Interim Report
January–September 2008
11 November 2008, 9.00 a.m.

CRAMO'S PERFORMANCE IN LINE WITH TARGETS – INTERIM REPORT FOR JANUARY–SEPTEMBER 2008

- Consolidated sales EUR 436,5 (352.7) million, up 23.8%, with third-quarter growth of 20.7%
- EBITA EUR 82.3 (69.8) million, up 17.9%; third-quarter EBITA EUR 34.2 (30.7) million
- EBIT EUR 77.2 (66.7) million, up 15.8%
- Undiluted earnings per share EUR 1.37 (1.40); diluted earnings per share EUR 1.37 (1.38)
- Due to its modern fleet, the Group sees no need for new investments and limited need for maintenance capital expenditure
- The Group reconfirms its sales growth guidance at above 18% and an EBITA above 18% of sales in 2008, in line with the Group's financial targets. However, the risk level has increased
- In 2009, in a volatile environment, the Group expects to achieve a positive cash flow after investments and a lower gearing

KEY FIGURES AND RATIOS (IN EUR 1,000)	7–9/08	7–9/07	1–9/08	1–9/07	1-12/07
Sales	155,697	128,962	436,486	352,655	496,428
Operating profit before amortisation on intangible assets resulting from acquisitions (EBITA)	34,215	30,736	82,310	69,819	95,963
Operating profit (EBIT)	32,255	29,739	77,225	66,713	91,844
Profit before tax (EBT)	24,517	25,451	58,926	55,276	75,808
Profit for the period	18,019	19,221	41,917	42,806	57,485
Earnings per share (EPS) before amortisation on intangible assets resulting from acquisitions, diluted, EUR	0.65	0.65	1.53	1.48	2.00
Earnings per share (EPS), undiluted, EUR	0.59	0.63	1.37	1.40	1.88
Earnings per share (EPS), diluted, EUR	0.59	0.62	1.37	1.38	1.87
Equity per share, EUR			11.39	10.52	10.88
Return on equity, rolling 12-month, %			16.9	19.5	18.4
Equity ratio, %			32.4	38.2	37.3
Gearing, %			147.1	109.1	109.4
Net interest-bearing liabilities			513,694	351,788	364,985
Gross capital expenditure, EUR 1,000			169,270	124,711	175,494
% of sales			38.8	35.4	35.4
Average number of personnel			2,564	2,134	2,070

SUMMARY OF FINANCIAL PERFORMANCE IN JANUARY–SEPTEMBER 2008

Cramo Group's consolidated sales continued on a high level throughout the third quarter of 2008. Sales increased in all market areas and totalled EUR 436.5 million in January–September. Compared to the corresponding period of last year (EUR 352.7 million), consolidated sales were up 23.8 per cent. In July–September the Group's sales growth was 20.7 per cent, totalling EUR 155.7 (129.0) million. Acquisitions and equipment investments, as well as new depots and new markets fuelled the sales growth. In the third quarter, the strongest equipment rental sales growth was achieved in Central and Eastern Europe, 44.4 per cent, and in Western Europe, 41.7 per cent.

EBITA for January–September was EUR 82.3 (69.8) million, 18.9 (19.8) per cent of sales. EBITA increased by 17.9 per cent year on year. EBITA for the third quarter was EUR 34.2 (30.7) million, 22.0 (23.8) per cent of sales. The third-quarter profits were in line with the Group's expectations. Successfully completed investments in new market areas and cost adjustments in markets with slower growth contributed to the Group’s performance. Profitability improved in the equipment rental business in Finland and Sweden as well as in the modular space business, but weakened in Western Europe and in Central and Eastern Europe. However, profitability in Central and Eastern Europe improved during Q3 compared to the first half of the year. This was achieved in spite of a significant market slowdown in the Baltic countries. The modular space business maintained its profitability at an excellent level, contributing to stability in Cramo Group’s operations over the business cycle.

Accelerating during Q3, the Group has seen a deteriorating business environment. The good performance of the Group provides proof of the Group’s strong market position in the Nordic area, and in the developing Central and East European markets. The Group also acted early on signals from the market.

With its modern fleet at hand, Cramo saw no need for new investments, and also cut maintenance capital expenditure to a minimum.

OUTLOOK FOR THE IMMEDIATE FUTURE

Economic uncertainty overall has increased since mid-September. The Group sees a negative development in construction volumes particularly in the Nordic region and the Baltic countries in 2009. Cramo anticipates, however, that the impact on the demand for rental services will not be as severe as it is feared to be in construction in general. This is related to increasing penetration rates, increased equipment outsourcing, and growth in the demand for rental-related services. Continued growth is also anticipated in the demand for modular space, supported by relocations, demographic changes and the industry’s and public administration’s needs for increasingly flexible space solutions.

In a cyclical downturn, rental services provide an attractive alternative to purchasing new equipment. With its relatively high utilisation rates, rental is more cost-efficient compared to owned equipment. It also releases investment funds for other usage. The modular space business, on the other hand, is less cyclical than equipment rental. Cramo believes that a portion of the construction projects cancelled or postponed due to lack of funding, will be offset by the rental of modular space. In spite of an overall slowdown in construction, the modular space market is believed to continue to grow. At the same time, there is a permanent pent-up demand for construction in Central and Eastern Europe.

Expansion has required the Group to maintain a high level of capital expenditure up to 2008. As a consequence, a growing percentage of the Group´s business will be generated in the emerging markets in the future. The high investments have also produced a modern and competitive fleet. Now, however, Cramo Group has embarked on an “investment holiday” for the balance of 2008 and total 2009. Instead of investing in new equipment, the Group will focus on optimising the use of its existing fleet throughout the whole Group. The Group will also continue its systematic cost adjustment measures, defending the Group’s profitability and cash flow from operations at a good level in the new market situation.

