Rocla

*The intelligent way to move*

Annual Report 2008

Contents



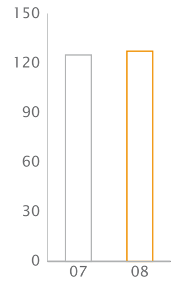
# *Year 2008*

- *Net sales grew by 1.8% to EUR 127.2 million.*
- *Operating profit declined to EUR 2.0 million*
- *Order book at the end of the year was EUR 13.6 million*
- *The Board proposes that no dividend be distributed for the year 2008.*
- *Rocla became a subsidiary of Mitsubishi Caterpillar Forklift Europe B.V.*

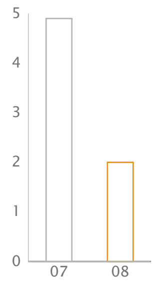
| Key figures | **2008** | Change, % | 2007 |
|---|---|---|---|
| Net sales, MEUR | **127.2** | 1.8 | 124.9 |
| Operating profit, MEUR | **2.0** | -58.4 | 4.9 |
| Order book, MEUR | **13.6** | -43.8 | 24.2 |
| Year-end personnel | **648** | 24.4 | 521 |
| Balance sheet total, MEUR | **107.5** | 25.8 | 85.5 |
| Profit/share, EUR | **-0.33** | -157.9 | 0.57 |
| Dividend/share, EUR *) | **0.00** | -100.0 | 0.25 |
| Equity ratio, % | **23.6** | -26.3 | 32.0 |

*) Board's proposal

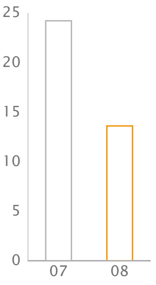
Net sales, MEUR




Operating profit, MEUR




Order book, MEUR



# *The intelligent way to move*

Rocla is a Finnish company whose core business is to provide intelligent materials handling solutions and services. The company develops, manufactures and markets warehouse trucks and automated guided vehicle (AGV) systems and provides complete services throughout their lifecycle. Customer-driven service and continuous innovation and improvement form the basis of its operations.

The company's products – industrial trucks and AGVs – and related services play a vital role in logistics within trade and industry, such as warehouse operations and production processes.

Rocla faces global competition in its operations. The company's main market area is Europe. The company has reinforced its own direct distribution channel in Finland, Estonia, Denmark and Russia in recent years.

Rocla is a part of the Japanese Mitsubishi Heavy Industries Group since the end of 2008.

Rocla serves the end-customers in the local markets through its own customer service organization.

Rocla markets its products through a network of partners in the rest of Europe.

*The year 2008 will be remembered as a multifaceted, challenging year. Whereas the year's beginning was commercially favourable to Rocla, the second half brought about considerable challenges.*

# *Year of organisational development and significant changes*

At the beginning of the year, Rocla implemented its home market strategy, with a view to seeking growth through its own distribution channel and service business. The company's Russian subsidiary expanded its service business by opening an office in Moscow at the beginning of the year.

Rocla continued to reinforce its own distribution channel, by acquiring the Danish VB Trucks A/S at the beginning of June. By this token, the Danish operations were brought to a level enabling the company to gain both advantages of scale and, most importantly, the confidence of customers. The improved market position and extended service network coverage have already come to fruition in the form of several, major new contracts concluded in Denmark. Although Denmark was one of the first European countries to slide into recession, the development of the company's sales and market position there was positive.

In Finland, Rocla seeks to be the best nationwide service partner to customers. With this purpose, the company continued to strengthen its domestic service and sales business. One of the highlights of the summer was the inauguration of the new premises in Lappeenranta, in addition to which Rocla restructured its redistribution network by concluding a retail contract with the nationwide entrepreneur-driven chain, Intolog.

Investment in the development of the service network and service sales in Finland proved lucrative, as Rocla's service business grew by approximately a fifth over the previous year. The implementation of a new, more stringent Act on the professional competence of forklift truck drivers and truck maintenance also contributed to boosting the growth of the service business in Finland. Moreover, the joint venture set up with Alfaroc Oy at the turn of 2009 will further complement Rocla's service portfolio with truck driver rental services.

## International design recognition

Rocla's product development investment in industrial design continued to receive well-deserved visibility. In March, the company was given an honourable mention in the prestigious red dot design competition, in which Rocla's tiller arm designed for warehouse trucks was acclaimed for its excellent usability and elegant design. This award constitutes major recognition of the first-class design work of the entire personnel.

In 2008, the most significant product development investment was the design and commercialisation of the new Rocla Rapid low-level order picker. Based on a careful analysis of the order picking process and user requirements, the design process resulted in an order picker offering of up to 20% higher efficiency, with state-of-the art ergonomics and first-class performance. The Rocla Rapid was launched at the beginning of 2009 and has already attracted the interest of customers. I strongly believe that the Rapid will become one of our most successful products. It provides the ideal complement to Rocla's product and service offering to logistics centres, which will enable us to establish a strong position as a provider of logistics solutions.

