Rocla

The intelligent way to move

Financial Statements 2007

Contents

Report of the Board of Directors

2007 in brief

During the financial period 2007, the operations of the Rocla group of companies were markedly more profitable than in the previous year. At the beginning of the year, the order backlog was cleared thanks to the restructuring of the manufacturing operations and added automation in production. Shortages in materials and components were largely brought under control. During the year, product launches were successful, strengthening Rocla's ability to supply intelligent materials handling solutions.

Markets, development of order levels and key indicators

In Rocla's principal markets in Europe, demand for forklifts grew exceptionally strongly, in particular during the first three quarters of the financial period. In Western Europe, annual market growth stood at circa 10 per cent, but in Russia and the new EU countries, growth was significantly stronger. Growth in Rocla's warehouse truck orders averaged that of market growth, whereas deliveries clearly outpaced average development in the sector. Growth was generated from all distribution channels; from the service business for local markets, Rocla's dealer network and contract manufacturing partners alike.

Rocla has several significant service contracts in Finland. Comprehensive contracts concluded earlier with Hartwall, DHL and Transpoint were followed by Tokmanni's decision to acquire its entire truck fleet, approximately 150 forklifts, from Rocla, for its new logistics centre to be built in Mäntsälä.

Overall, during the financial period 2007, Rocla's domestic business grew to record levels. In Russia, where it is estimated that market growth will remain strong, Rocla has invested in a substantial increase in its customer service resources.

Rocla's consolidated key business indicators were as follows:

Meur	1–12 2007	1–12 2006	Change %
Net Sales	124.9	104.4	19.6
Operating profit	4.9	1.5	232.3
Orders received	98.2	87.6	12.2
Order book at year-end	24.2	26.8	-7.8

76.9% of consolidated net sales originated from exports and overseas operations (70.3% in 2006).

Development of results

The Group's net sales, €124.9 million, showed an increase of 19.6% over the previous year (€104.4 million). Operating profit stood at €4.9 million (€1.5 million). This improvement in the operating profit was attributable to enhanced operational efficiencies, increased delivery volumes and implemented increases in sales prices. Increased costs were clearly outweighed by the 20% increase in turnover. Implemented efficiency measures together with new product and service concepts will also create the prerequisites for improving profitability in the future.

The consolidated profit before taxes came to €3.2 million (€0.4 million) and net income for the period was €2.4 million (€0.3 million). During the last quarter of the financial period, the result did not quite match the increase in net sales, although operative profitability was at the same level as during the previous quarter. This was due to certain cost provisions which were made during the last quarter.

Balance sheet and financial position

The consolidated balance sheet total at the end of December 2007 stood at €85.5 million (€82.3 million). Capital utilisation was enhanced and balance sheet growth, notwithstanding a near 20% increase in net sales, remained moderate, at just under 4%. The net interest-bearing liabilities of the Group totalled €36.8 million (€33.5 million), net gearing 136.2% (145.9%) and the equity-to-assets ratio 32.0% (28.4 %).

Cash flow from operations before investment totalled €6.0 million (€6.5 million) and that before external financing €1.1 million (€-3.3 million).

Profitability

Consolidated return on investment for the period, ROI, was 8.6% (3.3%). Return on equity, ROE, was 9.4% (1.2%). Earnings per share, EPS, amounted to €0.57 (€0.07). The year-end equity per share stood at €6.38 (€5.88).

R & D, production and investment

Products and development activities

In December 2007, Rocla launched a serially manufactured, automated warehouse truck, largely built using standard components. Increased warehouse automation improves the efficiency of customers' materials handling, counter-acting rising staff and raw material costs and labour shortages. The new, automated warehouse truck is used, for example, in moving pallets, paper reels and other loads between a warehouse and production or as part of the production process. Thanks to automation, loads move accurately, safely and without interruption.

During 2007, in addition to its new automated truck concept, Rocla introduced several updates to its standard product range. Amongst the product launches was the stand-on T20ac pallet truck, equipped with an alternating-current motor. A step forward in the design of all tiller-arm-steered trucks was represented by the development of the new, particularly user-friendly 'Rocla h2' tiller arm. The importance of ergonomics and design becomes apparent in the hectic working environment of materials handling. Rocla's know-how in this field has been recognised by the Fennia Prize Grand Prix awarded for the company's 'Humanic' truck at the Fennia Prize design competition in February 2007. Some 70 products of top Finnish design competed for the Grand Prix.

An increasing proportion of Rocla's development activity is focused on the development of service products. The past year saw further development of service concepts and, for example, the introduction of the audit service of the customer's intra logistics.

During the past year, Rocla's gross investments in R&D activities totalled €4.5 million i.e. 3.6% of net sales (€4.4 million and 4.2% in 2006).

Production

The MP-10000 development plan for the Järvenpää factory came to completion and, during the last months of 2007, led to the build up of the annual production capacity of the factory to the targeted 10 000 trucks. This was enabled by investment and reorganisation in assembly and increases in automation.

Assembly was changed from cell manufacture to line production.

Investment

Gross investment in fixed assets was €4.8 million (€5.9 million), of which product development expenditure of €2.1 million (€1.6 million) was capitalised in line with IFRS practices.

Management

Rocla Oyj's Board of Directors appointed Tapio Rummukainen B.Sc. (Eng.) as its President and CEO as of 1 January 2008. The company's previous President and CEO Jussi Muikku will remain in the company's employment until 31 March 2008 to ensure a smooth transition period.

In operational decision-making, Tapio Rummukainen will be assisted by a five-member Executive Team consisting of directors Pentti Salonen (Products), Jukka Viinikainen (Customer Services, Finland), Anselmi Immonen (Projects) and Group function heads Juha Mikkonen (Business Support) and Hilkka Webb (Finance).

The extended Executive Team consists of the above together with Peter Møller (Country Manager, Denmark), Konstantin Titov (Country Manager, Russia) as well as directors Kyösti Sarkkinen (Mentoring) and Maija Karhusaari (Marketing and Communications).

Personnel

During 2007, the Group had average personnel of 505 (467). At the end of the year, the Group had a total of 521 employees (489), of whom 106 (87) were outside Finland. The main part of the growth in personnel is attributable to the strengthening of our customer service organisations in the local markets.

The prerequisites for paying cash bonuses in compliance with the company's current profit-sharing scheme were met during the financial period 2007. Correspondingly, the proposed bonus payment will be approximately €1 000 per employee and will be subject to approval at the company's Annual General Meeting in March 2008.

Annual General Meeting

Financial statements

The Annual General Meeting of 3 April 2007 adopted the financial statements for 2006, discharging those accountable from liability. As proposed by the Board, a decision was made to pay a per-share dividend of €0.20 (€0.20). The record date for the dividend payment was 10 April 2007 and the payment date was 17 April 2007.

Board of Directors and auditors

Confirming the number of Board members at six, the AGM re-elected Ilkka Hakala, Eero Karvonen, Frans Maarse and Niilo Pellonmaa and elected Jay N. Gusler and Vesa Puttonen to the Board of Directors. At its first meeting, the Board of Directors elected Niilo Pellonmaa the Board's Chairman and Ilkka Hakala as his Deputy. Niilo Pellonmaa, Ilkka Hakala, Eero Karvonen and Vesa Puttonen are Board Members independent of the company and its principal owners for the intents and purposes of the Recommendation for Corporate Governance of Listed Companies issued by the Helsinki Stock Exchange (OMXH), the Central Chamber of Commerce and the Confederation of Finnish Industries EK.

The AGM elected KPMG Oy Ab, Authorised Public Accountants, as its auditor, with Lasse Holopainen, Authorised Public Accountant, as chief auditor.

Board authorisations

In accordance with the Board proposal, The AGM authorised the Board to decide on buying back 194 535 shares, on issuing new shares, and on the disposal of treasury shares and/or the granting of special rights as referred to in section 1 of Chapter 10 of the Companies Act. Based on these authorisations, the Board may, through one or several decisions, issue a maximum number of 565 000 shares. Shares issued based on a shares issue or a special rights issue are to be included in the maximum number of shares specified above. These authorisations were made in respect of share issues against payment and will remain valid until the 2008 Annual General Meeting, but have not thus far been exercised.

Impending risks and uncertainties

The most significant strategic and operational risks to which the Group's business is exposed are associated with the management of partnerships, new product launches and the assessment of their competitiveness, the cost development of production as well as obligations and estimates pertaining to long-term agreements. Risks associated with raw material costs and the availability of components are, to a large extent, dependent on business trend developments. The management of these risks is being controlled by developing the purchasing function, in which Rocla has invested during the past year by increasing its resources, among other means.

The currency risk is of no material importance to Rocla's operations due to the use of the euro as the main invoicing currency, which also applies to deliveries to the USA.

Environmental issues

Rocla's operations do not involve any major environmental risks. The most significant environmental impacts involved in truck manufacture relate to solid waste, effluents and solvent vapour emissions from surface finishing. Rocla sorts all its waste and delivers it to specialist waste disposal firms for further treatment and recycling. Solvent vapour emissions from Rocla's production are markedly lower than required by international regulations.

Batteries of electric trucks are the most environmentally demanding components. However, Finland has an effective recycling system for these. Truck parts and components are largely made of recyclable material.

Litigation

Rocla Oyj does not have any court cases pending, nor are there any other judicial risks known to the Board that would have a material effect on its profit performance.

Order book

The Group's year-end order book stood at €24.2 million (€26.8 million), 7.8% lower than the start-of-the year record level but remaining good. The value of orders received during the year grew by 12.2%, totalling nearly €100.0 million.

Outlook

In Rocla's principal markets, growth in demand for trucks levelled off during the last months of the year. In the future, the sector's prospects will depend on global economic trends. At the start of the financial period 2008, Rocla Group's order book stands at a good level and demand for trucks in Russia and other developing markets is strong. Based on the above, total demand for Rocla's standard products is forecast to continue growing. On the other hand, the number of significant, long-term service contracts won over the past few years will mean increasing sales volumes for services in our local markets. Based on the positive reception of our automated truck concept launched at the turn of the year, demand for automation solutions is expected to strengthen in the years to come. This view is also supported by labour availability forecasts for the developed markets, in particular.

In 2008, it is estimated that Rocla Group's net sales will increase and profit will improve, compared to last year's levels.