Several European currencies have weakened in relation to the Euro. If current exchange rates stay, there will be a negative translational impact on the Group’s Euro-based consolidated figures.

The Group reconfirms its sales growth guidance at above 18% and an EBITA above 18% of sales in 2008, in line with the Group’s financial targets. However, the risk level has increased.

In 2009, in a volatile environment, the Group expects to achieve a positive cash flow after investments and a lower gearing.

SALES AND PROFIT

Cramo is a service company specialising in equipment rental services, as well as the rental and sale of modular space. Its equipment rental services comprise construction machinery and equipment rentals and rental-related services. These rental-related services include construction site and installation services. As one of the industry’s leading service providers in the Nordic countries and Central and Eastern Europe,

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Cramo Plc operates in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and Russia.

Cramo Group's consolidated sales continued to be strong throughout the third quarter of 2008. Consolidated sales amounted to EUR 436.5 million in January–September. Compared to those of the corresponding period of last year (EUR 352.7 million), consolidated sales increased by 23.8 per cent. Sales growth from continuing operations in January–September was 24.8 per cent, while organic growth was 19.6 per cent. Sales developed as expected. They were boosted by the acquisitions and equipment investments completed in the first half of the year, especially in new depots and new markets.

The equipment rental business reported sales of EUR 382.0 (303.6) million in January–September and showed an increase of 25.8 per cent. Excluding the Netherlands (business divested in 2007), equipment rental sales grew by 27.1 per cent. The modular space business recorded sales of EUR 59.1 (54.4) million, showing an increase of 8.8 per cent. Inter-segment sales (equipment rental and modular space) came to EUR 4.7 (5.3) million in January–September.

Cramo Group's third-quarter consolidated sales totalled EUR 155.7 million. Compared to the corresponding period of last year (EUR 129.0 million), sales increased by 20.7 per cent. The equipment rental business reported sales of EUR 136.7 (112.2) million in January–September, and the modular space business recorded sales of EUR 20.4 (18.4) million.

Consolidated operating profit before amortisation on intangible assets from acquisitions (EBITA) was 82.3 (69.8) million, or 18.9 (19.8) per cent of consolidated sales, in January-September. EBITA increased by 17.9 per cent year on year. The equipment rental business reported an EBITA of EUR 66.4 (62.6) million, and the modular space business an EBITA of EUR 17.8 (14.0) million.

EBITA for the third quarter amounted to EUR 34.2 (30.7) million, representing 22.0 (23.8) per cent of sales. The third-quarter profits were in line with the Group's expectations. Successfully completed investments in new market areas and cost adjustment in markets with slower growth contributed to the Group's performance. Profitability improved in the equipment rental business in Finland and Sweden as well as in the modular space business, but weakened in Western Europe and in Central and Eastern Europe, nevertheless improving in Central and Eastern Europe from the first half of the year despite the clear market slowdown in the Baltic countries.

The January-September credit losses and credit loss provisions totalled EUR 2.3 (1.5) million, or 0.5 (0.4) per cent of sales.

EBIT for January–September amounted to EUR 77.2 (66.7) million, representing 17.7 per cent of sales. Profit before tax was EUR 58.9 (55.3) million, while profit for the period totalled EUR 41.9 (42.8) million. Undiluted earnings per share were EUR 1.37 (1.40) and diluted earnings per share were EUR 1.37 (1.38).

Return on investment (in the form of rolling 12-month ROI) stood at 13.2 per cent and return on equity (rolling 12-month) at 16.9 per cent.

CAPITAL EXPENDITURE AND DEPRECIATION/AMORTISATION

Gross capital expenditure of EUR 169.3 (124.7) million was mainly allocated to the purchase of rental equipment. Company acquisitions carried out during the period under review are not included in gross capital expenditure. The cost of company and business acquisitions in January–September amounted to EUR 47.6 million. In 2008, Cramo Group's equipment investments will increase from the previous year's level and will more strongly target Central Europe and Russia. The Group will downsize its investments considerably in 2009 and, instead of investing in new equipment, focus on optimising the use of its existing fleet throughout the Group.

Reported depreciation on property, plant and equipment and software totalled EUR 62.6 (45.1) million. Amortisation on intangible assets resulting from acquisitions totalled EUR 5.1 (3.1) million. At the end of the period, goodwill totalled EUR 159.4 (152.1) million.

FINANCIAL POSITION AND BALANCE SHEET

The Group showed a positive net cash flow of EUR 78.2 (78.2) million from operating activities. The cash flow from operating activities was affected by a negative change in working capital by EUR -32.6 million, which represents normal fluctuation in working capital. Cash flow from investments was negative EUR 187.2 (negative EUR 113.1) million, of which EUR -39.3 million was related to acquisitions. Cash flow from financing activities amounted to EUR 109.9 (7.5) million. At the end of the period, cash and cash equivalents amounted to EUR 19.2 (14.7) million, with the net change coming to EUR 1.0 (negative EUR 27.1) million. The Group expects to achieve a positive cash flow after investments in 2009.

At the end of the period, Cramo Group's gross interest-bearing liabilities totalled EUR 532.9 (366.5) million. The Group has used interest-rate swaps of approximately EUR 130.1 million to hedge its non-current loans. Hedge accounting is applied to this amount. Current loans include a total of EUR 115 million of loan withdrawals as current loans from non-current credit limits. Cramo Group's unused non-current credit limits totalled EUR 60 million and current credit limits EUR 13 million on 30 September 2008. The Group has later opened new unused non-current credit limits in the amount of EUR 20 million and current credit limits in the amount of EUR 35 million to offset current funding obtained particularly from the commercial paper market.