## Favourable winds for automation solutions

While demand for Rocla's automation solutions showed an upward trend, we also received international recognition when the automated warehouse truck, launched towards the end of 2007, was presented with the global AGVS Award. This award attests to the fact that Rocla's decision to combine automation with traditional warehouse trucks, and to build a business concept around it,

*The change in Rocla's ownership base will bring considerable advantages. As part of a large organisation, Rocla will gain significant advantages of scale, the new company size providing enhanced market credibility.*

was the right one. Customers are of the same mind, which has boosted demand for Rocla's automation solutions, with the effect that the first deliveries to customers were already made at the beginning of 2008.

**Mitsubishi's purchase offer to result in delisting**

At the end of the summer, Rocla was engaged in the development of an operational model based on three primary functions, namely products, services and solutions. The company aims to clarify its modes of operation and to establish cooperation across organisational boundaries. The large-scale implementation and promotion of these objectives is currently underway.

Operations during the second half of the year were influenced considerably by the public purchase offer by Mitsubishi Caterpillar Forklift Europe B.V. (MCFE). The shares purchased as the result of the purchase offer, together with those already held by MCFE, represent approximately 99.3 per cent of the entire share capital of Rocla at the end of 2008. MCFE aims to purchase the remaining shares in Rocla and to apply for the delisting of Rocla's shares during 2009.

The change in Rocla's ownership base will bring considerable advantages. As part of a large organisation, Rocla will gain significant advantages of scale, the new company size providing enhanced market credibility. The combined forces of MCFE and Rocla will open up significant opportunities for consolidation.

**From capacity expansion to adaptation measures**

The overall economic trend also reflected strongly on the forklift market. While the downturn in demand for warehouse trucks persisted, the positive economic growth experienced in Europe over several previous years plummeted towards the end of the year. The decline in the market is particularly evident in the volume of incoming orders from the retail channel.

One of Rocla's strategic objectives has been to achieve an annual production capacity of 10 000 trucks, which was indeed momentarily attained. However, the economic recession gaining ground towards the end of the year forced Rocla to implement adaptation measures which will essentially involve its entire personnel.

This year, Rocla will thus be faced with challenges brought on by the deteriorating market situation. On the other hand, deepened cooperation with Mitsubishi will open up new opportunities. Accordingly, it will be essential for Rocla to maintain constructive cooperation, focus on profitable operations and ensure high cost-efficiency in the future too.

I would like to extend my thanks to Rocla's staff for a job well done as well as to our partners and shareholders for your confidence in our work.

# *Growth in Local Markets and Automation Solutions*

*Rocla offers intelligent solutions for materials handling in its local markets, which consist of Finland, Russia, Estonia and Denmark. In addition to its own warehouse and automated lift trucks, Rocla represents other brand names. Rocla's home market strategy is based on the comprehensive offering of solutions and the further development of service concepts, in particular. This offering encompasses customers' requirements for storage and retrieval systems, from equipment sales to comprehensive sales packages, where Rocla assumes responsibility for the performance of its customers' entire truck fleets.*

In addition to its own service network, Rocla sells its products through its partner network. The most significant partners are Rocla's dealer network, Mitsubishi Caterpillar Forklift Europe and Mitsubishi Caterpillar Forklift America: the company sells its products in Europe and the USA through these channels. The network of independent dealers is made up of professionally run equipment merchants and reliable maintenance providers, which have Rocla, Mitsubishi or Cat Lift Truck® warehouse trucks, designed and manufactured by Rocla, as part of their solutions portfolio.

**Growing demand for automation and services**

The local market continued to expand as expected, while demand for services has also experienced positive growth. Sales of the new automated warehouse truck which Rocla launched during the previous year have increased and deliveries to customers have started well. Modular automated trucks, developed by Rocla, are easy to introduce and their payback time is short, in shift work environments in particular. Rocla received the second largest individual order for automated warehouse trucks, when Portugal's leading paper and pulp producer Portucel Soporcel Group decided to buy an automated warehouse truck solution for its new paper mill.

**New services introduced in Finland**

The growth that has characterised the Finnish forklift truck market over the previous few years stagnated during the year. Rocla is a market leader in warehouse trucks and one of the leading suppliers of counterbalance trucks and services in Finland. The company strengthened its position, particularly as a service provider, by expanding its service business by a fifth. This growth is based on the recruitment of service engineers and successful service contract sales. In 2008, Rocla restructured its sales network as cooperation with Novimec ended and the company entered into a new agreement with entrepreneur-driven Intolog.