Consolidated Income Statement (IFRS)

EUR 1 000	Note	**2007**	%	2006	%
Net sales	2,3	**124 935**	100.0	104 432	100.0
Change in finished goods and work in progress		**-1 623**		2 312	
Production for own use		**37**		45	
Other operating income	4	**139**		299	
Materials and services		**-74 561**		-65 871	
Personnel expenses	5	**-24 112**		-21 191	
Depreciation. amortisation and impairment	7	**-7 254**		-6 604	
Other operating expenses	6	**-12 675**		-11 951	
Operating profit		**4 887**	3.9	1 471	1.4
Financial income	8	**432**		410	
Financial expenses	9	**-2 124**		-1 481	
Profit before tax		**3 196**	2.6	401	0.4
Income tax expense	10	**-837**		-131	
Net profit		**2 359**	1.9	270	0.3
Earnings/share, EUR		**0.57**		0.07	
Earnings/share, diluted, EUR		-		0.07	

Consolidated Balance Sheet (IFRS)

EUR 1 000	Note	**31 Dec 2007**	31 Dec 2006
Assets			
Non-current assets			
Intangible assets	12	**7 564**	7 180
Goodwill	12	**2 115**	2 115
Property, plant and equipment	13	**30 519**	26 699
Available-for-sale investments	14	**93**	92
Other non-current investments		**0**	3
Non-current receivables	21	**582**	951
Total non-current assets		**40 874**	37 039
Current assets			
Inventories	16	**23 892**	21 372
Trade and other receivables	17, 21	**19 701**	21 134
Available-for-sale investments	22	**17**	17
Cash and cash equivalents	23	**982**	2 742
Total current assets		**44 593**	45 265
Total assets		**85 467**	82 304
Equity and liabilities			
Shareholders' equity			
Share capital	24	**4 265**	3 939
Share premium account	24	**6 751**	4 604
Fair value reserve and other reserves	26	**36**	35
Translation differences		**12**	4
Retained earnings		**13 608**	14 120
Net profit for the period		**2 359**	270
Total shareholders' equity	27	**27 030**	22 972
Non-current liabilities			
Interest-bearing liabilities	29	**20 864**	19 192
Deferred tax liabilities	11	**1 916**	1 122
Total non-current liabilities		**22 780**	20 314
Current liabilities			
Interest-bearing liabilities	29	**16 943**	17 062
Provisions	28	**405**	447
Other liabilities	30	**18 310**	21 508
Total current liabilities		**35 657**	39 018
Total liabilities		**58 437**	59 332
Total equity and liabilities		**85 467**	82 304

Consolidated Cash Flow Statement (IFRS)

EUR 1 000	Note	2007	2006
Cash flow from operating activities			
Net profit for the period		**2 359**	270
Adjustments			
Non-cash transactions		**-3**	-19
Depreciation and amortisation	7	**7 254**	6 604
Financial income and expenses	8,9	**1 738**	1 059
Dividends received	8	**-11**	-3
Income taxes	10	**837**	131
Change in net working capital			
Increase/decrease in trade and other receivables		**1 704**	-6 002
Increase/decrease in inventories	16	**-2 521**	-2 857
Increase/decrease in trade and other payables		**-3 189**	9 314
Increase/decrease in provisions		**-104**	-226
Interest paid	9	**-2 060**	-1 484
Interest received	8	**80**	9
Income taxes paid	10	**-42**	-259
Net cash flow generated from operating activities		**6 043**	6 537
Cash flow from investing activities			
Purchases of property, plant and equipment		**-5 054**	-5 386
Proceeds from sale of property, plant and equipment		**115**	31
Acquisition of subsidiaries		**0**	17
Loans granted		**0**	-4 487
Dividends received	8	**11**	3
Net cash used in investing activities		**-4 928**	-9 821
Cash flow from financing activities			
Proceeds from borrowings		**5 331**	11 602
Repayments of borrowings		**-7 406**	-2 799
Increase in equity		**2 472**	380
Repayment of finance lease liabilities		**-2 491**	-2 956
Dividends paid		**-782**	-772
Net cash flow of financing activities		**-2 875**	5 456
Change in cash and cash equivalents		**-1 760**	2 171
Cash and cash equivalents at year start		**2 742**	571
Foreign exchange gains/losses		**0**	0
Cash and cash equivalents at year end	23	**982**	2 742

Consolidated Statement of Changes in Equity (IFRS)

EUR 1 000	Share capital	Share premium account	Translation differences	Fair value reserve	Retained earnings	Total equity
Balance at 1 Jan 2007	3 939	4 604	4	35	14 390	22 972
Exercise of stock options	325	2 147				2 472
Translation differences			7			7
Net fair value gains/losses				1		1
Transfer of treasury shares						0
Net profit for the period					2 359	2 359
Dividends					-782	-782
Balance at 31 Dec 2007	4 265	6 751	12	36	15 967	27 030

EUR 1 000	Share capital	Share premium account	Translation differences	Fair value reserve	Retained earnings	Total equity
Balance at 1 Jan 2006	3 891	4 249	55	80	14 873	23 148
Exercise of stock options	49	332				380
Translation differences			-51			-51
Net fair value gains/losses				-45		-45
Transfer of treasury shares		23			19	42
Net profit for the period					270	270
Dividends					-772	-772
Balance at 31 Dec 2006	3 939	4 604	4	35	14 390	22 972

Notes to the Consolidated Financial Statements

1. Accounting policies

Domiciled in Järvenpää, Rocla Oyj is a Finnish public limited company established under Finnish laws. Its shares have been listed on the Helsinki Stock Exchange since 1997.

The consolidated financial statements include the accounts of the following Group companies: Rocla Oyj, Rocla A/S and its wholly owned subsidiary Rocla Rent A/S, OOO Rocla Rus, Rocla Eesti Oü, Rocla AB and Kiinteistö Oy Roclankuja 1, whose shares Rocla bought at the end of 2006. Rocla Rent Oy and Rocla Robotruck Oy, both Rocla Group companies, merged with Rocla Oyj, the parent company, on 31 December 2006. All Group companies' accounting year equals the calendar year.

These consolidated financial statements for 2007 are Rocla's third prepared in accordance with the International Financial Reporting Standards (IFRS) while adhering to the related standards under IFRS/IAS effective since 31 December 2007, as well as SIC and IFRIC interpretations.

Since 1 January 2007, the Group has applied the following new and updated standards: IFRS 7 Financial Instruments: Disclosures, Amendment to IAS 1 Presentation of Financial Statements, Capital Disclosures; IFRIC 8 Scope of IFRS 2; IFRIC 9 Reassessment of Embedded Derivatives; and IFRIC 10 Interim Financial Reporting and Impairment. The Group has not applied the following standards and interpretations, which have already been issued but the application of which is not mandatory: IFRS 8 Operating segments, IAS 1 (revised) Presentation of financial statements; IFRS 3 (revised) Business combinations, IAS 27 (revised) Consolidated and separate financial statements; IFRIC 11-IFRS2 Group and treasury share transactions; IFRIC 12 Service concession arrangements; IFRIC 13 Customer loyalty programmes; IFRIC 14-IAS 19 The limit on a defined benefit asset; and Amendments to IAS 23 borrowing costs. These standards and interpretations are not expected to have any material effect on the Group's results or balance sheet.

In the Finnish Accounting Act and its provisions, IFRS refer to the approved standards and their interpretations under European Union Regulation No. 1606/2002, issued by the European Parliament and the European Council, regarding the application of the International Financial Reporting Standards applicable within the Community. Notes to the consolidated financial statements are also in compliance with Finnish accounting legislation and Community legislation.

The previous consolidated financial statements were prepared in accordance with the accounting principles based on Finnish accounting legislation.

The figures in the notes to the financial statements are given in thousands of euros (€1 000). The consolidated financial statements are prepared at historical cost, unless otherwise stated in the accounting policies or the notes to the financial statements.

Judgements and assumptions

Preparing the financial statements under IFRS requires that the company's management make certain accounting estimates and assumptions, which have an effect on the reported amounts of assets and liabilities, the disclosure of commitments on the balance sheet date, as well as income and expenses for the period. Actual results may differ from these estimates. Accounting policies applying management judgement relate for example, to the revenue recognition of construction contracts (see Note 3), the recognition of deferred tax assets (see Note 11) and development costs (see chapter Research and Development), as well as future assumptions used in asset impairment tests (see Note 12.c).

Consolidation principles

The consolidated financial statements include the accounts of the parent company Rocla Oyj and each of those subsidiaries in which the parent company holds, directly of indirectly, over 50 per cent of the voting rights entitled by the shares, or over which the parent company exercises control. Intra-Group shareholdings are eliminated using the acquisition cost method. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date on which said control ceases. Intra-Group transactions, receivables, liabilities and unrealised gains, as well as profit allocation are eliminated in the consolidated financial statements.

Unrealised losses are not eliminated if said losses are due to impairment. When applying the acquisition cost method, the assets and liabilities of an acquired business, as well as commitments are measured at fair value on the date of acquisition, and goodwill is the residual stemming from the fair value of the acquired net assets exceeding that of the consideration given. Instead of amortising goodwill amounts, they are subject to an annual impairment test. In accordance with the exemption under IFRS 1, company acquisitions carried out before the date of transition to IFRS were not adjusted to comply with IFRS, but the related FAS-compliant values were used.

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into euros at the exchange rate quoted on the balance sheet date, whereas non-monetary assets and liabilities denominated in foreign currencies and measured at cost are translated into euros using the exchange rates quoted on the transaction date. Any resulting exchange-rate gains and losses are recognised in the income statement. The income statements of non-euro-zone subsidiaries are translated into euros using the financial year's average exchange rates, and their balance sheets using the average rate quoted on the balance sheet date. Any resulting translation differences are recognised in shareholders' equity.

Reporting by Business Segment

The company is being managed as a single business and the Group reports on its business using a single business segment, since the company's profitability does not materially vary depending on geographic or product segmentation.

Revenue recognition

The sale of goods is recognised as revenue when all the risks and rewards inherent in their ownership have been transferred to the buyer. The sale of services is recognised as income upon the completion of the service performance. Construction contracts are recognised as revenue using the percentage-of-completion method, based on the costs incurred and the estimated total costs. If the estimated total costs change, recognised revenues are revised for the period such changes become known. Losses on projects in progress are recognised immediately when known.

Research and development

Research costs are expensed as incurred. Product development costs are recognised only if product development projects meet the recognition criteria under IAS 38. Intangible assets resulting from development are recognised in the balance sheet provided that the following criteria are met, for example: the asset can be completed in such way that it is available for use or sale, the company is able to show that it is probable that the asset's future economic benefits will flow to the company and the company is able to reliably measure the asset's development costs. The amortisation charge of intangible assets is recognised as an expense over their expected useful lives. Amortisation begins once the asset is ready for sale.

Income tax

The Group's taxes consist of taxes calculated on Group companies' profit for the period, tax adjustments for previous periods and changes in deferred taxes. Deferred tax assets and liabilities arise, for example, from depreciation differences, the measurement of assets at their fair value, Group eliminations and unused tax losses. The balance sheet includes deferred tax assets, related to unused tax losses, equivalent to their estimated likely amounts on the basis that Group companies will be able to fully utilise these deferred tax assets arising from confirmed and to-be confirmed losses in future financial years.

Goodwill and other intangible assets

Goodwill resulting from company and business acquisitions arises from the difference between the acquisition cost and the net assets measured at fair value. Allocated to cash-generating units (CGU), goodwill is not subject to amortisation but is annually tested for impairment. Other intangible rights, which comprise capitalised product development costs, patents, trademarks, software and licences, are initially measured at cost and amortised on a straight-line basis over their expected useful lives as follows:

Software	3–5 years
Product development costs	4–6 years
Other intangible rights	max. 20 years

Property, plant and equipment

The Group's property, plant and equipment (PPE) consist mainly of land, buildings, machinery and equipment. As permitted by IFRS 1, Rocla Group applied an exemption regarding the use of deemed cost to measure the fair value of property. On 1 January 2004, the date of transition to IFRS, the Group's industrial sites under financial lease were measured at fair value by an external professional surveyor. Other tangible assets are initially recognised at cost less planned depreciation and impairment. Should a tangible asset consist of several components with differing useful lives, each component is treated as a separate asset. Land is not subject to depreciation. Planned depreciation is recorded on a straight-line basis over the asset's estimated useful life. The asset's useful economic life and residual value are reviewed on each balance sheet date, and, if necessary, they are adjusted to reflect any changes in the expected useful life.

