PONSSE PLC, STOCK EXCHANGE RELEASE, 23 APRIL 2013, 9:00 a.m.

PONSSE'S INTERIM REPORT FOR 1 JANUARY – 31 MARCH 2013

– Net sales amounted to EUR 61.6 (76.8) million.

– Operating result totalled EUR 0.1 (4.5) million, equalling 0.2 (5.9) per cent of net sales.

– Profit before taxes was EUR 0.7 (4.0) million.

– Cash flow from business operations was EUR 12.2 (-1.9) million.

– Earnings per share were EUR 0.00 (0.09).

– Equity ratio was 32.3 (47.1) per cent.

– Order books stood at EUR 49.1 (67.3) million.

PRESIDENT AND CEO JUHO NUMMELA:

The picking up of detached house construction in North America was visible in increased machine sales in the United States as well as Canada. The demand for new machines was close to normal in Russia as well. Sales of new machines in Russia, however, typically concentrate towards the end of the year. Of our main markets, Central Europe and Sweden in particular were soft during the period under review. Compared to other markets, the demand for new machines in Finland was at higher level, but remained approximately 25% lower than for the reference period.

Trade-in machine sales increased considerably during the period under review, which was mainly due to the picking up of the Finnish trade-in machine market. The net sales of maintenance services also increased as our customers' work situation was mainly good in several of our markets. The demand for new machines remained low during the period, and quantitative sales fell 46% short of the reference period.

Due to the weak demand for new machines, adjustments had to be made to the factory capacity. The company's order books continued to recover compared to the order books at the turn of the year, amounting to EUR 49.1 (67.3) million, or 27% less than for the reference period. The order books were not sufficient for operating in two shifts throughout the period under review. Early in the year, the factory operated in one shift and returned to two shifts in mid-February. The factory has been operating in one shift since the beginning of April.

Net sales for the period under review amounted to EUR 61.6 (76.8) million, representing a change of -19.7 per cent compared with the corresponding period. The operating result amounted to EUR 0.1 (4.5) million during the quarter. The result was burdened by considerably lower invoicing for forest machines compared with the reference period.

Cash flow from business operations amounted to EUR 12.2 (-1.9) million in the period under review. The stock of new products decreased to a level higher than normal when some of the invoicing for new machines was postponed to the second quarter. The stock of trade-in machines decreased, mainly due to good trade-in machine sales in Finland.

The hybrid loan, which has been included in the company's equity on the balance sheet for four years, was paid back as planned at the end of the period under review. The repayment of the hybrid loan can be seen as lower equity and the company's equity ratio consequently decreasing to 32.3 per cent.

Our investments in R&D continued normally. Maintenance services, sales and the subsidiary network also operated normally throughout the period under review.

NET SALES

Consolidated net sales for the period under review amounted to EUR 61.6 (76.8) million, which is 19.7 per cent less than in the comparison period. International business operations accounted for 60.1 (61.3) per cent of net sales.

Net sales were regionally distributed as follows: Northern Europe 52.2 (59.8) per cent, Central and Southern Europe 15.2 (15.7) per cent, Russia and Asia 13.9 (10.8) per cent, North and South America 18.7 (13.7) per cent and other countries 0.0 (0.0) per cent.

PROFIT PERFORMANCE

The operating result amounted to EUR 0.1 (4.5) million. The operating result equalled 0.2 (5.9) per cent of net sales for the period under review. Consolidated return on capital employed (ROCE) stood at 3.4 (15.0) per cent.

Staff costs for the period totalled EUR 12.6 (13.1) million. Other operating expenses stood at EUR 7.3 (8.2) million. The net total of financial income and expenses amounted to EUR 0.7 (-0.5) million. Exchange rate gains and losses with a net effect of EUR 1.0 (-0.1) million were recognised under financial items for the period. Profit for the period under review totalled EUR 0.5 (2.8) million. Diluted and undiluted earnings per share (EPS) came to EUR 0.00 (0.09). The interest on the subordinated loan for the period, less tax, has been taken into account in the calculation of EPS.

