CRAMO Q3

INTERIM REPORT 1-9/2014
CRAMO PLC

CRAMO'S INTERIM REPORT JANUARY–SEPTEMBER 2014

PERFORMANCE IMPROVEMENT ACTIONS PROCEEDING

7–9/2014 highlights (year-on-year comparison in brackets):

- Sales EUR 171.1 (173.6) million; the change was -1.4%. In local currencies, sales grew by 1.9%
- EBITA EUR 30.5 (32.3) million, EBITA margin 17.8% (18.6%)
- Earnings per share EUR 0.45 (0.48)
- Cash flow from operating activities EUR 33.2 (50.9) million and cash flow after investments EUR -5.4 (26.4) million
- The Group strategy was updated in September, financial targets unchanged
- The new guidance announced in September: In 2014, Cramo Group's sales and EBITA margin will be lower compared to 2013

1–9/2014 highlights:

- Sales EUR 471.2 (482.2) million; the change was -2.3%. Sales grew in local currencies, excluding restructuring in Russia, by 2.1%
- EBITA EUR 47.3 (55.2) million, EBITA margin 10.0% (11.4%)
- Earnings per share EUR 0.54 (0.63)
- Return on equity (rolling 12 months) 8.2% (8.0%)
- Cash flow after investments EUR -26.8 (15.9) million
- Gearing 85.6% (82.9%)

Guidance for 2014: In 2014, Cramo Group's sales and EBITA margin will be lower compared to 2013.

KEY FIGURES AND RATIOS (MEUR)	7-9/14	7-9/13	Change %	1-9/14	1-9/13	Change %	1-12/13
Income statement							
Sales	171.1	173.6	-1.4 %	471.2	482.2	-2.3 %	657.3
EBITDA	55.1	55.7	-1.2 %	119.5	125.6	-4.9 %	173.8
EBITA 1)	30.5	32.3	-5.6 %	47.3	55.2	-14.3 %	79.9
% of sales	17.8 %	18.6 %		10.0 %	11.4 %		12.2%
Operating profit (EBIT)	27.8	29.8	-6.6 %	39.4	45.0	-12.3 %	66.8
Profit before taxes (EBT)	24.8	26.1	-5.1 %	29.6	33.9	-12.7 %	51.9
Profit for the period	19.7	20.4	-3.3 %	23.5	26.5	-11.4 %	42.8
Share related information							
Earnings per share (EPS), EUR	0.45	0.48	-6.2 %	0.54	0.63	-13.9 %	1.01
Earnings per share (EPS), diluted, EUR	0.45	0.48	-6.3 %	0.53	0.62	-14.3 %	1.00
Shareholders' equity per share, EUR				11.13	11.49	-3.2 %	11.56
Other information							
Return on investment, % 2)				6.9 %	6.8 %		7.7 %
Return on equity, % 2)				8.2 %	8.0 %		8.3 %
Equity ratio, %				43.8 %	44.3 %		47.1 %
Gearing, %				85.6 %	82.9 %		72.9 %
Net interest-bearing liabilities				415.2	402.4	3.2 %	364.8
Gross capital expenditure (incl. acquisitions)	45.1	31.1	45.1 %	125.5	98.9	26.9 %	129.6
of which acquisitions/business combinations	-0.3	-0.8		11.0	29.6	-62.8 %	29.1
Cash flow from operating activities	33.2	50.9	-34.9 %	70.4	94.0	-25.1 %	160.3
Cash flow after investments	-5.4	26.4		-26.8	15.9		50.3
Average number of personnel (FTE)				2,534	2,465	2.8 %	2,463
Number of personnel at period end (FTE)				2,546	2,479	2.7 %	2,416

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

2) Rolling 12 month

CEO'S COMMENT

"In 2014, the European economies have recovered slower than anticipated, which has affected the demand for equipment rental services. Cramo Group´s euro-denominated sales for the first nine months were slightly lower than last year. However, sales grew in local currencies, excluding restructuring in Russia, by 2.1%.

In the third quarter, all business segments achieved a positive result. Still, Cramo Group's profitability was slightly below last year. The upward turn in the Swedish market occurred later than we anticipated and the transition programme in Central Europe has not fully performed according to our expectations.

The key near-term initiative in Central Europe is a sales increase in new product areas and lowering our cost base. In Sweden, the result development has not yet met our high expectations, but results in the latter part of the third quarter indicate a favourable development during the remainder of the year. In Finland, our business operations continued to develop positively despite the weak market situation. In Norway, our performance improvement programme has proceeded as planned. In Eastern Europe, profitability improved with the exception of Fortrent.

We continue to develop our operations. In the second quarter, we announced several performance improvement actions, particularly in our Scandinavian and Central European markets. Reduction of fixed costs and other performance improvement actions have proceeded as planned and are enhanced in Central Europe. This gives us a good platform for our profit development going forward.

In September, we announced Cramo Group's updated strategy. The new strategy is more focused, involves everyone at Cramo and will enable us to reach our financial targets. The core of our new strategy is "Cramo People living the Cramo Story". Cramo Story is a wide programme aiming at increasing sales, differentiating ourselves from competition, providing specific customer value and strengthening our corporate culture in order to achieve our targets.

In addition to Cramo Story, the implementation of the strategy requires the adoption of the Cramo Performance Management Model in our key operations and the completion of the transition programme in Central Europe. Other key initiatives include the modular space growth strategy, dynamic pricing, acquisitions and outsourcing. In September, we also published additional financial information by product area related to our modular space growth plans.

Despite that Cramo Group´s profitability was slightly below last year in the third quarter, I am reasonably satisfied with our result even if the result improvement in Central Europe is delayed." says Vesa Koivula, President and CEO of Cramo Group.

SUMMARY OF FINANCIAL PERFORMANCE IN JANUARY–SEPTEMBER 2014

Cramo Group's consolidated sales for January–September decreased by 2.3% to EUR 471.2 (482.2) million. However, in local currencies, sales increased by 1.3%. Sales growth for January–September in local currencies, excluding restructuring in Russia, was 2.1%.

The sales for the third quarter decreased by 1.4% to EUR 171.1 (173.6) million. In local currencies, sales grew by 1.9%. Early in the third quarter, sales developed more weakly than Cramo expected but towards the end of the quarter, sales developed according to expectations.

EBITA for January–September was EUR 47.3 (55.2) million, or 10.0% (11.4%) of sales. In the third quarter, EBITA was EUR 30.5 (32.3) million, or 17.8% (18.6%) of sales.