The following depreciation periods apply to PPE:

Buildings and structures	10–40 years
Heavy machinery	10 years
Other machinery and equipment	3–7 years

Derivative instruments

Derivative instruments are recognised at their fair value. The Group does not apply hedge accounting defined in IAS 39. Any change in the derivative's fair value is recognised in financial income or expenses with immediate effect. The fair value of forward exchange contracts is calculated using the market prices quoted on the balance sheet date. The fair value of interest-rate swaps is based on the present value of estimated future cash flows.

Inventories

Inventories are measured at the lower of cost or net realisable value, based on the FIFO principle (first in, first out). Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

Accounts receivable

Accounts receivable are recognised and carried at the original invoice amount less any provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of these accounts receivable.

Financial assets

Under IAS 39, financial assets are classified as follows: available-for-sale assets and originated loans and other receivables. Classifying a financial asset is determined by the purpose for which the asset is purchased at the time of its acquisition. The purchase and sale of financial assets are recognised on the date of transaction.

Financial assets are derecognised when the Group forfeits its contractual rights to receive benefits from these assets and transfers a significant proportion of all the risks and benefits associated with their ownership outside the Group.

Originated loans and other receivables

Originated loans and other receivables represent non-derivative financial assets created by the Group, providing money, goods or services directly to the debtor. Originated loans and other receivables are initially recognised at cost and subsequently measured at amortised cost. The maturity of these financial assets is determined by whether they are included in short-term or long-term asset investments.

Available-for-sale assets

Containing publicly traded and non-publicly traded shares and short-term interest-bearing investments, available-for-sale assets are measured at fair value. Non-publicly traded shares are measured at the lower of cost or likely value if their fair value cannot be measured reliably. Any unrealised gains or losses arising from a change in fair value are recognised in shareholders' equity, taking account of tax effects. Changes in fair value are derecognised in the shareholders' equity and recognised in the income statement, when the asset is disposed of or has lost its value to the extent that an impairment loss must be recognised for the asset. Available-for-sale assets are included in long-term investments, except for those, which the Group intends to hold for less than twelve months from the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents include cash and bank receivables and other liquid investments with a maximum maturity of three months. Accounts with an overdraft facility are included in short-term liabilities.

Financial liabilities

Consisting of loans from financial institutions, accounts payable and other financial liabilities, the Group's financial liabilities are initially recognised at fair value, based on consideration received, and subsequently measured at amortised cost using the effective interest method.

Treasury shares

When the Group purchases its own shares in the market, the shares must be presented as a deduction from shareholders' equity, at the amount paid including transaction costs after tax. Any gains or losses on the sale of the purchased treasury shares are included in shareholders' equity.

Government grants

Government grants are systematically recognised in the income statement for periods during which these match with the related costs. Grants related to the purchase of PPE are deducted from the carrying amount of the asset in question and recognised in the income statement over the asset's expected useful life on a reducing balance basis. When determining the acquisition cost of capitalised product development expenses, government grants for product development are measured at amortised cost in full and recognised in the income statement over the development expenses' useful economic life as reduced depreciation.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of this obligation can be made. Provisions may relate to restructuring, warranty costs, loss-making contracts and litigation.

Impairment

The balance-sheet values of assets are reviewed for impairment on an ongoing basis. Goodwill and the capitalised costs related to development projects in progress are tested for impairment at least once a year. For the purpose of assessing asset impairment, all Group assets are divided among cash-generating units (CGU). The recoverable amount of a CGU is based on the asset's value in use. Cash-flow forecasts used to measure the value in use are based on the latest budgets and forecasts approved by the management. Planning assumptions are based on financial plans approved by the management. Should the asset's carrying amount exceed its recoverable amount, it is impaired, and the resulting impairment loss is recognised in the income statement. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. The value in use equals the estimated future cash flows of the asset or CGU discounted to their present value, using at the discount rate of return on investment specified for Rocla. The components of this return requirement include the risk-free rate of return, market-risk premium, industry beta coefficient, cost of liabilities and the target capital structure.

Leases

Under IAS 17, leases are classified as financial leases if the risks and rewards of asset ownership are substantially transferred to the Group. Accordingly, such a leased asset, less accumulated depreciation/amortisation, is recognised in tangible or intangible assets at the lesser of the fair value of the leased asset at the inception of the lease and the present value of the minimum lease payments. The resulting lease obligations, less financing costs, are recognised in interest-bearing liabilities. An asset under financial lease is depreciated using the Group's PPE depreciation periods, or over a shorter lease term, and any resulting impairment losses are recognised. When a Group company acts as a lessor under financial lease, the present value of future lease payments is recognised under receivables and the leased-out asset is derecognised. Lease payments for financial leases are periodically apportioned between a financial expense or income and a reduction of the obligation for future lease payments. Leases are classified as operating leases if the lessor retains all the substantial risks and rewards of ownership. Lease payments under operating leases are recognised as income or expenses on a straightline basis over the lease term.

Employee benefits

The Group's companies in different countries apply various employee pension schemes based mainly on pension insurance. All of the pension schemes are classified as defined contribution pension plans, and the resulting contributions are recognised as expenses for the period during which such contributions are made and are presented in accordance with national legislation in each country.

Share-based payment

Rocla's 1998 share option scheme was directed, as a special issue, at the staff, management and Board Members of Rocla Group, and the options remained valid until 24 April 2007. Based on this scheme, during 2007, shares were subscribed at €7.60 per share. These share subscriptions increased the company's equity capital and premium fund.

During 2006 and 2007, Rocla has operated a share-based bonus scheme, valid for a year at a time, for its top management. Bonus payments were determined by the level of operating profit. Expenses (60% in cash and 40% in terms of Rocla's shares) resulting from this scheme were charged to the profit and loss account under personnel costs for the period to which the said bonuses relate.

Dividend payment

A dividend proposed by the Board to the Annual General Meeting (AGM) is deducted from equity attributable to shareholders only after the AGM's approval.

Earnings per share

The earnings-per-share ratio is calculated by dividing net profit for the period by the average number of outstanding shares (non-treasury shares) during the period. The diluted earnings-per-share ratio is calculated by dividing net profit for the period by the average number of outstanding shares that include any theoretical increase in the number of shares if stock options were exercised. The exercise of stock options dilutes earnings per share if the shares' market price exceeds the share subscription price for the stock options.

Operating profit

The Group's definition of operating profit is as follows: operating profit is a net total deriving from net sales plus other operating income less purchases adjusted for changes in finished goods inventory and work in progress and production-for-own-use expenses less employee benefits expenses, depreciation/amortisation, impairment losses and other operating expenses. Exchange rate differences are included in financial items.

2.Segment information

Rocla Group reports its operations as one segment. The Group's business comprises the provision of materials handling solutions and services throughout their lifecycle.

Reported previously as a separate segment, the Automated Guided Vehicle (AVG) business was integrated with the main business, Industrial Trucks in 2007.

Geographical segments

2007	Finland	Denmark	Rest of Europe	North and South America	Rest of world	Group
Net sales by region	28 898	10 667	70 821	10 159	4 389	124 935
Assets by region	68 022	13 565	3 880			85 467
Capital expenditure by region	4 036	560	175			4 770

2006	Finland	Denmark	Rest of Europe	North and South America	Rest of world	Group
Net sales by region	30 970	9 021	50 321	9 274	4 846	104 432
Assets by region	70 332	10 046	1 926			82 304
Capital expenditure by region	5 561	322	77			5 883

3. Revenue recognition based on percentage of completion

Consolidated net sales include €6.1 million (M€7.5) in construction-contract revenue recognised on the percentage-of-completion basis. The consolidated balance sheet includes €0.6 million (M€0.8) in advances received from construction contracts in progress and €0.5 million (M€1.1) in uninvoiced trade receivables.

Based on an estimate describing the extent of uncertainty caused by assessments related to construction contracts, the consolidated net profit for the financial year would decline by €1.0 million if the total costs of unfinished contracts recognised on the percentage-of-completion basis rose by 10% in comparison with the assessment.

4. Other operating income

	2007	2006
Gains on sale of property, plant and equipment	**49**	16
Other income	**90**	283
Total	**139**	299

5. Personnel and employee benefits expenses

	2007	2006
Average personnel	**505**	467
Year-end personnel	**521**	489

The Group's subsidiaries abroad apply various employee pension schemes, the pension cover being based on local legislation and standard practices in each country. In Finland, the pension scheme is mainly based on the TEL system under the Finnish Employees' Pensions Act.

Employee benefits expenses	**2007**	2006
Wages and salaries	**20 375**	17 394
Social expenses	**919**	1 002
Pensions		
Defined contribution plans	**2 792**	2 767
Other post-employment benefits	**26**	27
Total	**24 112**	21 191

6. Other operating expenses

	2007	2006
Travel expenses	**1 757**	1 522
External services	**2 296**	2 088
Rents	**1 417**	1 369
Advertising	**701**	811
Operating and maintenance expenses	**919**	875
Other expenses	**5 585**	5 286
Total	**12 675**	11 951

7. Depreciation and impairment loss

Planned depreciation and amortisation	2007	2006
Other intangible assets	**2 027**	1 889
Buildings and structures	**750**	713
Machinery and equipment	**4 477**	4 003
Total	**7 254**	6 604

The Group did not recognise impairment losses on intangible or tangible assets in 2006–2007. Goodwill is not amortised as of 1 January 2004.

8. Financial income

	2007	2006
Dividend income from available-for-sale investments	**11**	3
Interest income from		
liabilities and receivables	**78**	12
non-hedge accounting derivatives	**96**	402
Exchange rate gains on trade receivables	**247**	0
Other financial income	**0**	-8
Total	**432**	410

9. Financial expenses

	2007	2006
Interest expenses on liabilities recognised at amortised cost	**-1 932**	-1 148
Non-hedge accounting derivatives	**0**	-237
Other financial expenses	**-12**	0
Exchange rate losses on trade receivables	**-180**	-96
Total	**-2 124**	-1 481

Changes in fair value included in operating profit		
Impairment losses on trade receivables	**-221**	-78

10. Income tax expenses

	2007	2006
Current tax	**-981**	-230
Deferred tax	**144**	100
Total	**-837**	-131

Income taxes recognised in the consolidated income statement differ from income tax under the Finnish corporate income tax rate (26%) as follows:

	2007	2006
Consolidated pre-tax profit	**3 196**	401
Income tax on consolidated pre-tax profit according to the Finnish corporate income tax rate	**-831**	-104
Difference between Finnish and foreign corporate income tax rates	**-1**	-15
Tax effect of non-deductible expenses	**-13**	-25
Changes in deferred tax assets for previous years	**3**	215
Tax for previous years	**10**	-218
Effects of consolidation and elimination	**-5**	8
Tax effect of sale of treasury shares	**-**	8
Total	**-837**	-131

11. Deferred tax in the balance sheet

	2007	2006
Deferred tax assets	**747**	1 404
Deferred tax liabilities	**-2 663**	-2 526
Net deferred tax liability	**-1 916**	-1 122

Deferred tax is presented net in the balance sheet for Group companies which have the opportunity for profit equalisation between one another for taxation purposes, or which are treated as a single taxpaying entity.

