,424	161,364
Pledges, finance lease	156,018	180,937
Commitments, secured by collateral		
Construction and warranty guarantees	355	425
Other contingent liabilities		
Contingent interest liability on hybrid capital*	4,044	
Investments	93	800

* In April 2009 Cramo Plc issued a EUR 50 million hybrid bond with a coupon rate of 12.0% per annum. The bond has no maturity but the company may call the bond after four years. Obligation to pay cumulated interest to the investors comes into effect when the board declares payment of dividend.

Commitments to office and depot rents	2009	2008
Payable < 1 year from balance sheet date	18,747	19,512
Payable 1–5 years from balance sheet date	45,736	44,831
Payable > 5 years from balance sheet date	18,918	22,407
Total	**83,401**	**86,750**

Operational lease payments	2009	2008
Payable < 1 year from balance sheet date	17,708	25,428
Payable 1–5 years from balance sheet date	22,518	43,217
Payable > 5 years from balance sheet date	0	253
Total	**40,226**	**68,898**

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 (2008: six years). Operational lease liabilities mainly have floating rates and are based on Euribor, Stibor, Nibor or Cibor varying between 1 and 3 months.

19. OTHER OPERATING INCOME (EUR 1,000)

	2009	2008
Capital gain on sale of tangible assets	5,060	9,828
Rent on premises	278	337
Income from insurance companies	1,002	991
Acquisition of minority share Cramo Rentakran		4,057
Other income	922	1,642
Total	**7,262**	**16,855**

20. MATERIALS AND SERVICES (EUR 1,000)

	2009	2008
Purchases	-24,067	-32,548
External services	-126,815	-163,048
Total	**-150,882**	**-195,596**
Change in inventories of work in progress (-) decrease / (+) increase	-1,486	-770
Production for own use	9,148	18,725

Part of the expenses that were reported in 2008 as other operating expenses have been reclassified to materials and services. Total amount of such expenses were EUR 78.4 million in 2008. These expenses are different types of direct service costs. Expenses have been reclassified for 2008 and 2009.

21. EMPLOYEE BENEFIT EXPENSES (EUR 1,000)

	2009	2008
Wages and salaries, including restructuring costs EUR 2,407 (2008: 713)	-76,825	-90,237
Social security costs	-15,372	-16,631
Share-based payment transaction expense	-2,254	-2,768
Pension costs – defined contribution plans	-8,611	-8,816
Total	**-103,062**	**-118,452**
Average number of personnel	**2,356**	**2,688**

The employee benefits of the Group's management are disclosed in note 29 and information concerning stock option plans are presented in note 28.

22. DEPRECIATION AND IMPAIRMENT (EUR 1,000)

	2009	2008
Depreciation of tangible assets	-85,327	-83,803
Depreciation of intangible assets*	-975	-797
Total depreciation	**-86,302**	**-84,600**
Impairment of tangible assets	-2,002	-812
Impairment of assets available for sale	-365	
Depreciation and impairment related to tangible and intangible assets	**-88,669**	**-85,412**
Amortisation on intangible assets resulting from acquisitions	-6,921	-6,976
Impairment related to intangibles resulting from acquisitions	-21,833	-3,374
Amortisation and impairment resulting from acquisitions	**-28,754**	**-10,350**
Total depreciation, amortisation and impairment	**-117,423**	**-95,762**
Depreciation of tangible assets	-85,327	-83,803
Depreciation of intangible assets*	-975	-797
Amortisation of intangible assets resulting from acquisitions	-6,921	-6,976
Total depreciation and amortisation	**-93,223**	**-91,576**
Impairment of tangible assets	-2,002	-812
Impairment of assets available for sale	-365	
Impairment related to intangibles resulting from acquisitions	-21,833	-3,374
Total impairment	**-24,199**	**-4,186**
Total depreciation, amortisation and impairment	**-117,423**	**-95,762**

* Depreciation of intangible assets relates to depreciation of software and other intangibles, which are, among others, capitalised transport and assembly costs which are charged from customers and depreciated over the rental period.

At the end of 2009, an impairment loss of EUR 365 thousand was recorded on assets available for sale.

Impairment loss of EUR 21.8 million was recorded on goodwill and other intangibles resulting from acquisitions at the end of 2009. See impairment testing note 6.

23. OTHER OPERATING EXPENSES (EUR 1,000)

	2009	2008
Rent for premises	-21,166	-18,938
Other expenses for premises	-9,111	-10,880
Operational leases	-21,832	-23,462
Bad debts	-6,671	-4,171
Marketing	-7,268	-11,745
Temporary staff	-4,823	-8,236
Other personnel related expenses	-7,219	-10,000
Other administrative expenses	-21,725	-25,567
Capital loss on sale of tangible assets	-1,885	
Total	**-101,700**	**-112,999**
Audit fees		
Authorised Public Accountants Ernst & Young		
Audit fees	-532	-525
Tax consultation	-126	-245
Other services	-174	-393
Total	**-832**	**-1,163**
Other auditing firms	**-52**	**-114**

24. FINANCIAL INCOME AND EXPENSES (EUR 1,000)

	2009	2008
Interest income on loans receivable and cash and cash equivalents	1,360	1,230
Other financing income	324	87
Interest expenses on financial liabilities measured at amortised cost	-13,871	-19,187
Interest expenses on financial leases	-6,863	-9,814
Interest income and expenses on interest rate derivatives, cash flow hedges	-1,796	1,794
Interest income and expenses on interest rate derivatives, non-hedge accounted	-381	51
Change in fair value of interest rate derivatives, non-hedge accounted	-168	-589
Change in fair value of foreign exchange rate derivatives, non-hedge accounted	-5,020	5,507
Other exchange rate differences	5,244	-6,600
Arrangement and commitment fees relating to interest-bearing loans	-969	-331
Other financing expenses	-595	-276
Net financial expenses	**-22,734**	**-28,129**

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 the net finance expenses during the period.

25. INCOME TAX EXPENSE (EUR 1,000)

	2009	2008
Current tax	-8,036	-13,468
Tax from previous financial periods	235	-5
Change in deferred taxes	2,144	-1,552
Total	-5,657	-15,025

The difference between income taxes at the domestic tax rate in Finland 26% and income taxes recognised in the consolidated income statement is reconciled as follows:

	2009	2008
Profit before tax	-34,202	63,675
Tax calculated with domestic corporate tax rate	8,893	-16,556
Foreign subsidiaries divergent tax rate +/-	-6,129	229
Change in tax rates	63	3,892
Non-taxable income	9	983
Non-deductable expenses	-3,591	-971
Items not recognised in accounting	3,343	-443
Share based payments	-586	-720
Tax losses for which no deferred income tax asset was recognised	-7,894	-1,435
Tax from the previous financial periods	235	-5
Taxes in income statement	**-5,657**	**-15,025**
Group's effective tax rate, %	**neg**	**23,6**

Deferred taxes have been recalculated due to the following changes in tax rates:
The Czech Republic from 20% to 19% (2008: from 21% to 20%)
Lithuania from 20% to 15% (2008: from 15% to 20%)
Sweden (2008: from 28% to 26.3%)
Russia (2008: from 24% to 20%)

There are no income tax consequences attached to the payment of dividends in either 2009 or 2008 by the Group to its shareholders.

26. OTHER NON-CASH CORRECTIONS (EUR 1,000)

	2009	2008
Capital gain on sale of tangible assets	-5,060	-9,828
Capital loss on sale of tangible assets	1,885	
Gain on acquisition of minority share Cramo Rentakran		-4,057
Share-based payments	2,254	2,768
Other non-cash corrections	2,092	-1,532
Total	**1,171**	**-12,649**

27. EARNINGS PER SHARE (EUR 1,000)

	2009	2008
Profit/loss for the year attributable to equity holders of the parent company (1,000 €)	-39,831	48,650
Number of shares		
Weighted average number of shares outstanding	30,522,534	30,660,189
Effect of options granted	599,110	
Diluted weighted average number of shares outstanding	31,121,644	30,660,189
Earnings per share from profit/loss attributable to equity holders of the parent company		
Basic, €	-1.30	1.59
Diluted, €	-1.28	1.59

Basic earnings per share is calculated by dividing the net profit attributable to the parent's equity holders by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of all shares to assume conversion of all potentially dilutive shares. The Group operates a share option scheme with a dilutive affect, which increases the number of the shares. The share options have a dilutive affect when their exercise price is lower than the fair value of a share.

The dilutive effect is the number of the shares which has to be issued without consideration, because the Group could not use the assets received from the exercise of the share at fair value. The fair value of a share is based on the average share price during the period.

28. SHARE-BASED PAYMENTS

At the end of the period Cramo had option plans 2006 and 2009 in operation. Under the plans the Board of Directors is authorised to grant up to 4 milloin stock options to the key employees of Cramo Group or to the subsidiary of Cramo for future grants. The options are forfeited if the employee leaves the Group before the options vest. When the excercise period has commenced, the options can be freely transferred or exercised. Key characteristics and terms of Cramo option schemes are listed in the table below.

OPTIONS		**Stock Options 2006**		**Stock Options 2009**
Basic information	**2006A**	**2006B**	**2006C**	
Annual General Shareholders' Meeting date	20 Nov 06	20 Nov 06	20 Nov 06	26 Mar 09
Grant dates	21 Dec 06 27 Feb 07	14 Nov 07 02 Apr 08 12 May 08	10 Nov 08 21 Dec 09	02 Nov 09
Maximum number of stock options	1,000,000	1,000,000	1,000,000	1,000,000
The number of shares subscribed by one option	1	1	1	1
Initial exercise price, €	14.51	26.47	5.56	11.06
Dividend adjustment	Yes	Yes	Yes	Yes
Exercise price 31 Dec 2007, €	14.01	26.47	--	--
Exercise price 31 Dec 2008, €	13.36	25.82	5.56	--
Exercise price 31 Dec 2009, €	13.16	25.62	5.36	11.06
Beginning of exercise period, date (vesting)	01 Oct 09	01 Oct 10	01 Oct 11	01 Oct 12
End of excercise period, date (expiration)	31 Jan 11	31 Jan 12	31 Jan 13	31 Dec 13
Remaining contractual life 31 Dec 2009, years	1.1	2.1	3.1	4.0
Number of persons 31 Dec 2009	29	67	94	112

Changes during the period 2009	Stock Options 2006			Stock Options 2009	TOTAL	Weighted average exercise price in € *	Weighted average remaining life, years
	2006A	2006B	2006C				
1 Jan 2009							
Outstanding at the beginning of the period	712,000	865,000	1,000,000		2,577,000	14.52 €	
Changes during the period							
Granted			13,000	957,000	970,000	10.98 €	
Forfeited	38,000	45,000	63,500	2,000	148,500	13.57 €	
Exercised							
Expired							
Weighted average share price, €	-	-	-	-			
31 Dec 2009							
Outstanding at the end of the period	674,000	820,000	949,500	955,000	3,398,500	13.40 €	2.71
Exercisable at the end of the period	674,000	0	0	0	674,000	13.16 €	

* Exercise price in the beginning of the period is status at 31 December 2008. Dividend adjustment has been taken into account during the period and exercise price is based on the status at 31 December 2009.

Changes during the period 2008	2006A	2006B	2006C	Stock Options 2009	TOTAL	Weighted average exercise price in € *	Weighted average remaining life, years
1 Jan 2008							
Outstanding at the beginning of the period	813,000	904,000			1,717,000	20.57 €	
Changes during the period							
Granted		30,000	1,000,000		1,030,000	6.15 €	
Forfeited	101,000	69,000			170,000	18.42 €	
Exercised							
Expired							
Weighted average share price, €	-	-	-		-		
31 Dec 2008							
Outstanding at the end of the period	712,000	865,000	1,000,000		2,577,000	14.52 €	
Exercisable at the end of the period							

* Exercise price in the beginning of the period is status at 31 December 2007. Dividend adjustment has been taken into account during the period and exercise price is based on the status at 31 December 2008.

Determination of fair value

The fair value of options have been determined at grant date and the fair value is recognised in personnel expenses during the vesting period. Grant date is the date of the decision of the Board of Directors to grant stock options. The fair value of stock options has been determined by using Black–Scholes valuation model. The most significant inputs used to estimate the fair value are presented in the table below. The total fair value of options granted during the year was EUR 2.67 million. The effect of all employee stock options on the Company's earnings in 2009 was EUR 2.25 (2.8) million of which 2006A options accounted for EUR 0.66 million, 2006B options accounted for EUR 1.06 million, 2006C options accounted for EUR 0.38 million and 2009 options accounted for EUR 0.15 million. Illiquidity of the employee stock options' secondary market has been taken into account in the stock options 2006 valuation: 90% of the theoretical B&S value is assumed to be realised. The illiquidity discount of 10% will decrease the IFRS2 expense of 2006 options as follows: in 2009: EUR 0.75 million, in 2010: EUR 0.14 million and in 2011: EUR 0.03 million. The illiquidity factor has not been used in counting the IFRS2 expense for the 2009 stock options.

Most significant inputs in Black–Scholes model	Granted in 2009		Granted in 2008	
	2009	2006C	2006B	2006C
Number of granted options	957,000	13,000	30,000	1,000,000
Average price of share at grant date	10.90	11.02	15.86	5.37
Subscription price *	11.06	5.36	26.25	5.56
Interest rate	2.4%	1.7%	3.8%	3.3%
Maturity, years*	3.5	2.6	3.8	4.2
Volatility **	35.0%	35.0%	31.8%	31.0%
Expected dividends ***	0	0	0	0
Fair value totally, €	2,603,778	70,976	32,940	1,102,926

* Based on the history of subscriptions under the previous option scheme, it has been assumed that the options 2006C and onwards will be exercised steadily during the subscription period.

** Volatility has been estimated on the basis of historical data during a 5 year period regarding the valuation of stock options 2006A and 2006B. Regarding the stock options 2006C and onwards historical data of 10 years is used to estimate expected volatility.

*** From the share subscription price of stock options will be deducted the amount of the dividend distributed annually. Thus expected dividends are not taken into account when estimating the fair value.