In January–September, earnings per share were EUR 0.54 (0.63). In the third quarter, earnings per share were EUR 0.45 (0.48).

In the third quarter, a positive result was achieved in all business segments. Despite the weak market situation, the result was good and continued to improve in Finland. A good result was also achieved in Sweden, even though the market turn occurred later than Cramo anticipated, towards the end of the period. Cramo reduced its fixed costs in Sweden as planned. In Norway, operational efficiency was improved according to the plans and the results are expected to show towards the end of the year and fully in 2015. In Denmark, the market situation developed favourably and the result for the third quarter improved year-on-year.

In Central Europe, the third-quarter result did not meet expectations. Early in the year, costs related to the extensive transition programme weakened the result in Central Europe, whereas in the third quarter, the result was weakened especially by sales being lower than expected. The utilisation rates of new product groups are increasing steadily, but construction machinery utilisation rates in the third quarter were lower than in the previous year. During the period, the cost level was lowered and performance improvement actions were increased. Increasing fleet utilisation rates is still a key objective.

In Eastern Europe, profitability impoved in the third quarter with the exception of Fortrent, the joint venture operating in Russia and Ukraine. However, Fortrent succeeded in adjusting its cost base to the weakened market situation and also Fortrent's result was almost at the previous year's level. Fortrent's cash flow was strong due to the low investment level.

In January–September, Cramo Group's cash flow from operating activities was EUR 70.4 (94.0) 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. Gross capital expenditure was EUR 125.5 (98.9) million, and net cash flow from investing activities was EUR -97.2 (-78.1) million. Cash flow after investments was EUR -26.8 (15.9) million.

In the third quarter, cash flow from operating activities was EUR 33.2 (50.9) million. The operating cash flow decreased against last year because of a change in net working capital amounting to EUR 17 million, but net working capital is expected to be released periodically in the fourth quarter. Cash flow after investments was EUR -5.4 (26.4) million. The Group's gearing was 85.6% (82.9%) at the end of September.

MARKET OUTLOOK

Eurozone economies are still expected to resume growth in 2014, but growth will be modest. The prolonged Ukrainian crisis and the spreading of its impacts from Russia to Europe has increased uncertainty about economic development.

Growth in the eurozone is expected to strengthen in 2015–2016 but more slowly than what was estimated before. Growth has been slowed down by the strong euro; however, during the third quarter, the euro's external value started to weaken. In countries outside the eurozone, such as Sweden, the economy is expected to grow more quickly.

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, except Finland, in 2014.

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

GUIDANCE ON GROUP OUTLOOK

On 17 September 2014, Cramo Plc redefined its guidance for 2014. The redefined guidance is: "In 2014, Cramo Group's sales and EBITA margin will be lower compared to 2013."

SALES AND PROFIT

Cramo Group's consolidated sales for January–September decreased by 2.3% to EUR 471.2 (482.2) million. However, in local currencies, sales increased by 1.3%. Sales growth for January–September in local currencies, excluding restructuring in Russia, was 2.1%.

The sales for the third quarter decreased by 1.4% to EUR 171.1 (173.6) million. In local currencies, sales grew by 1.9%. Early in the third quarter, sales developed more weakly than Cramo expected but towards the end of the quarter, sales developed according to expectations.

EBITA for January–September was EUR 47.3 (55.2) million, or 10.0% (11.4%) of sales. Comparable EBITA before non-recurring items was EUR 47.3 (55.7) million, or 10.0% (11.6%) of sales.

In the third quarter, EBITA was EUR 30.5 (32.3) million, or 17.8% (18.6%) of sales.

EBITDA was EUR 119.5 (125.6) million, or 25.4% (26.0%) of sales, in January–September.

EBIT was EUR 39.4 (45.0) million, or 8.4% (9.3%) of sales, in January–September.

The January–September profit before taxes was EUR 29.6 (33.9) million, and profit for the period was EUR 23.5 (26.5) million.

The cost effect of the Group's credit losses and credit loss provisions amounted to EUR 2.7 (3.4) million. The result includes EUR 0.9 (0.9) million in impairment losses on the fleet.

Expenses associated with share-based payments totalled EUR 0.7 (1.3) million.

The Group's financial expenses continued to decrease. Net financial expenses were EUR 9.9 (11.1) million.

Earnings per share were EUR 0.54 (0.63), and comparable earnings per share before non-recurring items were EUR 0.54 (0.68). Diluted earnings per share were EUR 0.53 (0.62). Earnings per share for the third quarter were EUR 0.45 (0.48), and diluted earnings per share were EUR 0.45 (0.48).

Return on investment (rolling 12 months) was 6.9% (6.8%). Return on equity (rolling 12 months) was 8.2% (8.0%).

Cramo has decided to publish financial information by product area in the notes to the Group's financial statements as additional information to business segment data. The two product areas reported will be equipment rental and modular space. The comparison information for 2013 was published in a company announcement on 9 September 2014.

CAPITAL EXPENDITURE, DEPRECIATION AND AMORTISATION

Gross capital expenditure for January–September was EUR 125.5 (98.9) million.

By business segment, gross capital expenditure grew year-on-year especially in Central Europe and in Sweden. In Central Europe, the product and service offering was developed according to the Cramo Rental Concept, but new growth investments will not be made before the fleet utilisation rates reach the targeted level. As for product areas, Cramo continued its growth investments particularly in modular space.

Reported depreciation and impairment on tangible assets and assets available for sale were EUR 72.2 (70.4) million.

Amortisation and impairment resulting from acquisitions and disposals totalled EUR 7.9 (10.2) million.

At the end of the period, goodwill stood at EUR 164.2 (168.0) million.

FINANCIAL POSITION AND BALANCE SHEET

In January–September, cash flow from operating activities was EUR 70.4 (94.0) million. Cash flow from investing activities was EUR -97.2 (-78.1) million, and cash flow from financing activities EUR 30.1 (10.3) million. The Group's cash flow after investments was EUR -26.8 (15.9) million.

In the third quarter, cash flow from operating activities was EUR 33.2 (50.9) million. The operating cash flow decreased against last year because of a change in net working capital amounting to EUR 17 million, but net working capital is expected to be released periodically in the fourth quarter. Cash flow from investing activities was EUR -38.6 (-24.5) million and cash flow from financing activities was EUR 7.5 (-25.1) million. In the third quarter, cash flow after investments was EUR -5.4 (26.4) million.

