

CRAMO Q2



INTERIM REPORT 1-6/2014
CRAMO PLC

CRAMO'S INTERIM REPORT JANUARY–JUNE 2014

CHALLENGING FIRST HALF, PERFORMANCE IMPROVEMENT ACTIONS IN PLACE

4–6/2014 highlights (year-on-year comparison in brackets):

- Sales EUR 159.8 (160.1) million; the change was -0.2%. Sales change in local currencies was 3.5%
- EBITA EUR 12.5 (16.5) million, EBITA margin 7.8% (10.3%)
- Earnings per share EUR 0.12 (0.19)
- Cash flow from operating activities EUR 29.2 (25.2) million and cash flow after investments -10.6 (8.4) million
- Expansion in the modular space market in Germany through the C/S RaumCenter acquisition and a significant customer contract
- Construction machinery rental was strengthened in Finland with the OptiRent acquisition
- Refinancing of EUR 375 million long-term loan facilities

1–6/2014 highlights

- Sales EUR 300.0 (308.6) million; the change was -2.8%. Sales change in local currencies, excluding restructuring in Russia, was 2.2%
- EBITA EUR 16.8 (22.9) million, EBITA margin 5.6% (7.4%)
- Earnings per share EUR 0.09 (0.15)
- Return on equity (rolling 12 months) 8.7% (8.0%)
- Cash flow after investments EUR -21.4 (-10.5) million
- Gearing 89.0% (92.4%)

Guidance for 2014 unchanged: In 2014, Cramo Group's EBITA margin will continue to improve compared to 2013. Cramo Group's sales is also expected to grow in 2014, however, exact sales is exposed to changing exchange rates.

KEY FIGURES AND RATIOS (MEUR)	4-6/14	4-6/13	Change %	1-6/14	1-6/13	Change %	1-12/13
Income statement							
Sales	159.8	160.1	-0.2 %	300.0	308.6	-2.8 %	657.3
EBITDA	36.6	40.1	-8.9 %	64.4	69.9	-7.8 %	173.8
EBITA 1)	12.5	16.5	-24.6 %	16.8	22.9	-26.5 %	79.9
% of sales	7.8%	10.3%		5.6%	7.4%		12.2%
Operating profit (EBIT)	9.8	13.5	-27.4 %	11.6	15.2	-23.6 %	66.8
Profit before taxes (EBT)	6.4	10.1	-36.3 %	4.8	7.8	-38.3 %	51.9
Profit for the period	5.0	7.9	-36.3 %	3.8	6.1	-38.3 %	42.8
Share related information							
Earnings per share (EPS), EUR	0.12	0.19	-38.9 %	0.09	0.15	-40.0 %	1.01
Earnings per share (EPS), diluted, EUR	0.11	0.19	-39.9 %	0.09	0.14	-40.6 %	1.00
Shareholders' equity per share, EUR				10.68	10.97	-2.6 %	11.56
Other information							
Return on investment, % 2)				7.2 %	6.8 %		7.7 %
Return on equity, % 2)				8.7 %	8.0 %		8.3 %
Equity ratio, %				42.7 %	42.2 %		47.1 %
Gearing, %				89.0 %	92.4 %		72.9 %
Net interest-bearing liabilities				414.5	428.4	-3.3 %	364.8
Gross capital expenditure (incl. acquisitions)	53.1	21.6	145.1 %	80.4	67.7	18.7 %	129.6
of which acquisitions/business combinations	11.3	-0.8		11.3	30.4	-62.8 %	29.1
Cash flow from operating activities	29.2	25.2	15.9 %	37.3	43.1	-13.5 %	160.3
Cash flow after investments	-10.6	8.4		-21.4	-10.5	-103.5 %	50.3
Average number of personnel (FTE)				2,516	2,457	2.4 %	2,463
Number of personnel at period end (FTE)				2,567	2,428	5.7 %	2,416

1) EBITA is operating profit before amortisation and impairment resulting from acquisitions and disposals

2) Rolling 12 month

CEO'S COMMENT

"After a challenging start to the year, the rental market started to pick up gradually during the second quarter. The recovery was slower than we expected, but nevertheless, signs of growth could be seen in different markets. I am particularly satisfied about our performance in Finland but also with the development of demand in the Swedish and Danish markets in the second quarter.

Our result for the second quarter of 2014 did not meet our expectations, but I believe that Cramo Group will reach its full-year performance goals. We have performance improvement actions in place in several countries and I also expect demand for rental services to improve during the rest of the year.

In order to ensure favourable profit development, we decided to adjust our costs in Norway through personnel reductions and optimisation of our depot network. It is important for us to create structures that make the achievement of our financial targets possible in each individual market in the future.

In Central Europe, our result was weakened by the transition programme, but the result will improve during the second half of the year.

My favourable full-year outlook for 2014 is based not only on market forecasts, but also on our determined operational development over the past few years. We will continue to strengthen our customer focus in all of our countries of operation. We have also developed our pricing models and solutions, so that we will be able to make use of opportunities as soon as the rental market resumes growth.

Although the second half of the year is associated with uncertainties, I expect Cramo Group's sales to grow and our profitability to improve during the rest of the year," says Vesa Koivula, President and CEO of Cramo Group.

SUMMARY OF FINANCIAL PERFORMANCE IN JANUARY–JUNE 2014

Cramo Group's consolidated sales for January–June decreased by 2.8% to EUR 300.0 (308.6) million. In local currencies, sales increased by 0.9%. Sales change for January–June in local currencies, excluding restructuring in Russia, was 2.2%.

The challenging market situation of early 2014 started to improve during the second quarter, as Cramo expected, but at a slower pace than anticipated. The market situation improved especially in Sweden, Denmark and Poland. In Finland, Cramo has succeeded in its business operations

and profitability continued to improve. In Germany, Cramo's transition programme weakened the result. In the modular space business, demand continued to be strong. The sales for the second quarter decreased by 0.2% to EUR 159.8 (160.1) million. In local currencies, sales grew by 3.5%.

EBITA for January–June was EUR 16.8 (22.9) million, or 5.6% (7.4%) of sales. In the second quarter, EBITA was EUR 12.5 (16.5) million, or 7.8% (10.3%) of sales. Despite the challenging first half of the year, Cramo's expectations of profit development during the second half of the year are positive.

In January–June, earnings per share were EUR 0.09 (0.15). In the second quarter, earnings per share were EUR 0.12 (0.19).

Despite the market situation, the result was good in Finland. A good result was also achieved in Sweden where the market situation picked up. In early 2014, Cramo reduced its cost base in Sweden. The savings are expected to have a visible effect on the result during the second half of the year. In Norway, provisions were taken to reduce personnel and to trim the depot network. In Denmark, the market situation improved but the result did not meet expectations. The result in Denmark and Central Europe is expected to improve during the second half of the year.

In Eastern Europe, sales and profit developed positively, and Fortrent, the joint venture operating in Russia and Ukraine, also succeeded in adjusting its operations to the prevailing market situation. Fortrent has adjusted its costs and reduced its investment level.

In January–June, cash flow from operating activities was EUR 37.3 (43.1) million. Payments in accordance with a residual tax decision of EUR 9.7 million in the first quarter in Finland had a negative effect on cash flow from operating activities. The company considers the decision unfounded and has appealed. Gross capital expenditure was EUR 80.4 (67.7) million, and net cash flow from investing activities was EUR -58.6 (-53.6) million. Cash flow after investments was EUR -21.4 (-10.5) million.

In the second quarter, cash flow from operating activities was EUR 29.2 (25.2) million and cash flow after investments was EUR -10.6 (8.4) million. Cash flow from investing activities was increased by the acquisitions made in the second quarter, in addition to which a significant part of the 2014 fleet investments took place in the second quarter. The Group's gearing was 89.0% (92.4%) at the end of June.