On 30 September 2008, Cramo Group's net interest-bearing liabilities totalled EUR 513.7 (351.8) million, with gearing at 147.1 (109.1) per cent. The growth in gearing resulted from the Group's capital expenditure and acquisitions in the first half of 2008. In 2009 the Group expects to achieve a lower gearing.

The balance sheet total on 30 September 2008 was EUR 1,085.1 (850.6) million and the equity ratio was 32.4 (38.2) per cent.

Property, plant and equipment amounted to EUR 621.9 (443.9) million of the balance sheet total, with equipment rental representing EUR 480.2 million, or 77.2 per cent, and modular space representing EUR 141.7 million, or 22.8 per cent.

Net working capital on 30 September 2008 amounted to EUR 41.3 million, with equipment rental representing EUR 43.6 million and modular space representing EUR -2.2 million. Inventories amounted to EUR 20.3 million on 30 September 2008, with modular space representing EUR 11.1 million, or 54.8 per cent.

RISK MANAGEMENT

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, interest and exchange rate fluctuations, availability of financing, credit loss risks and the success of the Group's acquisitions. The global financial crisis has increased the risk factors associated with the business, including the availability of financing and credit loss risks. Cramo Group will give increased attention to its risk management activities in the new operating environment.

GROUP STRUCTURE

At the end of the period under review, the operating companies of Cramo Group consisted of the parent company and its subsidiaries in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Poland and the Czech Republic, as well as Cramo Instant Oy's subsidiaries in Finland and Suomen Tähtivuokraus Oy's subsidiaries in Poland and St Petersburg, Russia. Cramo Plc also has a 75 per cent holding in Cramo JV Oy, which has a subsidiary, ZAO Cramo Rentakran, in Russia. The Slovakian business unit is part of the Czech company.

Equipment rental services are provided through a network of 298 (263) depots. Cramo Instant Oy in Finland and Cramo Instant AB in Sweden, Norway and Denmark are engaged in the modular space business.

BUSINESS DEVELOPMENT

In the first half of the year, Cramo expanded its operations through acquisitions in Finland, Sweden, Norway, Latvia and the Czech Republic. In the third quarter, Cramo signed an outsourcing agreement with MSE A/S in Denmark.

Techniline s.r.o., operating in the Czech Republic and Slovakia, was integrated into the Group on 1 April 2008. SIA Tapeks Noma, from Latvia, was integrated into Cramo on 1 May 2008. The business of Kranab, operating in Sweden, was integrated into the Group on 1 April 2008. Hyrmaskiner i Bollnäs AB, operating in Sweden, was integrated into the Group on 1.4.2008. In Finland, Pohjolan Teline Oy, which operates in the Kemi-Tornio area, was integrated into the Group on 1.4.2008. Kranenentreprenören AS, operating in Norway, was integrated into the Group on 14.5.2008 and GMM Hyrservice, operating in Sweden, on 1.6.2008. All of these business integrations were successful.

Cramo Group signed two significant outsourcing agreements in January–September. In accordance with an agreement signed in June, Cramo took over the rental operations of JM Byggholt AS in Norway in August. In Denmark, Cramo signed an outsourcing agreement with MSE A/S, under which Cramo takes over the existing machine fleet of the Falster-based MSE A/S. The agreement also makes Cramo the main equipment rental supplier of MSE A/S for a minimum period of five years. The impact of the agreement signed in August on Cramo A/S' sales is estimated at DKK 4.5 million (EUR 0.6 million).

In April, Cramo Plc signed an agreement on the sale of nine of its real estate properties in Finland to Aberdeen Property Fund Finland I Ky and companies owned by Aberdeen. Cramo also sold seven other real estate properties in Finland in the first half of the year. The total capital gain from the property transactions is EUR 6.0 million, which is recognised under other operating income.

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. Cramo aims at growth both organically and through acquisitions.

HUMAN RESOURCES

During the period under review, Group staff averaged 2,564 (2,134). The equipment rental business had an average of 2,325 (1,894) employees and the modular space business 239 (240) employees. At the end of the period, the Group had 2,758 employees.

The geographical distribution of personnel at the end of the period was as follows: Finland 31.4 per cent, Sweden 25.7 per cent, Western Europe 13.0 per cent, and Central and Eastern Europe 29.9 per cent.

The Group, in the normal course of its business, is constantly monitoring and adjusting its cost base, including its personnel costs.

CHANGES IN MANAGEMENT

Mika Puittinen (38), LL.M., MBA, has been appointed Vice President, Legal Affairs, and member of the management team at Cramo Plc. Mr. Puittinen will assume his new duties on 17.11.2008. Before joining Cramo Group, Mr. Puittinen was employed as Vice President (Legal Affairs) at Perlos Corporation.

PERFORMANCE BY BUSINESS SEGMENT

Cramo Plc's business consists of the two following business segments: equipment rental and modular space. The equipment rental business segment is also reported upon by geographic segment as follows: Finland, Sweden, Western Europe (Norway and Denmark), and Central and Eastern Europe (Estonia, Latvia, Lithuania, Poland, the Czech Republic, Russia and – from 1 April 2008 – Slovakia). The Central and Eastern Europe segment was previously called Other Europe.

EQUIPMENT RENTAL

The European Rental Association (ERA) estimated the value of the 2007 equipment rental market in Finland at around EUR 420 million, in Sweden at EUR 700 million, in Norway at EUR 735 million, in Denmark at EUR 550 million, in Poland at EUR 200 million, in the Czech Republic at EUR 70 million, in Slovakia at EUR 30 million, in Estonia at EUR 60 million, in Latvia at EUR 60 million, and in Lithuania at EUR 50 million.