At the end of the period, the Group's balance sheet included EUR 2.0 (3.9) million of assets held for sale.

On 30 September 2014, Cramo Group's net interest-bearing liabilities totalled EUR 415.2 (402.4) million. Gearing was 85.6% (82.9%).

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 was hedged by way of interest rate swaps on 30 September 2014. Hedge accounting is applied to all of these interest rate hedges. On 30 September 2014, Cramo Group had undrawn committed credit facilities (excluding leasing facilities) in the amount of EUR 186.6 (164.0) million, of which non-current facilities represented EUR 172.0 (149.0) million and current facilities EUR 14.6 (15.0) million.

Tangible assets amounted to EUR 635.8 (605.4) million of the balance sheet total at the end of the review period. The balance sheet total on 30 September 2014 was EUR 1,120.2 (1,107.1) million. The equity ratio was 43.8% (44.3%).

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 has paid the 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 28.2 (26.7) million on 30 September 2014. Off-balance sheet liabilities for office and depot rents totalled EUR 109.8 (116.8) million. The Group's investment commitments amounted to EUR 26.1 (24.9) 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 which 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 344 (360) depots.

STRATEGIC AND FINANCIAL TARGETS

In connection with Cramo's Capital Markets Day in Stockholm on 9 September 2014, Cramo updated the Group's strategy and reconfirmed its financial targets.

Cramo's financial targets are unchanged: 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.

The core of the Group's new strategy is "Cramo People living the Cramo Story". Cramo Story is a wide programme through which Cramo will drive its sales in different countries, differentiate itself from the competition, provide specific customer value and strengthen its corporate culture.

Cramo Group's updated Must-win battles are Deliver Cramo Story, Drive Cramo Performance Management and Win Central European Market. In addition, Cramo's key strategic initiatives include the modular space growth strategy, dynamic pricing and acquisitions and outsourcing.

BUSINESS DEVELOPMENT

During the first half of the year, Cramo strengthened its position in the Finnish construction machinery rental market by acquiring OptiRent Oy on 9 April 2014. The modular space business was expanded in Germany by acquiring C/S RaumCenter GmbH on 15 April 2014.

During the past year, 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.

The Group's new consolidation and reporting system was rolled out after the review period, in October.

PERSONNEL

During the review period, the Group had an average of 2,534 (2,465) employees. In addition, the Group employed an average of approximately 145 (138) people hired from a staffing service. At the end of the period, Group personnel numbered 2,546 (2,479) 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 are constantly adjusted based on the market situation.

The geographical distribution of personnel at the end of the period was as follows: 459 (464) employees in Finland, 869 (830) in Sweden, 253 (260) in Norway, 121 (106) in Denmark, 384 (354) in Central Europe and 460 (464) 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 information, Cramo also reports on the order book value for modular space.

Finland generated 16.2% (15.5%) of the total consolidated sales for January–September (before elimination of inter-segment sales), Sweden 47.1% (46.8%), Norway 12.9% (14.0%), Denmark 4.5% (4.3%), Central Europe 11.8% (11.3%) and Eastern Europe 7.5% (8.0%).

Finland

Finland (EUR 1,000)	7-9/14	7-9/13	Change %	1-9/14	1-9/13	Change %	1-12/13
Sales	29,061	28,265	2.8 %	76,894	75,910	1.3 %	102,577
EBITA	7,472	7,240	3.2 %	14,978	13,081	14.5 %	19,312
EBITA-%	25.7 %	25.6 %		19.5 %	17.2 %		18.8 %
No of employees (FTE)				435	440	-1.1 %	393
No of depots				53	53	0.0 %	53

The Finnish operations reported sales of EUR 76.9 (75.9) million for January–September. The sales for July–September were EUR 29.1 (28.3) million. Cramo succeeded in growing its sales despite the weak demand in new construction. 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–September was EUR 15.0 (13.1) million, or 19.5% (17.2%) of sales. In July–September, EBITA was EUR 7.5 (7.2) million, or 25.7% (25.6%) of sales. Enhanced overall operational efficiency, thanks to the Performance Management Model, successful cost savings and the implementation of the dynamic pricing model improved the result.

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

The Finnish economy is not expected to grow in 2014 and, recently in October, the Confederation of Finnish Construction Industries RT revised its construction forecast downwards. Compared to the previous year, construction is projected to decrease by 2% in 2014. The current year is the third in a row, when construction output is expected to decrease in Finland. New construction in particular has decreased drastically. RT forecasts that growth is neither in sight in 2015. In its June forecast, Euroconstruct estimated that construction will grow by approximately 1% in 2014.

ERA predicts that the Finnish equipment rental market will decrease by 1.6% in 2014. The Finnish company Forecon (the former VTT Technical Research Centre of Finland) has predicted a growth rate of 3%.

Sweden

Sweden (EUR 1,000)	7-9/14	7-9/13	Change %	1-9/14	1-9/13	Change %	1-12/13
Sales	76,784	77,856	-1.4 %	223,528	229,312	-2.5 %	316,670
EBITA	17,187	18,549	-7.3 %	37,877	40,758	-7.1 %	55,334
EBITA-%	22.4 %	23.8 %		16.9 %	17.8 %		17.5 %
No of employees (FTE)				825	793	4.0 %	792
No of depots				116	120	-3.3 %	120

Cramo's operations in Sweden reported sales of EUR 223.5 (229.3) million for January–September. Sales decreased by 2.5%. In the local currency, sales increased by 2.7%.

The sales of July–September decreased by 1.4% and were EUR 76.8 (77.9) million, but increased in the local currency by 4.6%. The market turn occurred later than Cramo anticipated, towards the end of the period.

EBITA for January–September was EUR 37.9 (40.8) million, and the EBITA margin was 16.9% (17.8%) of sales. In July–September, EBITA was EUR 17.2 (18.5) million, or 22.4% (23.8%) of sales. Cramo reduced its fixed costs in Sweden as planned, but the start of the growth increased direct costs in repair, maintenance and transportation.

Savings in fixed costs are expected to show in the last quarter of the year and concurrently, savings are sought in direct costs. In addition, Cramo has decided to continue the optimisation of its depot network. Instead of closing down ten depots, as announced before, approximately 20 smaller depots will be closed down in Sweden by the end of 2014. This will have no impact on the 2014 result. Instead, these measures aim at improving profitability in 2015.