STATEMENT OF FINANCIAL POSITION AND FINANCING ACTIVITIES

At the end of the period under review, the total consolidated statements of financial position amounted to EUR 194.4 (174.2) million. Inventories stood at EUR 87.6 (87.6) million. Trade receivables totalled EUR 19.1 (26.8) million, while liquid assets stood at EUR 23.0 (9.8) million. Group shareholders' equity stood at EUR 62.1 (81.7) million and parent company shareholders' equity at EUR 81.9 (78.7) million. In the comparison period Group shareholders' equity includes a hybrid loan of EUR 19 million issued on 31 March 2009 and settled on 28 March 2013. A separate release was issued on 19 February 2013 regarding the settlement of the hybrid loan. The interest paid on the hybrid loan totalling EUR 9.1 million, less tax, is recognised as a deduction from Group equity. The amount of interest-bearing liabilities was EUR 75.3 (38.1) million. The company has used 40 per cent of its credit facility limit. The parent company's net receivables from other Group companies stood at EUR 77.2 (78.4) million. The parent company's receivables from subsidiaries mainly consisted of trade receivables. Consolidated net liabilities totalled EUR 52.3 (28.3) million, and the debt-equity ratio (gearing) was 121.2 (46.6) per cent. The equity ratio stood at 32.3 (47.1) percent at the end of the period under review.

Cash flow from business operations amounted to EUR 12.2 (-1.9) million. Cash flow from investment activities came to EUR -3.0 (-2.4) million.

ORDER INTAKE AND ORDER BOOKS

Order intake for the period totalled EUR 69.0 (73.3) million, while period-end order books were valued at EUR 49.1 (67.3) million.

DISTRIBUTION NETWORK

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

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

CAPITAL EXPENDITURE AND R&D

During the period under review, the Group's R&D expenses totalled EUR 2.4 (2.3) million, of which EUR 623 (479) thousand was capitalised.

Capital expenditure totalled EUR 3.0 (2.4) million. It consisted in addition to capitalised R&D expenses of investments in buildings and ordinary maintenance and replacement investments for machinery and equipment.

MANAGEMENT

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

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

Northern Europe: Jarmo Vidgrén (Finland), Eero Lukkarinen (Sweden, Denmark) and Sigurd Skotte (Norway),
Central and Southern Europe: Janne Vidgrén (Austria, Poland, Romania, Germany, the Czech Republic and Hungary), Clément Puybaret (France), Jussi Hentunen (Spain, Italy, Portugal and Norrbotten/Sweden) and Gary Glendinning (the United Kingdom),
Russia and Asia: Jaakko Laurila (Russia, Belarus), Norbert Schalkx (Japan and the Baltic countries) and Risto Kääriäinen (China),
North and South America: Pekka Ruuskanen (the United States), Marko Mattila (North American dealers), Teemu Raitis (Brazil) and Martin Toledo (Uruguay).

PERSONNEL

The Group had an average staff of 979 (981) during the period and employed 986 (988) people at period-end.

SHARE PERFORMANCE

The company's registered share capital consists of 28,000,000 shares. The trading volume of Ponsse Plc shares for 1 January – 31 March 2013 totalled 739,815, accounting for 2.6 per cent of the total number of shares. Share turnover amounted to EUR 4.7 million, with the period's lowest and highest share prices amounting to EUR 5.99 and EUR 6.89, respectively.

At the end of the period, shares closed at EUR 6.36, and market capitalisation totalled EUR 178.1 million.

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

ANNUAL GENERAL MEETING

A separate release was issued on 16 April 2013 regarding the authorizations given to the Board of Directors and other resolutions at the AGM.

GOVERNANCE

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

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

RISK MANAGEMENT

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

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

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

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

SHORT-TERM RISK MANAGEMENT

The prolonged insecurity in the world economy and weak economic situation may result in a decline in the demand for forest machines.

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

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

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

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

OUTLOOK FOR THE FUTURE

The Group’s euro-denominated operating profit is expected to remain lower than in 2012.

Due to the low level of the order books, the adaptation of the factory’s capacity will be continued in the second quarter of the year, if necessary. Sales and maintenance functions will operate normally. We estimate that our customers’ work situation will remain good after the frost heaving period.