Consolidated sales from Cramo's equipment rental business came to EUR 382.0 (303.6) million in January-September, showing an increase of 25.8 per cent. Sales by geographical segment were as follows: Finland 17.4 (18.1) per cent, Sweden 47.2 (50.8) per cent, Western Europe 20.1 (17.9) per cent, and Central and Eastern Europe 15.1 (13.2) per cent.

EBITA for the equipment rental business amounted to EUR 66.4 (62.6) million, representing 17.4 (20.6) per cent of sales.

The business segment's major customers operate in the construction sector and manufacturing industry. In addition, the segment provides services to the public sector and private customers.

Finland

The Finnish equipment rental business reported sales of EUR 66.4 (54.9) million for January–September, showing an increase of 21.1 per cent. EBITA totalled EUR 11.7 (10.3) million, or 17.6 (18.8) per cent of sales. Third-quarter sales totalled EUR 24.9 (21.7) million, and EBITA amounted to EUR 7.0 (5.5) million, or 28.0 (25.2) per cent of sales.

Sales in the Finnish equipment rental business developed according to plan. The strong growth in demand nevertheless slowed down in the third quarter, which was also reflected in the sales for the period. Problems in the availability of financing due to the global financial crisis have led to several construction projects being postponed. The demand for equipment rental services continues to grow faster than the actual equipment rental. While the measures Cramo initiated in the second quarter to enhance profitability improved profitability in the third quarter to expected levels, overall profitability in 2008 is expected to fall slightly short of last year's levels.

On the basis of the forecast published by the Federation of Finnish Construction Industries (RT) in October, construction is expected to grow by 4.0 per cent in 2008 and decrease by 3.0 per cent in 2009. Residential construction is expected to grow by 4.5 per cent in 2008 but decrease by four per cent in 2009, as it is expected that there will be a sharp decline in the number of new housing construction projects by the end of the year. The number of new commercial construction projects is also expected to decrease in both 2008 and 2009. The financial crisis is expected to decrease the level of property investments, particularly concerning office buildings and partially also commercial buildings. Civil engineering is expected to grow by three per cent in 2008 particularly due to railroad construction, and to remain at the same level in 2009. Renovation projects, which account for some 40 per cent of all residential construction, are expected to continue showing a steady growth. RT predicts an increase of 3.5 per cent in renovation projects in both 2008 and 2009.

Sweden

The Swedish equipment rental business reported sales of EUR 181.3(154.3) million in January–September, showing an increase of 17.5 per cent. EBITA totalled EUR 40.3 (35.5) million, or 22.2 (22.9) per cent of sales, showing an increase of 14.0 per cent. Third-quarter sales came to EUR 61.2 (55.1) million, and EBITA amounted to EUR 16.2 (14.2) million, or 26.5 (25.8) per cent of sales.

The demand for rental services continued to grow in Sweden, and the general economic uncertainty did not yet affect Cramo's business in the third quarter. The financial performance developed as expected. After the period under review, the uncertain situation of the financial market has led to several construction projects being postponed. The continuous growth in construction projects and civil engineering nevertheless improves the future outlook of the rental market. The weakening of the Swedish krona in relation to the Euro will reduce the 2008 sales growth as measured in Euros in the fourth quarter. Cramo's strong position in Sweden offers the company excellent opportunities for succeeding also in the changed operating environment.

According to the forecast published by the Swedish Construction Federation (Sveriges Byggindustrier) in October, construction will grow by four per cent in 2008 and by one per cent in 2009. Residential construction is expected to decrease by two per cent in 2008, while commercial construction is expected to grow by seven per cent and civil engineering by nine per cent. The estimated reduction in residential construction for 2009 is four per cent. New residential construction is expected to decrease by 11 per cent, while a growth of six per cent is forecast for housing renovation. Public sector investments are expected to maintain the growth in commercial construction at one per cent in 2009, while civil engineering is expected to grow by 10 per cent in 2009.

Western Europe

Cramo's equipment rental business in Western Europe consists of its Norwegian and Danish operations. The comparison figures for the first quarter in 2007 also include the Dutch business that Cramo divested on 1 April 2007.

In Western Europe, the equipment rental business recorded January–September sales of EUR 76.7 (54.3) million, showing an increase of 41.2 per cent. Compared with comparative sales for 2007 excluding the Netherlands, the year-on-year growth rate was 49.3 per cent. Sales increased based on completed growth investments and outsourcing. EBITA for January–September amounted to EUR 4.8 (4.8) million, representing 7.6 (10.6) per cent of sales.

Third-quarter sales totalled EUR 27.0 (19.1) million, showing an increase of 41.7 per cent. Third-quarter EBITA amounted to EUR 2.1 (2.0) million, or 7.6 (10.6) per cent of sales.

Sales continued to grow strongly in Norway and Denmark, and Cramo succeeded in meeting its objective of considerably boosting its market share in both countries. Sales growth is expected to continue in the fourth quarter. The measures initiated in the first quarter to enhance profitability have been successful in Norway. In Denmark the market situation is more challenging than in Norway, and profitability is likely to improve at a slower rate. In Denmark the slowdown in construction and the fragmented competition further complicate the market situation. Cramo has concluded several outsourcing agreements in Denmark and Norway within the last 12 months that are important with regard to the development of long-term customer relationships.

According to the forecast published by Euroconstruct in June, construction growth in Norway will slow down to 0.8 per cent in 2008 and decrease by 1.9 per cent in 2009. According to its forecast published in October, the Norwegian Prognosesenteret AS expects new housing starts to decrease by 26 per cent in 2008 and by 25 per cent 2009, but make a sharp upturn in 2010. New commercial construction is expected to decrease by seven per cent in 2008 and by 18 per cent in 2009. Renovation projects are expected to remain at the same level in 2008 and grow by one per cent in 2009. Civil engineering is expected to remain at the previous year's level in 2008 and to increase by six per cent in 2009. Offshore industry is expected to continue its expansion projects in 2009.