29. RELATED PARTY TRANSACTIONS

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

Subsidiaries	Domicile		% of shares Parent company	Group
Cramo A/S	Glostrup	Denmark	100	
Cramo AS	Oslo	Norway	100	
Cramo AS Estonia	Tallinn	Estonia	100	
Cramo Finance NV	Antwerp	Belgium	99.9	100
Cramo Finland Oy	Vantaa	Finland	63.3	100
Cramo Holding BV	Amsterdam	Netherlands	100	
Cramo Instant AB	Sollentuna	Sweden	100	
Cramo JV Oy	Vantaa	Finland	100	
Cramo Kaliningrad OOO	Kaliningrad	Russia	100	
Cramo New Holding AB	Sollentuna	Sweden	100	
Cramo Production Oy (previously Cramo Instant Oy)	Ylöjärvi	Finland	100	
Cramo s.r.o. (previously Techniline s.r.o)	Prague	The Czech Republic	100	
Cramo SK s.r.o.	Bratislava	Slovakia	100	
Cramo Sverige AB	Sollentuna	Sweden	100	
Cramo UAB	Vilnius	Lithuania	100	
SIA Cramo	Riga	Latvia	100	
Suomen Tähtivuokraus Oy	Vantaa	Finland	100	
Construction Vehicles Karvina (previosly Cramo s.r.o.)	Karvina	The Czech Republic	100	
Cramo AB	Sollentuna	Sweden		100
Cramo Dutch Holding BV	Rotterdam	Netherlands		100
Cramo Instant AS	Drammen	Norway		100
Cramo Podesty Sp.zo.o.	Krakow	Poland		100
Cramo Scaffolding Oy	Kemi	Finland		100
Cramo Sp.zo.o	Warszawa	Poland		100
Fastigheten Tändstiftet HB	Sollentuna	Sweden		100
Hamar Liftutleie AS	Hamar	Norway		100
Hans Eriksson Förvaltnings AB	Stockholm	Sweden		100
Maropol Sp.zo.o.	Radzionkow	Poland		100
Mupol Förvaltnings AB	Stockholm	Sweden		100
ZAO Cramo	St. Petersburg	Russia		100
ZAO Cramo Rus (previously CramoRentakran ZAO)	Moscow	Russia		100

Merged and liquidated subsidiaries		
Cramo Enteprenadmaskiner AB	Sollentuna	Sweden
Cramo Trade AB	Sollentuna	Sweden
Göby AB	Sollentuna	Sweden
Hyrcenter i Skövde AB	Sollentuna	Sweden
Hyrmaskiner i Bollnäs AB	Sollentuna	Sweden
Kranaktiebolaget i Stockholm AB	Sollentuna	Sweden
Kumla Lift AB	Sollentuna	Sweden
Uthyraren i Lund AB	Sollentuna	Sweden
Cramo Master Oy	Leppävirta	Finland
Parmaco Oy	Pyhäjoki	Finland

Executive remuneration (EUR 1,000)	2009	2008
Compensation to President and CEO		
Salaries, bonuses and fringe benefits	354	437
Post-employment benefits	84	82
Share-based payments	244	312
Total	**682**	**831**
Compensation to Group management team		
Salaries, bonuses and fringe benefits	1,603	1,848
Post-employment benefits	30	112
Share-based payments	1,009	1,175
Total	**2,641**	**3,135**
Total compensation to President and CEO and other Group management	**3,323**	**3,966**

The value of share-based payments represents the IFRS 2 expense in 2009 of the stock options held by the President and CEO and other Group management.

The retirement age for the President and CEO is 63 years. In addtion to the statutory pension system, Cramo offers a voluntary pension insurance for the President and CEO. The period of notice on the President and CEO's executive contract is 6 months, during which time he receives a full salary. In case that the contract is terminated by the employer, there can additionally be a severance payment of 18 months salary.

Compensation to Board members	2009	2008
Stig Gustavson	67	63
Eino Halonen	45	44
Gunnar Glifberg	34	31
Hannu Krogerus	34	32
Esko Mäkelä	35	34
Fredrik Cappelen	33	30
Jari Lainio	34	
Juhani Nurminen		34
Total	**281**	**268**

An amount of EUR 100 thousand of the Board fees has been paid in the form of Cramo shares.

Related party transactions
Tatu Hauhio, Senior Vice President of Finland is a joint-owner of Kiinteistö Oy Hosionrinne, to which Cramo paid real estate rents amounting to EUR 668 (415) thousand in 2009. On top of this Cramo paid construction expenses amounting to EUR 255 thousand for the Kiinteistö Oy Hosionrinne office.

Loans to related parties

Loans to key management of the Group (EUR 1,000)	2009	2008
1 Jan		
Loans granted during the period	2,000	
Amortisations during the period		
Accrued interest	27	
Paid interest		
31 Dec	**2,027**	

The Board of Directors of Cramo Plc accepted during 2009 a new share ownership program for Cramo's Executive Committee. As part of management incentive arrangement, Cramo Plc has granted to Cramo Management Oy an interest-bearing loan amounting to EUR 2.0 million to finance the acquisition of the company's shares. The loan will be repaid in full by 31 December 2012. In case the validity of the arrangement is extended by two years (as described below), the loan period can be extended accordingly. Cramo Management Oy has an obligation to repay the loan prematurely by selling Cramo Plc shares held by it in case the share price of the company other than temporarily exceeds a certain level determined in the arrangement.

The arrangement will be valid until autumn 2012, whereupon the arrangement is intended to be dissolved in a manner to be determined later. The arrangement may be dissolved, e g, by placing Cramo Management Oy into liquidation, by merging it with Cramo Plc, or by selling the Cramo Plc shares held by Cramo Management Oy by other means. The arrangement will be continued for further two years in case the share price of Cramo Plc in November 2012 is below the average price which Cramo Management Oy paid for the Cramo Plc shares in its holding. The transfer of Cramo Plc shares held by Cramo Management Oy is restricted during the validity of the arrangement. All the Executive Committee members' holdings in Cramo Management Oy are valid until the termination of the program.

30. BUSINESS COMBINATIONS

BUSINESS COMBINATIONS 2009

During the financial year 2009 the Group has concluded one share acquisition. Cramo Sverige AB, the wholly owned Swedish subsidiary of Cramo Plc, has acquired the rental operations of Lidingö Hyrcenter (Hans Eriksson Förvaltinings AB). The deal included all rental equipment and related merchandise, the rental contract of the depot and two employees. During 2009 Lidingö contributed to Group sales by some EUR 0.6 million.

Purchase price (EUR 1,000)	
Purchase price	307
Directly attributable costs	8
Total purchase price	**315**
Fair value of the net assets acquired	194
Goodwill	121

Goodwill of Lidingö is attributable to the market presence and skilled workforce. The area in which the depot is located is a key construction development area, as the present harbour services will be relocated and the area will be developed for residential housing and office purposes. There are several planned and on-going infrastructure projects in the area which give the new depot an excellent platform for future expansion.

Acquired assets and liabilities have been valued at fair value at the acquisition date. Below is presented the carrying amount, fair value and fair value at balance sheet date's exchange rates.

EUR 1,000	Fair value at balance sheet date's exchange rate	Translation differences	Fair value at acquisition date	Acquiree's carrying amount
Assets				
Depot network	259	9	250	
Goodwill	125	4	121	
Tangible assets	82	3	79	79
Total assets	**466**	**16**	**450**	**79**
Liabilities				
Deferred tax liabilities	68	2	66	0
Trade and other payables	72	2	70	70
Total liabilities	**140**	**5**	**136**	**70**
Net assets	**326**	**11**	**315**	**9**

Unpaid amount of the purchase price at the end of 2009	59

On top of the above acquisition, the purchase price of the earlier acquisitions has been adjusted by EUR 211 thousand. This additional purchase price has been allocated to goodwill by EUR 133 thousand and to tangible assets by EUR 78 thousand.

BUSINESS COMBINATIONS 2008

During the financial year the Group has concluded six share acquisitions and three acquisitions of rental operations.
Cramo acquired on 26 March 2008 the shares of Techniline s.r.o, based in the Czech Republic. Techniline has been consolidated to Group figures from 1 April 2008 onwards. During the reporting period Techniline contributed to Group sales by EUR 8.0 million. Total sales of Techniline s.r.o was EUR 10.8 million in 2008.

Purchase price (EUR 1,000)

Purchase price	16,846
Directly attributable costs	129
Total purchase price	**16,975**
Fair value of the net assets acquired	12,279
Goodwill	4,697

Goodwill of Techniline s.r.o. is attributable to the market presence, geographical coverage, skilled workforce and synergy benefits.
Acquired assets and liabilities have been valued at fair value at the acquisition date. Below is presented the carrying amount, fair value and fair value at balance sheet date's exchange rates.

EUR 1,000	Fair value at balance sheet date's exchange rate	Translation differences	Fair value at acquisition date	Acquiree's carrying amount
Non-current assets				
Customer relationship	3,655	-222	3,877	
Brand	548	-33	581	
Depot network	2,358	-143	2,501	
Non-competition agreement	1,445	-88	1,533	
Goodwill	4,427	-269	4,697	
Tangible assets	22,537	-1,370	23,907	21,970
Current assets				
Inventories	197	-12	209	209
Trade and other receivables	3,125	-190	3,315	3,315
Cash and cash equivalents	313	-19	332	332
Total assets	**38,607**	**-2,347**	**40,954**	**25,827**
Liabilities				
Interest-bearing liabilities	18,622	-1,132	19,754	19,754
Deferred tax liabilities	2,366	-144	2,510	320
Trade and other payables	1,616	-98	1,714	1,714
Total liabilities	**22,604**	**-1,374**	**23,978**	**21,788**
Net assets	**16,003**	**-973**	**16,975**	**4,039**

Unpaid amount of the purchase price at the end of 2008	842

Other five share acquisitions and three acquisitions of rental operations have been presented together. Acquired businesses contributed to the Group sales by EUR 13.4 million. Had the businesses been consolidated from the beginning of 2008, sales would have been approximately EUR 5.6 million higher.

Purchase price (EUR 1,000)

Purchase price	29,417
Directly attributable costs	275
Total purchase price	**29,692**
Fair value of the net assets acquired	24,139
Goodwill	5,553

Goodwill is attributable to the market presence, geographical coverage, skilled workforce and synergy benefits.
Acquired assets and liabilities have been valued at fair value at the acquisition date. Below is presented the carrying amount, fair value and fair value at balance sheet dates' exchange rates.

EUR 1,000	Fair value at balance sheet date's exchange rate	Translation differences	Fair value at acquisition date	Acquiree's carrying amount
Non-current assets				
Customer relationship	4,427	-437	4,863	
Depot network	2,605	-131	2,736	
Non-competition agreement	1,381	-143	1,523	
Goodwill	5,068	-485	5,553	
Tangible assets	17,334	-2,282	19,616	14,069
Financial assets	46	-7	53	53
Current assets				
Inventories	338	-15	353	353
Trade and other receivables	2,156	-267	2,423	2,423
Cash and cash equivalents	2,301	-303	2,603	2,603
Total assets	**35,655**	**-4,070**	**39,725**	**19,502**
Liabilities				
Interest-bearing liabilities	2,222	-30	2,252	2,252
Deferred tax liabilities	4,516	-597	5,113	1,816
Trade and other payables	2,517	-150	2,667	2,667
Total liabilities	**9,256**	**-777**	**10,033**	**6,736**
Net assets	**26,399**	**-3,293**	**29,692**	**12,766**

Unpaid amount of the purchase price at the end of 2008	1,279

On top of the above acquisitions, the purchase price of the earlier acquisitions made in 2007 has been adjusted by EUR 142 thousand.
This additional purchase price has been allocated to goodwill.

31. PENSION OBLIGATIONS

In Sweden the ITP pension plans operated by Alecta are multi-employer benefit plans. It has not been possible to receive sufficient information for the calculation of obligation and assets by employer from Alecta and due to that the plan has been treated as a defined contribution plan in the financial statements. In addition, the Group has defined benefit plans in Norway which are not significant and those plans are considered to be treated as defined contribution plans.

32. EVENTS AFTER BALANCE SHEET DATE

Ms Eva Harström, CIO, announced in January 2010 that she will leave the company for a position outside Cramo Group.

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

During the period under review, Cramo Plc received the following notifications pursuant to Chapter 2, section 9 of the Finnish Securities Markets Act:

The combined holding of the following companies and private individuals of Cramo Plc shares and votes exceeded one-fourth (1/4) on 26 October 2009: Hartwall Capital Oy, K. Hartwall Invest Oy Ab, Kusinkapital Ab, Pinewood Invest OÜ, Gustav Tallqvist, Christel Hartwall, Pallas Capital Oy, Fyrklöver-Invest Oy, Antonia Hartwall, Emma Hartwall, Axel Hartwall and Gulle Therman. The combined holding of these parties at the time was 7,665,172 shares, representing 25 percent of Cramo Plc shares and votes.

UBS AG's total holding of shares and voting rights in Cramo Plc fell below the 5% threshold on 28 July 2009. At the time, USB AG held a total of 1,240,506 shares, representing 4.05 percent of Cramo Plc shares and votes.

UBS AG's holding of shares and voting rights in Cramo Plc increased on 24 July 2009, being at the time 1,391,679 or 4.54 percent of Cramo Plc shares and votes UBS AG also announced an arrangement according to which it had a contractual right to recall 182,835 shares. Following the arrangement, USB AG's shareholding in Cramo Plc would be 1,574,514 shares, representing 5.14 percent of Cramo Plc shares and votes.

UBS AG's total holding of shares and votes in Cramo Plc fell below the 5% threshold on 23 July 2009. UBS AG's holding at the time was 1,216,087 shares, representing 3.97 percent of Cramo Plc's shares and votes.

UBS AG's total holding of shares and votes in Cramo Plc fell below the 5% threshold on 12 June 2009. At the time, USB AG held a total of 1,524,824 shares, representing 4.97 percent of Cramo Plc's share capital and votes. UBS AG also announced an arrangement according to which it had a contractual right to recall 173,394 shares. Following the arrangement, USB AG's shareholding in Cramo Plc would be 1,698,218 shares, representing 5.54 percent of Cramo Plc shares and votes.

The combined holding of the following companies and private individuals of Cramo Plc shares and votes exceeded one-fifth (1/5) on 25 May 2009: Hartwall Capital Oy (3,444,794 shares, or 11.24 percent of shares and votes), K. Hartwall Invest Oy (2,432,000 shares, or 7.93 percent of shares and votes) and Kusinkapital Ab, Pinewood Invest OÜ, Gustav Tallqvist, Christel Hartwall, Pallas Capital Oy, Fyrklöver-Invest Oy Ab, Antonia Hartwall, Emma Hartwall, Axel Hartwall and Gulle Therman. The combined holding of these parties on the date of the announcement was 6,477,779 shares, representing 21.13 percent of Cramo Plc shares and votes.

The total holding of Suomi Mutual Life Assurance Company of Cramo Plc shares and votes fell below one twentieth (1/20) on 25 May 2009. Suomi Mutual Life Assurance Company's total holding at the time was 1,510,176 shares, representing 4.93 percent of Cramo Plc shares and votes.

UBS AG's total holding of shares and votes in Cramo Plc fell exceeded the 5% threshold on 3 April 2009. UBS AG's holding at the time was 1,848,175 shares or 6.03 percent of Cramo Plc's shares and votes.

The combined holding of the following companies and private individuals of Cramo Plc shares and votes exceeded three twentieths (3/20) on 2 April 2009: K. Hartwall Invest Oy Ab, Hartwall Capital Oy Ab, Kusinkapital Ab, Pinewood Invest OÜ, Gustav Tallqvist, Christel Hartwall, Pallas Capital Oy Ab, Antonia Hartwall, Emma Hartwall and Axel Hartwall. The combined holding of these parties at the time was 4,689,594 shares, representing 15.30 percent of Cramo Plc shares and votes.

UBS AG's total holding of shares and votes in Cramo Plc fell below the 5% threshold on 27 March 2009. UBS AG's holding at the time was 313,915 shares, representing 1.02 percent of Cramo Plc's shares and votes.

The combined holding of the following companies and private individuals of Cramo Plc shares and votes exceeded one-tenth (1/10) on 13 March 2009: K. Hartwall Invest Oy Ab, Hartwall Capital Oy Ab, Pinewood Invest OÜ, Christel Hartwall, Pallas Capital Oy Ab, Antonia Hartwall, Emma Hartwall and Axel Hartwall. The combined holding of these parties at the time was 4,264,292 shares, representing 13.91 percent of Cramo Plc shares and votes.

