PONSSE PLC, STOCK EXCHANGE RELEASE, 18 FEBRUARY 2014, 9:00 a.m.

PONSSE’S FINANCIAL STATEMENTS FOR 1 JANUARY – 31 DECEMBER 2013

– Net sales amounted to EUR 312.8 (Q1–Q4/2012 314.8) million.

– Q4 net sales were EUR 101.5 (Q4/2012 97.1) million.

– Operating result totalled EUR 22.5 (Q1-Q4/2012 24.5) million, equalling 7.2 (7.8) per cent of net sales.

– Q4 operating result was EUR 9.8 (Q4/2012 8.7) million, equalling 9.6 (9.0) per cent of net sales.

– Result before taxes was EUR 14.2 (Q1-Q4/2012 20.5) million.

– Cash flow from operating activities was EUR 38.5 (Q1-Q4/2012 13.3) million.

– Earnings per share were EUR 0.31 (0.44).

– Equity ratio was 36.5 (45.1) per cent.

– Order books stood at EUR 99.8 (41.8) million.

– The Board of Directors´proposal for the distribution of profit is EUR 0.30 (0.25) per share.

– The Group’s euro-denominated operating profit in 2014 is expected to be significantly higher than in 2013.

PRESIDENT AND CEO JUHO NUMMELA:

The year started with a weak order book. However, the demand for forest machines began to pick up already during the second quarter. A significant change for the better took place in order flows during the third quarter, and the order book grew continuously during the latter half of the year, ending up at EUR 99.8 (41.8) million. The order book grew by 138 percent compared with the comparison period. In spite of the extremely twofold year, Ponsse’s net sales almost reached the same level as the previous year, even though the number of machines was lower.

Our renewal of product and production technology and our investments in services progressed as planned. The Scorpion launch exceeded expectations, and the new harvester entered serial production in early 2014.

With regard to our market areas, the positive trend in Russia and North America can be seen in profitability as well as cash flow from business operations. Problems in Europe were still visible, and the Swedish and Central European markets in particular remained relatively small. All of the deliveries to South America could not be invoiced in full during 2013, with some of the deliveries being postponed to the first quarter of 2014. As order flows developed, the factory returned to two shifts as of the beginning of June, and capacity was increased further in early December.

Our customers had plenty of work, with the demand for wood remaining favourable throughout the year, and our service business experienced strong growth. At the same time, our used machine sales grew significantly. Net sales for the last quarter amounted to EUR 101.5 (97.1) million, representing a change of +4.5 percent compared with the corresponding period. Net sales for the period under review stood at EUR 312.8 million, or 0.6 percent less than in the comparison period.

The operating result amounted to EUR 9.8 (8.7) million in the last quarter, equalling 9.6 (9.0) percent of net sales. The operating result for the period under review amounted to EUR 22.5 (24.5) million, equalling 7.2 (7.8) percent of net sales.

Cash flow from operating activities was very strong in the period under review, EUR 38.5 (13.3) million. The stock of new products was at a normal level. The stock of trade-in machines decreased as planned.

The equity ratio developed favourably, amounting to 36.5 percent. Ponsse repaid the hybrid loan of EUR 19 million in the period under review, and equity ratio is reaching the target levels as planned. At the same time, capital turnover developed favourably.

NET SALES

Consolidated net sales for the period under review amounted to EUR 312.8 (314.8) million, which was 0.6 per cent less than in the comparison period. International business operations accounted for 69.3 (67.4) per cent of net sales.

Net sales were regionally distributed as follows: Northern Europe 43.4 (51.8) per cent, Central and Southern Europe 16.2 (16.6) per cent, Russia and Asia 18.1 (17.2) per cent, North and South America 22.2 (14.3) per cent and other countries 0.0 (0.0) per cent.

PROFIT PERFORMANCE

The operating result amounted to EUR 22.5 (24.5) million. The operating result of the comparison period includes a non-recurring cost item of EUR 1.9 million. The operating result equalled 7.2 (7.8) per cent of net sales for the period under review. Consolidated return on capital employed (ROCE) stood at 12.2 (17.7) per cent.