Cramo has several development projects in progress in Sweden, including the dynamic pricing model and the optimisation of fleet rotation logistics in large cities. Gross capital expenditure in January-September was EUR 40.6 (32.6) million, and net cash flow from investing activities was EUR -33.6 (-27.4) million.

The overall equipment rental market situation has been weaker than expected in northern and western Sweden but is now improving. In Stockholm and southern Sweden, the market situation was already good. The demand for modular spaces has remained at a good level. During the period, a contract was signed on a significant delivery of modular spaces to the ESS (European Spallation Source) research facility to be built in Lund.

In its June estimate, the Swedish Construction Federation forecasted that construction would increase by approximately 10% in Sweden in 2014. Euroconstruct predicted a growth rate of 4.4%. ERA is expecting equipment rental to increase by 1%.

At the end of the review period, Cramo had 116 (120) depots in Sweden.

Norway

Norway (EUR 1,000)	7-9/14	7-9/13	Change %	1-9/14	1-9/13	Change %	1-12/13
Sales	21,458	23,217	-7.6 %	61,137	68,643	-10.9 %	90,916
EBITA	1,363	2,127	-35.9 %	2,876	4,560	-36.9 %	6,600
EBITA-%	6.4 %	9.2 %		4.7 %	6.6 %		7.3 %
No of employees (FTE)				253	260	-2.7 %	260
No of depots				28	32	-12.5 %	31

In January–September, the Norwegian operations reported sales of EUR 61.1 (68.6) million, down 10.9% year-on-year. In the local currency, sales decreased by 3.8%. Sales for July–September decreased by 7.6% to EUR 21.5 (23.2) million. In the local currency, the change was -3.7%.

EBITA for January–September decreased to EUR 2.9 (4.6) million, or 4.7% (6.6%) of sales. EBITA before non-recurring items was EUR 2.9 (5.1) million, or 4.7% (7.5%) of sales.

In the third quarter, EBITA was EUR 1.4 (2.1) million, or 6.4% (9.2%) of sales.

In the third quarter, Cramo implemented its performance improvement programme that includes, for instance, developing sales and pricing, reducing the personnel by 35–40 employees and closing down poorly profitable depots. The performance improvement programme proceeded as planned and reduced fixed costs. The impact of the cost savings is still expected to be visible only in the last quarter of the year and more extensively in 2015.

At the end of the period under review, Cramo had 28 (32) depots in Norway.

The construction market situation in Norway has been challenging in 2014. However, there was positive development in the building permits for new commercial and office buildings during the third quarter, compared to the previous year. New residential construction is expected to decrease clearly in 2014, whereas both renovation projects and civil engineering are projected to increase. In its June forecast, Euroconstruct estimated that construction would increase by approximately 0.4% in Norway in 2014. Construction is expected to grow by approximately 4% in 2015. ERA predicts equipment rental to increase by 2%.

Denmark

Denmark (EUR 1,000)	7-9/14	7-9/13	Change %	1-9/14	1-9/13	Change %	1-12/13
Sales	7,532	7,202	4.6 %	21,597	21,227	1.7 %	28,512
EBITA	347	105	230.9 %	-1,016	-57		30
EBITA-%	4.6 %	1.5 %		-4.7 %	-0.3 %		0.1 %
No of employees (FTE)				121	106	14.2 %	108
No of depots				7	7	0.0 %	7

In January–September, Cramo's Danish operations reported sales of EUR 21.6 (21.2) million, showing an increase of 1.7%. The market resumed growth in the second quarter. The sales for July–September increased to EUR 7.5 (7.2) million.

EBITA for January–September was EUR -1.0 (-0.1) million, or -4.7% (-0.3%) of sales. EBITA for July–September turned positive and was EUR 0.3 (0.1) million, or 4.6% (1.5%) of sales.

Cramo's key target for the third quarter was to turn the result positive. During the period, there was better control of the costs which impaired the result in the second quarter. The aim is to continue to improve profitability during the remainder of the year. In order to achieve this, Cramo continues its work in Denmark to target its fleet investments at the most profitable product segments and to develop sales and pricing models, among other measures. Cramo has strengthened its position in the modular space business.

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

As expected, the rental markets have resumed growth in Denmark during 2014, which is expected to gradually also improve pricing opportunities.

Euroconstruct has estimated that construction in Denmark will increase by 2.5% in 2014. ERA forecasts that equipment rental will grow by approximately 1% in 2014.

Central Europe

Central Europe (EUR 1,000)	7-9/14	7-9/13	Change %	1-9/14	1-9/13	Change %	1-12/13
Sales	22,471	23,513	-4.4 %	55,999	55,212	1.4 %	74,652
EBITA	426	1,982	-78.5 %	-5,388	-1,295		-1,062
EBITA-%	1.9 %	8.4 %		-9.6 %	-2.3 %		-1.4 %
No of employees (FTE)				384	354	8.5 %	349
No of depots				76	84	-9.5 %	83

In Central Europe, sales for January–September increased by 1.4% to EUR 56.0 (55.2) million. The sales for July–September decreased by 4.4% and were EUR 22.5 (23.5) million.

EBITA for January–September was EUR -5.4 (-1.3) million, or -9.6% (-2.3%) of sales. EBITA for July–September was EUR 0.4 (2.0) million, or 1.9% (8.4%) 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 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, seven smaller depots have been closed down in 2014.

In Central Europe, the third-quarter result did not meet Cramo's expectations. Especially the first part of the period was weaker than estimated. The utilisation rates of the new fleet improved monthly, but the utilisation rates of the old fleet, that is construction machinery, lagged behind the expected level during the period.

During the period, Cramo increased measures for improving the result in Central Europe. The adoption of the Performance Management Model at all depots is proceeding and fixed costs are reduced more intensively than before. In 2015, the transition programme is not projected to incur non-recurring costs any longer and profitability is expected to improve.

Theisen Group was rebranded under the Cramo brand after the review period, in October. Theisen Baumaschinen AG's new name is Cramo AG.

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 integration of the company has proceeded as planned.

The gross capital expenditure in Central Europe, including the C/S RaumCenter acquisition, was EUR 39.5 (10.9) million in January-Septermber 2014. However, Cramo is also in the process of modifying its fleet structure. Net cash flow from investing activities, including the C/S RaumCenter acquisition, was EUR -24.4 (-5.2) million.

At the end of the review period, Cramo had 76 (84) depots in Central Europe.

According to Euroconstruct, construction in Germany will increase by 2.9% in 2014. ERA estimates that equipment rental will increase by 1.6% in 2014.