The combined holding of Highfields Capital I LP, Highfields Capital II LP and Highfields Capital III L.P, the funds managed by Highfields Capital Management LP, of Cramo Plc shares and votes fell below one twentieth (1/20) on 13 March 2009. The combined holding of these parties at the time was 1,154,036 shares, representing 3.76 percent of Cramo Plc shares and votes.

The combined holding of the following companies and private individuals of Cramo Plc shares and votes exceeded one twentieth (1/20) on 2 March 2009: K. Hartwall Invest Oy Ab, Hartwall Capital Oy Ab, Pallas Capital Oy Ab, Antonia Hartwall, Emma Hartwall and Axel Hartwall. The combined holding of these parties at the time was 1,916,292 shares, representing 6.25 percent of Cramo Plc shares and votes.

34. 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

35. SHARES AND SHAREHOLDERS

	2009		2008	
	No	EUR 1,000	No	EUR 1,000
Shares	30,660,189	24,835	30,660,189	24,835

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

Shareholders

The Group had 10,146 shareholders in the share register on 31 December 2009.

Major shareholders 31 Dec 2009	Number of shares	%	Voting rights	%
Hartwall Capital Oy Ab	4,794,687	15.64	4,794,687	15.64
K. Hartwall Invest Oy	2,432,000	7.93	2,432,000	7.93
Rakennusmestarien Säätiö	1,862,620	6.08	1,862,620	6.08
Suomi Mutual Life Insurance Company	1,510,176	4.93	1,510,176	4.93
Mariatorp Oy	912,818	2.98	912,818	2.98
Odin Finland	664,247	2.17	664,247	2.17
Wipunen Varainhallinta Oy	600,000	1.96	600,000	1.96
Nordea Nordenfonden	396,446	1.29	396,446	1.29
Ilmarinen Mutual Pension Insurance Company	352,256	1.15	352,256	1.15
Cramo Management Oy	316,288	1.03	316,288	1.03
Rakennusmestarit ja -insinöörit Amk Rkl	300,938	0.98	300,938	0.98
Fondita Nordic Micro Cap Sijoitusrahasto	285,000	0.93	285,000	0.93
Etola Erkki Olavi	200,000	0.65	200,000	0.65
Erikoissijoitusrahasto eQ Pikkujättiläiset	200,000	0.65	200,000	0.65
Thominvest Oy	196,156	0.64	196,156	0.64
Svenska Litteratursällskapet	182,000	0.59	182,000	0.59
Helsingin Rakennusmestarit ja -insinöörit	156,873	0.51	156,873	0.51
Laakkonen Mikko	153,000	0.50	153,000	0.50
Kusinkapital Ab	141,000	0.46	141,000	0.46
Sijoitusrahasto Nordea Pohjoismaat	140,134	0.46	140,134	0.46
Lindström Kim	128,400	0.42	128,400	0.42
Pinewood Invest OÜ	125,000	0.41	125,000	0.41
Asikainen Visa Taneli	124,855	0.41	124,855	0.41
Neste Oil Pension Fund	123,000	0.40	123,000	0.40
Tallqvist Gustav	100,000	0.33	100,000	0,33
Other	14,262,295	46.52	14,262,295	46.52
Nominee registered shares	3,172,619	10.35	3,172,619	10.35
Transferred to book-entry securities system total	30,651,270	99.97	30,651,270	99.97
Not transferred to book-entry securities system total	8,919	0.03	8,919	0.03
Total	**30,660,189**	**100.00**	**30,660,189**	**100.00**

Distribution of shareholding by size range 31 Dec 2009

Number of shares	Number of shareholders	Percentage of all shareholders	Number of shares	Percentage of all shares
1–100	2,495	24.59	171,044	0.55
101–1,000	5,881	57.96	2,521,020	8.22
1,001–10,000	1,584	15.61	4,335,101	14.14
10,001–100,000	159	1.56	4,303,366	14.03
100,001–1,000,000	21	0.21	6,014,895	19.62
1,000,001–	6	0.05	13,305,844	43.41
Transferred to book-entry securities system total	10,146	100	30,651,270	99.97
Not transferred to book-entry securities system total			8,919	0.03
Total			**30,660,189**	**100.00**

Distribution of shareholding by sector 31 Dec 2009

Shareholding by sector	Number of shareholders	Percentage of all shareholders	Number of shares	Percentage of all shares	Number of votes	Percentage of all votes
Private companies	705	6.95	11,529,188	37.60	11,529,188	37.60
Financial institutions, insurance companies	36	0.35	5,504,060	17.95	5,504,060	17.95
Public corporations	8	0.08	614,963	2.00	614,963	2.00
Non-profit organisations	141	1.39	3,398,679	11.08	3,398,679	11.08
Households	9,213	90.80	8,225,340	26.83	8,225,340	26.82
Foreign shareholders	43	0.42	1,379,040	4.49	1,379,040	4.49
Transferred to book-entry securities system total	10,146	100.0	30,651,270	99.97	30,651,270	99.97
Not transferred to book-entry securities system total			8,919	0.03	8,919	0.03
Total			**30,660,189**	**100.00**	**30,660,189**	**100.00**

Shareholding of Board members and CEO of the Group
On 31 December 2009, the Board members, the President and CEO, and his Deputy held, either directly or through companies in which they exercise control, a total of 429,257 Cramo Plc shares, representing 1.40 percent of the company's shares and votes, and a total of 593,000 stock options.

Insider guidelines
As of 1 January 2009, Cramo Plc observes the Finnish Corporate Governance Code that entered into force on 1 January 2009. 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.

FINANCIAL STATEMENTS OF THE PARENT COMPANY

BALANCE SHEET OF THE PARENT COMPANY (EUR 1,000)

ASSETS	Note	31 Dec 2009	31 Dec 2008
Non-current assets			
Intangible assets	11	38	53
Tangible assets	11	920	931
Investments			
Shares in Group companies	11	493,472	484,600
Shares in other companies	11	120	120
Non-current receivables	12	53,369	2,951
Total non-current assets		**547,919**	**488,655**
Current assets			
Current receivables	13	59,061	49,979
Cash and cash equivalents		5,887	38,465
Total current assets		**64,949**	**88,444**
TOTAL ASSETS		**612,867**	**577,099**
EQUITY AND LIABILITIES			
Equity			
Share capital	14	24,835	24,835
Share premium	14	3,331	3,331
Retained earnings	14	29,277	32,050
Profit for the year	14	5,787	3,359
Total equity		**63,229**	**63,574**
Appropriations	15	**52**	**51**
Liabilities			
Non-current liabilities	16	437,949	423,163
Current liabilities	16	111,636	90,311
Total liabilities		**549,586**	**513,473**
TOTAL EQUITY AND LIABILITIES		**612,867**	**577,099**

INCOME STATEMENT OF THE PARENT COMPANY (EUR 1,000)

	Note	1 Jan–31 Dec 2009	1 Jan–31 Dec 2008
Revenue	2	**1,525**	
Other operating income	3	49	10,141
Personnel expenses	4	-2,911	-2,499
Depreciation and amortisations	5	-89	-102
Other operating expenses	7	-4,716	-6,135
Operating profit/loss		**-6,142**	**1,405**
Financial income	8	3,246	15,430
Financial expenses	8	-1,204	-34,093
Total financial income and expenses		2,042	-18,663
Loss before extraordinary items		**-4,100**	**-17,258**
Extraordinary income and expenses	9	9,888	20,111
Profit before appropriations and taxes		**5,789**	**2,854**
Appropriations	6	-2	506
Income taxes	10	0	-1
PROFIT FOR THE YEAR		**5,787**	**3,359**

CASH FLOW STATEMENT OF THE PARENT COMPANY (EUR 1,000)

	1 Jan–31 Dec 2009	1 Jan–31 Dec 2008
Cash flow from operating activities		
Profit before tax	5,789	2,854
Non-cash adjustments		
Depreciation	89	102
Financial income and expenses	-2,042	18,663
Extraordinary items	-9,888	-20,111
Operating profit before change in working capital	-6,053	1,507
Change in working capital[1]	-3,628	-38,659
Cash generated from operations	-9,681	-37,152
Taxes paid	47	-1,842
Dividends received	19,945	4,554
Interest received	3,332	39,833
Interest and other financial expenses paid	-22,985	-20,767
Net cash flow from operating activities	**-9,341**	**-15,374**
Cash flow from investing activities		
Investments in tangible and intangible assets	-557	-350
Sale of tangible and intangible assets		8,600
Acquisition of subsidiaries	-10,073	-20,713
Disposal of subsidiaries		9,043
Non-current loans granted	-50,279	-39,855
Proceeds from repayments of non-current loans	1,343	1,254
Current loans granted		-5,587
Proceeds from repayments of current loans		44,530
Cash flow used in investing activities	**-59,566**	**-3,077**
Cash flow from financing activities		
Proceeds from non-current liabilities	61,185	173,900
Payment of non-current liabilities	-56,297	-75,716
Proceeds from current liabilities	206,302	319,586
Payment of current liabilities	-170,672	-341,462
Dividends paid	-6,132	-19,955
Net cash flow from financing activities	**34,386**	**56,354**
Change in cash and cash equivalents	**34,520**	**37,903**
Cash and cash equivalents at beginning of the year	38,465	751
Exchange rate difference	1,943	-188
Cash and cash equivalents at year end	**5,887**	**38,465**

[1] Change in working capital		
Increase (-) / decrease (+) in short-term receivables	-776	-45,250
Increase (+) / decrease (-) in short-term non-interest bearing liabilities	-2,851	6,591
Total	-3,628	-38,659

PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES

Measurement of property, plant and equipment
Property, plant and equipment are recorded at cost, including fixed manufacturing costs less depreciation according to plan. Maintenance and repair costs are recognised as expenses in the year in which they are incurred.

Depreciation according to plan is calculated, based on Group-wide principles, on a straight-line basis over the expected useful lives of the assets.

Depreciation according to plan is as follows:

Buildings and structures	15–50
Machinery and equipment	3–6
Other tangible assets	10
Intangible assets	5

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 recognised in 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 items, 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.

Measurement of derivative financial instruments
Financial derivative instruments consist of interest rate derivatives and foreign exchange derivatives. To mitigate the impact of exchange rate changes on the company's cash flow the foreign exchange forward contracts are utilised. Interest rate swaps are used to decrase the impact of market interest rate changes on the company's cash flow. Hedge accounting is applied for interest rate derivatives. The fair value of financial derivative instruments is presented in notes of the financial statements, and the negative fair value of foreign exchange derivatives is recognised in the income statement. The effect of financial derivative instruments recognised in the income statement is classified as an adjustment to financial expenses caused by the hedged Item.

Income taxes
Income taxes for the financial year and the previous financial years are recognised through taxes in profit and loss.

2. SALES BY GEOGRAPHICAL SEGMENTS (EUR 1,000)

	2009	2008
Service charges		
Finland	152	
Sweden	186	
Norway	63	
Denmark	50	
Central and Eastern Europe	1,074	
Total	**1,525**	

3. OTHER OPERATING INCOME (EUR 1,000)

	2009	2008
Rental of premises	20	786
Profit on sale of shares		6,754
Profit on sale of real estate		2,593
Other	29	9
Total	**49**	**10,141**

4. PERSONNEL EXPENSES (EUR 1,000)

	2009	2008
Wages and salaries	-2,450	-2,108
Pensions	-356	-230
Other statutory employer contributions	-105	-161
Total	**-2,911**	**-2,499**
Average number of personnel		
Clerical personnel	25	23
Executive remuneration		
Wages and salaries with fringe benefits		
President and CEO	-354	-437
Management team	-698	-535
Board members	-281	-268
Total	**-1,333**	**-1,240**

5. DEPRECIATION AND AMORTISATION (EUR 1,000)

	2009	2008
Amortisation according to plan on intangible assets	-15	-15
Depreciation according to plan on tangible assets	-74	-87
Total	**-89**	**-102**

6. APPROPRIATIONS (EUR 1,000)

	2009	2008
Depreciation difference, increase (-) / decrease (+):		
Buildings and structures		556
Machinery and equipment	-2	-50
Total	**-2**	**506**

7. OTHER OPERATING EXPENSES (EUR 1,000)

	2008	2007
Rental of business premises	-187	-1,223
Investor relations	-286	-276
Expert services	-1,426	-1,657
Intra-Group services	-1,550	-1,592
Other administrative expenses	-1,268	-1,387
Total	**-4,716**	**-6,135**
Audit fees		
Authorised Public Accountants Ernst & Young Oy		
Audit fees	-82	-79
Tax consultation	-115	-152
Other services	-174	-345
Total	**-370**	**-576**

8. NET FINANCIAL ITEMS (EUR 1,000)

	2009	2008
Dividend income		
From Group companies	19,945	4,554
From others		
Total dividend income	19,945	4,554
Interest income		
From Group companies	2,771	15,189
From others	296	246
Total interest income	3,067	15,435
Interest expenses		
To Group companies	-6,563	-7,400
To others	-14,354	-16,201
Total interest expenses	-20,918	-23,602
Other financial expences		
To Group companies		
To others	-1,469	-641
Total financial expenses	-1,469	-641
Exchange gains and losses		
To Group companies	-1,350	-15,720
To others	2,767	1,310
Total exchange gains and losses	1,417	-14,409
Net financial items	**2,042**	**-18,663**

Cramo Finance NV is Cramo Group's finance company having as key objective to provide liquidity to Group's subsidiaries. While Cramo Plc still manages Group's financial risks. According to service level agreement between Cramo Finance NV and Cramo Plc, the foreign exchange gains/losses recognised in Cramo Finance NV resulting from loans receivable in foreign currencies will be credited or debited to/from Cramo Plc, which has respectively recognised foreign exchange losses/gains from hedging the foreign exchange risk of these loans receivable. The routine profitability level for Cramo Finance NV has been determined by setting limits for its return on equity. The gains or losses exceeding the limits will be credited or debited to/from Cramo Plc to safeguard reasonable compensation to finance company for the services provided.

9. EXTRAORDINARY ITEMS (EUR 1,000)

	2009	2008
Group contributions received	9,888	20,111

10. INCOME TAXES (EUR 1,000)

	2009	2008
Current tax	2,571	5,229
Taxes from previous financial periods		-1
Taxes on extraordinary income	-2,571	-5,229
Total		**-1**

11. NON-CURRENT ASSETS (EUR 1,000)

TANGIBLE ASSETS	Land	Revaluation	Total land	Buildings and structures	Machinery and equipment	Other tangible assets	**Total tangible assets**
Acquisition cost at 1 Jan 2009	**339**		**339**	**40**	**70**	**515**	**965**
Additions					20	42	**62**
Disposals						0	**0**
Acquisition cost at 31 Dec 2009	339		339	40	90	557	**1,027**
Accumulated depreciation				-10	-19	-4	**-33**
Depreciation for the financial year 2009				-5	-17	-51	**-74**
Net book value at 31 Dec 2009	**339**		**339**	**25**	**54**	**502**	**920**

TANGIBLE ASSETS	Land	Revaluation	Total land	Buildings and structures	Machinery and equipment	Other tangible assets	**Total tangible assets**
Acquisition cost at 1 Jan 2008	**1,450**	**505**	**1,955**	**3,979**	**37**	**223**	**6,193**
Additions	339		339		33	494	**867**
Disposals	-1,450	-505	-1,955	-3,938		-202	**-6,095**
Acquisition cost at 31 Dec 2008	339		339	40	70	515	**965**
Accumulated depreciation				-1,312	-9	-87	**-1,408**
Accumulated depreciation from business transfer				1,351		100	**1,451**
Depreciation for the financial year 2008				-48	-10	-17	**-76**
Net book value at 31 Dec 2008	**339**	**0**	**339**	**30**	**51**	**511**	**931**

Revaluation of land in Viinikkala made in 1987 and 1988 amounted to EUR 336 thousand and EUR 168 thousand, respectively.