Cramo refinanced its long-term loan facility in June, and its size was increased from EUR 325 million to EUR 375 million. The loan facility will mature in 2020 and in-

cludes a one-year extension option. In combination with Cramo's strong financial position, the loan facility offers an opportunity to implement the company's growth strategy in the coming years.

In April, Cramo expanded its modular space business in Germany by acquiring C/S RaumCenter and by signing a significant customer contract with Technische Werke Ludwigshafen. In Finland, Cramo strengthened its position in the construction machinery rental market by acquiring OptiRent.

MARKET OUTLOOK

Eurozone economies are expected to resume growth in 2014. However, in early 2014 economic recovery was slower than expected. The Ukrainian crisis has also brought uncertainty to growth expectations. However, its effects have so far been limited to Russia and Ukraine.

Growth is expected in the second half of the year. The expectations with regard to the strengthening growth in 2015–2016 remain unchanged.

In Europe, market-specific differences in the development of construction and the demand for rental services are considerable. However, in its June forecast Euroconstruct estimated that construction activity will pick up in all of Cramo's operating countries in the next few years.

In the long term, the equipment rental market is expected to grow faster than construction. Changes in demand usually follow those in construction with a delay. In addition to construction, the demand for equipment rental services is affected by industrial investments and the rental penetration rate.

The European Rental Association (ERA) is expecting equipment rental to increase in all of Cramo's main markets in 2014.

(All construction market forecasts presented in this review are estimates by Euroconstruct, unless otherwise stated.)

GUIDANCE ON GROUP OUTLOOK

Cramo Plc's guidance for 2014 remains unchanged: "In 2014, Cramo Group's EBITA margin will continue to improve compared to 2013. Cramo Group's sales is also expected to grow in 2014, however, exact sales is exposed to changing exchange rates."

SALES AND PROFIT

Cramo Group's consolidated sales for January–June decreased by 2.8% to EUR 300.0 (308.6) million. In local

currencies, sales increased by 0.9%. The transfer of the Russian operations to the joint venture on 1 March 2013 decreased sales. Sales change for January–June in local currencies, excluding restructuring in Russia, was 2.2%.

The challenging market situation of early 2014 started to improve during the second quarter, as Cramo expected, but at a slower pace than anticipated. The market situation improved especially in Sweden, Denmark and Poland. In Finland, Cramo has succeeded in its business operations and profitability continued to improve. In Germany, Cramo's transition programme weakened the result. In the modular space business, demand continued to be strong. The sales for the second quarter decreased by 0.2% to EUR 159.8 (160.1) million. In local currencies, sales grew by 3.5%.

EBITA for January–June was EUR 16.8 (22.9) million, or 5.6% (7.4%) of sales. Comparable EBITA before non-recurring items was EUR 16.8 (23.5) million, or 5.6% (7.6%) of sales.

In the second quarter, EBITA was EUR 12.5 (16.5) million, or 7.8% (10.3%) of sales. Despite the challenging first half of the year, Cramo's expectations of profit development during the second half of the year are positive.

EBITDA was EUR 64.4 (69.9) million, or 21.5% (22.6%) of sales, in January–June.

EBIT was EUR 11.6 (15.2) million, or 3.9% (4.9%) of sales, in January–June.

The January–June profit before taxes was EUR 4.8 (7.8) million, and profit for the period was EUR 3.8 (6.1) million.

The cost effect of the Group's credit losses and credit loss provisions amounted to EUR 2.0 (2.1) million. The result includes EUR 0.4 (0.6) million in impairment losses on the fleet.

Expenses associated with share-based payments totalled EUR 0.8 (0.6) million.

The Group's financial expenses continued to decrease. Net financial expenses were EUR 6.8 (7.3) million.

Earnings per share were EUR 0.09 (0.15), and comparable earnings per share before non-recurring items were EUR 0.09 (0.20). Diluted earnings per share were EUR 0.09 (0.14). Earnings per share for the second quarter were EUR 0.12 (0.19), and diluted earnings per share were EUR 0.11 (0.19).

Return on investment (rolling 12 months) was 7.2% (6.8%). Return on equity (rolling 12 months) was 8.7% (8.0%).

CAPITAL EXPENDITURE, DEPRECIATION AND AMORTISATION

Gross capital expenditure for January–June was EUR 80.4 (67.7) million.

Reported depreciation and impairment on tangible assets and assets available for sale were EUR 47.6 (47.0) million.

Amortisation and impairment resulting from acquisitions and disposals totalled EUR 5.2 (7.7) million.

At the end of the period, goodwill stood at EUR 163.3 (167.1) million.

FINANCIAL POSITION AND BALANCE SHEET

In January–June, cash flow from operating activities was EUR 37.3 (43.1) million. Cash flow from investing activities was EUR -58.6 (-53.6) million, and cash flow from financing activities was EUR 22.5 (14.8) million. The Group's cash flow after investments was EUR -21.4 (-10.5) million.

In the second quarter, cash flow from operating activities was EUR 29.2 (25.2) million, cash flow from investing activities was EUR -39.8 (-16.7) million and cash flow from financing activities was EUR 10.3 (-4.8) million. Cash flow from investing activities was increased by the acquisitions made in the second quarter, in addition to which a significant part of the 2014 fleet investments took place in the second quarter. In the second quarter, cash flow after investments was EUR -10.6 (8.4) million.

The purchase price of the acquisitions completed in the second quarter totalled EUR 6.4 million and their net cash flow effect EUR -4.8 million. According to the preliminary purchase price allocations completed, the amounts allocated to tangible and intangible assets totalled EUR 5.1 million and to goodwill EUR 1.2 million.

At the end of the period, the Group's balance sheet included EUR 2.3 (4.8) million of assets held for sale.

On 30 June 2014, Cramo Group's net interest-bearing liabilities totalled EUR 414.5 (428.4) million. Gearing was 89.0% (92.4%).

Cramo refinanced its long-term loan facility in June, and its size was increased from EUR 325 million to EUR 375 million. The loan facility will mature in 2020 and includes a one-year extension option. The loan facility is strategically important for Cramo and offers an opportunity to implement the company's growth strategy in the coming years.

Of the Group's variable rate loans, EUR 91.0 (91.0) million were hedged by way of interest rate swaps on 30 June 2014. Hedge accounting is applied to all of these

interest rate hedges. On 30 June 2014, Cramo Group had undrawn committed credit facilities (excluding leasing facilities) in the amount of EUR 193.2 (148.8) million, of which non-current facilities represented EUR 173.0 (132.0) million and current facilities EUR 20.2 (16.8) million.

Property, plant and equipment amounted to EUR 616.4 (598.6) million of the balance sheet total at the end of the review period. The balance sheet total on 30 June 2014 was EUR 1,101.0 (1,108.6) million. The equity ratio was 42.7% (42.2%).

At the end of 2013, the Tax Administration issued a residual tax decision for Cramo Plc, concerning 2009–2012. According to the decision, the interest income from Cramo's financing company in Belgium should have been taxed in Finland. Cramo paid taxes in Belgium. In compliance with the decision, Cramo paid EUR 9.7 million in taxes in Finland in January, which had a negative effect on its cash flow from operating activities. The company considers the decision unfounded and has appealed. The tax payment of EUR 9.7 million is recognised as an income tax receivable on the consolidated balance sheet.

Rental liabilities associated with off-balance sheet operational leasing agreements totalled EUR 31.6 (28.3) million on 30 June 2014. Off-balance sheet liabilities for office and depot rents totalled EUR 114.7 (118.2) million. The Group's investment commitments amounted to EUR 40.0 (27.9) million, with the majority being related to the acquisition of modular space.