According to the forecast published by Euroconstruct in June, Danish construction will decrease by 0.7 per cent in 2008 and by 0.5 per cent in 2009. Residential construction will decrease by some 10 per cent, whereas civil engineering projects will grow. According to the forecast published by Danmark Statistik in September, new residential construction in particular will decrease markedly in 2008 and 2009.

Central and Eastern Europe

Cramo Group's equipment rental business sales in Central and Eastern Europe (previously Other Europe) come from Estonia, Latvia, Lithuania, Poland, the Czech Republic and Slovakia and, in Russia, from the St. Petersburg, Moscow and Yekaterinburg markets.

Rental business sales in Central and Eastern Europe amounted to EUR 57.6 (40.1) million, showing an increase of 43.7 per cent. EBITA totalled EUR 9.6 (12.1) million, or 16.7 (30.3) per cent of sales.

Excluding Estonia, Central and Eastern Europe achieved a sales growth of 85 per cent. Sales were down in Estonia, yet the total combined sales for all Baltic countries showed an increase of 14 per cent. Russian operations grew by 225 per cent in January–September. In Poland, the Czech Republic and Slovakia sales were up 98 per cent. Factors behind the sales growth in Central and Eastern Europe include a good demand and business expansion both organically and through acquisitions. In addition, the extensive sales training arranged by Cramo for its personnel and the related development of key customer relationships also contributed to the growth.

Third-quarter sales totalled EUR 23.5 (16.3) million, showing an increase of 44.4 per cent. Third-quarter EBITA amounted to EUR 5.2 (5.9) million, or 22.0 (36.2) per cent of sales. New depots were opened in Poland and in the Czech Republic, whereas some depots were closed in the Baltic countries. The number of depots at the end of the period was 80.

Profitability was strained by the growth in demand levelling off in the Baltic countries and stiffer competition. Inflation has reached 15 per cent in Russia and above 10 per cent in the Baltic countries, increasing personnel expenses and energy prices in particular. Cramo has adjusted its cost base in all the Baltic countries to better reflect the new market situation in 2008.
The equipment rental markets in the Baltic countries are slowing down due to a decline in construction, particularly in residential construction. The outlook for housing production has taken a turn to a more conservative direction also in Russia, where signs of increasing demand for equipment rental instead of equipment purchasing are nevertheless visible. While market outlook remains good in Poland, the Czech Republic and Slovakia, the impact of economic uncertainty is visible through delays concerning new projects.

Cramo is preparing for the weakening market situation by enhancing the structure of its depot network, making adjustments in costs and the number of personnel and increasing its efforts to optimise the rental fleet between markets. The main impact will be on the business in the Baltic countries.

Cramo expects to achieve marked sales growth in 2008, although it will probably remain below the targeted growth rate of 50 per cent. The weakening of several currencies used in Central and East European countries in relation to the Euro will decrease the sales growth as measured in Euros in the fourth quarter. While strong expansion will affect the overall profitability for 2008, Cramo expects its profitability to remain at a good level. The long-term outlook in the rental business remains good throughout the Central and East European markets.

According to the forecast published by Buildecon in August 2008, construction will grow by 11.5 per cent in Russia in 2008 and by 12.0 per cent in 2009. According to the survey results released by Euroconstruct in June 2008, construction in Estonia will decrease by seven per cent in 2008 and one per cent in 2009. The corresponding growth estimates in Latvia are 0 and -2 per cent. In Lithuania, construction is expected to grow seven per cent in 2008 and one per cent in 2009. In Poland, where civil engineering projects in particular are doing well (thanks to EU support), construction is expected to increase by 14.6 per cent in 2008 and 10.7 per cent in 2009. In the Czech Republic, construction is forecast to grow by 5.3 per cent in 2008 and by 5.4 per cent in 2009. Euroconstruct forecasts growth figures of 5.9 per cent in 2008 and 4.8 per cent in 2009 for construction in Slovakia. The forecasts were prepared before the emergence of the global financial crisis.

MODULAR SPACE

The modular space business recorded January–September sales of EUR 59.1 (54.4) million. Sales were up 8.8 per cent year on year. Rental operations accounted for more than 70 per cent of sales. Rental revenue increased over the previous year's level, whereas the sales revenue was down. EBITA totalled EUR 17.8 (14.0) million, or 30.0 (25.8) per cent of sales, showing an increase of 26.5 per cent. Profitability improved clearly from the previous year and was at an excellent level.

Third-quarter sales came to EUR 20.4 (18.4) million, up by 10.8 per cent. Third-quarter EBITA amounted to EUR 6.1 (4.9) million, or 30.0 (26.4) per cent of sales.

Sales and performance continued to develop favourably in the third quarter. Both utilisation rates and the order book value remained high in the Nordic countries. The order book continued to strengthen further, particularly in Finland. Cramo signed several new long-term rental agreements, the most significant of which concerns day-care centres delivered to the city of Espoo.

Competition for the supply of modular spaces is on the increase, but clear market growth has kept the price level and profitability good. The overall economic uncertainty which started in the financial markets is reflected in the extended decision-making concerning space rental. As part of the decrease in the level of investments, Cramo will downsize the production of new rental spaces.

In line with its strategy, Cramo aims to increase the share of long-term rental agreements in proportion to sales operations. The long-term rental agreements of modular space bring stability to Cramo Group's operations over the business cycle. Cramo is confident that a portion of the construction projects postponed due to the credit crunch will be offset by the rental of modular space and that, despite the overall slowdown in construction, the modular space market will continue to grow.