Staff costs for the period totalled EUR 49.0 (49.2) million. Other operating expenses stood at EUR 31.5 (32.0) million. The net total of financial income and expenses amounted to EUR -8.2

(-4.0) million. Exchange rate gains and losses with a net effect of EUR -6.6 (-2.2) million were recognised under financial items for the period. Result for the period under review totalled EUR 9.1 (13.9) million. Diluted and undiluted earnings per share (EPS) came to EUR 0.31 (0.44). 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 186.0 (181.7) million. Inventories stood at EUR 85.8 (81.6) million. Trade receivables totalled EUR 23.2 (26.0) million, while liquid assets stood at EUR 12.0 (14.1) million. Group shareholders' equity stood at EUR 67.6 (81.4) million and parent company shareholders' equity (FAS) at EUR 85.8 (81.1) 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 60.3 (56.4) million. The company has used 18 per cent of its credit facility limit. The parent company's net receivables from other Group companies stood at EUR 71.9 (80.5) million. The parent company's receivables from subsidiaries mainly consisted of trade receivables. Consolidated net liabilities totalled EUR 48.3 (42.1) million, and the debt-equity ratio (net gearing) was 71.6 (51.7) per cent. The equity ratio stood at 36.5 (45.1) percent at the end of the period under review.

Cash flow from operating activities amounted to EUR 38.5 (13.3) million. Cash flow from investment activities came to EUR -11.2 (-18.0) million.

ORDER INTAKE AND ORDER BOOKS

Order intake for the period totalled EUR 371.0 (285.9) million, while period-end order books were valued at EUR 99.8 (41.8) million. The minimum order commitments for retailers are not included in the order book total.

DISTRIBUTION NETWORK

No changes took place in the Group structure during the period under review except for Ponsse Uruguay S.A. being transferred to Ponsse Plc's direct ownership from Ponsse Latin America Ltda.

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 9.7 (9.5) million, of which EUR 3.6 (3.3) million was capitalised.

Capital expenditure totalled EUR 11.2 (18.1) million. It consisted in addition to capitalised R&D expenses of ordinary maintenance and replacement investments for machinery and equipment.

ANNUAL GENERAL MEETING

Annual General Meeting was held in Vieremä, Finland 16 April 2013. The AGM approved the parent company financial statements and the consolidated financial statements, and members of the Board of Directors and the President and CEO were discharged from liability for the 2012 financial period.

The AGM decided to pay a dividend of EUR 0.25 per share for 2012 (dividends totaling EUR 6,946,775). No dividend will be paid to shares owned by the company itself (212,900 shares). The dividend payment record date was 19 April 2013, and the dividends were paid on 26 April 2013.

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

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

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

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

The authorisation is valid until the next AGM; however, no later than 30 June 2014. Previous authorisations are canceled.

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

The authorisation includes the right of the Board to decide upon all other terms and conditions of the share issue. Thus, the authorisation includes a right to organise a directed issue in deviation of the shareholders' subscription rights under the provisions prescribed by law.

The authorisation is proposed for use in supporting the Company's growth strategy in the Company's potential corporate acquisitions or other arrangements. In addition, the shares can be issued to the Company's current shareholders, sold through public trading or used in personnel incentive systems.

The authorisation is valid until the next AGM; however, no later than 30 June 2014. Previous authorisations are canceled.

BOARD OF DIRECTORS AND THE COMPANY'S AUDITORS

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

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

The Board of Directors convened nine times during the period under review. The attendance rate was 93.5 percent.

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

MANAGEMENT

The following persons were members of the Management Team: Juho Nummela, President and CEO, acting as the chairman; Pasi Arajärvi, Purchasing and Logistics Director (until 13 May 2013); Juha Haverinen, Factory Director; Petri Härkönen, CFO; Juha Inberg, Technology and R&D Director; Tapio Mertanen, Service Director; Paula Oksman, HR Director; Tommi Väänänen, Purchasing Director (as of 1 October 2013) 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

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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).

Pasi Arajärvi, the Purchasing and Logistics Director and a member of the Management Team at Ponsse Plc, left the company on 13 May 2013. B. Eng. Tommi Väänänen took up his post as the Purchasing Director and a member of the Board of Directors on 1 October 2013. CEO Juho Nummela took care of the responsibilities of the Purchasing and Logistics Director from 13 May to 1 October 2013.

PERSONNEL

The Group had an average staff of 1 027 (994) during the period and employed 1 099 (986) people at period-end.

Share-based incentive scheme

The Group had a share-based incentive scheme aimed at the Group's key personnel. The earning criteria for the first earning period will not be met, and a decision was made to terminate the entire scheme. The amount recognised as income as a result during the financial period is EUR 667 thousand, and it is shown under employment benefit expenses.

SHARE PERFORMANCE

The company’s registered share capital consists of 28,000,000 shares. At the end of the period under review the company had 7,225 shareholders. The trading volume of Ponsse Plc shares for 1 January – 31 December 2013 totalled 2,919,553, accounting for 10.4 per cent of the total number of shares. Share turnover amounted to EUR 21.2 million, with the period’s lowest and highest share prices amounting to EUR 5.50 and EUR 10.02, respectively.

At the end of the period, shares closed at EUR 9.81, and market capitalisation totalled EUR 274.7 million.