INTANGIBLE ASSETS	Intangible assets	**Total intangible assets**
Acquisition cost at 1 Jan 2009	**76**	**76**
Acquisition cost at 31 Dec 2009	76	**76**
Accumulated amortisation	-23	**-23**
Amortisation for the financial year 2009	-15	**-15**
Net book value at 31 Dec 2009	**38**	**38**

	Intangible assets	**Total intangible assets**
Acquisition cost at 1 Jan 2008	**123**	**123**
Disposals	-47	-47
Acquisition cost at 31 Dec 2008	76	76
Accumulated amortisation	-8	-8
Amortisation for the financial year 2008	-15	-15
Net book value at 31 Dec 2008	**53**	**53**

INVESTMENTS €

2009	Shares in group companies	Shares in other companies	**Total investments**
Acquisition cost at 1 Jan 2009	**484,600**	**120**	**484,719**
Additions	8,873		**8,873**
Net book value at 31 Dec 2009	**493,472**	**120**	**493,592**

2008	Shares in group companies	Shares in other companies	**Total investments**
Acquisition cost at 1 Jan 2008	**241,120**	**120**	**241,240**
Additions	245,769		**245,769**
Disposals	-2,290		**-2,290**
Net book value at 31 Dec 2008	**484,600**	**120**	**484,719**

For shares and shareholdings, see consolidated financial statements in note 29.

ACCUMULATED DEPRECIATION DIFFERENCE	2009	2008
Buildings and structures		
Accumulated difference in total depreciation and depreciation according to plan at 1 Jan		556
Decrease in accumulated depreciation difference for the period of 1 Jan–31 Dec		-556
Accumulated difference in total depreciation and depreciation according to plan at 31 Dec		
Machinery and equipment		
Accumulated difference in total depreciation and depreciation according to plan at 1 Jan	51	1
Increase in accumulated depreciation difference for the period of 1 Jan–31 Dec	2	50
Accumulated difference in total depreciation and depreciation according to plan at 31 Dec	52	51

Change in depreciation difference of buildings and structures as well as machinery and equipment 1 Jan–31 Dec includes depreciation difference received through mergers.

12. NON-CURRENT RECEIVABLES (EUR 1,000)

	2009	2008
From Group companies		
Loan receivables	49,450	2,198
From others		
Loan receivables	2,000	
Prepaid expenses and accrued income	1,918	752
Total	**53,369**	**2,951**

13. CURRENT RECEIVABLES (EUR 1,000)

	2009	2009
From Group companies		
Loan receivables	45,294	34,578
Trade receivables	465	109
Prepaid expenses and accrued income	11,114	12,017
From others		
Other receivables	71	199
Prepaid expenses and accrued income	2,117	3,076
Total	**59,061**	**49,979**
Prepaid expenses and accrued income		
From Group companies		
Accrued interest	11,114	12,017
From others		
Unrealised interest rate swap agreements		673
Prepaid taxes	1,965	1,995
Other prepaid expenses and accrued income	152	408
Total	**13,231**	**15,093**

14. EQUITY (EUR 1,000)

	2009	2008
Share capital	24,835	24,835
Share premium fund	3,331	3,331
Retained earnings at 1 Jan	22,790	39,360
Reduction of par value	12,619	12,619
Dividend distribution	-6,132	-19,929
Retained earnings at 31 Dec	29,277	32,050
Profit for the year	5,787	3,359
Total equity	**63,229**	**63,574**
Distributable funds		
Retained earnings at 31 Dec	29,277	32,050
Profit for the year	5,787	3,359
Total	**35,063**	**35,409**

SHARE CAPITAL	2009		2008	
	No.	€	No.	€
Shares	30,660,189	24,834,753.09	30,660,189	24,834,753.09

Option rights

Option right details issued by the company and the Board of Directors are disclosed in the consolidated financial statements.

15. APPROPRIATIONS (EUR 1,000)

	2009	2008
Accumulated depreciation difference	52	51

16. LIABILITIES (EUR 1,000)

	2009	2008
Non-current liabilities		
Hybrid bond	50,000	
Loans from credit institutions	236,916	279,143
Loans from group companies	151,034	144,020
Total	**437,949**	**423,163**
Current liabilities		
To Group companies		
Liabilities to Group companies	58,091	14,291
Trade payables	54	2,176
Accrued liabilities and deferred income	19,740	6,161
Total	**77,885**	**22,629**
To others		
Loans from credit institutions	13,066	11,280
Trade payables	54	293
Accrued liabilities and deferred income	17,927	32,379
Commercial papers	1,989	23,627
Other current liabilities	715	103
Total	**33,751**	**67,682**
Total current liabilities	**111,636**	**90,311**
Total liabilities	**549,586**	**513,473**

NON-INTEREST-BEARING AND INTEREST-BEARING LIABILITIES

	2009	2008
Non-current		
Interest-bearing	437,949	423,163
Total	**437,949**	**423,163**
Current		
Interest-bearing	72,919	35,907
Non-interest-bearing	38,717	54,404
Total	**111,636**	**90,311**

ACCRUED LIABILITIES AND DEFERRED INCOME

	2009	2008
To Group companies		
Interest expenses	18,287	5,889
Other accruals	1,453	273
To others		
Interest expenses	1,632	2,609
Personnel expenses	446	398
Unrealised exchange rate gains for non-current loans	14,742	27,414
Unrealised interest rate swaps	722	
Other accruals	385	1,958
Total	**37,667**	**38,541**

17. OTHER NOTES (EUR 1,000)

	2009	2008
CONTINGENT LIABILITY OFF-BALANCE SHEET		
Accrued interest of Hybrid bond	4,044	
Hybrid bond is presented in consolidated financial statements, see note 18		
COLLATERAL AND CONTINGENT LIABILITIES		
Guarantees given on own behalf		
Debts, secured by collateral		
Loans from credit institutions (used 31 Dec)	241,082	281,523
Loans and overdraft limits (unused 31 Dec)	124,654	89,791
Total amount of credit facility	365,735	371,314
Other contingent liabilities		
Leasing liabilities in the following year	76	85
Subsequent leasing liabilities	54	101
Leasing liabilities are 3-4 year contracts without redemption clauses.		
Rental liabilities in the following year	1,645	1,135
Subsequent rental liabilities	12,061	9,456
Rental liabilities of business premises are 10-year contracts without redemption clauses.		
Other		61
Securities given		
Mortgages on real estates		
Mortgages on company assets	11,658	11,658
Pledges	169,424	161,364
Guarantees given on behalf of the Group		
Securities given	59,395	65,130

18. INTEREST RATE DERIVATIVES (EUR 1,000)

	2009		2008	
	Notional value	Fair value	Notional value	Fair value
Interest rate swaps	144,178	-3,622	142,310	-2,317
Positive fair value		238		
Negative fair value		-3,860		-2,317

19. CURRENCY DERIVATIVES (EUR 1,000)

	2009		2008	
	Notional value	Fair value	Notional value	Fair value
FX forward contracts	126,294	269	131,415	5,289
Positive fair value		899		5,540
Negative fair value		-630		-251

Derivative financial instruments of the parent company which are valid at the closing date, will mature during financial years 2010–2014.

20. DEFERRED TAXES (EUR 1,000)

	2009	2008
Deferred tax asset from currency derivatives	164	65
Deferred tax asset from interest rate derivatives	1,004	602
Deferred tax liability from depreciation difference	14	13
Deferred tax liability from currency derivatives	234	1,440
Deferred tax liability from interest rate derivatives	62	
Total	**-858**	**786**

SIGNATURES

Signatures

Vantaa, 9 February 2010

Stig Gustavson	*Eino Halonen*	*Fredrik Cappelen*	*Gunnar Glifberg*
Hannu Krogerus	*Jari Lainio*	*Esko Mäkelä*	*Vesa Koivula, CEO*

THE AUDITOR'S NOTE

Our auditor's report has been issued today.

Vantaa, 24 February 2010

Ernst & Young Oy
Authorised Public Accountants

Erkka Talvinko, KHT

AUDITOR'S REPORT

TO THE ANNUAL GENERAL MEETING OF CRAMO PLC

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Cramo Plc for the financial period 1.1.2009 - 31.12.2009. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement 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.

THE RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

AUDITOR'S RESPONSIBILITY

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 and the Managing Director have complied with the Limited Liability Companies Act.

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 of the financial statements or of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. 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.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

OPINION ON THE COMPANY'S FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Vantaa, 24 February 2010

Ernst & Young Oy
Authorized Public Accountant Firm

Erkka Talvinko
Authorized Public Accountant

CRAMO AND RESPONSIBILITY

As part of its social responsibility programme, Cramo sponsors SOS Children's Villages.

See more at www.cramo.com > Sustainability > Social responsibility

"At Cramo, we consider the effects on nature, people and society to be an integral part of building a strong, responsible business operation, and thus work to make continuous improvements in these areas. Our sponsorship of SOS-Children's Villages is part of this commitment", says Mr Anders Collman, Head of Corporate Communications at Cramo.

HARMONISED APPROACH TO SUSTAINABLE DEVELOPMENT

Cramo's commitment to sustainable business starts with its mission, vision, strategy and values, which create the framework for developing the Company's activities and products. At Cramo, we consider the effects on nature, people and society to be an integral part of building a strong, responsible business operation, and thus work to make continuous improvements.

See more at www.cramo.com > Investors > Corporate Governance

Since 2009, Cramo has participated in the United Nations Global Compact. This entails a commitment to actively support the implementation of the UN's fundamental principles in the areas of human rights, labour rights, environmental sustainability and anti-corruption. Within the frame of the UN Global Compact, Cramo has formed its Code of Conduct for all employees.

Global guiding principles such as Cramo's Corporate Governance principles and Code of Conduct, together with the Group's values, ensure a harmonised approach for working towards sustainable development at Cramo.

VALUES

- Credibility
- Creativity
- Commitment to all stakeholders

Read how sustainability drives Cramo's operations on page 97

CODE OF CONDUCT IN BRIEF

1. Compliance with laws and ethical codes
In all its countries, Cramo complies with all applicable national and international laws as well as ethical codes and commonly accepted practices.

2. Respect for human rights
Cramo complies with applicable labour and employment laws and promotes equal rights. Cramo respects freedom of association and does not accept forced, compulsory or child labour.

In order to recruit competent and motivated people, Cramo is committed to offering employees competitive salaries, opportunities for continuous personal development and a culture of trust and personal accountability.

3. No discrimination
Cramo does not accept improper discrimination and provides a working environment free of improper harassment.

4. Working hours and compensation
Cramo is committed to following the local applicable labour and employment laws. The company complies with all applicable regulations and provides, at a minimum, legally mandated benefits.

5. Management systems
While employees are responsible for their own development, every employee has the right to good leadership at Cramo. The Company promotes openness and honest communications and requires that all its suppliers are committed to the highest standards of ethical conduct and full compliance with all applicable national and international laws.

6. Way of working
Cramo promotes fair employment practices and values people in all its activities. Respect for the individual, equality and fairness are the basis of operations.

7. Confidentiality of information
Cramo follows local laws and regulations as well as confidentiality concerning the storage and use of information concerning its employees' personal data, assessment results or health-related data.

8. No conflicts of interest
Cramo expects integrity from its employees. Cramo does not accept the giving or receiving of bribes. Cramo does not provide financial support to political parties or other political groups or associations.

Implementation
Cramo works actively to ensure that its Code of Conduct is fully implemented and that its suppliers follow a similar code of conduct. The Company employs a number of methods to assess implementation.

The full Code of Conduct can be found at www.cramo.com > Corporate Responsibility > Personnel Policy

ENHANCING THE CRAMO SPIRIT

The difficult market situation led to significant personnel reductions and an increased use of the franchising model. Despite the challenges, the company continued its efforts to enhance the Cramo spirit and competence development, since competent, motivating and customer-oriented personnel are the key to the company's success.

LOCAL SUPPORT IN EACH COUNTRY

Cramo aims for an operating culture that is characterised by an entrepreneurial spirit and which is as transparent as possible. To support this aim, the Group's HR functions develop operating models and services and help deploy best practices.

The process of clarifying the roles of the Group's HR functions and those of each business was continued in 2009, as was the development of joint HR services and processes. A service concept was created for the HR functions, and a network of HR specialists was established. Risks associated with HR activities were identified, and measures aimed at harmonising the use of flexible hired work force were initiated.

COMPETENCE DEVELOPMENT SUPPORTS THE STRATEGY

Competence development was increasingly linked to strategy implementation. Responsibility for determining the strategic competence areas was delegated to country-specific management teams, the development of which is supported by the training programmes of the Cramo Academy and Cramo School and by joint performance appraisal processes.

The structure and contents of the HR site on the company's intranet were harmonised with the aim of supporting the implementation of joint operating models while also accommodating local operations. A personnel magazine, published four times a year, was introduced to support internal communications.

MANAGEMENT CULTURE IN FOCUS

Competence development among the management and key employees was supported by means of the Cramo Academy training programme (see next page). In Sweden, resources were focused on supervisor and management training. In Finland and Central and Eastern Europe, several training events were organised with the aim of developing sales and customer account management skills.

Support was provided for the supervisors in Cramo's operating countries with regard to regular performance appraisals in the form of new appraisal guidelines and training material. Supervisors were also provided with training on how to use the results. Performance appraisals were carried out almost everywhere in the Group during the year.

COMPETENCE DEVELOPMENT THROUGH JOB ROTATION

Harmonisation of job rotation practices, aimed at supporting professional growth and development, was begun, as was the development of career and development paths for fleet management and sales personnel. Measures promoting self-directed learning and competence development were continued. Further resources were invested in occupational health and safety, and training on the safe operation of cranes was organised in Finland, for example.

Joint recruitment and induction training processes were created to support operations in different countries.

MOTIVATING FORMS OF COMPENSATION

Cramo's aim is to offer motivating, competitive forms of compensation. In addition to the country- or subsidiary-specific performance-based bonus system, the company also applies a long-term incentive scheme (see pages 72–73 and 104). The Gunnar Glifberg award (EUR 15,000) is granted annually to a young manager of the future for competence development.

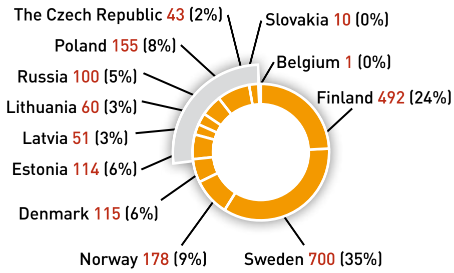
JOB SATISFACTION AT A GOOD LEVEL

The personnel survey piloted in 2008 was carried out at the end of 2009 throughout the Group with the exception of one of Cramo's operating countries. A total of 82 percent of the personnel expressed satisfaction with Cramo as an employer. The personnel particularly appreciated Cramo's objectives and values and supervisor-employee relationships. Improving the flow of information was identified as the major development target. A total of 65.5 percent of the personnel responded to the survey. The results, which will be reviewed and discussed in each unit, will help Cramo to further develop its operations.