Gross change in deferred tax in the balance sheet	2007	2006
Deferred tax, 1 Jan	**-1 122**	-1 234
Deferred tax charged to profit	**144**	100
Translation differences	**0**	-3
Items recognised in equity	**-938**	16
Deferred tax, 31 Dec	**-1 916**	-1 122

Deferred tax assets of €430 thousand (t€ 764 in 2006) remained unrecognised in the consolidated financial statements since it is improbable that the tax benefit included in these assets will be realised. The majority of these unrecognised assets relate to the Group companies' confirmed losses of € 6,996 thousand (t€ 8 535 in 2006). These losses will expire no earlier than 2013. The balance sheet includes € 211 thousand (t€ 1 457 in 2006) in deferred tax assets in subsidiaries which recorded a loss for the financial year or the preceding financial year. The recognition of these deferred tax assets is based on profit forecasts indicating that it is probable that these deferred tax assets will be realised.

12.a Intangible assets

	Internally generated intangible assets	Intangible rights	Goodwill	Advances paid and other non-current assets	Total 2007	Total 2006
Acquisition costs, 1 Jan 2007	10 528	3 621	2 115	132	16 395	14 204
Additions	2 131	341			2 471	2 192
Disposals				-59	-59	0
Acquisition costs, 31 Dec 2007	12 658	3 962	2 115	73	18 807	16 395
Accumulated amortisation, 1 Jan 2007	-4 106	-2 923	0	-71	-7 100	-5 212
Amortisation charge	-1 669	-359	0	0	-2 028	-1 889
Accumulated amortisation, 31 Dec 2007	-5 775	-3 282	0	-71	-9 129	-7 100
Book value, 31 Dec 2007	6 883	679	2 115	2	9 679	
Book value, 31 Dec 2006	6 422	698	2 115	61		9 295

12.b Assets leased under financial lease included in intangible assets

2007	Intangible rights	Total
Acquisition cost	626	626
Accumulated amortisation	-465	-465
Book value, 31 Dec 2007	161	161

2006	Intangible rights	Total
Acquisition cost	511	511
Accumulated amortisation	-366	-366
Book value, 31 Dec 2006	145	145

12.c Impairment test of CGU goodwill

CGU goodwill	**2007**	2006
Russia	**582**	582
Automated warehouse trucks	**1 532**	1 532
Total	**2 115**	2 115

Group goodwill has been allocated to the Group's cash-generating units defined in accordance with the business organisation. The recoverable amount of a CGU is based on the asset's value in use. Cash-flow forecasts used to measure the value in use are based on financial plans approved by the management, spanning five years. Anticipated cash flows subsequent to this five-year period are estimated by extrapolating them using a growth estimate of 1 per cent.

The Group uses WACC (Weighted average cost of capital) as a discount rate defining the requirement set for pre-tax return on capital. The calculation components of this return requirement include a risk-free rate of return, market-risk premium, industry-specific beta coefficient, cost of liabilities and targeted capital structure. In 2007, the discount rate was 10.8% (10.8%). On the basis of the impairment test, there was no need to recognize impairment losses. Somewhat likely changes in the components of the return requirement will have no determining effect on the impairment test result. Instead, a 10.0 percentage point fall in the CGU's net sales, accompanied by the respective multiplier effect during the planning period, would reduce the recoverable cash-flow of the Russian unit to book value. The equivalent percentage for Automated warehouse trucks is 11.7.

13.a Tangible assets

	Land	Buildings and structures	Machinery and equipment	Advances paid and con-struction in progress	Total 2007	Total 2006
Acquisition costs, 1 Jan 2007	1 000	12 045	37 536	21	50 602	43 606
Additions		358	8 674	94	9 126	9 610
Disposals			-361		-361	-2 614
Re-classification			21	-21	0	0
Translation differences						0
Acquisition costs, 31 Dec 2007	1 000	12 404	45 870	94	59 368	50 602
Accumulated amortisation, 1 Jan 2007	0	-2 360	-21 544	0	-23 904	-20 096
Disposals			283		283	908
Amortisation charge		-750	-4 477		-5 227	-4 715
Translation differences					0	0
Accumulated amortisation, 31 Dec 2007	0	-3 110	-25 737	0	-28 848	-23 904
Book value, 31 Dec 2007	1 000	9 293	20 132	94	30 519	
Book value, 31 Dec 2006	1 000	9 685	15 993	21		26 699

13.b Assets leased under financial lease included in property, plant and equipment

2007	Machinery and equip-ment	Total
Acquisition cost	24 826	24 826
Accumulated amortisation	-10 589	-10 589
Book value, 31 Dec 2007	14 237	14 237

2006	Machinery and equip-ment	Total
Acquisition cost	18 260	18 260
Accumulated amortisation	-7 773	-7 773
Book value, 31 Dec 2006	10 487	10 487

14. Available-for-sale investments

	2007	2006
Carrying amount, 1 Jan	**92**	70
Changes in fair value	**1**	22
Carrying amount, 31 Dec	**93**	92
Listed shares	**91**	90
Non-listed shares	**2**	2
Total	**93**	92
Fair value	**93**	92
Acquisition cost	**13**	13
Changes in fair value	**80**	79
Deferred tax liability	**-21**	-21
Fair value change of available-for-sale investments	**60**	59

Available-for-sale investments consist of listed and non-listed shares measured at fair value on the last day of trading of the financial year since 1 January 2004. The investments include € 2 thousand in shares whose fair value cannot be measured reliably. These shares were recognised at cost less any impairment losses.

15.a Financial risk management

The Group's financial risk management policy aims to reduce the effects of price fluctuations in the financial market and other uncertainties on the income statement, balance sheet and cash flow, and to maintain liquidity.

Financial risks associated with Rocla's business include interest rate, liquidity, credit and counterparty risks and, to a limited extent, currency risks. The Group's Finance function is responsible for the management of most financial risks in a centralised manner or in cooperation with the business units. Business units are responsible for reporting the need for currency rate protection. The Board of Directors adopts all major financial decisions. The development of the risk position is reported to the Board as necessary but at least once a year. The Board of Directors has approved the risk management policy.

15.b Currency risks

Rocla is exposed to currency risks only to a limited extent due to euro-dominated foreign transactions. The Group aims to hedge against currency risks by favouring the euro to the greatest possible extent in non-euro area transactions and by selecting other invoicing and purchasing currencies in such a way that foreign currency-denominated income and expenses correspond to one another as well as possible. A significant proportion of the cash flows of Rocla A/S, the Group's Danish subsidiary, is denominated in the Danish krone (DKK). The business of the Russian subsidiary OOO Rocla RUS is mainly rouble-denominated. The invoicing currency of truck deliveries to the USA, based on the Mitsubishi Caterpillar Forklift partnership, is also the euro. Whenever necessary, the Group hedges against currency risks by concluding forward exchange contracts. On 31 December 2007, the Group had no forward exchange contracts (on 31 Dec. 2006, the nominal value of the forward exchange contracts totalled USD 112 000).

The balance sheet structure of foreign subsidiaries remains unprotected for the time being. The most important subsidiary is the affiliated subgroup operating in Denmark, whose estimated balance sheet protection requirement is minor due to the modest fluctuations of the Danish krone against the euro. The balance sheet of the Russian subsidiary is rouble-denominated. Major currencies in the operations of the Group, in addition to the euro, are the Danish krone (DKK), the Russian rouble (RUR), the Estonian krone (EEK) and the US dollar (USD). Below is a sensitivity analysis of the possible impact of the change in the value of the USD and the RUR compared to the euro on the consolidated profit and shareholders' equity. The fluctuations of the DKK are limited and the EEK is fixed to the value of the euro. Thus, these currencies are a source of a minor risk only in the Group's operations.

		Impact on result before taxes 2007	Impact on shareholders' equity 2007	Impact on result before taxes 2006	Impact on shareholders' equity 2006
USD/EUR, increase/decrease	**5%**	-0.1	0.0	0.0	0.0
	-5%	0.1	0.0	0.0	0.0
RUR/EUR, increase/decrease	**5%**	0.1	0.2	0.0	0.1
	-5%	-0.1	-0.2	0.0	-0.1

15.c Interest rate risks

Group credits are mainly tied to 1-month or 3-month Euribor rates and those of the Danish subsidiary to the Cibor rate. Part of the long-term loans and financial leasing liabilities are tied to 5–7 year fixed interest rates.

The Group uses interest-rate swaps to manage risks resulting from changes in short-term interest rates. At the end of the year, the nominal value of the Group's interest rate derivatives was as follows:

2007	2006
9 000	15 000

Sensitivity analysis of changes in the interest level regarding variable rate financial instruments and interest rate swaps: Net variable rate liabilities on 31 Dec 2007 were M€ 15.7 (M€ 11.6 on 31 Dec 2006). A change of one percentage point in the interest level would have had a M€ 0.2 (M€ 0.1) bearing on the result. This change would have had no impact on the balance sheet.

15.d Liquidity risks

The Group aims to ensure sufficiency of financing through financial planning, by maintaining a liquid cash reserve and agreeing with financiers on credit limits.

On 31 December 2007, the Group had an unused credit limit of approximately €3.8 million (M€ 5.7).

Maturation analysis of financial liabilities	Maturation Dec 31, 2007 < 1 year	1–5 years	> 5 years	Total
Loans				
Repayment	-5 596	-6 766	-4 215	-16 578
Bank account overdraft				
Repayment	-9 070			-9 070
Finance lease liabilities	-5 014	-10 761	-662	-16 438
Derivatives	0	223	0	223
Trade payables	-10 490			-10 490
Total payments	**-30 170**	**-17 305**	**-4 877**	**-52 353**

Maturation analysis of financial liabilities	Maturation, 31 Dec 2006 < 1 year	1–5 years	> 5 years	Total
Loans				
Repayment	-7 712	-7 923	-5 467	-21 101
Bank account overdraft				
Repayment	-7 134			-7 134
Finance lease liabilities	-3 549	-7 999	-762	-12 310
Derivatives	40	223		263
Trade payables	-13 096			-13 096
Total payments	**-31 451**	**-15 699**	**-6 228**	**-53 378**

15.e Commercial risks

Rocla Group regularly evaluates counterparty or credit-loss risks associated with its customers. The Group's customers consist mainly of corporate customers with a solid financial standing and long-standing, major partners. Given that trade receivables are divided quite evenly among Group customers, Rocla estimates that it is not exposed to any major individual credit risks. The Group aims to hedge against credit risks through credit ceilings, active control and by covering risks based on credit insurance. At the end of the year, write-offs of trade receivables totalled M€0.4 (0.2).

Age distribution of trade receivables excluding written off receivables	31 Dec 2007	31 Dec 2006
Non-matured and under 30 days outstanding receivables	**15 060**	14 375
30 to 60 days outstanding	**366**	862
over 61 days outstanding	**1 381**	780
Carrying amount of trade receivables	**16 807**	16 018

16. Inventories

	2007	2006
Materials and supplies	**13 416**	10 303
Work in progress	**1 929**	2 622
Finished products and goods	**8 548**	8 448
Total	**23 892**	21 372

The amount of inventories whose book value has been reduced to the net realisable value totals €0.6 million (€0.9 million in 2006).