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

QUALITY AND ENVIRONMENT

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

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

Procedures and production processes are developed through both internal and external audits. The company's audit system was a key tool in promoting development during 2013. During the period under review, internal audits assessing the procedures and working environment of services were expanded in the company's service network. The aim of the quality audits of services is to ensure efficient and safe procedures in the PONSSE service network.

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

GOVERNANCE

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

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

RISK MANAGEMENT

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

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

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

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

SHORT-TERM RISK MANAGEMENT

The prolonged insecurity in the world economy and weak economic situation may result in a decline in the demand for forest machines. The uncertainty may be increased by the volatility of developing countries' foreign exchange markets.

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

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

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

EVENTS AFTER THE PERIOD

In its decision on 21 January 2014, the Supreme Administrative Court approved the company's appeal concerning the tax deductibility of the impairment losses of intra-Group trade receivables in parent company´s taxation in 2008, totalling EUR1.6 million. The decision has not affected the tax expense for 2013 because the previously debited tax has been posted as a receivable in the company's financial statements 2013 on the basis of a favourable decision made by the tax rectification committee of the Corporate Taxation Unit on 16 February 2010.

OUTLOOK FOR THE FUTURE

The Group's euro-denominated operating profit is expected to be significantly higher than in 2013.

In general, the positive work situation of the customers and Ponsse's strongly renewed and competitive product portfolio and maintenance service solutions are having a positive effect on the company's business operations.

Thanks to the strong order books, the factory is able to produce forest machines at almost full capacity. We estimate that the work situation of our customers will also continue to be good.

ANNUAL GENERAL MEETING

Ponsse Plc's Annual General Meeting will be held on 15 April 2014, starting at 11:00 a.m. at the company's registered office at Ponssentie 22, FI-74200 Vieremä, Finland.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISPOSAL OF PROFIT

The parent company Ponsse Plc had 78,007,032.76 euros of distributable funds on 31 December 2013.

The company's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.30 per share shall be paid for the year 2013. The Board proposes to the Annual General Meeting that a profit bonus will be paid to the staff for the year 2013.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)

	IFRS 1-12/13	IFRS 1-12/12
NET SALES	312,825	314,779
Increase (+)/decrease (-) in inventories of finished goods and work in progress	5,832	-130
Other operating income	1,053	836
Raw materials and services	-210,146	-203,943
Expenditure on employment-related benefits	-49,022	-49,223
Depreciation and amortisation	-6,568	-5,862
Other operating expenses	-31,472	-31,986
OPERATING RESULT	22,501	24,471
Share of results of associated companies	-45	11
Financial income and expenses	-8,208	-3,968
RESULT BEFORE TAXES	14,248	20,513
Income taxes	-5,150	-6,623
NET RESULT FOR THE PERIOD	9,098	13,890
OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:		
Translation differences related to foreign units	2,955	437
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	12,053	14,327
Diluted and undiluted earnings per share*	0.31	0.44

	IFRS 10-12/13	IFRS 10-12/12
NET SALES	101,533	97,123
Increase (+)/decrease (-) in inventories of finished goods and work in progress	-2,266	-9,146
Other operating income	378	173
Raw materials and services	-65,155	-56,114
Expenditure on employment-related benefits	-13,878	-12,263
Depreciation and amortisation	-1,648	-1,676
Other operating expenses	-9,208	-9,355
OPERATING RESULT	9,756	8,741
Share of results of associated companies	93	16
Financial income and expenses	-3,148	-2,127
RESULT BEFORE TAXES	6,701	6,631
Income taxes	-2,150	-2,045
NET RESULT FOR THE PERIOD	4,551	4,586

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OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:		
Translation differences related to foreign units	1,540	734
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	6,091	5,320
Diluted and undiluted earnings per share*	0.16	0.15

* 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	IFRS
ASSETS	31 Dec 13	31 Dec 12
NON-CURRENT ASSETS		
Intangible assets	14,278	11,898
Goodwill	3,440	3,440
Property, plant and equipment	37,766	35,525
Financial assets	104	111
Investments in associated companies	1,031	1,186
Non-current receivables	914	999
Deferred tax assets	1,374	1,628
TOTAL NON-CURRENT ASSETS	58,908	54,787
CURRENT ASSETS		
Inventories	85,767	81,636
Trade receivables	23,108	25,954
Income tax receivables	207	1,959
Other current receivables	6,100	3,313
Cash and cash equivalents	11,958	14,083
TOTAL CURRENT ASSETS	127,140	126,944
TOTAL ASSETS	186,048	181,732
SHAREHOLDERS’ EQUITY AND LIABILITIES		
SHAREHOLDERS’ EQUITY		
Share capital	7,000	7,000
Other reserves	30	19,030
Translation differences	1,417	-1,538
Treasury shares	-2,228	-2,228
Retained earnings	61,331	59,180
EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS	67,550	81,444