The performance indicators of HR functions were also improved with the aim of enhancing group-level HR planning and reporting.

EMPLOYEES BY COUNTRY 31 DECEMBER 2009

CENTRAL AND EASTERN EUROPE 534 (27%)



KEY FIGURES	2009	2008	CHANGE %
Average number of employees (FTE)	2,356	2,688	-12.4
Number of employees at end of period (FTE)	2,018	2,785	-27.5
Total number of employees	2,194	2,796	-21.5
of which permanently employed	2,103	2,680	-21.5
of which temporarily employed	91	116	-21.6
of which women	276	450	-38.7
of which men	1,918	2,346	-18.2
Personnel Expenses / Employee (1,000 €)	43.7	44.1	-0.7
Personnel Expenses / Sales, %	23.1	20.4	12.9

UNDERSTANDING

ABILITY TO UNDERSTAND BUSINESS DEVELOPED THROUGH TRAINING

Through Cramo Academy, a new leadership training programme aimed at management and key employees, Cramo supports development and implementation of the Group strategy.

Cramo Academy also acts as a powerful tool that enhances the creation of a common platform for building one Cramo. At the same time it strengthens commitment and assists in attracting, retaining and motivating Cramo's key personnel.

Cramo Academy consists of four modules built around Cramo Group's strategic themes. Each module accumulates know-how and serves as a discussion forum, forming a common framework for one harmonised Cramo. This is augmented by teamwork on assignments closely linked with Cramo's business.

Shared framework enforced
The first Cramo Academy was organised in 2009–2010 with HSE Executive Education. Some 35 key employees took part.

"There was a real emphasis on a shared understanding of how sustainable value growth will be created and maintained", Mr Martti Ala-Härkönen, CFO at Cramo, sums up the first module. "I was pleased to see how committed our management and key personnel are to developing and implementing our strategy", he continues.

"The second module focusing on financial indicators and fleet optimisation opened up new approaches to profitability in country operations. In practical terms, this means that we will concentrate more on understanding product and depot-level profitability in the future, managing our business with common key performance indicators. By optimising our operations and fleet management, we believe that we can improve operational efficiency and thus provide a wider product range, better customer service and reasonably priced services and solutions", notes Mr Bernard Michalczewski, MD Cramo Poland. "Cramo Academy reinforces our common platform and allows us to review and renew our way of thinking and operating both at the Group and operating country levels", Mr Michalczewski continues.

"The importance of customer orientation at every level was crystallised in the third module when we were challenged to assess Cramo through our offering and customer needs and to combine them in the best possible way. As a result, we will review our customer segmentation and increasingly start to measure ROI at the customer and project level as well. Because this will boost business understanding throughout Cramo, it will enable us to combine our offering with customer needs in a more profitable way", says Mr Petri Moksen, Operational Director for Modular Space Rental in Finland. "This will be reflected in the improved creation of customer value and better managed customer processes", Mr Moksen adds.

The fourth module at Cramo Academy, starting in early 2010, will focus on how to develop Cramo's leadership culture and use the Company's values in leadership. Practical tools for developing personal leadership skills and for leading change will also be reviewed.

Based on the excellent feedback from all participants, Cramo plans to continue with the Cramo Academy in 2011.

Value-based leadership at Cramo
Value-based leadership principles based on Cramo's values – credibility, creativity and commitment – ensure consistent and fair treatment of personnel:

- Leadership is based on respect for individuals;
- Leaders promote a culture of trust and personal accountability;
- Skilful leadership promotes excellent performance and a readiness to commit, which enhances the customer's competitiveness; and
- The success of individuals stems from sound teamwork and a coaching culture.

LEADERSHIP IN QUALITY, SAFETY AND ENVIRONMENT

Cramo contributes to sustainable development in society by taking quality, environmental and safety considerations into account in the Group's operations. While Cramo respects all local laws and regulations, the aim is always to reach higher – to be number one in QSE matters.

More on quality, safety and environmental issues at www.cramo.com > Sustainability, Environment and Safety sections

Cramo's work with quality, safety and environmental issues differs between markets and is the most advanced in the Nordic countries, where this work has become an ever-more important argument for customers choosing rental solutions.

DNV

SWEDAC ACKREDITERING
1053
ISO/IEC 17021

ISO 9001
ISO 14001

Cramo's operations in Sweden, Denmark and Norway are certified according to ISO 9001 (environmental) and ISO 14001 (quality management), and in Finland ISO 9001 (environmental). Other markets are to follow.

Continuous improvement in occupational safety plays a vital role in Cramo's industry and the Group takes safety aspects into consideration throughout its operations. Improvements in processes and quality management systems are manifested in better service, fewer errors, higher productivity and greater occupational safety.

Effectively implemented work with environmental performance, quality and safety constitutes an important basis for the development of Cramo's operations. The Company focuses on preventive work, energy efficiency, low emissions and waste. Cramo not only provides a top range of quality products, but also helps to minimise the environmental impact and improve the working environment at customer work sites. Furthermore, Cramo evaluates its suppliers on a continuous basis and works to improve collaboration with suppliers in order to ensure high quality standards.

QSE PROGRAM INITIATED TO ENSURE NUMBER ONE POSITION

Cramo aims to be number one in its industry on QSE in each market it operates in. To ensure this, in 2009 Cramo initiated a programme that develops a roadmap for how QSE work should be run in the different parts of the Group over the next three years.

"Leadership in QSE is identified as one of Cramo's distinctive capabilities. By initiating this programme, we ensure that we meet not only all the existing legal requirements but also those of the most demanding strategic customers. In the long run, this enables us to exploit first mover advantage and create a real competitive advantage," says Mr Martin Freland, Environmental and Quality Manager, Cramo Sweden, and responsible for the QSE program at Cramo.

In 2009, an initial review of current QSE status was carried out in the different countries. The review will be followed up by on-site visits. On the basis of analysis, a plan to introduce and develop QSE in the various countries will be presented. As a result, the Group-level QSE requirements and processes should be in place in 2013.

Cramo was awarded the "Made in St. Petersburg" Golden Quality Mark in the category "Service – Construction Equipment Rental".

"The approach to environmental matters varies somewhat between countries. In Sweden, one of the QSE focus areas is to develop processes and solutions to meet the high requirements of demanding customers, for example, developing energy savings at construction sites, environmentally-adapted oils and fuels, products for environmentally-safe handling and machinery that meets environmental demands. At the same time, other countries have to focus on more basic environmental requirements such as safe handling of chemical products and waste", Mr Freland adds.

An example of meeting high customer requirements is on page 31

SUSTAINABILITY DRIVES OPERATIONS

Cramo is committed to providing profitable growth and increasing shareholder value. This requires efficient, profitable and competitive Company operations. A good economic performance establishes a platform for the other aspects of sustainability – environmental and social responsibility.

See more about this success on pages 8-9

Cramo aims to create value for all of its stakeholders as part of its mission. The focus is on profitability and net debt reduction. The success of the Company depends on its ability to meet their expectations.

Cramo provides its customers with rental solutions and services that fulfil their needs and expectations. The development of high-quality and environmentally sound solutions depends on long-term collaboration with customers. By combining its product portfolio with an extensive offering of services, Cramo can create total rental solutions for every need and situation, for the short or long term.

See more on page 93

With suppliers, Cramo aims to build long-term partnerships in order to ensure that both parties are able to respond to Cramo's product and ethical requirements.

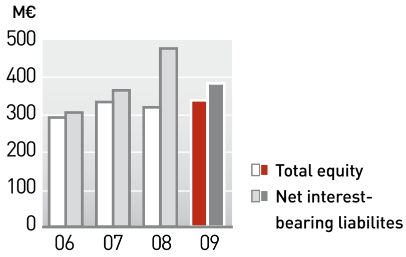
To be able to recruit competent and motivated people, Cramo is committed to offering employees competitive salaries, opportunities for continuous personal development and a culture of trust and personal accountability. Cramo applies and follows local employment legislation in every country and respects local collective labour agreements. Pension cover is based on the legislation and agreements in force in each country.

See more at www.cramo.com > Sustainability > Social responsibility

Cramo contributes to the well-being of the local communities in which it operates by paying social security charges and taxes to the governments of different countries. Furthermore, Cramo strives to support the positive development of local communities in which it operates. As part of its social responsibility programme, Cramo sponsors SOS Children's Villages. Cramo aims to distribute approximately one third of the Group's annual profit as a dividend.

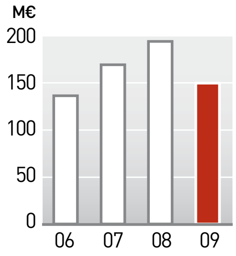
See more on page 8

CAPITAL STRUCTURE, M€



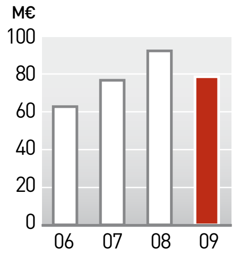
Net debt was clearly reduced in 2009

MATERIALS AND SERVICES PURCHASED, M€



Decline in purchases in 2009 reflected overall decline in business volumes

SALARIES AND WAGES, M€



Personnel reductions were necessary in 2009 to adjust operations to the difficult market situation

ECONOMIC IMPACT

Customers
Net sales in 2009
M€ 446.7
(M€ 579.8)

Other operating income
M€ 7.3
(M€ 16.9)

CRAMO

M€	2009	2008	CHANGE, %
Suppliers of materials and services			
- Materials and services and other expenses	244.3	304.3	-19.7
- Gross capital expenditure	31.5	201.2	-84.4
Personnel			
- Employee salaries, wages and bonuses	79.2	93.0	-14.8
Public sector and society			
- Taxes and social security charges	23.2	30.1	-23.0
Owners and financial community			
- Finance expenses	24.4	29.4	-17.0
- Dividends	-6.1	19.9	-69.2

CORPORATE GOVERNANCE

CONSISTENT AND TRANSPARENT GOVERNANCE

Corporate governance at Cramo is based on the laws of Finland 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 complies with all Corporate Governance Code recommendations and issues a corporate governance statement that is available on the Group's website.

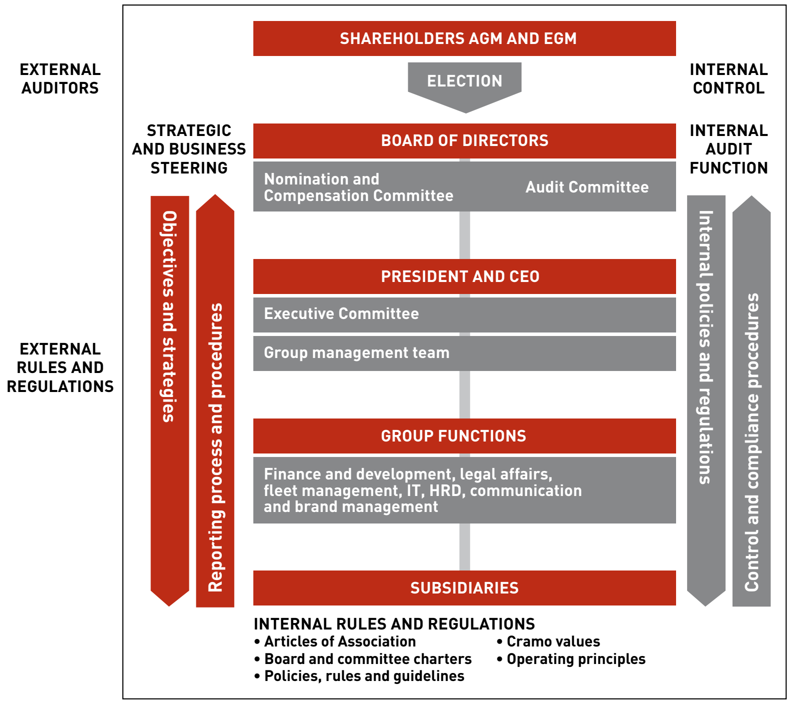
More at www.cramo.com > Investors > Corporate Governance

Cramo prepares annual financial statements and interim reports conforming to Finnish legislation. They are published in Finnish and English. The International Financial Reporting Standard (IFRS) was adopted in 2005.

OVERVIEW OF CORPORATE GOVERNANCE COMPONENTS AT CRAMO GROUP

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

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



GENERAL MEETING OF SHAREHOLDERS

The right of shareholders to make decisions over Company matters is exercised at an appropriately convened General Meeting of Shareholders by those shareholders present or by their authorised representatives. The shareholders may also be accompanied by an assistant.

The Annual General Meeting (AGM) is held once a year either in Vantaa or in Helsinki by the end of June at the latest. The duties of the Annual General Meeting include approving the parent company and consolidated income statement and balance sheet, agreeing on the amount of dividends, appointing the members of the Board of Directors and deciding on their compensation, and electing the auditors. The Board of Directors may call an Extraordinary General Meeting (EGM) of Shareholders whenever necessary.

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

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

The financial statements of the Company, as well as any other document to be adopted in the General Meeting and any proposal made by the Board of Directors required by the Finnish Companies Act, shall be made available for inspection by shareholders at the Company headquarters and on the Company website 21 days prior to the General Meeting. In accordance with the Finnish Companies Act, copies of these documents will be

Further information about arrangements for the General Meeting can be found at www.cramo.com > Investors > Shareholders meetings

Further instructions and contact details are provided on the website

sent to shareholders upon request. Minutes of the General Meeting including the voting results and the appendices of the minutes that are part of a decision made by the General Meeting shall be posted on the Company website within two weeks of the General Meeting.

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

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

Information about the decisions of the Annual General Meeting can be found at www.cramo.com > Investors > Shareholders meetings > Annual General Meeting 2009

The 2009 Annual General Meeting was held on 1 April. A total of 156 shareholders representing about 43.4% of the Company's votes participated in the meeting either in person or by proxy. All members of the Board, Cramo's President and CEO and the CFO as well as the external auditor participated in the meeting. There were no Extraordinary General Meetings held in 2009.

BOARD OF DIRECTORS

www.cramo.com > Investors > Corporate Governance

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

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

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

More than half of the members of the Board must be present to constitute a quorum. The President and CEO, his/her deputy and the CFO have a right to attend Board meetings. Other Group management members may attend the Board meetings when required to provide information to the Board or upon invitation by the Board. The Board has unlimited access to Company information and receives continuous reporting on the Group's operations. New Board members are introduced to the operations of the Company. Introduction is made by arranging meetings with key persons and initiating visits to operating units in order to become accustomed to Cramo's internal guidance and working methods. Cramo's departing Board members also assist newly elected members in familiarising themselves with the Company and the Board's duties.

The Chairman of the Board, together with the President and CEO, prepares the items for discussion and to be decided upon at Board meetings. The agenda for the Board meetings, with all relevant information on the Company's structure, operations and markets, financial performance and financing issues, personnel and investment resources as well as the risks associated with any of these matters, is distributed at least 5 days before the meetings. The Chairman of the Board also initiates and leads the self-assessment discussion during the relevant Board meeting.