PONSSE GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)

	IFRS 1-3/13	IFRS 1-3/12	IFRS 1-12/12
NET SALES	61,645	76,756	314,779
Increase (+)/decrease (-) in inventories of finished goods and work in progress	12,016	3,428	-130
Other operating income	140	141	836
Raw materials and services	-52,152	-53,129	-203,943
Expenditure on employment-related benefits	-12,594	-13,092	-49,223
Depreciation and amortisation	-1,648	-1,369	-5,862
Other operating expenses	-7,315	-8,203	-31,986
OPERATING RESULT	93	4,531	24,471
Share of results of associated companies	-84	-44	11
Financial income and expenses	704	-454	-3,968
RESULT BEFORE TAXES	713	4,033	20,513
Income taxes	-202	-1,213	-6,623
NET RESULT FOR THE PERIOD	512	2,820	13,890
OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:			
Translation differences related to foreign units	-843	303	437
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	-331	3,123	14,327
Diluted and undiluted earnings per share*	0.00	0.09	0.44

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)

	IFRS 31 Mar 13	IFRS 31 Mar 12	IFRS 31 Dec 12
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	12,137	9,529	11,898
Goodwill	3,440	3,440	3,440
Property, plant and equipment	36,675	26,737	35,525
Financial assets	111	111	111
Investments in associated companies	992	1,250	1,186
Non-current receivables	1,048	1,364	999

PONSSE

Deferred tax assets	2,022	2,257	1,628
TOTAL NON-CURRENT ASSETS	56,426	44,688	54,787
CURRENT ASSETS			
Inventories	87,623	87,576	81,636
Trade receivables	19,148	26,814	25,954
Income tax receivables	897	679	1,959
Other current receivables	7,268	4,644	3,313
Cash and cash equivalents	23,029	9,762	14,083
TOTAL CURRENT ASSETS	137,966	129,476	126,944
TOTAL ASSETS	194,391	174,164	181,732
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	7,000	7,000	7,000
Other reserves	30	19,030	19,030
Translation differences	-2,381	-1,672	-1,538
Treasury shares	-2,228	-2,228	-2,228
Retained earnings	59,692	59,556	59,180
EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS	62,113	81,686	81,444
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	41,471	18,623	21,474
Deferred tax liabilities	1,175	610	968
Other non-current liabilities	0	19	13
TOTAL NON-CURRENT LIABILITIES	42,646	19,252	22,455
CURRENT LIABILITIES			
Interest-bearing liabilities	33,828	19,480	34,912
Provisions	4,763	4,947	4,977
Tax liabilities for the period	65	236	385
Trade creditors and other current liabilities	50,976	48,563	37,558
TOTAL CURRENT LIABILITIES	89,632	73,226	77,833
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	194,391	174,164	181,732

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)

	IFRS	IFRS	IFRS
	1-3/13	1-3/12	1-12/12

PONSSE

CASH FLOW FROM BUSINESS OPERATIONS:			
Net result for the period	512	2,820	13,890
Adjustments:			
Financial income and expenses	-704	454	3,968
Share of the result of associated companies	84	44	-11
Depreciation and amortisation	1,648	1,369	5,862
Income taxes	202	1,284	6,623
Other adjustments	546	557	-452
Cash flow before changes in working capital	2,286	6,528	29,880
Change in working capital:			
Change in trade receivables and other receivables	2,238	1,611	4,256
Change in inventories	-5,987	-7,101	-1,161
Change in trade creditors and other liabilities	13,580	-1,360	-8,600
Change in provisions for liabilities and charges	-214	320	350
Interest received	57	32	195
Interest paid	-76	-107	-1,334
Other financial items	-421	-251	-1,561
Income taxes paid	704	-1,614	-10,509
NET CASH FLOW FROM BUSINESS OPERATIONS (A)	12,167	-1,941	11,516
CASH FLOW FROM INVESTMENTS			
Investments in tangible and intangible assets	-3,036	-2,412	-18,062
Proceeds from sale of tangible and intangible assets	0	0	62
CASH OUTFLOW FROM INVESTMENT ACTIVITIES (B)	--3,036	-2,412	-18,000
FINANCING			
Hybrid loan	-19,000	0	0
Interest paid, hybrid loan	-1,136	-1,136	-2,280
Withdrawal/Repayment of current loans	472	-1,105	14,478
Change in current interest-bearing liabilities	213	34	-100
Withdrawal of non-current loans	20,000	768	10,000
Repayment of non-current loans	-342	-760	-8,184
Payment of finance lease liabilities	-1,650	-16	1,029
Change in non-current receivables	-49	16	380
Dividends paid	0	0	-9,725
NET CASH OUTFLOW FROM FINANCING (C)	-1,492	-2,200	5,598
Change in cash and cash equivalents (A+B+C)	7,638	-6,553	-885
Cash and cash equivalents on 1 Jan	14,083	16,267	16,267
Impact of exchange rate changes	1,307	48	-1,299
Cash and cash equivalents on 31 Mar / 31 Dec	23,029	9,762	14,083