The bulk of sales in the modular space business is generated in the Finnish and Swedish markets. Cramo also operates in Norway and Denmark. While the Finnish operations involve the rental, sale and manufacture of modular space, the Swedish, Norwegian and Danish operations cover only their rental and sale.

Modular space refers to highly prefabricated and pre-equipped building modules that can be moved as space requirements change. The most important applications include schools, day-care centres and offices, as well as expansion investments in industry. Similar to equipment rental, the use of modular space is expected to grow more quickly than construction. The need for modular space is increasing in all market areas, especially in the public sector.

SALES BY GEOGRAPHIC SEGMENT

Cramo Group's secondary segment reporting format is based on geographic regions. Finland generated EUR 94.8 (88.1) million or 21.2 (22.7) per cent of the total consolidated sales, Sweden EUR 207.1 (184.6) million or 46.4 (51.2) per cent, Western Europe EUR 86.6 (54.3) million or 19.4 (15.1) per cent, and Central and Eastern Europe EUR 57.7 (40.1) million or 12.9 (11.1) per cent. These figures include both the equipment rental business and the modular space business.

SHARES AND SHARE CAPITAL

On 30 September 2008, Cramo Plc had a share capital of EUR 24,835,753.09, and the total number of shares was 30,660.189. There were no changes in the share capital or the number of shares during the period under review.

CHANGES IN SHAREHOLDINGS

There were no changes in Cramo Plc's ownership base that exceed the flagging limit in the third quarter.

VALID BOARD AUTHORISATIONS

The Annual General Meeting held on 23 April 2008 authorised the Board of Directors to repurchase shares in one or several tranches and to decide on their transfer in one or several tranches. The Board of Directors is also authorised to decide on a share issue and on issuing option rights, convertible bonds and other special rights entitling their holder to shares as referred to in Chapter 10, section 1, 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. By 30 September 2008, the Board had issued a total of 813,000 option rights from the 2006A option scheme and 934,000 option rights from the 2006B option scheme. The number of 2006B option rights issued in 2008 totalled 30,000.

EVENTS AFTER THE BALANCE SHEET DATE

The company has not announced any significant events after the balance sheet date.

The information in this Interim Report is based on unaudited figures.

Interim Report
January–September 2008
11 November 2008, 9.00 a.m.

TABLES

This financial report has been prepared in accordance with IAS 34: Interim Financial Reporting. The same accounting policies and definitions of key financial figures have been adopted as in Cramo Plc's annual financial report for 2007.

CONSOLIDATED BALANCE SHEET (IN EUR 1,000)	30.9.08	30.9.07	31.12.07
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	621,860	443,913	487,038
Goodwill	159,390	152,088	152,367
Other intangible assets	108,651	90,236	95,359
Available-for-sale investments	317	334	332
Receivables	5,329	1,695	3,954
Deferred income tax assets	9,159	4,136	2,974
TOTAL NON-CURRENT ASSETS	904,707	692,402	742,024
CURRENT ASSETS			
Inventories	20,250	18,992	16,903
Trade and other receivables	140,982	124,515	117,548
Cash and cash equivalents	19,200	14,699	18,489
TOTAL CURRENT ASSETS	180,433	158,206	152,940
TOTAL ASSETS	1,085,139	850,608	894,964
EQUITY AND LIABILITIES			
EQUITY			
Share capital	24,835	24,835	24,835
Share issue			
Share premium fund	186,910	186,910	186,910
Fair value reserve	117	117	117
Hedging fund	6,877	4,347	6,334
Translation differences	-8,528	2,666	-1,867
Retained earnings	138,905	103,545	117,351
TOTAL EQUITY	349,116	322,420	333,680
RESERVES			
Reserves	347	235	363
NON-CURRENT LIABILITIES			
Deferred income tax liabilities	73,545	62,551	62,200
Interest-bearing liabilities	321,064	294,168	274,087
CURRENT LIABILITIES			
Trade and other payables	129,237	98,915	115,247
Interest-bearing liabilities	211,830	72,319	109,387
TOTAL LIABILITIES	735,676	527,953	560,921
TOTAL EQUITY AND LIABILITIES	1,085,139	850,608	894,964

CONSOLIDATED INCOME STATEMENT 1 January 2008–30 September 2008 (in EUR 1,000)	7-9/08	7–9/07	1–9/08	1–9/07	1-12/07
SALES	155,697	128,962	436,486	352,655	496,428
Other operating income	1,097	885	9,994	7,431	7,798
Change in inventories of finished goods and work in progress	-536	1,332	446	2,969	966
Production for own use	2,866	4,016	12,833	10,457	15,379
Materials and services	-22,793	-28,551	-85,116	-74,873	-106,396
Employee benefits	-28,769	-25,732	-88,951	-74,434	-101,608
Depreciation	-22,353	-16,055	-62,567	-45,119	-62,356
Amortisation on intangible assets resulting from acquisitions	-1,961	-997	-5,085	-3,106	-4,119
Other operating expenses	-50,995	-34,121	-140,816	-109,267	-154,248
OPERATING PROFIT	32,255	29,739	77,225	66,713	91,844
% of sales	20.7	23.1	17.7	18.9	18.5
Finance costs (net)	-7,739	-4,288	-18,300	-11,437	-16,036
PROFIT BEFORE TAXES	24,517	25,451	58,926	55,276	75,808
% of sales	15.7	19.7	13.5	15.7	15.3
Income taxes	-6,497	-6,230	-17,008	-12,470	-18,323
PROFIT FOR THE PERIOD	18,019	19,221	41,917	42,806	57,485
% of sales	11.6	14.9	9.6	12.1	11.6
Earnings per share, undiluted, EUR	0.59	0.63	1.37	1.40	1.88
Earnings per share, diluted, EUR	0.59	0.62	1.37	1.38	1.87