Eastern Europe

Eastern Europe (EUR 1,000)	7-9/14	7-9/13	Change %	1-9/14	1-9/13	Change %	1-12/13
Sales	14,880	15,162	-1.9 %	35,802	39,314	-8.9 %	52,826
EBITA	4,271	4,359	-2.0 %	3,964	4,658	-14.9 %	8,204
EBITA-%	28.7 %	28.8 %		11.1 %	11.8 %		15.5 %
No of employees (FTE)				460	464	-1.0 %	451
No of depots				64	64	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–September, Cramo's sales in Eastern Europe decreased by 8.9% to EUR 35.8 (39.3) million. In local currencies, the change in sales was -8.1%. The decrease in sales resulted from the transfer of Russian operations to Fortrent on 1 March 2013. In local currencies, there was growth totalling 1.6% in other Eastern European countries in the period.

The sales for July–September were EUR 14.9 (15.2) million.

EBITA for January–September was EUR 4.0 (4.7) million, or 11.1% (11.8%) of sales. EBITA for July–September was EUR 4.3 (4.4) million, or 28.7% (28.8%) of sales. Excluding Fortrent, the joint venture operating in Russia and Ukraine, profitability in Eastern Europe improved in the third quarter. However, Fortrent succeeded in adjusting its cost base to the weakened market situation and also Fortrent's result was almost at the previous year's level.

The construction market forecasts for Eastern Europe show relatively significant differences between countries. 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 by 1.5 %. However, according to Cramo's estimate, growth will remain lower. Construction is projected to grow by 3% in Lithuania 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.

At the end of the review period, Cramo had 64 (64) depots in Eastern Europe.

FORTRENT JOINT VENTURE IN RUSSIA AND UKRAINE (The comparison period for January-September 2014 is March-September 2013)

Fortrent Group's January–September (March-September) sales decreased by 0.5% to EUR 29.2 (29.3) million but increased by 18.5% at comparable exchange rates. Fortrent began operation on 1 March 2013. Sales decreased due to the weak market situation in Russia and Ukraine, which was caused especially by the Ukrainian crisis. Major changes in currency rates also impacted on sales.

Fortrent Group's third-quarter sales decreased by 22.4% to EUR 10.4 (13.4) million, or by 11.2% at comparable exchange rates. Demand weakened especially in the Moscow region and in the large customer segment. The demand for rental services in new regions, such as Volga and the southern parts of Russia, has showed signs of increasing. In Ukraine, the crisis has slowed down the construction market 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–September (March-September) EBITA was EUR 1.3 (1.9) million, or 4.5% (6.4%) of sales. Net result for the period was EUR -0.3 (-1.0) million. Fortrent has focused on adjusting its cost base to the weaker market situation and has reduced its investment level.

Fortrent Group's third-quarter EBITA was EUR 1.4 (2.1) million, or 13.5% (15.7%) of sales. Net result for the period was EUR 0.9 (1.0) million.

In early 2014, Fortrent expanded its depot network to cover new cities in Russia both by establishing new depots and by integrating previously enterpreneur-managed depots to its network. Efforts to improve profitability continue.

A significant near-term risk is the prolongation and expansion of the Ukrainian crisis. According to a forecast published by Euroconstruct in June 2014, the 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 in 2014. The market situation remains 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–September 2014 was EUR -0.1 (-0.5) 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 September 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 43,903,411. Cramo Plc holds 316,288 of these shares.

In the third quarter, 143 new shares were subscribed for on the basis of the option programme 2010. The shares were entered in the Finnish Trade Register after the review period, on 14 October 2014, and trading in them began on 15 October 2014.

In the second quarter, 276,452 new shares were subscribed on the basis of the option programme 2010. These shares were entered in the Finnish Trade Register and trading in them began on 15 July 2014. In the fourth quarter of 2013, a total of 782,626 new shares were subscribed for on the basis of the option programme 2009. These shares were entered in the Finnish Trade Register on 17 January 2014. The share subscription period for the 2009 option programme ended on 31 December 2013, and a total of 1,056,246 shares were subscribed for with its stock options.

The subscription payments are included in the invested unrestricted equity fund.

CURRENT OPTION PROGRAMMES AND INCENTIVE SCHEMES

On 30 September 2014, Cramo Group had a total of 567,734 stock options 2010 outstanding whose subscription period ends on 31 December 2014. In addition, on 30 September 2014 the Group had granted to the key personnel a total of 787,000 stock options 2011. Trading in stock options 2011 began on the main list of NASDAQ OMX Helsinki Ltd on 1 October 2014, and their subscription period ends on 31 December 2015.

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 ended on 30 September 2014. The third savings period began on 1 October 2014 and ends on 30 September 2015.

The share-based incentive scheme for Cramo Plc's key employees consists of three discretionary periods: the calendar years 2012, 2013 and 2014. The rewards for the discretionary periods 2012 and 2013 were based on the earnings per share (EPS) key indicator and will be paid in the spring of 2015 and 2016. The rewards equalled the approximate worth of 40,000 shares in Cramo Plc for 2012 and 91,000 shares for 2013. 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, Cramo Plc received the following notifications about changes in shareholdings as defined in Section 5 of Chapter 9 of the Finnish Securities Markets Act:

On 8 August 2014, Nordea Funds Oy's total holding of share capital and voting rights in Cramo Plc has increased above 5%. At that time, its proportion of voting rights and share capital was 5.096% and it held a total of 2,237,468 shares.

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 prolongation of the Ukrainian crisis has increased economic uncertainty and political risks. The crisis may also have an effect on construction and the demand for rental services in some of Cramo's countries of operation.