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NON-CURRENT LIABILITIES		
Interest-bearing liabilities	38,810	21,474
Deferred tax liabilities	657	968
Other non-current liabilities	0	13
TOTAL NON-CURRENT LIABILITIES	39,466	22,455
CURRENT LIABILITIES		
Interest-bearing liabilities	21,492	34,912
Provisions	4,618	4,977
Tax liabilities for the period	920	385
Trade creditors and other current liabilities	52,002	37,558
TOTAL CURRENT LIABILITIES	79,032	77,833
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	186,048	181,732

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)

	IFRS 1-12/13	IFRS 1-12/12
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net result for the period	9,098	13,890
Adjustments:		
Financial income and expenses	8,208	3,968
Share of the result of associated companies	45	-11
Depreciation and amortisation	6,568	5,862
Income taxes	5,150	6,623
Other adjustments	2,637	-452
Cash flow before changes in working capital	31,706	29,880
Change in working capital:		
Change in trade receivables and other receivables	-81	4,256
Change in inventories	-4,131	-1,161
Change in trade creditors and other liabilities	15,557	-8,600
Change in provisions for liabilities and charges	-359	350
Interest received	227	195
Interest paid	-1,143	-1,334
Other financial items	-1,063	269
Income taxes paid	-2,260	-10,509
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	38,453	13,346
CASH FLOWS USED IN INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-11,188	-18,062
Proceeds from sale of tangible and intangible assets	0	62
NET CASH FLOWS USED IN INVESTMENT ACTIVITIES (B)	-11,188	-18,000

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CASH FLOWS FROM FINANCING ACTIVITIES		
Hybrid loan	-19,000	0
Interest paid, hybrid loan	-1,136	-2,280
Withdrawal/Repayment of current loans	-14,500	14,478
Change in current interest-bearing liabilities	-136	-100
Withdrawal of non-current loans	29,322	10,000
Repayment of non-current loans	-10,668	-6,792
Payment of finance lease liabilities	-239	-363
Change in non-current receivables	172	380
Dividends paid	-6,947	-9,725
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	-23,132	5,598
Change in cash and cash equivalents (A+B+C)	4,133	945
Cash and cash equivalents on 1 January	14,083	16,267
Impact of exchange rate changes	-6,259	-3,129
Cash and cash equivalents on 31 December	11,958	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			2,955			2,955
Result for the period					9,098	9,098
Total comprehensive income for the period			2,955		9,098	12,053
Direct entries to retained earnings*						
Dividend distribution					-6,947	-6,947
Other changes		-19,000				-19,000
SHAREHOLDERS' EQUITY 31 DEC 2013	7,000	30	1,417	-2,228	61,331	67,550
SHAREHOLDERS’ EQUITY 1 JAN 2012	7,000	19,030	-1,975	-2,228	56,736	78,563
Translation differences			437			437
Result for the period					13,890	13,890

Total comprehensive income for the period			437		13,890	14,327
Direct entries to retained earnings*					-1,721	-1,721
Dividend distribution					-9,725	-9,725
SHAREHOLDERS' EQUITY 31 DEC 2012	7,000	19,030	-1,538	-2,228	59,180	81,444

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

	31 Dec 13	31 Dec 12
1. LEASING COMMITMENTS (EUR 1,000)	1,691	2,898

2. CONTINGENT LIABILITIES (EUR 1,000)	31 Dec 13	31 Dec 12
Guarantees given on behalf of others	487	1,601
Repurchase commitments	233	1,541
Other commitments	4,224	3,616
TOTAL	4,945	6,759

3. PROVISIONS (EUR 1,000)	Guarantee provision
1 January 2013	4,977
Provisions added	804
Provisions cancelled	-1,163
31 December 2013	4,618

KEY FIGURES AND RATIOS	31 Dec 13	31 Dec 12
R&D expenditure (EUR million)	9.7	9.5
Capital expenditure (EUR million)	11.2	18.1
as % of net sales	3.6	5.7
Average number of employees	1 027	994
Order books (EUR million)	99.8	41.8
Equity ratio, %	36.5	45.1
Diluted and undiluted earnings per share (EUR)	0.31	0.44
Equity per share (EUR)	2.41	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.

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

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

Balance sheet total - advance payments received * 100

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

Equity per share:
Shareholders’ equity

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

ORDER INTAKE (EUR million)	1-12/13	1-12/12
Ponsse Group	371.0	285.9

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

The above figures have been audited.

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

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

Vieremä, 18 February 2014

PONSSE PLC

Juho Nummela
President and CEO

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

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