GROUP STRUCTURE

Cramo is a service company specialising in equipment rental services and the rental of modular space. Its equipment rental services comprise construction machinery and equipment rentals and related services, such as site and installation services. With its selection of more than 200,000 rental products, Cramo is a leading service provider in its field in the Nordic countries and Central and Eastern Europe.

At the end of the period under review, Cramo Group consisted of the parent company Cramo Plc, which provides group-level services, and, as operating companies, its wholly-owned subsidiaries in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Germany, Austria and Hungary. Cramo Plc also owns a company in Sweden that offers group-level services.

In addition, Cramo owns 50% of Fortrent, a joint venture launched with Ramirent that operates in Russia and Ukraine.

At the end of the review period, Cramo provided equipment rental services through a network of 348 (359) depots.

STRATEGIC AND FINANCIAL TARGETS

Cramo's strategic cornerstones include being the customer's first choice, being Best in Town in its field, driving the development of the rental sector and achieving operational agility. Another cornerstone is combining the operational models and best practices of mature and growth markets.

Cramo's financial targets are: an EBITA margin of more than 15% of sales over a business cycle, a maximum gearing of 100%, faster growth of sales than that of the market and a return on equity higher than 12% over a business cycle. In profit distribution, its target is to follow a stable profit distribution policy and to pay approximately 40% of earnings per share (EPS) for a period as dividends.

Achieving these targets requires the roll-out of a uniform Cramo Rental Concept and harmonised key processes in all markets as well as expanding the modular space business outside Finland and Sweden more strongly than before.

On 9 September 2014, Cramo will organise a Capital Markets Day in order to provide information about the company's business operations and strategy.

BUSINESS DEVELOPMENT

Cramo strengthened its position in the Finnish construction machinery rental market by acquiring the entire share capital of OptiRent Oy on 9 April 2014. Its net sales in 2013 were around EUR 2.3 million, and it employs four people. The construction machinery rental market is expected to grow, and Cramo aims to increase the share of construction machinery in its rental operations in Finland.

During the review period, in line with its strategy, Cramo expanded its modular space business in Germany by acquiring the entire share capital of C/S RaumCenter GmbH on 15 April 2014. The sales of C/S RaumCenter

were about EUR 4 million in 2013 and the result was good. The acquisition offers Cramo significant opportunities in the growing modular space market in Germany.

On 23 April 2014, Cramo announced that its German subsidiary Theisen Baumaschinen and German energy company Technische Werke Ludwigshafen (TWL) had signed a contract whereby TWL rents modular space for its headquarter operations in Ludwigshafen. The contract is important for Cramo and a further stepping stone into the modular space market in Germany.

During the review period, a harmonised dynamic pricing model was implemented in the Nordic countries and a common CRM system was adopted in the Nordic countries and Central Europe. Cramo continued the roll-out of the harmonised Performance Management Model in all of its operating countries.

PERSONNEL

During the review period, the Group had an average of 2,516 (2,457) employees. In addition, the Group employed an average of approximately 147 (128) people hired from a staffing service. At the end of the period, Group personnel numbered 2,567 (2,428) as full time equivalent (FTE) employees.

Cramo Group's flexible operational model includes the use of not only permanent personnel, but also work force hired from a staffing service. The proportion of permanent personnel to work force hired from a staffing service as well as their numbers is constantly adjusted based on the market situation.

The geographical distribution of personnel at the end of the period was as follows: 482 (476) employees in Finland, 851 (815) in Sweden, 262 (260) in Norway, 120 (103) in Denmark, 395 (338) in Central Europe and 457 (435) in Eastern Europe.

PERFORMANCE BY BUSINESS SEGMENT

Cramo Group's business segments are Finland, Sweden, Norway, Denmark, Central Europe (Germany, Austria and Hungary) and Eastern Europe (Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and the Kaliningrad region in Russia as well as a 50% share of the profit of the joint venture Fortrent in Ukraine and Russia, excluding the Kaliningrad region, in accordance with the equity method of accounting). In addition to segment in-

formation, Cramo reports on the order book value for modular space.

Finland generated 15.8% (15.2%) of the total consolidated sales for January–June (excluding elimination of inter-segment sales), Sweden 48.5% (48.2%), Norway 13.1% (14.4%), Denmark 4.6% (4.5%), Central Europe 11.1% (10.1%) and Eastern Europe 6.9% (7.7%).

Finland

Finland (EUR 1,000)	4-6/14	4-6/13	Change %	1-6/14	1-6/13	Change %	1-12/13
Sales	25,122	24,651	1.9 %	47,833	47,646	0.4 %	102,577
EBITA	4,705	3,526	33.4 %	7,505	5,841	28.5 %	19,312
EBITA-%	18.7 %	14.3 %		15.7 %	12.3 %		18.8 %
No of employees (FTE)				459	453	1.3 %	393
No of depots				54	53	1.9 %	53

The Finnish operations reported sales of EUR 47.8 (47.6) million for January–June. The sales for April–June were EUR 25.1 (24.7) million. Cramo succeeded in growing its sales despite the weak demand in new construction. Nevertheless, renovation projects continued to grow. In other industries, the demand for rental services grew, and the demand for modular space continued to be strong. The quotation base of the modular space business is good, particularly in the public sector.

EBITA for January–June was EUR 7.5 (5.8) million, or 15.7% (12.3%) of sales. In April–June, EBITA was EUR 4.7 (3.5) million, or 18.7% (14.3%) of sales. Successful cost savings and enhanced overall operational efficiency improved the result.

In April, Cramo strengthened its position as a provider of construction machinery rental services by acquiring the entire share capital of OptiRent Oy. OptiRent is particularly strong in the Helsinki Metropolitan Area and has a solid position in property maintenance. Its net sales in 2013 were around EUR 2.3 million, and it recorded a good result. The construction machinery rental market is growing, and Cramo aims to increase the share of construction machinery in its rental operations in Finland. During the review period, OptiRent's operations were integrated with

Cramo's existing construction machinery business operations.

A new dynamic pricing model and a new CRM system were implemented in April.

The Finnish economy is estimated to recover in 2014, albeit more slowly than most of Cramo's other markets. The Confederation of Finnish Construction Industries RT forecasts that the weak market situation will continue and construction will decrease by approximately 1% in 2014. In its June forecast, Euroconstruct estimated that construction will grow by approximately 1% in 2014.

ERA predicts that the Finnish equipment rental market will grow by 2.4% in 2014. The Finnish company Forecon (the former VTT Technical Research Centre of Finland) predicts a growth rate of 3%.

Cramo had 54 (53) depots in Finland at the end of the review period.

Sweden

Sweden (EUR 1,000)	4-6/14	4-6/13	Change %	1-6/14	1-6/13	Change %	1-12/13
Sales	76,846	78,596	-2.2 %	146,743	151,457	-3.1 %	316,670
EBITA	11,567	12,247	-5.6 %	20,690	22,209	-6.8 %	55,334
EBITA-%	15.1 %	15.6 %		14.1 %	14.7 %		17.5 %
No of employees (FTE)				812	777	4.5 %	792
No of depots				118	120	-1.7 %	120

Cramo's operations in Sweden reported sales of EUR 146.7 (151.5) million for January–June. Sales decreased by 3.1%. In the local currency, however, sales increased by 1.7%. The sales for April–June decreased by 2.2% and were EUR 76.8 (78.6) million, but increased in the local currency 3.2%.

EBITA for January–June was EUR 20.7 (22.2) million, and the EBITA margin was 14.1% (14.7%) of sales. In April–June, EBITA was EUR 11.6 (12.2) million, or 15.1% (15.6%) of sales. In order to ensure positive performance development, Cramo has reduced costs and will further reduce costs by decreasing hired and temporary personnel and closing down certain depots during 2014. The cost savings did not yet influence the result in the second quarter.