The Board of Directors conducts an annual self-assessment in order to develop the work of the Board. The overall self-assessment is carried out by discussing the matter in conjunction with one of the regular Board meetings. Each director and the Board evaluate the independence of the directors on a yearly basis and whenever required.

MEMBERS OF THE BOARD OF DIRECTORS IN 2009

At the 2009 Annual General Meeting, the following persons were elected to the Board of Directors: Mr Stig Gustavson, Mr Fredrik Cappelen, Mr Gunnar Glifberg, Mr Eino Halonen, Mr Hannu Krogerus, Mr Esko Mäkelä and Mr Jari Lainio. The Board's convening meeting elected Mr Gustavson as the Chairman of the Board and Mr Halonen as the Deputy Chairman of the Board. Mr Juhani Nurminen was also a member of the Board until 31 March 2009, as elected by the 2008 AGM.

WORK OF THE BOARD OF DIRECTORS IN 2009

Cramo's Board of Directors meets regularly, about once a month, according to a planned schedule. In 2009, the Board of Directors met nine times. One of the meetings was held as a conference call. Member attendance at the meetings is provided in a separate table on page 102.

For further information about Board and committees members, see pages 110–111. Information regarding remuneration issues is provided on pages 104–105.

In 2009, the most important matter that was addressed apart from the regular operating calendar was the review and validation of essential short-term strategic objectives related to the changing market environment. The emphasis was on ensuring the Group's profitability, cash flow, financing issues and customer credit control. The Board also concentrated on strengthening the Group's internal control procedures and enhancing fleet mobility within the Group. In addition, the Board assessed Cramo's balance sheet valuation and financial covenant agreements.

THE BOARD'S OPERATING CALENDAR

Q1

- Review and approval of financial statements and external auditors report
- Review and approval of Nomination and Compensation Committees' outcome proposal pertaining to the incentive schemes of management and key employees
- Commencement of strategic planning: analysis of operating environment, markets and economic trends
- Approval of Annual report
- Preparations for the AGM
- Review of operating companies' performance and key performance indicators
- Evaluation of financial forecasts, investments, acquisitions and disposals as well as structural issues
- Approval of interim reports and assessment of matters pertaining to markets and finances

Follow-up of strategic outcomes and the previous financial period

Q2

- Election of the Chairman and Deputy Chairman of the Board and Committee members
- Review and approval of the Group's key policies and practices
- Assessment and analysis of strategic issues in connection with the strategy review
- Selection and approval of strategic themes
- Assessment of matters presented by the Audit Committee
- Review of operating companies' performance and key performance indicators
- Evaluation of financial forecasts, investments, acquisitions and disposals as well as structural issues
- Approval of interim reports and assessment of matters pertaining to markets and finances

Strategic themes, execution and business development

Q3

- Commencement of budgeting and business planning for operating companies based on selected strategic themes
- Review of operating companies' performance and key performance indicators
- Evaluation of financial forecasts, investments, acquisitions and disposals as well as structural issues
- Approval of interim reports and assessment of matters pertaining to markets and finances

Q4

- Approval of budget and review of business plans in terms of selected strategic themes
- Assessment of matters presented by the Audit Committee
- Board's self-assessment
- Review of operating companies' performance and key performance indicators
- Review of financial forecasts, investments, acquisitions and disposals as well as structural issues
- Approval of interim reports and assessment of matters pertaining to markets and finances

Planning of the following financial period

BOARD COMMITTEES

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

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in its supervisory responsibilities. In line with the Finnish Corporate Governance Code, the Audit Committee has the following duties:

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

Until 31 March 2009, the Audit Committee was chaired by Mr Eino Halonen. Mr Esko Mäkelä and Mr Juhani Nurminen served as Committee members. At its constitutive meeting on 1 April 2009, Mr Eino Halonen was elected Chairman of the Audit Committee, with Mr Esko Mäkelä, Mr Jari Lainio and Mr Fredrik Cappelen as members. All Committee members were deemed independent of the Company and Mr Mäkelä, Mr Lainio and Mr Cappelen were deemed independent of major shareholders.

The Audit Committee met four times in 2009. Member attendance at the meetings is provided in a separate table on page 102.

THE AUDIT COMMITTEE'S OPERATING CALENDAR

Q1

- Supervise and monitor financial reporting process related to annual accounts
- Review annual financial statements and the Board of Directors' report
- Review external audit outcomes and auditor's statement
- Review and approve accounting principles pertaining to financial reporting
- Review risks and risk management issues to be presented in the annual report and financial statements

Q2

- Review, update if necessary and affirm internal control policy
- Review and approve annual internal audit plan and assign separate evaluation activities as considered appropriate
- Assess results from operating companies' internal control self-assessments
- Review risk assessments concerning asset valuation, treasury and operational risks

Q3

- Assess and plan description of the main features of internal control and risk management systems pertaining to the financial reporting process included in the corporate governance statement
- Discuss external audit plan with the auditor responsible; then approve plan
- Review and approve external audit engagement letter and evaluate confirmation of independence

Q4

- Review the draft corporate governance statement and provide comments
- Review internal audit and internal control development plan
- Assess results from operating companies' internal control self-assessments
- Prepare proposal for resolution on the election of external auditor
- Review risk assessments concerning asset valuation, treasury and operational risks

QUARTERLY PROCEDURES

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

NOMINATION AND COMPENSATION COMMITTEE

The Nomination and Compensation Committee is entrusted with the task of preparing a proposal for the Board members and their remuneration to be presented to the Annual General Meeting. It also prepares a proposal to the Board of Directors for the President and CEO's appointment and his/her employment terms and prepares matters pertaining to the Company's compensation systems including profit-based and long-term incentive schemes and allocation of these incentives amongst Cramo's key personnel.

In 2009 Mr Stig Gustavson was elected Chairman of the Nomination and Compensation Committee, with Mr Gunnar Glifberg and Mr Hannu Krogerus as members and Mr Erik Hartwall as an external Committee member (not a member of the Board of Directors). Mr Gustavson, Mr Glifberg and Mr Krogerus are independent of the Company and significant shareholders.

The Nomination and Compensation Committee met four times in 2009. Member attendance at the meetings is provided in a separate table below. Primary issues discussed at the meetings were the development of the 2009 remuneration schemes and the preparation and allocation of the 2009 stock option programme. Additionally, the committee accepted a new share ownership programme for the Executive Committee in June 2009.

The following table represents Cramo's Board member attendance at the meetings in 2009.

NAME	POSITION	BOARD MEETINGS	AUDIT COMMITTEE	NOMINATION AND COMPENSATION COMMITTEE
Stig Gustavson	Chairman	9/9	1/4*	4/4
Eino Halonen	Deputy Chairman	8/9	4/4	–
Fredrik Cappelen	Member	8/9	2/4	–
Gunnar Glifberg	Member	9/9	–	3/4
Hannu Krogerus	Member	8/9	–	3/4
Esko Mäkelä	Member	9/9	4/4	–
Jari Lainio	Member	6/7	3/4	–

* Mr Stig Gustavson is not member of Audit Committee

PRESIDENT AND CEO

The Managing Director, who also acts as the President and CEO, is in charge of the Company's day-to-day management in accordance with the Finnish Companies Act and related legislation, instructions and orders given by the Board of Directors. The areas of responsibility of the President and CEO, in addition to meeting the legal requirements mentioned above and implementing the Board's decisions, specifically include achieving objectives of the business, increasing shareholder value, the Company's profitability and the efficiency of the

Company's operations, and making investments within the limits defined by the Board. Cramo has an internal document concerning authorisations granted and approval limits for work divided between the Board of Directors, the President and CEO and other management.

The President and CEO is appointed by the Board of Directors. His or her service contract is approved by the Board. The performance of the President and CEO is evaluated annually by the Board of Directors. In addition to a monthly salary and fringe benefits, the President and CEO is eligible for a performance-based bonus on an annual basis (see remuneration policy for management and key employees on page 104 and the website). The period of notice for the President and CEO's executive contract is 18 months, during which time he or she receives a full salary.

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

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

OTHER EXECUTIVES

EXECUTIVE COMMITTEE

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

In 2009, the work of the Executive Committee focused on overseeing and discussing the financial and operative restructuring of the Company. The Committee also discussed implementation of specific tasks and policy issues delegated by the Board. In addition, the Executive Committee evaluated the adequacy and performance of the Group's other key management.

GROUP MANAGEMENT TEAM

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

The Group management team implements the strategic decisions made by the Board, including the implementation and monitoring of the Corporate Governance Manual and Operating Principles, and monitors and steers subsidiaries' performance and operations on an ongoing basis. The Group management team is responsible for the operative management of the Cramo Group. For a description of Group management team members and their individual responsibilities see pages 110–111. Remuneration matters are disclosed on pages 104–105.

The Group management team held nine meetings in 2009. The work of the Group management team focused on the business and financial steering of the Group and its business units in a difficult market environment. New contingency plan actions were carried out during all of 2009. In addition, the Group management team steered and monitored implementation of the Group's main strategic and development projects. Fleet optimisation, development of the Group's operational efficiency and new service offerings were among the key issues under review in 2009.

GENERAL MANAGERS OF SUBSIDIARIES

The General Managers located in the operating country of domicile serve as the Managing Directors of the operating subsidiary. When they are responsible for the business operations of an entire country, they also act as Country Managers.

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

GENERAL MANAGEMENT MEETING

The General Management Meeting (GMM) is a management meeting held 1–2 times a year and attended by the Group management team, General Managers and other key Group and operating personnel. The GMM lasts 1–2 days.

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

In 2009, the GMM discussed and reviewed the Group's strategic plan for 2009-2011, Group strategic projects and financial scenarios for 2009–2012 under the theme "Being a winner in a changing environment". The GMM also assessed Operating Companies (OpCo's) business planning process for 2009–2011 as well as the budget process and initial budget targets for 2010. Success stories and best practice examples from various business units were also shared among participants at the GMM.

REMUNERATION

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

REMUNERATION FOR BOARD SERVICES

The Annual General Meeting 2009 confirmed the following remuneration for Board services:

NAME	POSITION	BOARD FEES SHARES, €	BOARD FEES FEES, €	BOARD TOTAL	AUDIT COMMITTEE	NOMINATION AND COMPENSATION COMMITTEE	TOTAL	NUMBER OF SHARES PURCHASED WITH THE BOARD'S FEE
Stig Gustavson	Chairman	23,996	36,004	60,000	1,000	4,000	65,000	3,275
Eino Halonen	Deputy Chairman	15,995	24,005	40,000	4,000	–	44,000	2,183
Fredrik Cappelen	Member	11,994	18,006	30,000	2,000	–	32,000	1,637
Gunnar Glifberg	Member	11,994	18,006	30,000	–	3,000	33,000	1,637
Hannu Krogerus	Member	11,994	18,006	30,000	–	3,000	33,000	1,637
Esko Mäkelä	Member	11,994	18,006	30,000	4,000	–	34,000	1,637
Jari Lainio*	Member	11,994	18,006	30,000	3,000	–	33,000	1,637
Juhani Nurminen **	Member	–	–	–	1,000	–	1,000	–
TOTAL		**99,961**	**150,039**	**30,000**	**15,000**	**10,000**	**275,000**	**13,643**

The table represents Cramo's Board members' remuneration received in 2009 on a cash basis.
*** Since 1.4.2009, ** Until 31.3.2009**

40% of the remuneration is paid in Cramo Plc shares and 60% in cash. Remuneration for the non-Finnish members of the Board of Directors can be paid fully in cash. Reasonable travel expenses will be reimbursed against invoice. Board members are not covered by the Company's stock option scheme or bonus scheme. No shares or share-related rights were granted to the directors as remuneration during the financial period, in exception of those as specified as above.

REMUNERATION POLICY FOR MANAGEMENT AND KEY EMPLOYEES

Cramo's Nomination and Compensation Committee prepares a proposal to the Board of Directors for the President and CEO's employment terms. It also prepares matters pertaining to the Company's compensation systems including profit-based and long-term incentive schemes and allocation of these incentives amongst Cramo's key personnel for the Board's approval.

In addition to fixed salaries, Cramo offers a competitive compensation package for the management and its key personnel. The package is divided into two components: profit-based incentive schemes and long-term incentives.

PROFIT-BASED INCENTIVE SCHEMES

Cramo's short-term incentive system is aimed at supporting the Company's strategic targets by strengthening a strong performance culture. The management and key personnel are covered by Group or Operating Company specific profit-based incentive schemes.

Management remuneration is based on an individual compensation package, which includes all taxable fringe benefits. Management bonuses are tied to the achievement of the Group's and operating countries' financial targets approved by the Nomination and Compensation Committee. The size of the annual bonus depends on the Group's financial performance. Maximum management bonuses range between 10% and 50% of the person's annual base salary.

LONG-TERM SHARE OWNERSHIP PROGRAMME FOR THE EXECUTIVE COMMITTEE

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

For the purpose of share ownership, Cramo Executive Committee members established a company called Cramo Management Oy, in 2009 which acquired Cramo Plc's shares from the market for a total of EUR 2,500,000. The share purchases were financed by equity investments by the Executive Committee members, totalling approximately EUR 500,000, as well as by an interest-bearing loan for an amount of EUR 2.0 million provided by Cramo Plc.

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

LONG-TERM INCENTIVES

Cramo's stock option schemes for the top management and key employees and management, launched in 2006 (2006A, 2006B and 2006C), support the achievement of the Group's long-term goals by attracting and retaining specific key personnel. The Nomination and Compensation Committee has selected and the Board has approved some 100 managers and key personnel, including participants from every Cramo country, to participate in the 2006 stock option scheme.

	FIXED ANNUAL BASE SALARY	PROFIT BASED INCENTIVES	FRINGE BENEFIS	SHARE BASED PAYMENT	POST-EMPLOYMENT BENEFITS	2009 TOTAL
President and CEO	332,000	–	22,000	244,000	84,000	682,000
Group management team	1,330,000	172,000	101,000	1,009,000	30,000	2,641,000
TOTAL	**1,662,000**	**172,000**	**123,000**	**1,253,000**	**114,000**	**3,323,000**

The value of share-based payments represents the IFRS 2 expense in 2009 of the stock options held by the President and CEO and other Group management.

In November 2009, the Board approved the allocation of stock options pertaining to the stock options scheme for 2009. There were over 100 managers and key personnel, including participants from every Cramo country, partaking in the 2009 stock option scheme. For more information about the stock option programmes, see pages 72–73.

THE FINANCIAL BENEFITS OF THE PRESIDENT AND CEO AND GROUP MANAGEMENT TEAM

The above table presents remuneration for 2009 for the President and CEO and the Group management team.

The period of notice on the President and CEO's executive contract is 6 months, during which time he receives a full salary. In case that the contract is termined by the employer, there can additionally be a severance payment of 18 months salary.

PENSION

Cramo's executives participate in local pension systems for each operating country which provide for a retirement benefit based on years of service and earnings according to the prescribed statutory system. Finnish pension law offers flexible retirement from age 63 to 68 without any full pension limits.

For the President and CEO the retirement age is 63. In addition to the statutory system, Cramo offers voluntary pension insurance for the President and CEO.