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 Sep 2014	30 Sep 2013	31 Dec 2013
ASSETS			
Non-current assets			
Tangible assets	635,831	605,420	606,625
Goodwill	164,187	167,976	165,352
Other intangible assets	94,330	104,842	101,100
Deferred tax assets	16,032	13,086	14,820
Available-for-sale financial assets	346	348	347
Investments in joint ventures	13,654	17,854	17,475
Loan receivables	18,244	20,258	20,250
Trade and other receivables	1,134	1,006	1,129
Total non-current assets	**943,758**	**930,790**	**927,099**
Current assets			
Inventories	8,718	8,052	7,841
Trade and other receivables	145,465	135,313	127,236
Income tax receivables	12,032	11,253	1,343
Derivative financial instruments	125	2,332	2,053
Cash and cash equivalents	8,104	15,447	4,770
Total current assets	**174,444**	**172,397**	**143,243**
Assets held for sale	1,970	3,937	4,369
TOTAL ASSETS	**1,120,172**	**1,107,124**	**1,074,710**
EQUITY AND LIABILITIES			
Equity			
Share capital	24,835	24,835	24,835
Other reserves	321,872	308,043	318,742
Fair value reserve	119	119	119
Hedging fund	-8,962	-6,011	-6,726
Translation differences	-9,770	5,226	-2,288
Retained earnings	157,059	153,450	165,900
Equity attributable to owners of the parent company	**485,152**	**485,661**	**500,582**
Total equity	**485,152**	**485,661**	**500,582**
Non-current liabilities			
Interest-bearing liabilities	320,495	304,353	269,881
Derivative financial instruments	8,796	6,036	6,001
Deferred tax liabilities	74,331	77,320	75,337
Retirement benefit obligations	1,753	1,651	1,644
Other non-current liabilities	1,792	3,620	3,341
Total non-current liabilities	**407,166**	**392,980**	**356,204**
Current liabilities			
Interest-bearing liabilities	102,800	113,474	99,719
Derivative financial instruments	1,306	217	422
Trade and other payables	118,480	109,914	112,022
Income tax liabilities	4,213	4,878	5,761
Provisions	1,055		
Total current liabilities	**227,853**	**228,483**	**217,923**
Total liabilities	**635,019**	**621,463**	**574,127**
TOTAL EQUITY AND LIABILITIES	**1,120,172**	**1,107,124**	**1,074,710**

CONSOLIDATED INCOME STATEMENT (EUR 1,000)	7-9/14	7-9/13	1-9/14	1-9/13	1-12/13
Sales	**171,143**	**173,606**	**471,170**	**482,191**	**657,315**
Other operating income	2,471	1,889	10,910	6,481	10,007
Materials and services	-60,182	-57,263	-165,353	-164,576	-228,002
Employee benefit expenses	-31,530	-32,850	-104,688	-102,655	-138,732
Other operating expenses	-27,313	-30,186	-92,447	-95,388	-127,385
Depreciation and impairment on tangible assets and assets held for sale	-24,583	-23,455	-72,164	-70,417	-93,868
Share of profit / loss of joint ventures	464	538	-126	-452	613
EBITA	**30,469**	**32,280**	**47,303**	**55,183**	**79,948**
% of sales	**17.8 %**	**18.6 %**	**10.0 %**	**11.4 %**	**12.2 %**
Amortisation and impairment resulting from acquisitions and disposals	-2,620	-2,477	-7,860	-10,212	-13,150
Operating profit (EBIT)	**27,849**	**29,803**	**39,443**	**44,971**	**66,799**
% of sales	**16.3 %**	**17.2 %**	**8.4 %**	**9.3 %**	**10.2 %**
Finance costs (net)	-3,090	-3,725	-9,857	-11,064	-14,857
Profit before taxes	**24,759**	**26,078**	**29,586**	**33,907**	**51,941**
% of sales	**14.5 %**	**15.0 %**	**6.3 %**	**7.0 %**	**7.9 %**
Income taxes	-5,067	-5,712	-6,124	-7,426	-9,160
Profit for the period	**19,691**	**20,366**	**23,462**	**26,481**	**42,781**
% of sales	**11.5 %**	**11.7 %**	**5.0 %**	**5.5 %**	**6.5 %**
Attributable to:					
Owners of the parent	19,691	20,366	23,462	26,481	42,781
Profit attributable to owners of the parent					
Earnings per share, undiluted, EUR	0.45	0.48	0.54	0.63	1.01
Earnings per share, diluted, EUR	0.45	0.48	0.53	0.62	1.00

COMPREHENSIVE INCOME STATEMENT (EUR 1,000)	7-9/14	7-9/13	1-9/14	1-9/13	1-12/13
Profit for the period	**19,691**	**20,366**	**23,462**	**26,481**	**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	-42	-2	-127	-99	-88
Total items that will not be reclassified to profit or loss	-42	-2	-127	-99	-88
Items that may be reclassified subsequently to profit or loss:					
-Change in hedging fund, net of tax	-399	73	-2,236	2,133	1,418
-Share of other comprehensive income of joint ventures, net of tax	-2,075	-2,870	-3,699	-2,870	-4,386
-Change in translation differences, net of tax	2,213	3,912	-10,839	-3,425	-13,450
Total items that may be reclassified subsequently to profit or loss	-261	1,115	-16,774	-4,162	-16,418
Total other comprehensive income, net of tax	**-303**	**1,113**	**-16,901**	**-4,261**	**-16,506**
Comprehensive income for the period	**19,388**	**21,479**	**6,561**	**22,220**	**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				22,220	**22,220**		**22,220**
Dividend distribution				-17,747	**-17,747**		**-17,747**
Exercise of share options		3,369			**3,369**		**3,369**
Share-based payments				1,181	**1,181**		**1,181**
Hybrid capital including transaction costs				-6,370	**-6,370**	-49,630	**-56,000**
Changes within equity		300		-300			
At 30 Sep 2013	**24,835**	**308,043**	**119**	**152,665**	**485,661**		**485,661**
At 1 Jan 2014	**24,835**	**318,742**	**119**	**156,886**	**500,582**		**500,582**
Total comprehensive income				6,561	**6,561**		**6,561**
Dividend distribution				-25,986	**-25,986**		**-25,986**
Exercise of share options		3,430			**3,430**		**3,430**
Share-based payments				565	**565**		**565**
Changes within equity		-300		300			
At 30 Sep 2014	**24,835**	**321,872**	**119**	**138,326**	**485,152**		**485,152**

CONSOLIDATED CASH FLOW STATEMENT (EUR 1,000)	1-9/14	1-9/13	1-12/13
Net cash flow from operating activities	**70,424**	**93,964**	**160,253**
Net cash flow from investing activities	**-97,188**	**-78,090**	**-109,976**
Cash flow from financing activities			
Change in interest-bearing receivables	2,015	-7	-121
Change in finance lease liabilities	-12,920	-27,968	-29,755
Change in interest-bearing liabilities	63,544	88,097	42,492
Hybrid capital		-56,000	-56,000
Proceeds from share options exercised	3,428	3,369	6,141
Dividends paid	-25,986	-17,747	-17,747
Net cash flow from financing activities	**30,081**	**10,256**	**-54,990**
Change in cash and cash equivalents	**3,317**	**5,618**	**-4,713**
Cash and cash equivalents at period start	4,770	10,340	10,340
Exchange differences	17	-511	-857
Cash and cash equivalents at period end	**8,104**	**15,447**	**4,770**