17.a Financial leases (gross investment in lease)

	2007	2006
No later than 1 year	**37**	51
1 to 5 years	**28**	65
Over 5 years	**-**	-
Total	**65**	115
Future financial income	**5**	11
Minimum lease payment, present value	**60**	104

17.b Financial lease receivables (minimum lease payment, present value)

	2007	2006
No later than 1 year	**34**	44
1 to 5 years	**26**	60
Over 5 years	**-**	-
Total	**60**	104

18. Operating lease (total minimum lease payments)

	2007	2006
No later than 1 year	**5 801**	4 147
1 to 5 years	**10 970**	8 088
Over 5 years	**201**	224
Total	**16 971**	12 459

19. Unguaranteed residual value payable to lessor

	2007	2006
	181	189

20. Overview of leases

Rocla Group companies act as lessors in several lease contracts concluded as operating leases or financial leases. This lease classification is based on IAS 17 according to which leases are classified as financial leases if the risks and rewards of asset ownership are substantially transferred to the lessee, but if not, the lease is an operating lease.

Leases are mainly based on a sale-and-leaseback arrangement, whereby Rocla Group company sells an asset to a financing company that leases the asset back to Rocla Group under a financial lease. Then the Group company leases the asset to its customer based on either a finance lease or an operating lease. In many cases, said lease includes a truck maintenance contract, whereby Rocla Group agrees to manage truck maintenance and repair. Payments received from such maintenance and repair are included in rental income received.

21.a Trade and other receivables

	2007	2006
Long-term		
Interest-bearing		
Receivables from hire-purchase transactions	**582**	891
Finance lease receivables	**0**	60
Total	**582**	951

The Group has no non-interest-bearing long-term receivables.

Short-term		
Interest-bearing		
Loans receivable	**17**	20
Receivables from hire-purchase transactions	**309**	288
Financial lease receivables	**0**	44
Total	**326**	352
Non-interest bearing		
Trade receivables	**16 807**	16 018
Income tax receivables	-	29
VAT receivables	**424**	695
Accrued income and prepaid expenses	**1 899**	3 787
Other receivables	**245**	252
Total	**19 375**	20 782

21.b Doubtful receivables deducted from trade receivables

	2007	2006
Doubtful receivables, 1 Jan	**152**	142
Additions	**292**	72
Reductions	**-39**	-62
Payments received	**-30**	0
Doubtful receivables, 31 Dec	**375**	152

21.c Significant items included in accrued income and prepaid expenses

	2007	2006
Receivables from revenue based on percentage-of-completion	**532**	1 422
Other accrued income and prepaid expenses	**1 366**	2 365
Total	**1 899**	3 787

22. Available-for-sale investments

	2007	2006
Carrying amount, 1 Jan	**17**	100
Changes in fair value	**1**	-84
Carrying amount, 31 Dec	**17**	17
Investments in bond funds	**17**	17
Total	**17**	17
Fair value	**17**	17
Acquisition cost	**14**	14
Changes in fair value	**1**	3
Deferred tax liability	**0**	-1
Total	**0**	2

23. Cash and cash equivalents

	2007	2006
Bank deposits	**982**	2 742
Total	**982**	2 742

24. Share capital

	No. of shares 1 000 pcs	Share capital	Share premium	Total
1 Jan 2006	3 856	3 891	4 249	8 140
Shares subscribed on the basis of stock options	49	49	332	380
Disposal of treasury shares	4		23	23
31 Dec 2006	3 909	3 939	4 604	8 543
Treasury shares, 31 Dec 2006	31			
Total no. of shares, 31 Dec 2006	3 939			
Shares subscribed on the basis of stock options	325	325	2 147	2 472
31 Dec 2007	4 234	4 265	6 751	11 016
Treasury shares	31			
Total no. of shares, 31 Dec 2007	4 265			

25.a Bond with warrants and warrants

Option rights relating to the bond with warrant issued by Rocla in 1998 were used to subscribe for total of 325 310 shares between 10 April and 24 April 2007. The subscription price was €7.60/share. The subscriptions increased the share capital by €325 310 and the share premium by €2 147 046. The increase in share capital was registered to the Trade Register on 9 May 2007. Granting equal rights with the existing ones, the new shares were listed for trading along with the existing shares in the Helsinki Stock Exchange on 10 May 2007. After the increase, Rocla's share capital totalled €4 264 788 comprising 4 264 788 shares. Upon the expiry of the subscription period of the 1998 scheme, Rocla does not have effective option schemes.

25.b Other share-based payment

Rocla applied a share-based bonus scheme to its top management during 2006 and 2007. Payable bonuses are determined by the level of operating profit. Expenses (60 per cent in cash and 40 per cent in terms of company shares) resulting from this scheme are charged to employee benefits expenses for the period to which said bonuses relate. The incentive scheme is effective for one year at a time. Any shares earned on the basis of the scheme will be distributed to their grantees upon the end of the vesting period and must be held for at least two years upon the end of the year they are earned. The number of shares and costs under the share-based bonus scheme are as follows:

	2007	2006
Previously granted shares, no.	**0**	3 711
Bonuses granted for the period, no.	**1 723**	0
Shares distributed during period, no.	**0**	3 711
Incurred costs, €1 000	**49**	0
Share's fair value on the date of determining the scheme for the period, €	**11.54**	10.93

26. Fair value reserves

	2007	2006
Fair value reserve for available-for-sale investments	**36**	35
Total	**36**	35

27. Equity attributable to shareholders

	2007	2006
Unrestricted shareholders' equity	**13 656**	14 159
Net profit for the financial year	**2 359**	270
Voluntary provisions in shareholders' equity	**-357**	-72
Total	**15 657**	14 357
Voluntary provisions		
Accumulated depreciation difference	**357**	97
Total voluntary provisions	**357**	97
Deferred tax liability on voluntary provisions	**-93**	-25
Total	**264**	72

28. Provisions

Warranty provisions	**2007**	2006
Provisions, 1 Jan 2006/2007	**447**	443
Increase in provisions	**0**	4
Used provisions	**42**	-
Provisions, 31 Dec 2006/31 Dec 2007	**405**	447
Short-term provisions	**405**	447
Total	**405**	447

29.a Interest-bearing liabilities

	2007	2006
Long-term		
Loans from financial institutions	**9 361**	11 386
Finance lease liabilities	**11 503**	7 806
Total	**20 864**	19 192
Short-term		
Loans from financial institutions	**4 902**	6 877
Bank overdrafts	**9 032**	7 106
Finance lease liabilities	**3 009**	3 079
Total	**16 943**	17 062

29.b Finance lease liabilities (minimum lease payments)

	2007	2006
No later than 1 year	**5 092**	5 123
1 to 5 years	**11 312**	6 865
Over 5 years	**670**	774
Total	**17 074**	12 762
Future financial expenses	**-2 562**	-1 876
Minimum lease payment, present value	**14 512**	10 886

29.c Finance lease liabilities (minimum lease payment, present value)

	2007	2006
No later than 1 year	**4 351**	3 079
1 to 5 years	**9 528**	7 077
Over 5 years	**633**	730
Total	**14 512**	10 886

29.d Long-term interest-bearing liabilities, amortisation plan

	2008	2009	2010	2011	2012-	2013 =>	Total
Loans from financial institutions	4 902	1 369	1 369	1 369	1 369	3 884	14 262
Finance lease liabilities	4 351	2 690	2 521	2 405	1 912	633	14 512

30.a Trade payables and other payables

	2007	2006
Non-interest bearing		
Trade payables	**10 490**	13 096
Advances received	**909**	1 463
Other payables	**1 184**	1 129
Accrued expenses and deferred income	**5 727**	5 821
Total	**18 310**	21 508

30.b Significant items included in accrued expenses and deferred income

	2007	2006
Items related to employee benefits expenses	**4 629**	3 356
Other accrued expenses and deferred income	**1 098**	2 465
Total	**5 727**	5 821

31. Carrying amounts and fair values of financial assets and liabilities

	2007 Carrying amount	2006 Carrying amount
Financial assets at fair value through profit or loss		
Cash and cash equivalents	**982**	2 742
Derivatives, non-hedge accounting	**188**	127
Originated loans and other receivables		
Long-term finance receivables	**582**	951
Other long-term receivables	**326**	352
Short-term finance receivables	**16 807**	16 018
Available-for-sale investments / cash and cash equivalents	**17**	17
Total financial assets	**18 902**	20 207
Financial liabilities at fair value through profit or loss		
Long-term interest-bearing liabilities	**20 864**	19 192
Decrease in long-term liabilities during next year	**4 902**	4 877
Short-term interest-bearing liabilities	**12 041**	12 185
Trade and other short-term payables	**10 490**	13 096
Total financial liabilities	**48 296**	49 350

Fair values of financial assets and liabilities are considered to approximate their carrying amounts.

32. Capital management

Improved working capital circulation and a higher equity ratio are key priorities in the Group's capital management policy. The scope of the lease business has a particular bearing on the need for capital, and this sector has experienced strong growth in recent years. The rental fleet is financed primarily through finance lease arrangements.

Loan agreements include covenants which may have an impact on the Group's financial expenses. The Group meets the minimum levels set for those covenants. The equity/asset ratio is a key indicator, used by the Board of Directors and the Management in capital management. The target equity/asset ratio is 40% or higher.

Equity/asset ratio, %	**2007**	2006
= shareholders' equity/(Balance sheet total - advances received)x100	**32.0**	28.4

33. Contingent liabilities

	2007	2006
Pledges given, 31 Dec		
Business mortgages for own debt	**9 409**	9 409
Property mortgages for own debt	**495**	495
Pledges given, 31 Dec		
For own debt	**12 983**	12 983
Other contingent liabilities, 31 Dec		
In security for other commitments	**525**	525

Property mortgages given in security for own debt are allocated to a property owned by the Group's Danish subsidiary.

34. Minimum lease payments of operating leases

	2007	2006
No later than 1 year	**369**	377
1 to 5 years	**292**	385
Over 5 years	-	-
Total	**661**	762

35. Residual value liabilities

Residual value guarantee given to the financial institution	**5 659**	2 114

36. Disputes and legal proceedings

Neither Rocla Oyj nor its subsidiaries are parties to any disputes or legal proceedings pending that could have a major detrimental effect on Rocla Group's financial standing.

37. Related party transactions

	2007	2006
Transactions and open balances with holding companies exercising significant influence		
Sales	**55 823**	38 592
Purchase	**11 665**	8 960
Related parties generated neither interest income nor other income to the Group.		
Short-term receivables		
Trade receivables	**4 502**	4 367
There are neither loan receivables nor other receivables from related parties.		
Short-term liabilities		
Trade payables	**1 405**	758
No other liabilities apply to related parties.		

38. Employee benefits for top management

	2007	2006
Wages and salaries		
Managing Director Jussi Muikku	**160**	174
Board members:		
Niilo Pellonmaa	**24**	17
Jay N. Gusler	**12**	-
Ilkka Hakala	**15**	12
Donald V. Henn	**5**	11
Kari Jokisalo	-	4
Frans Maarse	**15**	12
Eero Karvonen	**15**	9
Bo Harald	-	8
Vesa Puttonen	**12**	-
Corporate Management Team	**467**	689
Total	**725**	935

	2007	2006
Short-term employee benefits		
Managing Director Jussi Muikku	**11**	66
Corporate Management Team	**21**	150

	2007	2006
Post-employment benefits *)		
Managing Director Jussi Muikku	**34**	41
Corporate Management Team	**105**	139
Total	**139**	180

*) The figures include TEL pension contributions accounting for 17% of paid salaries. No other long-term employee benefits are in place. The top management comprises the Board of Directors, Managing Director and Corporate Management Team members. There are no loans receivable from the top management.