Cramo has several development projects in progress in Sweden, including the reform of its pricing model and the

optimisation of fleet rotation logistics in large towns. Introduced in 2013, the paper-free rental concept has been well received among customers.

The overall equipment rental market situation is improving. However, in early 2014 the market situation was weaker than expected in northern and western Sweden. Towards the end of the period, the market situation was already good in the Stockholm region and in southern Sweden. The demand for modular spaces has remained at a good level.

In its June estimate, the Swedish Construction Federation forecasted that construction would increase by 10% in Sweden in 2014. Euroconstruct predicted a growth rate of 4.4%. ERA is expecting equipment rental to increase by more than 2%.

At the end of the review period, Cramo had 118 (120) depots in Sweden.

Norway

Norway (EUR 1,000)	4-6/14	4-6/13	Change %	1-6/14	1-6/13	Change %	1-12/13
Sales	19,398	22,399	-13.4 %	39,679	45,425	-12.7 %	90,916
EBITA	-55	1,523		1,512	2,434	-37.9 %	6,600
EBITA-%	-0.3 %	6.8 %		3.8 %	5.4 %		7.3 %
No of employees (FTE)				262	260	0.8 %	260
No of depots				29	32	-9.4 %	31

In January–June, the Norwegian operations reported sales of EUR 39.7 (45.4) million, down 12.7% year-on-year. In the local currency, sales decreased by 3.9%. Sales for April–June decreased by 13.4% to EUR 19.4 (22.4) million. In the local currency, the change was -6.7%.

EBITA for January–June decreased to EUR 1.5 (2.4) million, or 3.8% (5.4%) of sales. EBITA before non-recurring items was EUR 1.5 (3.0) million, or 3.8% (6.6%) of sales.

In the second quarter, EBITA was EUR -0.1 (1.5) million, or -0.3% (6.8%) of sales.

The equipment rental market situation did not develop according to Cramo's expectations during the second quarter, and consequently, Cramo decided to adjust its operations. The market situation has been weaker than expected

especially in the Oslo region and eastern Norway. The result for the period was positively affected by the reversal of a contingent purchase price liability, but, on the other hand, it was impaired by provisions related to the decided personnel reductions and the closing down of two depots. The personnel will be reduced by 35–40 employees, but the impact of the cost savings will be visible only in the last quarter of the year and more extensively in 2015.

In addition to the adjustment measures decided in the second quarter, two depots were closed down also in the first quarter. The restructuring increases the efficiency of the business structure in Norway, with the aim of achieving the targets in the long term, too.

The market situation in Norway has continued to be favourable in civil engineering, but, according to local fore-

casts, residential construction will decrease. In its June forecast, Euroconstruct estimated that construction would increase by approximately 0.4% in Norway in 2014. ERA predicts equipment rental to increase by nearly 3%.

At the end of the period under review, Cramo had 29 (32) depots in Norway.

Denmark

Denmark (EUR 1,000)	4-6/14	4-6/13	Change %	1-6/14	1-6/13	Change %	1-12/13
Sales	7,451	6,409	16.2 %	14,065	14,025	0.3 %	28,512
EBITA	-570	73		-1,363	-162	-743.3 %	30
EBITA-%	-7.7 %	1.1 %		-9.7 %	-1.2 %		0.1 %
No of employees (FTE)				120	103	16.5 %	108
No of depots				7	7	0.0 %	7

In January–June, Cramo's Danish operations reported sales of EUR 14.1 (14.0) million, showing an increase of 0.3%. The market resumed growth in the second quarter. The sales for April–June increased to EUR 7.5 (6.4) million.

EBITA for January–June was EUR -1.4 (-0.2) million, or -9.7% (-1.2%) of sales. EBITA for April–June was EUR -0.6 (0.1) million, or -7.7% (1.1%) of sales.

The sales for the second period developed as expected, but the result did not meet expectations. There were especially direct costs more than expected related to repair and maintenance, transportation and assembly in the period. The cost level is expected to be lower in this respect during the second half of the year.

In 2014, Cramo will still continue to focus on improving its profitability in Denmark by targeting its fleet invest-

ments at the most profitable product segments and further developing sales and pricing models. Cramo has strengthened its position in the modular space business. The positive sales development in the second quarter is a good starting point for improving profitability during the second half of the year.

The rental market is expected to resume growth during 2014, which is expected to gradually also improve rental pricing opportunities in the Danish market.

Euroconstruct estimates that construction in Denmark will increase by 2.5% in 2014. ERA forecasts that equipment rental will grow by approximately 2% in 2014.

At the end of the year, Cramo had 7 (7) depots in Denmark.

Central Europe

Central Europe (EUR 1,000)	4-6/14	4-6/13	Change %	1-6/14	1-6/13	Change %	1-12/13
Sales	20,389	20,461	-0.3 %	33,527	31,699	5.8 %	74,652
EBITA	-1,238	1,396		-5,813	-3,277	-77.4 %	-1,062
EBITA-%	-6.1 %	6.8 %		-17.3 %	-10.3 %		-1.4 %
No of employees (FTE)				395	338	16.9 %	349
No of depots				77	84	-8.3 %	83

In Central Europe, sales for January–June increased by 5.8% to EUR 33.5 (31.7) million. The sales for April–June decreased by 0.3% and were EUR 20.4 (20.5) million.

EBITA for January–June was EUR -5.8 (-3.3) million, or -17.3% (-10.3%) of sales. EBITA for April–June was EUR -1.2 (1.4) million, or -6.1% (6.8%) of sales.

Cramo is in the process of harmonising its operations according to the Cramo Rental Concept throughout Central Europe. Among other measures, this means sales and competence development, centralised operations and a

broader range of products and services in line with the Best in Town strategy.

Operational development will focus on regional sales development and a consistent performance management model at depots. The range of products has been expanded particularly in tools and access equipment. To serve this purpose, Cramo has established new rental hubs in seven major urban areas. Related to this, six smaller depots were closed down in early 2014.

The transition programme resulted in non-recurring costs also in the second quarter. The utilisation rates of the

new fleet did not yet rise to the expected level during the second quarter and the result for the period did not meet Cramo's expectations. The result in Central Europe is expected to improve during the second half of the year.

In April, Cramo expanded its modular space business by acquiring C/S RaumCenter GmbH, one of the most significant modular space rental companies operating particularly in the Rhein-Main area in Germany. The sales of C/S RaumCenter were about EUR 4 million in 2013 and the result was good. The acquisition provides Cramo with a stepping stone for expanding its modular space business in Germany. Now Cramo has an opportunity to introduce its advanced Nordic modular space applications and concepts

into the German market. The integration of the company has proceeded as planned. The modular space business will in due course reduce seasonal fluctuations in Germany.

In addition, during the review period, Cramo signed a contract on a significant delivery of modular spaces to an energy company in the Ludwigshafen region.

According to Euroconstruct, construction in Germany will increase by 2.9% in 2014. ERA estimates that equipment rental will increase by 4.6% in 2014.

At the end of the review period, Cramo had 77 (84) depots in Central Europe.

Eastern Europe

Eastern Europe (EUR 1,000)	4-6/14	4-6/13	Change %	1-6/14	1-6/13	Change %	1-12/13
Sales	11,940	11,665	2.4 %	20,922	24,152	-13.4 %	52,826
EBITA	1,137	384	196.3 %	-307	299		8,204
EBITA-%	9.5 %	3.3 %		-1.5 %	1.2 %		15.5 %
No of employees (FTE)				457	435	5.1 %	451
No of depots				63	63	0.0 %	63

Cramo Group's equipment rental sales in Eastern Europe come from Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and the Kaliningrad region in Russia. Fortrent – the joint venture of Cramo and Ramirent in Russia and Ukraine – began operation on 1 March 2013. Its sales are not included in Cramo Group's sales. However, Cramo's share (50%) of Fortrent's profit for the review period is included in the EBITA of the Eastern Europe business segment.