CHANGES IN NET BOOK VALUE OF TANGIBLE AND INTANGIBLE ASSETS (MEUR)	1-9/2014	1-9/2013	1-12/2013
Opening balance	**873.1**	**896.5**	**896.5**
Depreciation and amortisation and impairment	-80.0	-80.6	-107.0
Additions			
Rental machinery	116.2	79.5	108.2
Other tangible assets	5.1	4.5	6.3
Intangible assets	4.2	4.4	4.6
Total additions	125.5	88.4	119.1
Reductions and other changes	-13.4	-13.4	-10.8
Exchange differences	-10.9	-12.6	-24.7
Closing balance	**894.3**	**878.2**	**873.1**

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (EUR 1,000)	Book value 30 Sep 2014	Fair value 30 Sep 2014
Financial assets at fair value through profit and loss		
Current derivative financial instruments	125	125
Loans and receivables		
Loan receivables	18,244	18,244
Non-current trade and other receivables	1,134	1,134
Current trade and other receivables	120,250	120,250
Cash and cash equivalents	8,104	8,104
Available-for-sale financial assets	346	346
Financial liabilities at fair value through profit and loss		
Current derivative financial instruments	1,306	1,306
Loans and borrowings		
Non-current interest-bearing liabilities	320,495	326,582
Other non-current liabilities	1,309	1,309
Current interest-bearing liabilities	102,800	102,800
Trade and other payables	62,003	62,003
Hedge accounted derivatives		
Non-current derivative financial instruments	8,796	8,796

COMMITMENTS AND CONTINGENT LIABILITIES (EUR 1,000)	30 Sep 2014	30 Sep 2013	31 Dec 2013
Pledges, finance lease	55,149	71,052	65,868
Investment commitments	26,131	24,873	17,271
Commitments to office and depot rents	109,757	116,844	114,690
Operational lease payments	28,242	26,658	23,627
Other commitments	420	2,306	2,008
Group's share of commitments in joint ventures	170	145	175

DERIVATIVE FINANCIAL INSTRUMENTS (EUR 1,000)	30 Sep 2014	30 Sep 2013	31 Dec 2013
Fair value			
Interest rate swaps	-8,796	-6,037	-6,001
Currency forwards	-1,181	2,332	1,632
Nominal value			
Interest rate swaps	91,000	91,000	91,000
Currency forwards	125,094	132,718	107,349

MODULAR SPACE ORDER BOOK (EUR 1,000)	30 Sep 2014	30 Sep 2013	31 Dec 2013
Value of outstanding orders for modular space	99,442	95,140	85,199
Value of orders for modular space rental	97,910	94,684	84,863
Value of orders for sale of modular space	1,532	456	335

SHARE RELATED KEY FIGURES	7-9/14	7-9/13	1-9/14	1-9/13	1-12/13
Earnings per share (EPS), EUR 1)	0.45	0.48	0.54	0.63	1.01
Earnings per share (EPS), diluted, EUR 2)	0.45	0.48	0.53	0.62	1.00
Shareholders' equity per share, EUR 3)			11.13	11.49	11.56
Number of shares, end of period			43,903,411	42,570,713	42,844,333
Adjusted number of shares, average 4)			43,407,452	42,203,630	42,297,421
Adjusted number of shares, end of period 4)			43,587,266	42,254,425	43,310,671
Number of shares, diluted, average 4)			44,084,675	42,627,056	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)	7-9/14	7-9/13	1-9/14	1-9/13	1-12/13
Finland	29,061	28,265	76,894	75,910	102,577
Sweden	76,784	77,856	223,528	229,312	316,670
Norway	21,458	23,217	61,137	68,643	90,916
Denmark	7,532	7,202	21,597	21,227	28,512
Central Europe	22,471	23,513	55,999	55,212	74,652
Eastern Europe	14,880	15,162	35,802	39,314	52,826
Inter-segment sales	-1,045	-1,609	-3,786	-7,427	-8,837
Group sales	**171,143**	**173,606**	**471,170**	**482,191**	**657,315**

EBITA (EUR 1,000)	7-9/14	7-9/13	1-9/14	1-9/13	1-12/13
Finland	7,472	7,240	14,978	13,081	19,312
% of sales	*25.7 %*	*25.6 %*	*19.5 %*	*17.2 %*	*18.8 %*
Sweden	17,187	18,549	37,877	40,758	55,334
% of sales	*22.4 %*	*23.8 %*	*16.9 %*	*17.8 %*	*17.5 %*
Norway	1,363	2,127	2,876	4,560	6,600
% of sales	*6.4 %*	*9.2 %*	*4.7 %*	*6.6 %*	*7.3 %*
Denmark	347	105	-1,016	-57	30
% of sales	*4.6 %*	*1.5 %*	*-4.7 %*	*-0.3 %*	*0.1 %*
Central Europe	426	1,982	-5,388	-1,295	-1,062
% of sales	*1.9 %*	*8.4 %*	*-9.6 %*	*-2.3 %*	*-1.4 %*
Eastern Europe	4,271	4,359	3,964	4,658	8,204
% of sales	*28.7 %*	*28.8 %*	*11.1 %*	*11.8 %*	*15.5 %*
Non-allocated Group activities	-611	-2,221	-6,239	-6,822	-8,766
Eliminations	12	140	250	300	297
Group EBITA	**30,469**	**32,280**	**47,303**	**55,183**	**79,948**
% of sales	***17.8 %***	***18.6 %***	***10.0 %***	***11.4 %***	***12.2 %***

Reconciliation of Group EBITA to profit before taxes (EUR 1,000)	7-9/14	7-9/13	1-9/14	1-9/13	1-12/13
Group EBITA	30,469	32,280	47,303	55,183	79,948
Amortisation and impairment resulting from acquisitions and disposals	-2,620	-2,477	-7,860	-10,212	-13,150
Net finance items	-3,090	-3,725	-9,857	-11,064	-14,857
Profit before taxes	**24,759**	**26,078**	**29,586**	**33,907**	**51,941**