39. Group companies

Holdings %	**2007**	2006
Rocla AB	**100**	100
Rocla A/S	**100**	100
Rocla Rent A/S	**100**	100
OOO Rocla Rus	**100**	100
Rocla Eesti Oü	**100**	100
Kiinteistö Oy Roclankuja 1	**100**	100

Key Figures and Ratios

Financial indicators

	IFRS 2007	IFRS 2006	IFRS 2005	IFRS 2004	FAS 2003
Net sales, € million	**124.9**	104.4	96.6	91.8	80.9
EBITDA, € million	**12.1**	8.1	9.8	10.9	0.2
Operating profit/loss, € million	**4.9**	1.5	4.2	5.7	-1.5
- % of net sales	**3.9**	1.4	4.4	6.2	-1.8
Profit/loss after financial items, € million	**3.2**	0.4	3.4	4.3	-2.2
- % net sales	**2.6**	0.4	3.6	4.6	-2.7
Net profit/loss for the period, € million	**2.4**	0.3	3.1	3.3	-2.0
- % net sales	**1.9**	0.3	3.2	3.5	-2.4
Return on equity (ROE), %	**9.4**	1.2	14.7	18.3	-15.3
Return on investment (ROI), %	**8.6**	3.3	8.8	11.5	-4.0
Net gearing, %	**136.2**	145.9	132.0	158.7	133.7
Equity/asset ratio, %	**32.0**	28.4	34.5	29.4	32.5
Gross capital expenditure, € million	**4.8**	5.9	4.1	4.6	1.4
- % net sales	**3.8**	5.6	4.3	5.0	1.8
Gross R&D costs, € million	**4.5**	4.4	4.0	4.3	3.3
- % net sales	**3.6**	4.2	4.2	4.7	4.0
Order books, € million	**24.2**	26.8	13.9	13.6	14.8
Period-end personnel	**521**	489	445	420	409
Average personnel	**505**	467	439	409	449
Wages and salaries, € million	**20.4**	17.4	16.0	15.1	16.7

Per-share ratios

	IFRS 2007	IFRS 2006	IFRS 2005	IFRS 2004	FAS 2003
Earnings/share (EPS), €	**0.57**	0.07	0.82	0.88	-0.53
Earnings/share (EPS), diluted, €	-	0.07	0.80	-	-
Equity/share, €	**6.38**	5.88	6.00	5.17	3.45
Dividend/share, € *)	**0.25**	0.20	0.20	0.15	0.10
Dividend payout ratio, % *)	**43.7**	286.1	24.4	17.1	-18.9
Effective dividend yield, % *)	**2.3**	1.7	1.8	1.9	1.5
Price-earnings ratio (P/E)	**19.4**	167.0	13.6	9.0	-12.8
Lowest share price, €	**10.00**	10.51	8.00	7.80	5.50
Highest share price, €	**12.50**	15.20	12.30	8.20	7.25
Average share price, €	**11.19**	12.71	9.86	7.71	6.58
Closing price at year end, €	**11.10**	11.67	11.12	7.90	6.80
Market capitalisation, € million	**47.0**	45.6	42.9	29.3	25.2
Share trading volume, 1 000 share	**512**	400	979	361	206
Share turnover, %	**12**	10	26	10	6
Average no. of shares, 1 000 shares **)	**4 119**	3 860	3 788	3 706	3 891
Year-end no. of shares, 1 000 shares ***)	**4 234**	3 909	3 856	3 706	3 706

*) Board's proposal
**) Treasury shares are excluded from figures for 2004–2007
***) Treasury share excluded

Definition of Key Ratios

Return on equity (ROE), % $= \dfrac{\text{Net profit/loss for the period}}{\text{Period-average shareholders' equity}} \times 100$

Return on investment (ROI), % $= \dfrac{\text{Pre-tax profit/loss + financial expenses}}{\text{Balance sheet total - non-interest-bearing liabilities period-average}} \times 100$

Net Gearing, % $= \dfrac{\text{Interest-bearing liabilities – interest-bearing assets}}{\text{Shareholders' equity}} \times 100$

Equity/assets ratio, % $= \dfrac{\text{Shareholders' equity}}{\text{Balance sheet total - advances received}} \times 100$

Earnings/share (EPS) $= \dfrac{\text{Pre-tax profit/loss – taxes}}{\text{Adjusted average number of shares for the period}}$

Equity/share $= \dfrac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the period-end}}$

Dividend/share $= \dfrac{\text{Dividend for the period}}{\text{Adjusted number of shares at the period-end}}$

Dividend payout ratio, % $= \dfrac{\text{Dividend/share}}{\text{Earnings/share}} \times 100$

Effective dividend yield, % $= \dfrac{\text{Dividend/share}}{\text{Adjusted share price at the period-end}} \times 100$

Price/earnings ratio (P/E) $= \dfrac{\text{Adjusted share price at the period-end}}{\text{Earnings/share (EPS)}}$

Parent Company Income Statement (FAS)

EUR 1 000	Note	**1 Jan – 31 Dec 2007**	1 Jan – 31 Dec 2006
Net sales	4	**114 573**	79 127
Change in finished goods inventory and work in progress		**-1 554**	1 847
Production for own use		**37**	45
Other operating income	5	**127**	477
Materials and services	6	**-70 655**	-54 014
Personnel expenses	7	**-22 043**	-15 568
Depreciation, amortisation and write-downs	8	**-2 304**	-1 044
Other operating costs	9	**-14 618**	-10 305
Operating profit		**3 564**	565
Financial income and expenses	10	**-664**	-599
Profit before extraordinary items		**2 899**	-34
Extraordinary items	11	**0**	1 795
Profit before appropriations and taxes		**2 899**	1 761
Appropriations		**-163**	0
Income taxes	12	**-981**	-627
Net profit for the period		**1 755**	1 134

Parent Company Balance Sheet (FAS)

EUR 1 000	Note	**31 Dec 2007**	31 Dec 2006
Assets			
Non-current assets	13		
Intangible assets			
Intangible rights		**510**	553
Goodwill		**2 806**	3 530
Other long-term assets		**1 638**	1 630
Advances paid		**70**	59
		5 024	5 772
Tangible assets			
Buildings and structures		**148**	0
Machinery and equipment		**3 812**	3 763
Advances paid and construction in progress		**24**	21
		3 985	3 784
Investments			
Holdings in Group companies		**129**	129
Receivables from Group companies		**9 969**	9 969
Other shares and holdings		**13**	13
		10 110	10 110
Total non-current assets		**19 119**	19 667
Current assets			
Inventories			
Materials and supplies		**12 351**	10 074
Work in progress		**1 786**	2 427
Finished products/goods		**5 229**	6 141
		19 365	18 643
Current receivables	14		
Accounts receivable		**21 149**	17 877
Loans receivable		**2 289**	1 712
Deferred tax receivables		**98**	1 079
Other receivables		**435**	711
Accrued income and prepaid expenses		**1 927**	1 703
		25 899	23 082
Securities under financial assets	15		
Own shares (treasury shares)		**186**	186
Other securities		**14**	14
		200	200
Cash and cash equivalents		**25**	2 302
Total current assets		**45 489**	44 227
Total assets		**64 608**	63 894

EUR 1 000	Note	31 Dec 2007	31 Dec 2006
Shareholders' equity and liabilities			
Shareholders' equity	16, 17		
Share capital		**4 265**	3 939
Premium fund		**6 674**	4 527
Treasury shares		**186**	186
Retained earnings		**13 037**	12 685
Net profit for the period		**1 755**	1 134
		25 918	22 472
Appropriations			
Accumulated depreciation difference		**260**	97
Provisions	18	**405**	447
Liabilities			
Long-term liabilities			
Loans from financial institutions	19	**8 929**	9 583
Short-term liabilities	20		
Loans from financial institutions		**12 387**	12 378
Advances received		**730**	1 372
Accounts payable		**9 857**	13 137
Other liabilities		**512**	605
Accrued expenses and deferred income		**5 610**	3 801
		29 096	31 294
Total shareholders' equity and liabilities		**64 608**	63 894

Parent Company Cash Flow Statement (FAS)

EUR 1 000	**2007**	2006
Operating activities		
Profit before extraordinary items	**2 899**	-34
Adjustments:		
Depreciation, amortisation and write-downs	**2 304**	1 044
Unrealised exchange rate gains and losses	**36**	-21
Other non-cash income and expenses	**-42**	-403
Financial income and expenses	**664**	578
Other adjustments	**-4**	-15
Cash flow before change in working capital	**5 857**	1 150
Change in working capital		
Increase (-)/decrease (+) in short-term non-interest-bearing receivables	**-3 447**	-5 660
Increase (-)/decrease (+) in inventories	**-723**	-2 110
Increase (+)/decrease (-) in short-term non-interest-bearing liabilities	**-2 331**	6 742
Cash flow before financial items and taxes	**-644**	122
Interest paid and other financial expenses	**-1 124**	-688
Dividends received	**30**	3
Interest received	**80**	14
Income tax paid	**-10**	-231
Cash flow from operations	**-1 668**	-780
Investment activities		
Capital expenditure	**-2 068**	-2 320
Proceeds from sale of tangible assets	**71**	68
Subsidiary shares bought	**0**	-28
Loans granted	**0**	-4 487
Cash flow from investments	**-1 997**	-6 767
Financing activities		
Proceeds from share issue	**2 472**	380
Increase/decrease in short-term loans	**631**	504
Increase in long-term loans	**0**	10 000
Decrease in long-term loans	**-934**	-1 245
Dividends paid	**-782**	-772
Group contributions paid	**0**	-1 067
Cash flow from financing	**1 388**	7 800
Increase (+)/decrease (-) in liquid assets	**-2 277**	254
Cash and cash equivalents at beginning of period	**2 302**	18
Cash and cash equivalents at year-end, excl. those transferred as a result of mergers	**25**	272
Cash and cash equivalents transferred as a result of mergers	**0**	2 030
Cash and cash equivalents at end of period	**25**	2 302

Notes to the Parent Company Financial Statements

1. Scope of financial statements

In preparing its financial statements, Rocla Oyj applies accounting policies based on the Finnish Accounting Standards (FAS). Rocla Oyj is the Group's parent company that also prepares the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The parent company is domiciled in Järvenpää. A list of subsidiaries can be found in Note 13.

Rocla Oyj's financial year equals the calendar year. The figures in the notes to the financial statements are given in thousands of euros (€1,000), unless otherwise stated.

2. Accounting principles

Foreign currency transactions are translated into euros using the exchange rate quoted on the transaction date. Receivables and liabilities in foreign currencies are translated into euros using the average rate on the balance sheet date confirmed by the European Central Bank. Any resulting exchange rate differences are entered in exchange rate differences under financial items.

Based on the FIFO principle, inventories are stated at the lower of acquisition cost including the variable costs of acquisition and production, or likely realisable value or replacement value on the balance sheet date.

Securities under financial assets are stated at the lower of cost or fair value.

Research and development costs are expensed as incurred.

Leases are treated as rental costs.