In January–June, Cramo's sales in Eastern Europe decreased by 13.4% to EUR 20.9 (24.2) million. In local currencies, the change in sales was -12.8%. The decrease in sales resulted from the transfer of Russian operations to Fortrent on 1 March 2013. There was growth totalling 2.6% in other Eastern European countries in the period.

The sales for April–June increased to EUR 11.9 (11.7) million.

EBITA for January–June was EUR -0.3 (0.3) million, or -1.5% (1.2%) of sales. Profitability decreased compared to the previous year because of the clearly decreased result in Russia in early 2014.

EBITA for April–June improved year-on-year and was EUR 1.1 (0.4) million, or 9.5% (3.3%) of sales. Cramo was pleased with profit development in Eastern Europe.

The construction market forecasts for Eastern Europe show relatively significant differences between coun-

tries. The market outlook for Poland is particularly positive, with an expected growth rate of 4.2% in 2014. ERA estimates that equipment rental in Poland will increase markedly as well. In Lithuania, construction is expected to grow by 3% and by approximately 2% in Slovakia. Construction is estimated to decrease by 7% in Estonia, by 2% in Latvia and by approximately 4% in the Czech Republic.

In 2014, Cramo aims to make use of growth opportunities in the Eastern European markets and improve its profitability, particularly in growing markets.

At the end of the review period, Cramo had 63 (63) depots in Eastern Europe.

FORTRENT JOINT VENTURE IN RUSSIA AND UKRAINE

Fortrent Group's January–June sales decreased by 22.3% to EUR 18.8 (24.3) million or by 7.4% at comparable exchange rates. Fortrent began operation on 1 March 2013. Figures from 2013 are pro forma figures. Sales decreased due to the weaker market situation in Russia and Ukraine caused by the Ukrainian crisis. Also major changes in currency rates impacted on sales.

Fortrent Group's second-quarter sales decreased by 18.8% to EUR 9.6 (11.7) million or by 3.4% at comparable exchange rates. In Russia, demand started to pick up in

the north western region towards end of the quarter. Weakening in the demand was seen especially in the Moscow region and in the large customer segment. Construction activity in new regions in Volga and southern parts Russia showed some increase in the second quarter. In Ukraine, the level of market activity remains low due to the crisis and many construction sites are frozen. Weakening of the Russian rouble and the Ukrainian hryvnia against the euro continued to have a negative impact on sales.

Fortrent Group's January–June EBITA was -0.2 (0.0) million or -1.1% (0.0%) of sales. Net result for the period was EUR -1.2 (-2.3) million. Previous year figures are pro forma figures. In the first half of the year, Fortrent focused on adjusting its cost base to the weaker market situation and reduced its investment level for 2014.

Fortrent Group's second-quarter EBITA was EUR 0.0 (0.0) million or 0.0% (0.0%) of sales. Net result for the period was EUR -0.3 (-1.6) million.

In early 2014, Fortrent has expanded its depot network to cover new cities in Russia by establishing new depots and integrating previously agent-managed depots to its network. Efforts to improve profitability will continue in the second half of the year, but the Ukrainian crisis continues to pose challenges in this respect.

Significant risks include the expansion of the Ukrainian crisis and severe economic sanctions implemented by the EU. According to a forecast published by Euroconstruct in June 2014, Russian construction market is projected to decrease at some 1% in 2014. In Russia, residential construction is estimated to remain close to last year's level as non-residential construction is forecasted to decline about 5% in 2014. However, there are lot of potential shopping centre projects coming to the market. The market situation is likely to remain challenging in Ukraine.

Fortrent is owned and controlled 50/50 by Cramo and Ramirent, and its parent company Fortrent Ltd is a Finnish limited liability company. Cramo's share of profit or loss from the joint venture is presented above EBITDA in the consolidated income statement in accordance with the equity method of accounting (50% of the consolidated net result of Fortrent Group). The share of the consolidated net result from Fortrent Group to Cramo for January–June 2014 was EUR -0.6 (-1.2) million (the previous year figure is for March–June 2013). The merger of all business units in Russia into one company took effect in January 2014.

SHARES AND SHARE CAPITAL

On 30 June 2014, Cramo Plc's share capital as registered in the Finnish Trade Register was EUR 24,834,753.09, and the number of shares was 43,626,959. Cramo Plc holds 316,288 of these shares.

As a result of the exercise of the share options of the 2009 option programme, the number of shares increased by 782,626 shares during the first quarter. In the second quarter, 276,452 new shares were subscribed on the basis of option programme 2010. The shares that were subscribed in the second quarter were entered in the Finnish Trade Register after the review period, on 14 July 2014, and trading with them began on 15 July 2014. The subscription payments are included in the invested unrestricted equity fund.

CURRENT OPTION PROGRAMMES AND INCENTIVE SCHEMES

On 30 June 2014, Cramo Group had a total of 567,844 stock options 2010 outstanding whose subscription period ends on 31 December 2014. In addition, on 30 June 2014 the Group had granted to the key personnel a total of 821,000 stock options 2011.

The share-specific subscription prices for the stock options after dividends distributed in 2014 (EUR 0.60) are as follows: EUR 12.40 for stock options 2010, and EUR 5.98 for stock options 2011. In the 2010 option programme, each stock option entitles its holder to subscribe for 1.3 new Cramo Plc shares. In the 2011 option programme, each stock option entitles its holder to subscribe for one new share.

In the One Cramo incentive scheme for the Group's permanent employees, employees are offered an opportunity to save a maximum of 5% of their salary, and the accumulated savings are used for share purchases. The second savings period of the incentive scheme began on 1 October 2013 and ends on 30 September 2014. A person participating in the plan acquires one additional share for every two savings shares purchased if he or she owns the shares purchased during the savings period and his or her employment is in effect on 15 May 2017.

The share-based incentive scheme for Cramo Plc's key employees consists of three discretionary periods: the calendar years 2012, 2013 and 2014. The reward for the discretionary period 2013 was based on the earnings per share (EPS) key indicator and will be paid in the spring of 2016. The rewards for 2013 equalled the approximate worth of 91,000 shares in Cramo Plc. The reward for the

discretionary period 2014 will also be based on the earnings per share (EPS) key indicator.

CHANGES IN SHAREHOLDINGS

During the review period, the company did not receive any notifications about changes in shareholdings as defined in Section 5 of Chapter 9 of the Securities Markets Act.

ESSENTIAL RISKS AND UNCERTAINTIES

In addition to global economic developments, the main sources of uncertainty in Cramo's business are related to the economic cycles and financial development of each country, fluctuations in interest and exchange rates, availability of financing, credit loss risks, the success of the Group's acquisitions and information system projects, personnel-related risks, availability of competent management and recruitment-related risks, tax risks and other business risks.

Economic uncertainty may be reflected in Cramo's operations as decreased demand in one or several market areas, fiercer competition, lower rental prices, higher financial expenses or customers experiencing financial difficulties and increasing credit losses. In addition, economic uncertainty increases the impairment risks to the balance sheet values.

The Ukrainian crisis has increased economic uncertainty and political risks to some degree. If the crisis expands materially to continental Ukraine or the EU implements severe economic sanctions, the crisis may have a stronger effect on construction and the demand for rental services in some of Cramo's countries of operation.