Depreciation and impairment on tangible assets (EUR 1,000)	7-9/14	7-9/13	1-9/14	1-9/13	1-12/13
Finland	-4,307	-3,921	-12,686	-11,537	-15,609
Sweden	-10,073	-9,990	-29,552	-30,568	-40,211
Norway	-3,151	-3,508	-9,477	-10,579	-14,015
Denmark	-1,260	-1,126	-3,770	-3,400	-4,611
Central Europe	-3,046	-2,299	-8,545	-6,388	-8,875
Eastern Europe	-2,807	-2,681	-8,296	-8,152	-10,845
Non-allocated items and eliminations	61	70	162	206	299
Total	**-24,583**	**-23,455**	**-72,164**	**-70,417**	**-93,868**

Gross capital expenditure (EUR 1,000)	7-9/14	7-9/13	1-9/14	1-9/13	1-12/13
Finland	3,628	4,624	19,621	11,864	19,709
Sweden	18,538	17,236	40,633	32,564	46,919
Norway	1,172	1,191	7,195	24,357	26,613
Denmark	4,755	1,266	7,934	1,989	4,511
Central Europe	13,344	4,017	39,494	10,878	12,897
Eastern Europe	3,239	2,579	9,334	16,618	18,192
Non-allocated items and eliminations	406	226	1,240	600	776
Total	**45,080**	**31,140**	**125,451**	**98,871**	**129,616**

Assets (EUR 1,000)	30 Sep 2014	30 Sep 2013	31 Dec 2013
Finland	155,725	150,349	149,638
Sweden	493,908	511,586	493,154
Norway	120,639	127,091	119,396
Denmark	51,439	36,855	43,373
Central Europe	121,260	100,356	97,238
Eastern Europe	129,441	115,648	133,303
Non-allocated items and eliminations	47,759	65,239	38,608
Total	**1,120,172**	**1,107,124**	**1,074,710**

QUARTERLY SEGMENT INFORMATION

Sales by segment (EUR 1,000)	7-9/14	4-6/14	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13
Finland	29,061	25,122	22,711	26,667	28,265	24,651	22,995
Sweden	76,784	76,846	69,898	87,358	77,856	78,596	72,861
Norway	21,458	19,398	20,281	22,273	23,217	22,399	23,026
Denmark	7,532	7,451	6,614	7,285	7,202	6,409	7,615
Central Europe	22,471	20,389	13,138	19,440	23,513	20,461	11,238
Eastern Europe	14,880	11,940	8,982	13,512	15,162	11,665	12,486
Inter-segment sales	-1,045	-1,385	-1,357	-1,411	-1,609	-4,125	-1,692
Group sales	**171,143**	**159,761**	**140,267**	**175,124**	**173,606**	**160,056**	**148,529**

EBITA by segment (EUR 1,000)	7-9/14	4-6/14	1-3/14	10-12/13	7-9/13	4-6/13	1-3/13
Finland	7,472	4,705	2,800	6,231	7,240	3,526	2,315
% of sales	*25.7 %*	*18.7 %*	*12.3 %*	*23.4 %*	*25.6 %*	*14.3 %*	*10.1 %*
Sweden	17,187	11,567	9,123	14,576	18,549	12,247	9,961
% of sales	*22.4 %*	*15.1 %*	*13.1 %*	*16.7 %*	*23.8 %*	*15.6 %*	*13.7 %*
Norway	1,363	-55	1,567	2,040	2,127	1,523	910
% of sales	*6.4 %*	*-0.3 %*	*7.7 %*	*9.2 %*	*9.2 %*	*6.8 %*	*4.0 %*
Denmark	347	-570	-792	87	105	73	-235
% of sales	*4.6 %*	*-7.7 %*	*-12.0 %*	*1.2 %*	*1.5 %*	*1.1 %*	*-3.1 %*
Central Europe	426	-1,238	-4,575	233	1,982	1,396	-4,673
% of sales	*1.9 %*	*-6.1 %*	*-34.8 %*	*1.2 %*	*8.4 %*	*6.8 %*	*-41.6 %*
Eastern Europe	4,271	1,137	-1,445	3,546	4,359	384	-85
% of sales	*28.7 %*	*9.5 %*	*-16.1 %*	*26.2 %*	*28.8 %*	*3.3 %*	*-0.7 %*
Non-allocated Group activities	-611	-3,226	-2,402	-1,944	-2,221	-2,680	-1,921
Eliminations	12	150	88	-3	140	75	85
Group EBITA	**30,469**	**12,470**	**4,364**	**24,765**	**32,280**	**16,544**	**6,359**
% of sales	***17.8 %***	***7.8 %***	***3.1 %***	***14.1 %***	***18.6 %***	***10.3 %***	***4.3 %***

LARGEST SHAREHOLDERS

TEN LARGEST SHAREHOLDERS 30 Sep 2014		SHARES	%
1	Hartwall Capital Oy Ab	4 491 702	10,23
2	Rakennusmestarien Säätiö (Construction engineers' fund)	2 129 422	4,85
3	Nordea Nordenfund	1 579 918	3,60
4	Odin Finland	811 828	1,85
5	Fondita Nordic Micro Cap	750 000	1,71
6	Investment fund Aktia Capital	600 000	1,37
7	OP-Delta Fund	549 953	1,25
8	Varma Mutual Pension Insurance Company	518 387	1,18
9	Nordea Avanti Fund	485 304	1,11
10	OP-Finland Value Fund	451 707	1,03
	Ten largest owners, total	**12 368 221**	**28,17**
	Nominee registered	16 848 641	38,38
	Others	14 686 549	33,45
	Total	**43 903 411**	**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 28 October 2014

Cramo Plc
Board of Directors

BRIEFING

Cramo will hold a briefing and a live webcast at Kämp Kansallissali, address: Aleksanterinkatu 44 A (2nd floor) in Helsinki on Wednesday, 29 October 2014 at 11:00 a.m. 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 29 October 2014 in the afternoon.

PUBLICATION OF FINANCIAL INFORMATION 2015

Cramo Plc's Financial Statements Bulletin for 2014 will be published on Tuesday, 10 February 2015.

The Annual Report containing the full financial statements for 2014 will be published in electronic format in week 10/2015.

Cramo Plc's 2015 Annual General Meeting will take place on Tuesday, 31 March 2015, in Helsinki.

In 2015, Cramo Plc will publish three interim reports:

The interim report for January–March 2015 will be published on Tuesday, 5 May 2015.

The interim report for January–June 2015 will be published on Wednesday, 5 August 2015.

The interim report for January–September 2015 will be published on Thursday, 29 October 2015.

MORE INFORMATION

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