INTERNAL CONTROL

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

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

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

INTERNAL CONTROL FRAMEWORK AT CRAMO

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

Cramo's internal control framework consists of

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

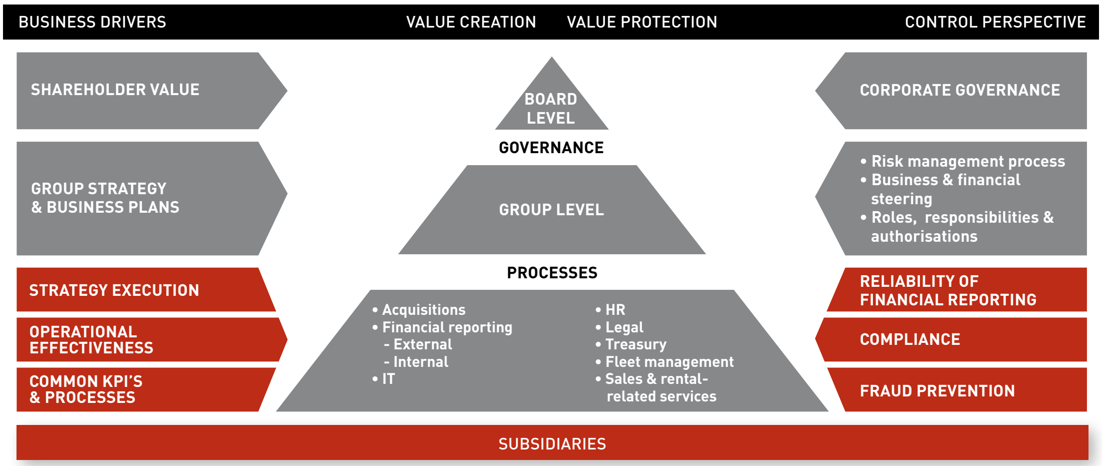
INTERNAL CONTROL ACTIVITIES

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

The Group's Legal Affairs function, business area and Group function directors are responsible for monitoring developments in legislation and regulations in their respective areas and communicating them to the organisation. Business area and Group function directors are responsible for setting up adequate compliance controls and compliance-related training in their units.

RISK MANAGEMENT

An integral part of Cramo Group's monitoring and control system, risk management is aimed at



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

MAJOR RISKS AND THEIR MANAGEMENT MEASURES

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

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

MANAGEMENT OF BUSINESS RISKS

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

The Board of Directors analyses the financial performance of the Group and its business units on a monthly basis. Cramo's business risks are mitigated by the Group's 284 depots and offices being spread among eleven countries.

MANAGEMENT OF FINANCIAL RISKS

In addition to cash flow financing, the Group raises bank loans and concludes equipment lease agreements in financing its operations. Its main financial risks relate to interest rate risks associated with cash flows, currency risks, credit risks and liquidity risks. To manage its interest rate risks, Group borrowings and investments are spread across fixed and floating interest rate instruments.

In an effort to manage its interest rate risks, the Group can make use of derivative contracts, such as interest rate swaps. Currency risks mainly involve net investments in foreign units and foreign currency denominated loans, with currency forward contracts used as hedging instruments. Since Group companies mainly carry out their sales and purchases in the unit's functional currency, the Group is not exposed to any major foreign exchange risks associated with these transactions.

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

MANAGEMENT OF ENVIRONMENTAL RISKS

Cramo Group's environmentally sound corporate mission entails high utilisation rates of professionally serviced equipment and minimisation of the environmental impact caused by the use of equipment and energy – aspects that the Group pays special attention to in purchasing its rental machinery and equipment. Cramo Group's quality management system is based on the ISO 9001:2000 quality management certificate granted by Det Norske Veritas, covering all of the Company's operations and depots in Finland. Cramo's operations in Sweden, Denmark and Norway are based on the ISO 14001 environmental and ISO 9001 quality management certificates. The Group performs internal auditing on an ongoing basis and occasionally stages audits carried out by external parties.

INSURANCE COVER

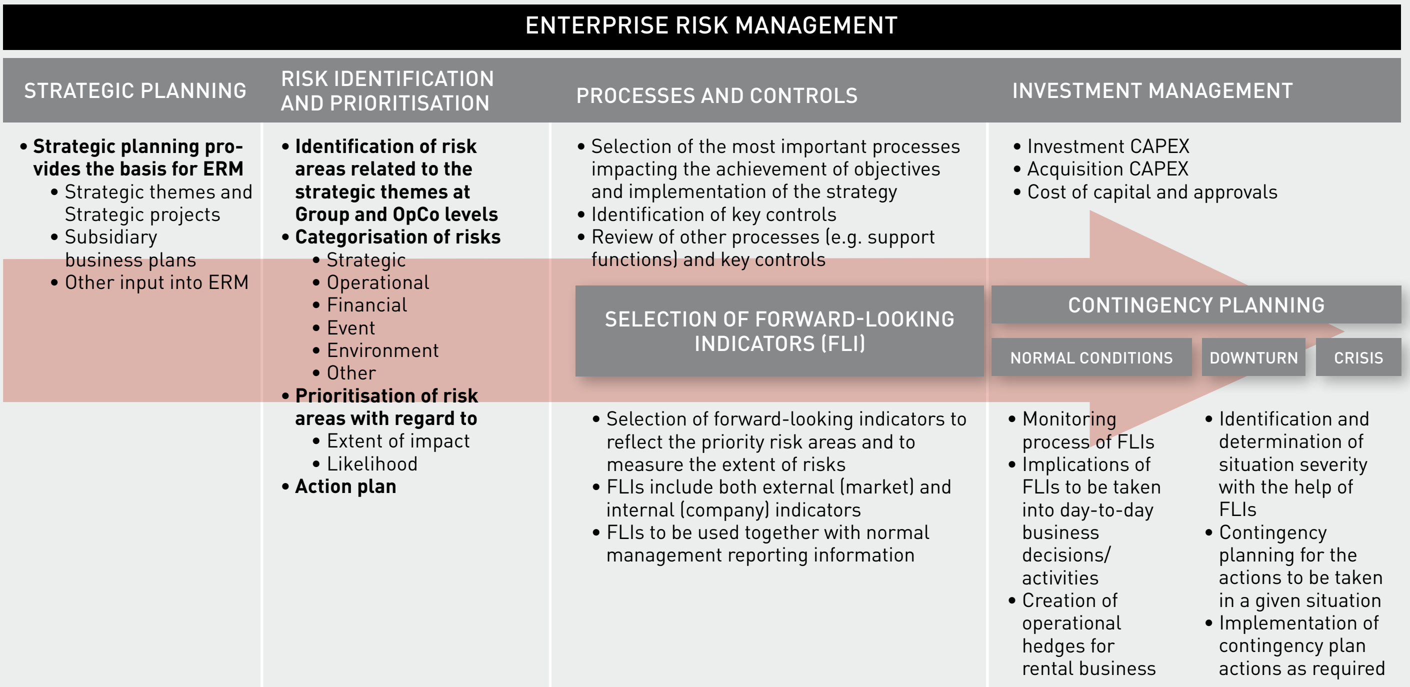
Extensive insurance cover forms an integral part of Cramo Group's risk management. The Group's management continuously assesses the adequacy and scope of insurance cover, in view of the extent and nature of Group operations.

ENTERPRISE RISK MANAGEMENT

The enterprise risk management concept forms an important part of Cramo Group's monitoring and control system. It is aimed at ensuring that the Group identifies its business-related risks and assesses and monitors them on an ongoing basis.

Enterprise risk management is a continuous process that is integrated into Cramo Group's strategy process, operative planning, daily decision-making and monitoring of operations. It is also part of the Group's internal control environment.

CRAMO'S ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK



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

As part of strategic planning, Cramo has identified risks related to the strategic themes at Group and operating country levels. Identified risks have been categorised into strategic, operational, financial, event, environmental and other risks. Risk areas have been prioritised with regard to the extent of impact and likelihood, and an action plan has been completed.

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

OPERATIONAL HEDGES FOR RENTAL BUSINESSES

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

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

Finally, Cramo limits its asset intensity by implementing a Group-wide fleet management and financing strategy. Cramo's fleet management strategy enables the Group to swiftly respond to changes in demand by either transferring fleet within the broad international network of rental depots or by selling or scrapping excess equipment through established sales channels. The fleet financing strategy helps Cramo in creating a flexible financing mix to address both long-term fleet financing needs and short-term changes in demand in a cost-efficient, risk-optimising manner.

CONTINGENCY PLANNING THROUGHOUT THE BUSINESS CYCLE

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

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

RISK MANAGEMENT RESPONSIBILITIES

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

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

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

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

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

RISK MANAGEMENT ACTIONS IN 2009

In 2009, the focus of risk management was on the appraisal of the effects that the changing market environment has had on business operations and Group functions. On the basis of the risk assessments conducted, Cramo performed a review and validation of essential short-term strategic objectives relative to the changed market environment. Additionally, the Group's risk management concentrated on core process and control development and fleet management, with financial reporting being the process prioritised.

The work on contingency planning started as early as 2007 and continued in 2008 – 2009 at the Group level and in subsidiaries, influenced by their respective market circumstances. In 2009, contingency plans and related actions were monitored on a monthly basis. Contingency plans were also renewed for several subsidiaries in response to changed market conditions. For 2010, a renewed contingency plan has likewise been prepared as part of the business planning process.

INTERNAL AUDIT

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

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

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

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

INTERNAL CONTROL AND RISK MANAGEMENT RELATED TO THE FINANCIAL REPORTING

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

DEVELOPMENT ACTIVITIES IN INTERNAL CONTROL AND RISK MANAGEMENT IN 2009 AND PRIORITY AREAS IN 2010

General development activities in internal control and risk management in 2009

During spring 2009, the Group management team performed a strategic review from a risk perspective to assess long-term strategic themes, affirm short-term focus areas and validate market drivers in a distressed market situation. The assessment was based on the OpCos' perceptions and feedback regarding the challenges and opportunities in different market environments. In autumn 2009, in a separate strategy project, the key performance indicators for OpCos and depots were aligned with the reassessed value drivers in order to improve the business and financial steering at the depot level. In 2009, Cramo also focused on the One Cramo Enterprise Rental project and further enhanced the Cramo Business intelligence (CraBi) reporting tool to further harmonise and develop the Group's reporting. Additionally, the Group's risk management concentrated on core process and control development as well as fleet management, with financial reporting being the prioritised process.

In 2009, Internal Audit completed several assignments with an emphasis on the financial reporting process and the Group's key business processes. Audits were completed on the depot, OpCo and Group level. Geographically, the work of Internal Audit focused on Central and Eastern Europe.

Internal control and risk management development activities related to financial reporting in 2009

As part of internal control development in 2009, Cramo performed an identification and analysis of financial reporting risks associated with achieving financial reporting objectives. To enhance Cramo's comprehension of the financial reporting process and its risks as a whole, the controls were reviewed, from transaction-level reporting to the annual reporting stage. Risks, control objectives and common controls were described in the monthly OpCo closing and Group consolidation processes. The control activities were defined and selected in terms of their cost and effectiveness in mitigating risks associated with achieving financial reporting objectives. After this, the Group Finance and Development function started to evaluate the control effectiveness in different OpCos in order to ensure that the common controls defined are implemented consistently.

Also in 2009, Cramo developed a specific control matrix self-assessment tool for evaluating the effectiveness of control activities in diverse business processes. The analysis of business process controls also includes issues related to financial reporting therefore a self-assessment tool also contributes to the improvement of control activities related to the financial reporting process. The tool was tested in a few selected countries in 2009, and implementation of the tool along with continuous development of OpCo self-assessment procedures will continue throughout 2010.

Priority areas in 2010

Efficient business steering and the integrity of internal and external reporting will be the key themes for 2010. Focus areas will include further implementation of comprehensively improved control procedures and operative follow-up of the adequacy and effectiveness of control activities related to the financial reporting process.

For execution of OpCo business process self-assessment procedures, Cramo management has identified core processes in which priority is given to internal control development work. In 2010, management will focus on risk assessments and control identification related to fleet management, the functionality of the depot franchising concept and controls associated with the pricing of services and products. At the depot level, Cramo will start the rollout and implementation of revised key performance indicators in order to improve harmonised business activity monitoring and internal management reporting. The overall development of internal control procedures will continue in 2010.

INSIDER ADMINISTRATION

Cramo observes the Insider Guidelines issued by the NASDAQ OMX Helsinki Ltd. Cramo's own internal insider rules are regularly updated and made available to all permanent insiders as well as employees. Euroclear Finland Ltd maintains an insider register for Cramo's permanent insiders.

Cramo requires that its employees and partners comply with the Insider Guidelines. The co-ordination and control of insider affairs are included in the responsibilities of the CFO.

EXTERNAL AUDITORS

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

APA Mr Erkka Talvinko was appointed the auditor responsible, and the firm of authorised public accountants Ernst & Young Oy was selected at the Annual General Meeting on 1 April 2009 as the Company's auditors to serve for a term ending at the end of the next Annual General Meeting in 2010. Both Mr Talvinko and Ernst & Young Oy have acted as auditors of the Company since 2006.

TOTAL COMPENSATION FOR EXTERNAL AUDITING, EUR 1,000	2009	2008	CHANGE %
Audit fees	532	525	1.3
Tax assignment	126	245	-48.6
Other fees	174	393	-55.7
Total fees	832	1163	-28.5

BOARD OF DIRECTORS 31 DECEMBER 2009

1. STIG GUSTAVSON

Born 1945, Finnish citizen, Dr.Tech. (hon.) and M.Sc. (Eng.)
Chairman since 2007, Board member since 2006
Chairman of the Nomination and Compensation Committee
Primary work experience:
Konecranes Plc's President and CEO 1994–2005; President of KONE Cranes division 1988–1994; various executive positions with major Finnish companies 1969–1988.
Current positions of trust:
Board Chairman: Konecranes Plc, Dynea Oy, Arcada Foundation, Svenska Handelsbanken AB (publ) Regional Bank Finland, Technology Academy Foundation
Board Vice Chairman: Mercantile Oy Ab
Board member: Vaisala Corporation
Supervisory Board member of Mutual Pension Insurance Company Varma; Senior Industrial Advisor of IK Investment Partners
Deemed independent of the Company and major shareholders

2. EINO HALONEN

Born 1949, Finnish citizen, B.Sc. (Econ.)
Deputy Chairman since 2007, Board member since 2003
Chairman of the Audit Committee
Primary work experience:
Suomi Mutual Life Assurance Company's President and CEO 2000–2007
Current positions of trust:
Board member: Metsäliitto Group, YIT Corporation
Deemed independent of the Company and, as Suomi Mutual Life Assurance Company's previous President and CEO, dependent upon major shareholders until 31 December 2010

3. FREDRIK CAPPELEN

Born 1957, Swedish citizen, B.Sc. Business Administration
Board member since 2008
Member of the Audit Committee
Primary work experience:
Nobia's President and CEO 1995–2008
Current positions of trust:
Board Chairman: Byggmax AB, Svedbergs AB, Munksjö Paper AB
Deputy Chairman: ICC Sweden
Board member: Securitas AB, Carnegie Investment Bank AB, Granngården AB
Deemed independent of the Company and major shareholders

4. GUNNAR GLIFBERG

Born 1943, Swedish citizen, B.Sc. (Eng.)
Board member since 2006
Member of the Nomination and Compensation Committee
Primary work experience:
Cramo AB's President and CEO 1994–2005
Deemed independent of the Company and major shareholders

5. HANNU KROGERUS

Born 1949, Finnish citizen, LL.M., Attorney-at-Law
Board member since 2006
Member of the Nomination and Compensation Committee
Main occupation:
Senior Partner and founding Member of Krogerus Attorneys Ltd
Current positions of trust:
Board Chairman: Krogerus Attorneys Ltd, Adelec Industries Ltd. Oy, North-West Russia Development Company Ltd.
Board member: Genelec Oy, Startex Oy
Deemed independent of the Company and major shareholders

6. ESKO MÄKELÄ

Born 1943, Finnish citizen, M.Sc. (Eng.), MBA
Board member since 2007
Member of the Audit Committee
Primary work experience:
Executive Vice President, CFO of YIT Corporation
Current positions of trust:
Board Chairman: Everalis Oy
Deemed independent of the Company and major shareholders

7. JARI LAINIO

Born 1955, Finnish citizen, Construction Engineer
Board member since 2009
Member of the Audit Committee
Main occupation:
Managing Director of Lainio & Laivoranta Ltd., Managing Director of Rakennustoimisto Lainio & Laivoranta Ltd.
Primary work experience:
Managing Director of Rakennustoimisto Laivoranta Ltd. 1989–1994, Technical Director of Rakennustoimisto Laivoranta Ltd. 1986–1989; Managing Director of Rakennustoimisto Lainio & Laaksonen Ltd. 1982–1986
Current positions of trust:
Board member: Turun Rakentamistaidon edistämissäätiö; Rakennusteollisuus RT, Lounais-Suomi
Deemed independent of the Company and major shareholders

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

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

Further information on Board activities on pages 100–102.