ANNUAL GENERAL MEETING 2014 AND VALID BOARD AUTHORISATIONS

Cramo Plc's Annual General Meeting was held in Helsinki on 1 April 2014. The Annual General Meeting adopted the consolidated financial statements and the parent company's financial statements for the financial year 2013 and discharged the members of the Board of Directors and the President and CEO from liability. The Annual General Meeting decided, as proposed by the Board of Directors, that a dividend of EUR 0.60 per share be paid from the distributable funds for the financial year 1 January–31 December 2013.

Ms Helene Biström, M.Sc. (Eng.), CEO of Norrenergi AB; Mr Eino Halonen, B.Sc. (Econ.), Honorary Financial Counsellor; Mr Victor Hartwall, M.Sc. (Econ.), Managing Director of K. Hartwall Invest Oy Ab; and Mr Erkki Sten-

berg, Adviser for LVI-Dahl Oy, were re-elected as members of the Board. Mr Leif Boström, Senior Vice President, Finance at LKAB; Ms Caroline Sundewall, MBA, Consultant; and Mr Raimo Seppänen, B. Eng., Guarantee Repair Manager at YIT Corporation, were elected as new members to the Board.

The Annual General Meeting confirmed the remuneration payable to the chairman of the Board of Directors as EUR 70,000, to the deputy chairman as EUR 45,000 and to the other members of the Board as EUR 35,000 per year. It was decided that 50% of the annual remuneration will be paid in Cramo Plc shares purchased on the market on behalf of the Board members. In addition, it was decided that all Board members are entitled to a compensation of EUR 1,000 per each attended Board committee meeting. Reasonable travel expenses will be refunded.

KPMG Oy Ab, Authorised Public Accountants, was appointed as Cramo Plc's auditor, with Mr Toni Aaltonen as the responsible auditor.

The Annual General Meeting authorised the Board of Directors to decide on the repurchase of the company's own shares and/or their acceptance as pledge. The number of own shares to be acquired and/or accepted as pledge shall not exceed 4,100,000. Own shares may only be acquired using the company's unrestricted equity, at a price formed in public trading on the date of the repurchase or at a price otherwise formed in the market. Own shares can be acquired otherwise than in proportion to the shareholdings of the shareholders, and no more than 400,000 of these shares may be used in the company's incentive schemes. The authorisation is effective until the close of the next Annual General Meeting, but no later than 1 October 2015.

The Annual General Meeting authorised the Board of Directors to decide on a share issue, including the right to decide on the transfer of the company's own shares and on the granting of option rights and other special rights entitling to shares, pursuant to Chapter 10 of the Finnish Limited Liability Companies Act. The shares issued will be new shares of the company, and a maximum of 4,100,000 shares may be issued. These shares cannot be used for incentive schemes. The authorisation is valid for five years from the decision of the Annual General Meeting.

The Annual General Meeting authorised the Board of Directors to decide on donations to the total maximum amount of EUR 20,000 for charitable or corresponding purposes. The authorisation is effective until the close of the next Annual General Meeting.

In its first meeting, the Board elected Ms Helene Biström as Chairman and Mr Eino Halonen as Deputy

Chairman. The Board elected the following members to the Audit Committee: Mr Eino Halonen (Chairman), Mr Leif Boström, Mr Victor Hartwall and Ms Caroline Sundewall. The following members were elected to the Nomination and Compensation Committee: Ms Helene Biström (Chairman), Mr Raimo Seppänen, Mr Erkki Stenberg, Mr Peter Therman (not a member of the Board) and Mr Tom von Weymarn (not a member of the Board).

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting*. In the preparation of this interim report, Cramo has applied the same accounting principles as in its financial statements for 2013. The figures in this interim report are unaudited.

CONSOLIDATED BALANCE SHEET (EUR 1,000)	30 Jun 2014	30 Jun 2013	31 Dec 2013
ASSETS			
Non-current assets			
Tangible assets	616,429	598,626	606,625
Goodwill	163,295	167,148	165,352
Other intangible assets	97,126	107,068	101,100
Deferred tax assets	16,906	16,000	14,820
Available-for-sale financial assets	346	348	347
Investments in joint ventures	15,261	20,190	17,475
Loan receivables	19,250	20,262	20,250
Trade and other receivables	1,133	1,074	1,129
Total non-current assets	929,746	930,716	927,099
Current assets			
Inventories	12,171	10,118	7,841
Trade and other receivables	138,101	134,987	127,236
Income tax receivables	11,984	10,708	1,343
Derivative financial instruments	851	2,842	2,053
Cash and cash equivalents	5,895	14,383	4,770
Total current assets	169,003	173,038	143,243
Assets held for sale	2,271	4,834	4,369
TOTAL ASSETS	1,101,020	1,108,588	1,074,710
EQUITY AND LIABILITIES			
Equity			
Share capital	24,835	24,835	24,835
Other reserves	321,871	308,043	318,742
Fair value reserve	119	119	119
Hedging fund	-8,563	-6,084	-6,726
Translation differences	-8,453	4,844	-2,288
Retained earnings	135,788	131,856	165,900
Equity attributable to owners of the parent company	465,595	463,612	500,582
Total equity	465,595	463,612	500,582
Non-current liabilities			
Interest-bearing liabilities	324,979	323,939	269,881
Derivative financial instruments	8,299	6,134	6,001
Deferred tax liabilities	74,082	78,538	75,337
Retirement benefit obligations	1,726	1,667	1,644
Other non-current liabilities	2,214	4,268	3,341
Total non-current liabilities	411,299	414,546	356,204
Current liabilities			
Interest-bearing liabilities	95,386	118,870	99,719
Derivative financial instruments	524	194	422
Trade and other payables	123,919	108,207	112,022
Income tax liabilities	3,169	3,159	5,761
Provisions	1,128		
Total current liabilities	224,125	230,431	217,923
Total liabilities	635,424	644,976	574,127
TOTAL EQUITY AND LIABILITIES	1,101,020	1,108,588	1,074,710

CONSOLIDATED INCOME STATEMENT (EUR 1,000)	4-6/14	4-6/13	1-6/14	1-6/13	1-12/13
Sales	159,761	160,056	300,028	308,585	657,315
Other operating income	4,300	2,917	8,439	4,591	10,007
Materials and services	-56,911	-54,534	-105,171	-107,313	-228,002
Employee benefit expenses	-37,153	-35,006	-73,157	-69,805	-138,732
Other operating expenses	-33,249	-32,491	-65,134	-65,203	-127,385
Depreciation and impairment on tangible assets and assets held for sale	-24,117	-23,605	-47,581	-46,962	-93,868
Share of profit / loss of joint ventures	-161	-792	-589	-990	613
EBITA	12,470	16,544	16,834	22,903	79,948
% of sales	7.8 %	10.3 %	5.6 %	7.4 %	12.2 %
Amortisation and impairment resulting from acquisitions and disposals	-2,676	-3,054	-5,240	-7,734	-13,150
Operating profit (EBIT)	9,794	13,490	11,594	15,169	66,799
% of sales	6.1 %	8.4 %	3.9 %	4.9 %	10.2 %
Finance costs (net)	-3,356	-3,375	-6,767	-7,339	-14,857
Profit before taxes	6,439	10,115	4,827	7,829	51,941
% of sales	4.0 %	6.3 %	1.6 %	2.5 %	7.9 %
Income taxes	-1,410	-2,215	-1,057	-1,714	-9,160
Profit for the period	5,029	7,900	3,771	6,115	42,781
% of sales	3.1 %	4.9 %	1.3 %	2.0 %	6.5 %
Attributable to:					
Owners of the parent	5,029	7,900	3,771	6,115	42,781
Profit attributable to owners of the parent					
Earnings per share, undiluted, EUR	0.12	0.19	0.09	0.15	1.01
Earnings per share, diluted, EUR	0.11	0.19	0.09	0.14	1.00