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

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

	EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS					
	A	B	C	D	E	F
SHAREHOLDERS' EQUITY 1 JAN 2013	7,000	19,030	-1,538	-2,228	59,180	81,444
Translation differences			-843			-843
Result for the period					512	512
Total comprehensive income for the period			-843		512	-331
Other changes		-19,000				-19,000
SHAREHOLDERS' EQUITY 31 MAR 2013	7,000	30	-2,381	-2,228	59,692	62,113
SHAREHOLDERS' EQUITY 1 JAN 2012	7,000	19,030	-1,975	-2,228	56,736	78,563
Translation differences			303			303
Result for the period					2,820	2,820
Total comprehensive income for the period			303		2,820	3,123
Other changes						0
SHAREHOLDERS' EQUITY 31 MAR 2012	7,000	19,030	-1,672	-2,228	59,556	81,686

* Consists of the interest paid, less tax, for the hybrid loan classified as equity.

	31 Mar 13	31 Mar 12	31 Dec 12
1. LEASING COMMITMENTS (EUR 1,000)	2,441	3,734	2,898

2. CONTINGENT LIABILITIES (EUR 1,000)	31 Mar 13	31 Mar 12	31 Dec 12
Guarantees given on behalf of others	1,570	1,527	1,601
Repurchase commitments	1,389	721	1,541
Other commitments	1,661	3,391	1,159
TOTAL	4,620	5,640	4,302

3. PROVISIONS (EUR 1,000)	Guarantee provision
1 January 2013	4,977
Provisions added	173

Provisions cancelled	-388
31 March 2013	4,763

KEY FIGURES AND RATIOS	31 Mar 13	31 Mar 13	31 Dec 12
R&D expenditure, MEUR	2.4	2.3	9.5
Capital expenditure, MEUR	3.0	2.4	18.1
as % of net sales	4.9	3.1	5.7
Average number of employees	979	981	994
Order books, MEUR	49.1	67.3	41.8
Equity ratio, %	32.3	47.1	45.1
Diluted and undiluted earnings per share (EUR)	0.00	0.09	0.44
Equity per share (EUR)	2.22	2.92	2.91

FORMULAE FOR FINANCIAL INDICATORS

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

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

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

Gearing, %:
Interest-bearing financial liabilities

Shareholders' equity * 100

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

Balance sheet total - advance payments received * 100

Earnings per share:
Net income for the period - Non-controlling interests - Interest on hybrid loan for the period less tax
----
Average number of shares during the accounting period, adjusted for share issues

Equity per share:
Shareholders' equity

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

ORDER INTAKE, MEUR	1-3/13	1-3/12	1-12/12
Ponsse Group	69.0	73.3	285.9

The interim report has been prepared observing the recognition and valuation principles of IFRS standards, but not all of the requirements of IAS 34 have been complied with. The same accounting principles were observed for the interim report as for the annual financial statements dated 31 December 2012.

The above figures have not been audited.

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

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

Vieremä, 23 April 2013

PONSSE PLC

Juho Nummela
President and CEO

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

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

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

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