The personnel's pension scheme is funded through payments to pension insurance companies. Pension costs are expensed as incurred.

Provisions include estimated, unrealised product warranty liability on products sold.

3. Valuation of fixed assets

Fixed assets are stated at cost less planned depreciation and value adjustments. Depreciation and amortisation is recorded on a straight-line basis over the asset's estimated useful life.

The depreciation and amortisation periods are as follows:

Intangible rights (IT software)	3–5 years
Goodwill	5–10 years
Other non-current assets (renovation of rented premises)	10 years
Buildings and structures	10 years
Major production machinery	10 years
Other machinery and equipment	3–7 years

4. Net sales

Net sales by business area	2007	2006
Materials handling solutions	**114 573**	79 127
Total	**114 573**	79 127

Net sales by market	2007	2006
Finland	**28 685**	23 357
Denmark	**2 121**	1 226
Rest of Europe	**69 777**	44 376
North and South America	**10 159**	8 679
Rest of world	**3 831**	1 489
Total	**114 573**	79 127

5. Other operating income

	2007	2006
Rental income	**0**	123
Divestment of fixed assets	**49**	12
Other income	**78**	342
Total	**127**	477

Grants received are entered as adjustments for other operating costs.

6. Materials and services

	2007	2006
Purchases	**-75 272**	-53 856
Change in inventories	**6 285**	259
Materials total	**-68 987**	-53 597
External services	**-1 668**	-417
Total	**-70 655**	-54 014

7. Personnel and personnel expenses

Average personnel	2007	2006
	406	324

Year-end personnel	2007	2006
	415	350

Personnel expenses	2007	2006
Managing Director	**-160**	-174
Board members	**-97**	-72
Other wages and salaries	**-17 879**	-12 273
Pension expenses	**-2 989**	-2 082
Other social expenses	**-918**	-967
Total	**-22 043**	-15 568

8. Depreciation, amortisation and write-downs

Planned depreciation and amortisation	2007	2006
Intangible rights	**-260**	-187
Goodwill	**-724**	0
Other long-term assets	**-258**	-190
Machinery and equipment	**-1 062**	-667
Total	**-2 304**	-1 044

The Parent Company did not recognise any write-downs during 2006–2007.

9. Other operating costs

	2007	2006
Rents	**-4 156**	-1 775
Operating and maintenance expenses	**-1 342**	-1 240
Services bought	**-2 157**	-1 752
Other operating costs	**-6 963**	-5 539
Total	**-14 618**	-10 305

10. Financial income and expenses

Financial income	2007	2006
Dividend income	**30**	3
Interest income	**440**	202
Other financial income	**80**	1
Total	**551**	207

Financial expenses		
Interest expenses	**-1 127**	-747
Other financial expenses	**-88**	-58
Total	**-1 215**	-805

11. Extraordinary items

	2007	2006
Extraordinary income	**0**	1 795
Total	**0**	1 795

The parent company's extraordinary income includes a Group contribution received from a subsidiary in 2006.

12. Income taxes

	2007	2006
Period income tax on operations	**-991**	51
Period income tax on extraordinary items	**0**	-466
Income tax for previous periods	**10**	-220
Transfer to premium fund	**0**	8
Total	**-981**	-627

13. Non-current assets

Intangible rights	2007	2006
Acquisition cost 1 Jan	**2 312**	1 878
Additions *)	**218**	433
Acquisition cost 31 Dec	**2 530**	2 312
Amortisation for the financial year	**-260**	-188
Accumulated planned amortisation	**-2 019**	-1 759
Non-amortised balance 31 Dec	**510**	553

*) The figure for 2006 includes €34 thousand transferred as the result of a merger.

Goodwill	2007	2006
Acquisition cost 1 Jan	**3 530**	0
Additions *)	**0**	3 530
Acquisition cost 31 Dec	**3 530**	3 530
Amortisation for the financial year	**- 724**	0
Accumulated planned amortisation	**-724**	0
Non-amortised balance 31 Dec	**2 806**	3 530

*) The figure for 2006 includes €575 thousand transferred as the result of a merger and €2 955 thousand arising from the merger.

Other long-term assets	2007	2006
Acquisition cost 1 Jan	**3 098**	2 395
Additions *)	**265**	579
Transfers between items	**0**	124
Acquisition cost 31 Dec	**3 363**	3 098
Amortisation for the financial year	**-258**	-190
Accumulated planned amortisation	**-1 726**	-1 468
Non-amortised balance 31 Dec	**1 638**	1 630

*) The figure for 2006 includes €9 thousand transferred as the result of a merger.

Advances paid for intangible rights	2007	2006
Acquisition cost 1 Jan	**59**	0
Additions	**70**	59
Transfers between items	**-59**	0
Acquisition cost 31 Dec	**70**	59

Tangible assets

Buildings and structures	2007	2006
Acquisition cost 1 Jan	**0**	0
Additions	**148**	0
Acquisition cost 31 Dec	**148**	0

Tangible assets

Machinery and equipment	2007	2006
Acquisition cost 1 Jan	**13 352**	10 729
Additions *)	**1 179**	2 615
Disposals	**-22**	-56
Transfers between items	**-46**	64
Acquisition cost 31 Dec	**14 463**	13 352
Depreciation for the financial year	**-1 062**	-667
Accumulated planned depreciation	**-10 651**	-9 589
Non-depreciated balance 31 Dec	**3 812**	3 763

*) The figure for 2006 includes €471 thousand transferred as the result of a merger.

Advances paid and construction in progress	2007	2006
Acquisition cost 1 Jan	**21**	188
Additions	**237**	21
Disposals	**-213**	0
Transfers between items	**-21**	-188
Acquisition cost 31 Dec	**24**	21

Investments	2007	2006
Holdings in Group companies:		
Book value 1 Jan	**129**	1 985
Additions *)	**0**	78
Disposals **)	**0**	-1 933
Book value 31 Dec	**129**	129
Loans receivable from Group companies:		
Book value 1 Jan	**9 969**	8 578
Additions	**0**	5 389
Reductions ***)	**0**	-3 998
Book value 31 Dec	**9 969**	9 969
Other shares and holdings:		
Book value 1 Jan	**13**	13
Book value 31 Dec	**13**	13

*) The figure for 2006 includes €50 thousand transferred as the result of a merger.
**) The figure for 2006 includes €- 1 933 thousand resulting from mergers.
***) The figure for 2006 includes €- 3 998 thousand resulting from mergers.

Group companies	2007	2006
Holding, %		
Kiinteistö Oy Roclankuja 1	**100.0**	100.0
Rocla AB	**100.0**	100.0
Rocla A/S	**100.0**	100.0
Rocla Rent A/S	**100.0**	100.0
Rocla Eesti Oü	**100.0**	100.0
OOO Rocla Rus	**100.0**	100.0

14. Current receivables

	2007	2006
Accounts receivable	**21 149**	17 878
from Group companies	**6 208**	2 747
from others	**14 941**	15 131
Loans receivable	**2 289**	1 712
from Group companies	**2 273**	1 693
from others	**17**	20
Other receivables	**435**	711
Deferred tax receivables	**98**	1 079
Accrued income and prepaid expenses	**1 927**	1 703
from Group companies	**363**	3
receivables from partially debited sales	**532**	1 116
receivables from grants	**521**	306
from others	**511**	278
Total	**25 899**	23 083

15. Securities under financial assets

	2007	2006
Fund units:		
Book value 31 Dec	**14**	14
Fair value 31 Dec	**17**	17
Fair value less book value	**3**	3
Treasury shares:		
Book value 31 Dec	**186**	186
Fair value 31 Dec	**342**	359
Fair value less book value	**156**	173

16. Changes in shareholders' equity

	2007	2006
Share capital 1 Jan	**3 939**	3 891
Use of option rights	**325**	49
Share capital 31 Dec	**4 265**	3 939
Premium fund 1 Jan	**4 527**	4 173
Disposal of treasury shares	**0**	23
Use of option rights	**2 147**	332
Premium fund 31 Dec	**6 674**	4 527
Treasury shares 1 Jan	**186**	205
Disposal of treasury shares	**0**	-19
Treasury shares 31 Dec	**186**	186

	2007	2006
Retained earnings 1 Jan	**13 819**	13 438
Dividends	**-782**	-772
Disposal of treasury shares	**0**	19
Retained earnings 31 Dec	**13 037**	12 685
Net profit for the financial year	**1 755**	1 134
Total shareholders' equity	**25 918**	22 472

17. Profit attributable to shareholders 31 Dec.

	2007	2006
Retained earnings	**13 037**	12 685
Net profit for the financial year	**1 755**	1 134
Profit attributable to shareholders	**14 792**	13 819

18. Provisions

Provisions include an estimated, unrealised product warranty liability of €405 thousand (€447 thousand in 2006).

19. Liabilities with a maturity of five years or later

	2007	2006
Loans from financial institutions	**3 452**	4 821

20. Short-term liabilities

	2007	2006
Loans from financial institutions	**12 387**	12 378
Advances received	**730**	1 372
Accounts payable	**9 857**	13 137
to Group companies	**746**	650
to others	**9 111**	12 487
Other liabilities	**512**	605
Accrued expenses and deferred income	**5 610**	3 801
to Group companies	**0**	86
to others	**1 453**	1 344
to others, related to personnel expenses	**4 157**	2 371
Total	**29 096**	31 294

21. Commitments and other contingent liabilities

	2007	2006
For own debt:		
Business mortgages	**9 409**	9 409
Guarantees on behalf of Group companies	**2 790**	2 790
Other own liabilities:		
Lease liabilities due within one year	**3 014**	2 584
Lease liabilities due thereafter	**5 879**	4 937
Total lease liabilities	**8 892**	7 522
Repurchase commitments	**2 067**	7 643
Residual value liabilities	**4 156**	1 151

Commitments and other contingent liabilities for 2006 include the merged companies' figures.

22. Derivative contracts

Forward foreign exchange contracts	**2007**	2006
Nominal value	**0**	92
Fair value	**0**	7

Interest rate swaps	**2007**	2006
Nominal value	**9 000**	15 000
Fair value	**188**	120

The parent company has valid interest-rate swaps which will mature in 2008 and 2010, their combined nominal value totalling €9 000 thousand and the fair value €188 thousand at the end of 2007. Nominal values describe the use of derivatives, while fair values correspond to the income or expenses which the company would recognise if it closed out the contracts on the balance sheet date.

Shares and shareholders

Share capital and shares

Under Rocla Oyj's Articles of Association, the company's minimum share capital is €3 600 000 and maximum share capital €14 400 000, within which limits the share capital can be increased or decreased without altering the Articles of Association. The company has a single share series and all shares entitle their holders to equal dividends and votes. Each share has a nominal value of one euro.

On 1 January 2007, Rocla Oyj's fully paid-up share capital entered in the share register totalled €4 264 788 and the number of shares 4 264 788.

New share subscriptions based on the share option scheme

Between 10 April and 24 April 2007, new subscriptions for 325 310 shares were made based on share options associated with the Rocla Oyj 1998 warrant bond. The subscription price was €7.60 per share. As a result of the subscriptions, the company's share capital increased by €325 310.00 and its premium fund by €2 147 046.00. This increase in share capital was registered in the Trade Register on 9 May 2007. The holders of the new shares are entitled to the same rights as the holders of existing shares and trading in the new shares, together with the old ones, began on the Helsinki Stock Exchange on 10 May 2007. Following this increase in Rocla's share capital, the company's share capital stands at €4 264 788 and the number of shares at 4 264 788.