COMPREHENSIVE INCOME STATEMENT (EUR 1,000)	4-6/14	4-6/13	1-6/14	1-6/13	1-12/13
Profit for the period	5,029	7,900	3,771	6,115	42,781
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
-Actuarial gain or loss on retirement benefit obligations, net of tax	-45	73	-85	-97	-88
Total items that will not be reclassified to profit or loss	-45	73	-85	-97	-88
Items that may be reclassified subsequently to profit or loss:					
-Change in hedging fund, net of tax	-861	1,411	-1,837	2,060	1,418
-Share of other comprehensive income of joint ventures, net of tax	1,480		-1,624		-4,386
-Change in translation differences, net of tax	-9,733	-19,329	-13,052	-7,337	-13,450
Total items that may be reclassified subsequently to profit or loss	-9,114	-17,918	-16,513	-5,277	-16,418
Total other comprehensive income, net of tax	-9,159	-17,845	-16,598	-5,374	-16,506
Comprehensive income for the period	-4,130	-9,945	-12,827	741	26,275

CHANGES IN CONSOLIDATED STATEMENT OF EQUITY (EUR 1,000)	Share capital	Share issue and other reserves	Fair value reserve	Retained earnings, translation differences, hedging fund	Attributable to owners of the parent company	Hybrid capital	Total equity
At 1 Jan 2013	24,835	304,373	119	153,681	483,007	49,630	532,637
Total comprehensive income				741	741		741
Dividend distribution				-17,747	-17,747		-17,747
Exercise of share options		3,369			3,369		3,369
Share-based payments				611	611		611
Hybrid capital including transaction costs				-6,370	-6,370	-49,630	-56,000
Changes within equity		300		-300			
At 30 Jun 2013	24,835	308,043	119	130,616	463,612		463,612
At 1 Jan 2014	24,835	318,742	119	156,886	500,582		500,582
Total comprehensive income				-12,827	-12,827		-12,827
Dividend distribution				-25,986	-25,986		-25,986
Exercise of share options		3,428			3,428		3,428
Share-based payments				399	399		399
Changes within equity		-300		300			
At 30 Jun 2014	24,835	321,871	119	118,772	465,595		465,595

CONSOLIDATED CASH FLOW STATEMENT (EUR 1,000)	1-6/14	1-6/13	1-12/13
Net cash flow from operating activities	37,256	43,053	160,253
Net cash flow from investing activities	-58,616	-53,550	-109,976
Cash flow from financing activities			
Change in interest-bearing receivables	1,007	-9	-121
Change in finance lease liabilities	-8,850	-22,013	-29,755
Change in interest-bearing liabilities	56,376	107,214	42,492
Hybrid capital		-56,000	-56,000
Proceeds from share options exercised		3,369	6,141
Dividends paid	-25,986	-17,747	-17,747
Net cash flow from financing activities	22,547	14,814	-54,990
Change in cash and cash equivalents	1,187	4,317	-4,713
Cash and cash equivalents at period start	4,770	10,340	10,340
Exchange differences	-62	-274	-857
Cash and cash equivalents at period end	5,895	14,383	4,770

CHANGES IN NET BOOK VALUE OF TANGIBLE AND INTANGIBLE ASSETS (MEUR)	1-6/2014	1-6/2013	1-12/2013
Opening balance	873.1	896.5	896.5
Depreciation, amortisation and impairment	-52.8	-54.7	-107.0
Additions			
Rental machinery	73.7	50.7	108.2
Other tangible assets	2.5	2.6	6.3
Intangible assets	4.1	4.0	4.6
Total additions	80.4	57.3	119.1
Reductions and other changes	-9.3	-7.3	-10.8
Exchange differences	-14.5	-19.0	-24.7
Closing balance	876.8	872.8	873.1

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (EUR 1,000)	Book value 30 Jun 2014	Fair value 30 Jun 2014
Financial assets at fair value through profit and loss		
Current derivative financial instruments	851	851
Loans and receivables		
Loan receivables	19,241	19,241
Non-current trade and other receivables	1,052	1,052
Current trade and other receivables	114,612	114,612
Cash and cash equivalents	5,895	5,895
Available-for-sale financial assets	346	346

Financial liabilities at fair value through profit and loss

Current derivative financial instruments	524	524
Loans and borrowings		
Non-current interest-bearing liabilities	324,979	331,044
Other non-current liabilities	1,697	1,697
Current interest-bearing liabilities	95,386	95,386
Trade and other payables	70,855	70,855
Hedge accounted derivatives		
Non-current derivative financial instruments	8,299	8,299

COMMITMENTS AND CONTINGENT LIABILITIES (EUR 1,000)	30 Jun 2014	30 Jun 2013	31 Dec 2013
Pledges, finance lease	58,887	83,689	65,868
Investment commitments	40,028	27,892	17,271
Commitments to office and depot rents	114,659	118,229	114,690
Operational lease payments	31,560	28,261	23,627
Other commitments	2,368	2,678	2,008
Group's share of commitments in joint ventures	180	520	175

DERIVATIVE FINANCIAL INSTRUMENTS (EUR 1,000)	30 Jun 2014	30 Jun 2013	31 Dec 2013
Fair value			
Interest rate swaps	-8,299	-6,134	-6,001
Currency forwards	327	2,725	1,632
Nominal value			
Interest rate swaps	91,000	91,000	91,000
Currency forwards	117,652	143,632	107,349

MODULAR SPACE ORDER BOOK (EUR 1,000)	30 Jun 2014	30 Jun 2013	31 Dec 2013
Value of outstanding orders for modular space	103,414	96,585	85,199
Value of orders for modular space rental	100,416	94,763	84,863
Value of orders for sale of modular space	2,998	1,822	335

SHARE RELATED KEY FIGURES	4-6/14	4-6/13	1-6/14	1-6/13	1-12/13
Earnings per share (EPS), EUR 1)	0.12	0.19	0.09	0.15	1.01
Earnings per share (EPS), diluted, EUR 2)	0.11	0.19	0.09	0.14	1.00
Shareholders' equity per share, EUR 3)			10.68	10.97	11.56
Number of shares, end of period			43,626,959	42,570,713	42,844,333
Adjusted number of shares, average 4)			43,316,122	42,166,153	42,297,421
Adjusted number of shares, end of period 4)			43,587,123	42,254,425	43,310,671
Number of shares, diluted, average 4)			44,049,305	42,440,980	42,738,569

- 1) Calculated from the adjusted average number of shares
- 2) Calculated from the diluted average number of shares
- 3) Calculated from the adjusted number of shares at the end of the period
- 4) Number of shares without treasury shares

SEGMENT-SPECIFIC INFORMATION

The Group's segments are divided geographically and consist of Finland, Sweden, Norway, Denmark, Central Europe and Eastern Europe.