1. VESA KOIVULA

Born: 1954, Finnish citizen, M.Sc. (Eng.)
President and CEO since 2003
Employed by Cramo since 2003
Previous positions:
Fiskars Inha Ähtäri Works, Managing Director 2001–2003 and Deputy Managing Director 1995–2001; Morus Oy, Managing Director 1992–1995
Current positions of trust:
Board member: Marinetek Group Oy since 2007

4. ERIK BENGTSSON

Born: 1969, Swedish citizen, M.Sc. (Industrial Engineering)
Senior Vice President, Sweden since 2008
Employed by Cramo since 2005
Previous positions:
Cramo Sverige AB, Region Manager East 2005–2008; BT Svenska, Sales Manager 2001–2005; Parker Hannifin, Production Engineer and field sales 1995–2001

GROUP MANAGEMENT 31 DECEMBER 2009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2.


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2. GÖRAN CARLSON

Born: 1958, Swedish citizen, Engineering
Deputy CEO since 2006. Responsible for Denmark, Poland, Czech Republic and Slovakia since 2009
Member of the Group management team since 2006
Employed by Cramo since 2005
Previous positions:
Cramo AB, CEO 2005; FläktWoods Group, SVP 2002–2004; Electrolux South Africa, Managing Director 1998–2001; The Lux Group, CEO 1993–1998; Lux France, Managing Director 1991–1993; Electrolux Philippines, Managing Director 1986–1991; Electrolux Far East, Managing Director 1984–1986

3. MARTTI ALA-HÄRKÖNEN

Born: 1965, Finnish citizen, Dr.Sc. (Econ.), Lic.Sc. (Tech.)
CFO since 2006
Member of the Group management team since 2006
Employed by Cramo since 2006
Previous positions:
WM-data Oy, SVP, Finance and Administration, 2004–2006; Novo Group Oyj, SVP Business Development, CFO, 1998–2003; Postipankki Ltd, Finance manager, Manager-Corporate Finance, 1995–1998
Current positions of trust:
Board member: Society for Economic Education since 2006

5. TATU HAUHIO

Born: 1970, Finnish citizen, M.Sc. (Econ.)
Senior Vice President, Finland since 2006
Member of the Group management team since 2006
Employed by Cramo since 2004
Previous positions:
RK Group, Director for Project Rental and foreign operations 2004–2005; Suomen Projektivuokraus Oy, Business Development Director 2003; Cap Gemini Oy, IT-consultancy, quality and risk management positions 1997–2002.
Current positions of trust:
Board member: Imaginative Minds Oy since 2009

6. JARMO LAASANEN

Born: 1950, Finnish citizen, MBA
Senior Vice President, Central and Eastern Europe since 2006
Member of the Group management team since 2006
Employed by Cramo since 2004
Previous positions:
Cramo Suomi Oy, President 2004–2005; Addsoft Solutions Oy, Managing Director 2001–2004; Getronics Oy/Corp., General Manager, North East Europe Area Manager, Vice President 1998–2001; Olivetti Oy, Service Director, Managing Director 1992–1998; Unisys Oy, Sales Manager, Sales Director 1980–1992

7. OSSI ALASTALO

Born: 1966, Finnish citizen, studies at the Tampere University of Technology
Senior Vice President, Modular Space since 2006
Member of the Group Management team since 2006
Employed by Cramo since 2000
Previous positions:
Tilamarkkinat Oy (later Cramo Instant Oy), Managing Director 2001–2006; Deputy Managing Director 1999–2001 and Logistic Manager 1989–1999

10. FINN LØKKEN

Born: 1964, Norwegian citizen, Machine technician
Senior Vice President, Norway since 2009
Member of the Group management team since 2009
Employed by Cramo since 2003
Previous positions:
Cramo Norway, Managing Director since 2003; Bautas, Regions Manager 1998–2003; Stavdal Øst AS, Managing Director 1996–1998; Finn Løkken AS, Managing Director 1992–1996
Current positions of trust:
Board Chairman: Cramo Instant AS and Hamar Liftutleie AS

8. MARTIN HOLMGREN

Born: 1967, Swedish citizen, B.Sc. (Bus. Admin.)
Vice President, Fleet Management Equipment Rental since 2009
Member of the Group management team since 2009
Employed by Cramo since 2003
Previous positions:
Cramo AB, Product Area Manager Fleet Management 2003–2008; Telia Mobile, Business Development Manager 2000–2003; ABB, Supply Chain Manager 1998–2000; Platzer Bygg, Site Manager 1989–1995
Current positions of trust:
Board member: Swedish Rental Association, since 2004

9. EVA HARSTRÖM

Born: 1961, Swedish citizen, M.Sc. (Ind. Eng. and Mgmt.)
Vice President and CIO since 2006
Member of the Group management team since 2006
Employed by Cramo since 2006
Previous positions:
St. Jude Medical AB, Project Manager, IT Manager, Director of IT 1995–2006; IBS Sverige AB, System analyst and Project Manager 1986–1995

Further information about the responsibilities of the President and CEO as well as the Group Management on page 102–103.

INFORMATION TO SHAREHOLDERS

ANNUAL GENERAL MEETING

The Annual General Meeting of Cramo Plc will be held on Tuesday, 13 April 2010, at 10.00 am in the Marina Congress Center, Helsinki. The address of the venue is Katajanokanlaituri 6. Admission of registered shareholders begins at 9.00 am.

Shareholders who wish to attend the AGM must be registered on 30 March in the shareholders' register of the Company held by Euroclear Finland Ltd and notify the Company of their attendance no later than 8 April 2010 by writing to Cramo Plc, "Annual General Meeting", Kalliosolantie 2, FI-01740 Vantaa, by calling +358 44 750 5650 / Mr Mikko Äijälä (Mon–Fri 10–12 am), faxing to +358 10 661 1298, or by e-mailing to agm@cramo.com.

DIVIDEND PAYMENT

The Board proposes to the AGM not to pay a dividend for the financial year 2009. However, the Board has resolved to consider calling an EGM to decide on a possible dividend payment during the second half of year 2010. The dividend for 2008 was EUR 0.20 per share, representing 12.6% of reported earnings per share.

CRAMO BASIC SHARE INFORMATION

- Listed on the NASDAQ OMX Helsinki Ltd
- Trading code: CRA1V
- Industry: Trading Companies & Distributors
- Number of shares, 31 December 2009: 30,660,189

SHAREHOLDERS

Cramo had 10,327 shareholders as of 1 January 2009 and 10,146 as of 31 December 2009. For information about the largest shareholders, see page 79. For more about shares held by the Management team, see page 104. For more about remuneration, see pages 104 and 105.

VALID BOARD AUTHORISATIONS

The Board of Directors has been authorised to decide on the acquisition of a maximum of 3,066,000 of the Company's own shares. Under the authorisation, Cramo's own shares may only be acquired using the Company's unrestricted equity; the Board of Directors can also act on this authorisation in order to grant stock option rights and other special rights to shares pursuant to Chapter 10 of the Finnish Limited Liability Companies Act. The Board also has the authorisation to issue a maximum of 3,000,000 option rights pertaining to the 2006 option scheme and a maximum of 1,000,000 option rights pertaining to the 2009 option scheme.

FINANCIAL REPORTING

- Annual report, electronic version, week 10 (March 8-14), 2010
- Annual General Meeting, Tuesday, 13 April 2010
- Interim report for January–March, 7 May 2010
- Interim report for January–June, 29 July 2010
- Interim report for January–September, 29 October 2010

Cramo's annual reports and interim reports are available in Finnish and English and can also be read on its website at www.cramo.com > Investors.

Cramo's management provides analysts and the media with regular press conferences. The management also gives interviews on a one-on-one and group basis. Cramo participates in various conferences for investors. Cramo observes a three-week closed period preceding the publication of its results.

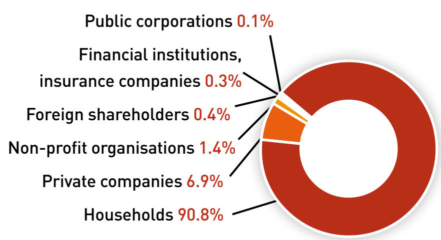
ANALYSTS

To the best of our knowledge, the following financial analysts follow Cramo's performance on their own initiative. They have analysed Cramo, prepared reports and comments and are able to evaluate the Company as an investment target. Cramo takes no responsibility for the opinions expressed.

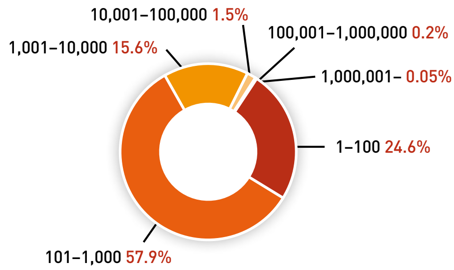
Carnegie
Danske Markets
Deutsche Bank
eQ Bank
Evli Bank Plc
FIM
Handelsbanken Capital Markets
ICECAPITAL Securities Ltd
Nordea Markets
Pohjola Bank plc
SEB Enskilda Equities
Sofia Bank

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

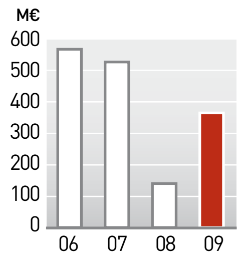
SHAREHOLDERS BY CATEGORY
31 DECEMBER 2009



SHAREHOLDING BY SIZE
31 DECEMBER 2009



MARKET CAPITALISATION
ON NASDAQ OMX HELSINKI,
2006–2009



Additional information about shares and shareholders is presented in note 35 in the consolidated financial statements see page 79.

CONTACTS

INVESTOR RELATIONS

Vesa Koivula, President and CEO,
tel. +358 10 661 1240,
e-mail: vesa.koivula@cramo.com
Martti Ala-Härkönen, CFO,
tel. +358 10 661 1270,
e-mail: martti.ala-harkonen@cramo.com
Merja Naumanen,
IR Communication Officer,
tel. +358 10 661 1211,
e-mail: merja.naumanen@cramo.com

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

Investor information is available online at www.cramo.com > Investors. The investor section contains the information presented here, together with other IR-related information, including a share monitor, delayed by 15 minutes, a list of the Company's public permanent insiders and their holdings, a collection of presentation materials and current market data as well as services such as an investment calculator.

CHANGE OF ADDRESS

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

GROUP HEAD OFFICE

Cramo Plc
Kalliosolantie 2
FI-01740 Vantaa
Finland
Tel +358 10 661 10
www.cramo.com

GROUP OPERATIONAL CENTRE

Cramo AB
Torshamnsgatan 35
SE-164 95 Kista
Sweden
Tel +46 8 623 5400
www.cramo.com

LOCAL HEAD OFFICES

FINLAND
Cramo Finland Oy
Kalliosolantie 2
FI-01740 Vantaa
Finland
Tel +358 10 661 10
www.cramo.fi

Cramo Instant Oy
P.O. Box 9, Huurretie 19
FI-33471 Ylöjärvi
Finland
Tel +358 10 661 5500
www.cramo.fi

SWEDEN
Cramo Sverige AB
Torshamnsgatan 35
SE-164 95 Kista
Sweden
Tel +46 8 623 5400
www.cramo.se

Cramo Instant AB
Torshamnsgatan 35
SE-164 95 Kista
Sweden
Tel +46 8 623 5400
www.cramo.se

NORWAY
Cramo AS
PB 34, Alnabru
NO-0614 Oslo
Norway
Tel +47 23 37 55 60
www.cramo.no

Cramo Instant AS
PB 33, Tverrveien 1
NO-3056 Solbergelva
Norway
Tel +47 32 235 040
www.cramo.no

DENMARK
Cramo A/S
Fabriksparken 30-32
DK-2600 Glostrup
Denmark
Tel +45 70 110 210
www.cramo.dk

Cramo Instant A/S
Huginsvej 6A
DK-4100 Ringsted
Denmark
Tel +45 43 29 05 30
www.cramo.dk

ESTONIA
Cramo Estonia AS
Kadaka tee 131
EE-129 15 Tallinn
Estonia
Tel +372 6 830 800
www.cramo.ee

LATVIA
Cramo SIA
Mellužuiela 1
LV-1067 Riga
Latvia
Tel +371 673 875 54
www.cramo.lv

LITHUANIA
Cramo UAB
Verkių str. 50
LT-09109 Vilnius
Lithuania
Tel +370 5 235 7040
www.cramo.lt

POLAND
Cramo Sp.Zo.o.
Ul. Pulawska 405
PL-02 801 Warsaw
Poland
Tel +48 22 211 98 98
www.cramo.pl

RUSSIA
ZAO Cramo
Zanevka 48/1
RU-195298 St.Petersburg
Russia
Tel +7 812 448 4818
www.cramo.ru

ZAO Cramo Rus
Mytishinsky district
Chelobityevo village
Moscow region 141031
Russia
Tel +7 495 926 7676
www.cramo.ru

CZECH REPUBLIC
Cramo s.r.o.
Na Petynce 136/120
169 00 Prague 6
Tel +420 220 512 182
Czech Republic
www.cramo.cz

SLOVAKIA
Cramo
Kopčianska 16
851 01 Bratislava
Slovakia
Tel +421 263 810 799
www.cramo.cz

CRAMO PLC ANNUAL REPORT 09

POWERING YOUR BUSINESS

CRAMO PLC
KALLIOSOLANTIE 2
01740 VANTAA
FINLAND
COMPANY CODE 0196435-4
WWW.CRAMO.COM