After the expiry of the subscription period for the 1998 scheme, Rocla has no valid share option schemes.

Listing of Rocla's shares

Rocla's shares are quoted in the Industrials sector, Small Cap, on the Helsinki Stock Exchange. Trading in the company's shares began on the Main List in 1997.

Listing identifiers

Rocla Oyj's share trading identifiers are as follows:
ISIN code FI0009006589
Trading code ROC1V
One trading lot comprises one share.

Treasury shares

At the end of the financial period 2007, Rocla Oyj held a total of 30 789 treasury shares, corresponding to 0.7% of the number of shares and votes. The number has remained the same since the previous year-end.

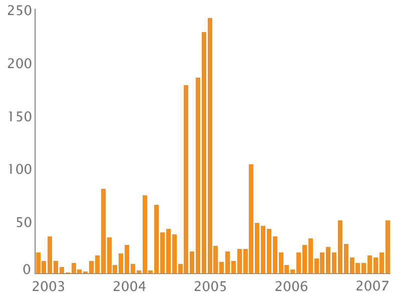
Share redemption obligation

A shareholder whose holding in the company's shares equals or exceeds one third (1/3) or half (1/2) of the shares or the voting entitlement associated with them must, in accordance with Article 12 of Rocla Oyj's Articles of Association, offer to redeem the remaining shares issued by the company, and the securities giving entitlement to them under the Companies Act. For the purposes of calculating one third (1/3) and/or half (1/2) of the votes, those entities as provided under section 6(2), Chapter 6 of the Securities Markets Act (1993/740) will be included.

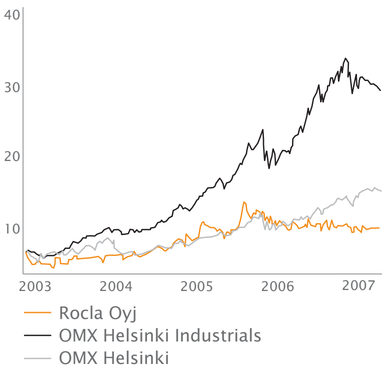
In the above procedure, those directions and stipulations on public purchase offers and the share redemption obligation that have been provided for in the Securities Markets Act must be adhered to.

Rocla Oyj's largest shareholder, the Mitsubishi Caterpillar Forklift Group of companies, has announced that it has no intention of increasing its (28.2%) holding to one third or beyond.

Share trading by month 2003–2007, 1 000 shares



Share price performance (€) and OMX indexes 2003–2007



Shareholder agreements

No shareholder agreements related to holdings in Rocla Oyj and the exercise of voting rights have been brought to the company's attention.

Share trading and price development

During 2007, a total of 511 860 Rocla Oyj shares were traded on the Helsinki Stock Exchange, representing around 12 per cent of the average number of shares, excluding treasury shares, at a value of €5 728 106. The highest quotation for 2007 was €12.50 and the lowest €10.00. The share price averaged €11.19 and closed at €11.10. On the balance sheet date, the market capitalisation, excluding treasury shares, totalled €47.0 million (€45.6 million).

Ownership

Apart from the subscription for shares under the option rights scheme, 2007 saw no material changes in shareholdings in Rocla Oyj.

On 31 December 2007, the company's Board Members and its President & CEO, together with the related parties and holding companies exercising significant influence, held a total of 245 155 Rocla Oyj shares, representing about 5.7% of the company's share capital.

Shareholding by sectors on 31 December 2007

Holder category	% of shares
Non-banking corporate sector	30.9
Financial institutions and insurance companies	10.0
Non-corporate public sector	3.6
Non-profit organisations	0.8
Households	12.5
Foreign and nominee-registered holdings	42.2
Total	100.0

Ten largest shareholders on 31 December 2007

	Shares	% shares	% votes
1. Etra-Invest Oy Ab	1 000 000	23.5	23.5
2. Mitsubishi Caterpillar Forklift Europe B.V.	600 000	14.1	14.1
3. Mitsubishi Caterpillar Forklift America Inc.	600 000	14.1	14.1
4. Aktia Capital equity fund	190 000	4.5	4.5
5. EVK-Capital Oy	180 000	4.2	4.2
6. Sampo Life Insurance Company Ltd	171 200	4.0	4.0
7. City of Turku Accident Fund	83 559	2.0	2.0
8. Arvo Finland Value equity fund	60 209	1.4	1.4
9. Mutual Insurance Company Fennia	47 000	1.1	1.1
10. Niilo Pellonmaa	41 500	1.0	1.0
Ten largest total	2 973 468	69.7	69.7
Nominee-registered holdings	533 895	12.5	12.5
Total	4 264 788	100.0	100.0

Shareholding by number of shares held on 31 December 2007

No. of shares	Shareholders	%	Shares	%
1–100	205	26.4	14 018	0.3
101–1 000	447	57.5	195 023	4.6
1 001–10 000	100	12.9	269 547	6.3
10 001–100 000 *)	18	2.3	556 500	13.0
100 001–1 000 000	7	0.9	3 229 700	75.7
Total	777	100.0	4 264 788	100.0

*) Including treasury shares

Boards proposal for the distribution of dividends

Based on the financial statements on 31 December 2007, the parent company's profit attributable to shareholders totaled €14 792 thousand. The Board of Directors will propose to the Annual General Meeting of 2008 that a per share dividend of €0.25 (€0.20) be paid on shares held outside the company (non-treasury shares), totaling approximately €1.1 million on the balance sheet date. Treasury shares will not entitle to dividends.

According to Rocla's previously disclosed dividend policy, the company pays out a minimum of 30 per cent of its net profit in dividends. The Board's current proposal for dividend distribution equals a dividend payout ratio of 43.7 per cent.

Järvenpää, 7 February 2008

Niilo Pellonmaa

Ilkka Hakala

Vesa Puttonen

Jay N. Gusler

Eero Karvonen

Frans Maarse

Tapio Rummukainen
President & CEO

Auditor's Report

To the shareholders of Rocla Oyj

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Rocla Oyj for the period 1 January - 31 December 2007. The Board of Directors and the Managing Director have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, containing the consolidated balance sheet, income statement, cash flow statement, statement on the changes in equity and notes to the financial statements, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration. We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the Managing Director of the parent company have complied with the rules of the Companies Act.

Consolidated financial statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

Parent company's financial statements, report of the Board of Directors and administration

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors on how to deal with the result for the financial period is in compliance with the Companies Act.

Helsinki, 7 February 2008

KPMG OY AB

Lasse Holopainen
Authorized Public Accountant

Summary of Stock Exchange Releases and Announcements

12 February 2007 (release)
Financial statements bulletin 1 Jan -31 Dec 2006

15 March 2007 (announcement)
Board's proposals and invitation to the Annual General Meeting

21 March 2007 (announcement)
Annual report 2006 and news roundup

3 April 2007 (release)
Decisions of the AMG in 2007

26 April 2007 (release)
Interim report 1 Jan - 31 March 2007

9 May 2007 (announcement)
Rocla's share capital increase with share subscriptions based on 1998 options.

17 July 2007 (release)
Interim report 1 Jan - 30 June 2007

25 October 2007 (release)
Interim report 1 Jan - 30 Sept 2007
Financial disclosure in 2008

14 December 2007 (release)
Tapio Rummukainen appointed CEO of Rocla from Jan 1, 2008

7 February 2008 (release)
Financial statements bulletin 1 Jan -31 Dec 2007

All of Rocla Oyj's stock exchange releases and announcements can be found at
www.rocla.com
www.omxgroup.com/nordicexchange/newsandstatistics/companynotices/

Information for Shareholders

Annual General Meeting 2008

Rocla Oyj will hold its Annual General Meeting (AGM) at Aikuiskoulutuskeskus Adulta, Wärtsilänkatu 61, Järvenpää, on 26 March 2008, starting at 5.00 p.m.

Before the AGM, the company will stage a company presentation and a factory tour at its Järvenpää factory, adjacent to the meeting venue. The briefing will start at Adulta at 3 p.m. and the tour at 3.30 p.m.

Right to attend the AGM

Shareholders registered as Rocla shareholders in the shareholder register maintained by Finnish Central Securities Depository Ltd. by no later than 14 March 2008 are entitled to attend the AGM. A nominee-registered shareholder wishing to attend the AGM must contact their account operators, in order to be entered temporarily into the company's shareholder register by 14 March 2008.

Registration

A shareholder wishing to attend the AGM must notify the company by 20 March 2008, either in writing addressed to Rocla Oyj, Annual General Meeting, P.O. Box 88, FI–04401 Järvenpää, or by telephone +358 20 778 1841, Susanna Furu or fax +358 20 778 1475. It is also possible to sign up for the AGM and the preceding briefing by e-mail: susanna.furu@rocla.com.

Proxies

Any proxies entitling authorised persons to exercise shareholders' voting rights at the meeting should be sent to the company by the above deadline.

Dividend payment for 2007

The Board of Directors proposes to the AGM that a dividend of €0.25 per share (2006: €0.20) be paid out for the financial year 2007. Dividends will be paid to shareholders entered in the shareholder register, maintained by Finnish Central Securities Depository Ltd, by the record date of 31 March 2008. The Board's proposal for profit allocation is given in full as a stock exchange release and notice of the annual general meeting published in a newspaper. The table below shows important dates related to the dividend payment:

14 March 2008	Record date for participation in the AGM
20 March 2008	Registration date for the AGM
26 March 2008	AGM in Järvenpää
31 March 2008	Record date for dividend payment
7 April 2008	Dividend payment

Financial reports in 2008

Rocla Group published its printed, two-part Annual Report 2007 in Finnish and English in week starting on March 10, 2008. The Annual Report can be ordered from rocla@rocla.com and is also available as a PDF on the company's website at www.rocla.com. Rocla disclosed its Financial Statements for 2007 on 7 February 2008.

Rocla Group will publish its interim reports for 2008 on the following dates:

24 April	First quarter
16 July	First two quarters
23 October	First three quarters

Published as stock exchange releases, all interim reports will be available in Finnish and English.

In accordance with its Insider Guidelines, Rocla Group adheres to a so-called closed window period of 21 days before disclosure of its financial reports. At other times, the Group will reply to requests for information from its shareholders, investors and other stakeholder groups by telephone, e-mail, or by holding briefings.

Investor contacts

Hilkka Webb, Chief Financial Officer, tel. +358 20 778 1316, e-mail: hilkka.webb@rocla.com

Financial reports can be ordered from Rocla Oyj, P.O. Box 88, FI-004401 Järvenpää, tel. +358 20 778 11 / Tytti Multala or by e-mail: tytti.multala@rocla.com.

Change of address

As a Rocla Oyj shareholder, please notify the bank or account operator, who manages your book-entry securities account, of changes of address. If your account is managed by the Finnish Central Securities Depository Ltd, please send change-of-address information to: Finnish Central Securities Depository Ltd, P.O. Box 110, FI-00131 Helsinki.

Rocla Oyj
P.O. BOX 88, Jampankatu 2
FI-04401 Järvenpää
Tel. +358 20 778 11
Fax +358 20 778 1351
www.rocla.com
e-mail: rocla@rocla.com