Sales (EUR 1,000)	4-6/14	4-6/13	1-6/14	1-6/13	1-12/13
Finland	25,122	24,651	47,833	47,646	102,577
Sweden	76,846	78,596	146,743	151,457	316,670
Norway	19,398	22,399	39,679	45,425	90,916
Denmark	7,451	6,409	14,065	14,025	28,512
Central Europe	20,389	20,461	33,527	31,699	74,652
Eastern Europe	11,940	11,665	20,922	24,152	52,826
Inter-segment sales	-1,385	-4,125	-2,741	-5,818	-8,837
Group sales	159,761	160,056	300,028	308,585	657,315

EBITA (EUR 1,000)	4-6/14	4-6/13	1-6/14	1-6/13	1-12/13
Finland	4,705	3,526	7,505	5,841	19,312
% of sales	18.7 %	14.3 %	15.7 %	12.3 %	18.8 %
Sweden	11,567	12,247	20,690	22,209	55,334
% of sales	15.1 %	15.6 %	14.1 %	14.7 %	17.5 %
Norway	-55	1,523	1,512	2,434	6,600
% of sales	-0.3 %	6.8 %	3.8 %	5.4 %	7.3 %
Denmark	-570	73	-1,363	-162	30
% of sales	-7.7 %	1.1 %	-9.7 %	-1.2 %	0.1 %
Central Europe	-1,238	1,396	-5,813	-3,277	-1,062
% of sales	-6.1 %	6.8 %	-17.3 %	-10.3 %	-1.4 %
Eastern Europe	1,137	384	-307	299	8,204
% of sales	9.5 %	3.3 %	-1.5 %	1.2 %	15.5 %
Non-allocated Group activities	-3,226	-2,680	-5,628	-4,601	-8,766
Eliminations	150	75	238	160	297
Group EBITA	12,470	16,544	16,834	22,903	79,948
% of sales	7.8 %	10.3 %	5.6 %	7.4 %	12.2 %

Reconciliation of Group EBITA to Profit before taxes (EUR 1,000)	4-6/14	4-6/13	1-6/14	1-6/13	1-12/13
Group EBITA	12,470	16,544	16,834	22,903	79,948
Amortisation and impairment resulting from acquisitions and disposals	-2,676	-3,054	-5,240	-7,734	-13,150
Net finance items	-3,356	-3,375	-6,767	-7,339	-14,857
Profit before taxes	6,439	10,115	4,827	7,829	51,941

Depreciation and impairment on tangible assets (EUR 1,000)	4-6/14	4-6/13	1-6/14	1-6/13	1-12/13
Finland	-4,324	-3,742	-8,379	-7,615	-15,609
Sweden	-9,687	-10,178	-19,479	-20,579	-40,211
Norway	-3,195	-3,709	-6,327	-7,071	-14,015
Denmark	-1,238	-1,132	-2,510	-2,274	-4,611
Central Europe	-2,959	-2,259	-5,498	-4,089	-8,875
Eastern Europe	-2,777	-2,658	-5,488	-5,471	-10,845
Non-allocated items and eliminations	63	73	100	136	299
Total	-24,117	-23,605	-47,581	-46,962	-93,868

Capital expenditure (EUR 1,000)	4-6/14	4-6/13	1-6/14	1-6/13	1-12/13
Finland	12,800	5,185	15,993	7,240	19,709
Sweden	13,668	8,822	22,095	15,327	46,919
Norway	3,180	1,744	6,022	23,166	26,613
Denmark	2,194	501	3,180	723	4,511
Central Europe	16,072	2,655	26,150	6,861	12,897
Eastern Europe	4,324	2,348	6,095	14,039	18,192
Non-allocated items and eliminations	818	318	835	374	776
Total	53,057	21,574	80,371	67,731	129,616

Assets (EUR 1,000)	30 June 2014	30 June 2013	31 Dec 2013
Finland	155,329	148,875	149,638
Sweden	476,205	499,795	493,154
Norway	118,016	131,591	119,396
Denmark	47,473	41,763	43,373
Central Europe	119,650	102,626	97,238
Eastern Europe	130,683	135,843	133,303
Non-allocated items and eliminations	53,663	48,096	38,608
Total	1,101,020	1,108,588	1,074,710

QUARTERLY SEGMENT INFORMATION

Sales by segment (EUR 1,000)	4-6/14	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13	10-12/12
Finland	25,122	22,711	26,667	28,265	24,651	22,995	28,576
Sweden	76,846	69,898	87,358	77,856	78,596	72,861	88,109
Norway	19,398	20,281	22,273	23,217	22,399	23,026	23,384
Denmark	7,451	6,614	7,285	7,202	6,409	7,615	8,965
Central Europe	20,389	13,138	19,440	23,513	20,461	11,238	16,981
Eastern Europe	11,940	8,982	13,512	15,162	11,665	12,486	19,916
Inter-segment sales	-1,385	-1,357	-1,411	-1,609	-4,125	-1,692	-1,328
Group sales	159,761	140,267	175,124	173,606	160,056	148,529	184,603

EBITA by segment (EUR 1,000)	4-6/14	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13	10-12/12
Finland	4,705	2,800	6,231	7,240	3,526	2,315	6,530
% of sales	18.7 %	12.3 %	23.4 %	25.6 %	14.3 %	10.1 %	22.9 %
Sweden	11,567	9,123	14,576	18,549	12,247	9,961	16,157
% of sales	15.1 %	13.1 %	16.7 %	23.8 %	15.6 %	13.7 %	18.3 %
Norway	-55	1,567	2,040	2,127	1,523	910	1,790
% of sales	-0.3 %	7.7 %	9.2 %	9.2 %	6.8 %	4.0 %	7.7 %
Denmark	-570	-792	87	105	73	-235	-3,607
% of sales	-7.7 %	-12.0 %	1.2 %	1.5 %	1.1 %	-3.1 %	-40.2 %
Central Europe	-1,238	-4,575	233	1,982	1,396	-4,673	826
% of sales	-6.1 %	-34.8 %	1.2 %	8.4 %	6.8 %	-41.6 %	4.9 %
Eastern Europe	1,137	-1,445	3,546	4,359	384	-85	3,191
% of sales	9.5 %	-16.1 %	26.2 %	28.8 %	3.3 %	-0.7 %	16.0 %
Non-allocated Group activities	-3,226	-2,402	-1,944	-2,221	-2,680	-1,921	-2,900
Eliminations	150	88	-3	140	75	85	-42
Group EBITA	12,470	4,364	24,765	32,280	16,544	6,359	21,945
% of sales	7.8 %	3.1 %	14.1 %	18.6 %	10.3 %	4.3 %	11.9 %

LARGEST SHAREHOLDERS

TEN LARGEST SHAREHOLDERS 30 Jun 2014	SHARES	%
1 Hartwall Capital Oy Ab	4 491 702	10,30
2 Rakennusmestarien Säätiö (Construction engineers' fund)	2 129 422	4,88
3 Nordea Nordenfund	1 533 680	3,52
4 Odin Finland	825 518	1,89
5 Fondita Nordic Micro Cap	800 000	1,83
6 Investment fund Aktia Capital	600 000	1,38
7 OP-Delta Fund	539 953	1,24
8 Varma Mutual Pension Insurance Company	518 387	1,19
9 OP-Finland Value Fund	408 340	0,94
10 Nordea Life Assurance Finland Ltd.	400 000	0,92
Ten largest owners, total	12 247 002	28,07
Nominee registered	17 843 965	40,90
Others	13 535 992	31,03
Total	43 626 959	100,00

There were no material transactions with related parties during the review period.

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

Vantaa 5 August 2014

Cramo Plc
Board of Directors

BRIEFING

Cramo will hold a briefing and a live webcast at Kämp Kansallissali at Aleksanterinkatu 44 A (2nd floor) in Helsinki on Wednesday, 6 August 2014 at 11:00 am. The briefing will be in English.

It can be viewed live on the Internet at www.cramo.com. A replay of the webcast will be available at www.cramo.com from 6 August 2014 in the afternoon.

PUBLICATION OF FINANCIAL INFORMATION 2014

In 2014, Cramo Plc will publish one more interim report.

Its interim report for January–September 2014 will be published on 29 October 2014.

MORE INFORMATION

Vesa Koivula
President and CEO, tel. +358 10 661 10, +358 40 510 5710

Martti Ala-Härkönen
CFO, tel. +358 10 661 10, +358 40 737 6633

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Principal media
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Q2

FOR A GREAT DAY AT WORK

CRAMO PLC
KALLIOSOLANTIE 2
FI-01740 VANTAA, FINLAND
BUSINESS ID 0196435-4
WWW.CRAMO.COM