CHANGES IN GROUP'S EQUITY (IN EUR 1,000)	Share capital	Share issue	Share fund	Fair value fund	Hedging fund	Translation difference	Retained earnings	Total
Total equity on 1.1.2007	24,508	143	185,836	117	3,301	2,818	75,521	292,244
Translation differences						-152	-729	-881
Hedging fund					1,046			1,046
Profit for the period							42,806	42,806
Exercise of options, registered	327	-143	1,074					1,258
Dividend payment							-15,326	-15,326
Share-based payments							1,273	1,273
Total equity on 30.9.2007	24,835	0	186,910	117	4,347	2,666	103,545	322,420
Total equity on 1.1.2008	24,835	0	186,910	117	6,334	-1,867	117,351	333,680
Translation differences						-6,661	-2,708	-9,369
Hedging fund					543			543
Profit for the period							41,917	41,917
Dividend payment							-19,929	-19,929
Share-based payments							2,274	2,274
Total equity on 30.9.2008	24,835	0	186,910	117	6,877	-8,528	138,905	349,116

CONSOLIDATED CASH FLOW STATEMENT (IN EUR 1,000)	1–9/08	1–9/07	1-12/07
CASH FLOW FROM OPERATING ACTIVITIES	78,373	78,243	138,653
CASH FLOW FROM INVESTING ACTIVITIES	-187,215	-113,111	-175,234
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		1,258	1,258
Dividends paid	-19,929	-15,326	-15,326
Increase (+) / decrease (-) in liabilities	101,698	29,317	34,393
Increase (+) / decrease (-) in lease liabilities	28,120	-7,783	-6,590
CASH FLOW FROM FINANCING ACTIVITIES, TOTAL	109,889	7,466	13,735
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,047	-27,402	-22,846
CASH AND CASH EQUIVALENTS AT PERIOD START	18,489	41,823	41,823
Translation difference	-336	278	-488
CASH AND CASH EQUIVALENTS AT PERIOD END	19,200	14,699	18,489

CONTINGENT LIABILITIES (IN EUR 1,000)	30.9.08	30.9.07	31.12.07
On own behalf			
Mortgages on real estate	0	5,633	5,663
Mortgages on companies	83,317	77,487	77,489
Pledges	80,156	107,212	159,759
Other contingent liabilities	8,090	10,084	9,541

DERIVATIVE FINANCIAL INSTRUMENTS (IN EUR 1,000)	30.9.08	30.9.08	30.9.07	30.9.07	31.12.07	31.12.07
	NV	FV	NV	FV	NV	FV
NV = nominal value						
FV = fair value						
Interest rate derivatives						
Swaps	130,142	4,768	140,546	5,874	138,395	5,492
Options						
Foreign exchange contracts						
Forwards and swaps	167,334	1,422	64,160	-1,247	87,150	-194

KEY FIGURES	30.9.08	30.9.07	Change, %	31.12.07
Value of outstanding orders for modular space, EUR 1,000	111,866	88,892	25.8	94,559
Value of orders for modular space rental, EUR 1,000	105,260	83,389	26.2	89,250
Value of orders for sale of modular space, EUR 1,000	6,606	5,503	20.0	5,309
Gross capital expenditure, EUR 1,000	169,270	124,711	35.7	175,494
% of sales	38.8	35.4		35.4
Average number of personnel	2,564	2,134	20.1	2,070
Earnings per share (EPS) before amortisation on intangible assets resulting from acquisitions, diluted, EUR	1.53	1.48	3.8	2.00
Earnings per share (EPS), undiluted, EUR	1.37	1.40	-2.1	1.88
Earnings per share (EPS), diluted 1), EUR	1.37	1.38	-0.7	1.87
Equity per share 2), EUR	11.39	10.52	8.3	10.88
Equity ratio, %	32.4	38.2		37.3
Net interest-bearing liabilities, EUR 1,000	513,694	351,788	46.0	364,985
Gearing, %	147.1	109.1		109.4
Issue-adjusted average number of shares	30,660,189	30,561,323	0.3	30,586,040
Issue-adjusted number of shares at period end	30,660,189	30,660,189	0.0	30,660,189
Number of shares adjusted by dilution effect of share options	30,660,189	31,018,856	-1.2	30,815,560

1) Adjusted by the dilution effect of shares with entitlement by warrants
2) Number of shares registered at the end of the period

Interim Report
January–September 2008
11 November 2008, 9.00 a.m.

INFORMATION PRESENTED BY BUSINESS SEGMENT (IN EUR 1,000)

The Group's primary segments comprise the equipment rental business and the modular space business. The secondary, geographic segments consist of Finland, Sweden, Western Europe and Central and Eastern Europe. The equipment rental business sales are also stated by geographic segment.

Sales by business segment (in EUR 1,000)	7–9/08	7–9/07	1–9/08	1–9/07	1-12/07
Equipment rental					
- Finland	24,947	21,733	66,415	54,864	75,761
- Sweden	61,242	55,138	181,298	154,338	214,515
- Western Europe	26,999	19,053	76,732	54,345	77,462
- Central and Eastern Europe	23,476	16,263	57,578	40,081	58,202
Equipment rental, total	136,666	112,187	382,023	303,628	425,940
- between segments	-96	-35	-206	-133	-227
Modular space	20,367	18,376	59,143	54,350	76,733
- between segments	-1,239	-1,567	-4,473	-5,190	-6,017
Eliminations	-1,335	-1,602	-4,679	-5,323	-6,244
Sales, total	155,697	128,962	436,486	352,655	496,428
Netherlands as a share of Western Europe	0	0	0	2,954	2,954

Operating profit (EBITA) before amortisation on intangible assets resulting from acquisitions, by business segment (in EUR 1,000)	7–9/08	7–9/07	1–9/08	1–9/07	1-12/07
Equipment rental					
- Finland	6,983	5,478	11,692	10,336	14,493
- Sweden	16,214	14,248	40,288	35,343	47,952
- Western Europe	2,064	2,028	4,749	4,777	6,487
- Central and Eastern Europe	5,159	5,887	9,638	12,146	17,082
Equipment rental, total	30,421	27,642	66,368	62,602	86,014
Modular space	6,110	4,851	17,767	14,047	19,358
Non-allocated capital gains	0	0	6,025	4,026	4,026
Non-allocated Group activities	-2,138	-1,552	-7,068	-10,327	-12,859
Eliminations	-177	-204	-782	-529	-576
Operating profit, total	34,215	30,736	82,310	69,819	95,963
Netherlands as a share of Western Europe	0	0	0	193	193

Non-allocated Group activities include expenses resulting from Group management and Group finance and control, as well as other Group-level expenses related to projects. Non-allocated capital gains include the capital gain from the divestment of Dutch operations, EUR 4.0 million in 2007, as well as the capital gain from the sale of property in Finland, EUR 6.0 million in 2008. The 2007 operating profit for Western Europe includes the operative result of the Dutch operations, EUR 193 thousand, from the first quarter of 2007.

EBITA %, by business segment	7–9/08	7–9/07	1-9/08	1-9/07	1-12/07
Equipment rental					
- Finland	28.0	25.2	17.6	18.8	19.1
- Sweden	26.5	25.8	22.2	22.9	22.4
- Western Europe	7.6	10.6	6.2	8.8	8.4
- Central and Eastern Europe	22.0	36.2	16.7	30.3	29.3
Equipment rental, total	22.3	24.6	17.4	20.6	20.2
Modular space	30.0	26.4	30.0	25.8	25.2
Non-allocated Group activities					
% EBITA, total	22.0	23.8	18.9	19.8	19.3

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Sales by geographical segment (in EUR 1,000), with sales generated by both the equipment rental business and the modular space business included in the geographical segments	7-9/08	7-9/07	1-9/08	1–9/07	1-12/07
Finland	34,004	29,613	94,792	81,799	113,416
Sweden	70,652	65,741	207,128	184,578	248,456
Western Europe	30,056	19,053	86,587	54,345	85,177
Central and Eastern Europe	23,574	16,263	57,672	40,081	58,278
Eliminations	-2,590	-1,709	-9,693	-8,148	-8,897
Sales, total	155,697	128,962	436,486	352,655	496,428
Netherlands as a share of Western Europe	0	0	0	2,954	2,954

FINANCIAL PERFORMANCE BY QUARTER	7-9/08	4-6/08	1-3/08	10-12/07	10/07-9/08	1-12/07
Sales	155,697	154,015	126,774	143,773	580,259	496,428
EBITA	34,215	30,679	17,416	26,144	108,454	95,963
EBITA %	22.0	19.9	13.7	18.2	18.7	19.3

LARGEST SHAREHOLDERS

10 LARGEST SHAREHOLDERS ON 30.9.08		Shares	%
1	Suomi Mutual Life Assurance Company	2.510.176	8,19
2	Rakennusmestarien Säätiö (Construction Engineers' Fund)	1.862.620	6,08
3	Varma Mutual Pension Insurance Company	1.302.607	4,25
4	Ilmarinen Mutual Pension Insurance Company	687.256	2,24
5	Odin Finland	528.864	1,72
6	Thominvest Oy	420.340	1,37
7	Local Government Pension Institution	412.184	1,34
8	Rakennusmestarit Ja -Insinöörit Amk Rkl	300.938	0,98
9	Laakkonen Mikko	280.000	0,91
10	Esr Eq Pikkujättiläiset	200.000	0,65
	10 largest shareholders total	8.504.985	27,74
	Nominee registered -UBS AG London Branch/UBS AG (Switzerland)*	8.494.814	27,71 >5,00
	Others	13.660.390	44,55
	Total	30.660.189	100,0

* Flagging on 5 June 2008

RELATED PARTY TRANSACTIONS

During the period under review, there were no material transactions with related parties.

BRIEFING

Cramo will hold a briefing and a live webcast in the conference room of the Palace Gourmet restaurant, Eteläranta 10, Helsinki, on Tuesday, 11 November 2008, at 11:00 a.m. The briefing will be in English.

To watch the briefing live on the Internet, go to www.cramo.com. A replay of the webcast will be available at www.cramo.com as of 11 November 2008 in the afternoon.

PUBLICATION OF FINANCIAL INFORMATION 2009

Cramo Plc's Financial Statements Bulletin for 2008 will be published on Wednesday, 11 February 2009.

The 2008 Annual Report will be published in electronic format in week 10/2009.

The 2009 Annual General Meeting will take place on Thursday, 26 March 2009 in Helsinki.

Cramo will publish three interim reports in 2009.
The January–March Interim Report will be published on Wednesday, 6 May 2009.
The January–June Interim Report will be published on Thursday, 6 August 2009.
The January–September Interim Report will be published on Tuesday, 3 November 2009.

The information in this Interim Report is based on unaudited figures.

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DISCLAIMER
This report includes certain forward-looking statements based on the management's expectations when they are made. These involve risks and uncertainties and are subject to change due to changes in general economic and industry conditions.

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