As regards the additional service range, sales of driver training, in particular, were boosted by the implementation of a new Act at the beginning of 2009, under which employers have a statutory obligation to ensure that truck drivers hold written permissions and the required professional expertise. The prevalent labour shortage and increasing competence requirements, among other factors, are encouraging more and more customers to purchase truck and driver as a comprehensive service. Moreover, the joint venture set up with Alfaroc Oy at the turn of the year will complement Rocla's service portfolio with truck driver rental services.

Rocla delivered an entire truck fleet, together with servicing, to the national discount chain Tokmanni's logistics centre, which was completed in the spring. This logistics centre's status as the most progressive one in Europe creates an excellent framework for cooperation and opens up new prospects for product development in terms of Rocla's logistics centre operating model.

**Russian expansion continues**

In Rocla's Russian operations, 2008 was characterised by business development and organisational restructuring. The company expanded its operations in the growing Russian market by establishing an office in Moscow. This expansion is based on Rocla's strategy of strengthening its own direct distribution channel, especially in Russia.
The Moscow unit launched operations at the beginning of February through a sales team of approximately ten people with solid experience in the forklift industry. During the year, the company reinforced its sales organisation by recruiting new service and repair staff. The new premises in Moscow were inaugurated in September in the presence of a multitude of invited guests.

*Sales of the new automated warehouse truck which Rocla launched during the previous year have increased and deliveries to customers have started well*



The improved service capability and extended sales network have enabled Rocla to establish new customer relationships, such as the DSV, Schenker and Tablogix logistics centres. In addition, the company secured a major contract in St. Petersburg, when it received an order for the delivery and maintenance of the truck fleet at Nissan's new automotive factory.

The strong growth experienced by the Russian market over several years stalled during the last months of the year, shrinking Rocla's order book towards the year-end.

### Maintenance service increased in Estonia

In Estonia, the truck market experienced a downturn at the beginning of 2008 as the level of new investments remained low, after the construction projects launched during the period of growth were completed. The deteriorating market situation was also reflected in Rocla's new equipment sales. Service and rental services increased over the previous year.

### Growth in Denmark

In Denmark, Rocla's operations and market share developed favourably during the course of 2008, despite the downward trend in the overall market. Equipment sales and rental business increased according to plan, with the conclusion of more than 1 000 new truck service contracts.

Rocla's Danish subsidiary Rocla A/S secured the largest contract in the company's history through an intense, international, competitive bidding process. The customer is logistics company Andreas Andresen A/S, one of the largest food distributors in Denmark. During the first three years of the contract, Rocla will deliver a total of 250 trucks to Andresen. The contract also covers the full maintenance of the entire truck fleet.

In June 2008, Rocla expanded its operations in Denmark by acquiring the share capital of its previous dealer VB Trucks A/S. As a result of the acquisition, Rocla became one of the biggest players in the Danish forklift market, with approximately 140 employees. This expansion was well received by customers and Rocla concluded several new service contracts towards the end of the year. The most significant of these is the maintenance contract covering more than 400 trucks for Glud & Marstrand A/S, Scandinavia's leading producer of metal packaging products.

### Recession reflected in the distributor network

As a result of the recession, the market situation for forklift trucks weakened at the end of the year in Rocla's main market, Europe. In the USA, the industry languished for the second consecutive year. The trend inversion was also reflected in demand for Rocla's warehouse trucks. The public purchase offer by Mitsubishi Caterpillar Forklift Europe B.V., announced in October, resulted in a change of ownership, turning Rocla into a subsidiary of its former key partner. In the long run, this ownership arrangement will open up significant opportunities for expanded dealer network coverage and expertise in warehouse trucks.

# *Intelligent Solutions for Indoor Logistics*

*Rocla develops and manufactures both warehouse trucks and automated trucks under its own Rocla brand name. In addition, Rocla designs and manufactures warehouse trucks for the Mitsubishi and Caterpillar brands. These products are manufactured at the company's Järvenpää factory. In neighbouring regions, the product portfolio also includes represented logistics products as well as extensive service and solution offerings.*

Rocla aims to provide intelligent products and solutions that enhance customers' materials handling; the company has a comprehensive range of indoor warehouse trucks and automated trucks. Its main warehouse truck types are reach trucks, order pickers, pallet trucks and stackers. However, the firm's development and manufacture emphasis will be shifted to increasingly demanding products, high lifts, increased automation as well as user benefits attainable through various innovations.

**Customers Interested in Automatic Trucks**

Automated trucks enable the recurrent handling of laborious materials transfers reliably and cost-efficiently. Rocla's core competencies are particularly concentrated on automated pallet and roll handling. It is estimated that automation needs in logistics processes will grow as the availability of labour diminishes and costs become higher, especially in Europe. The strong level of interest in automated warehouse trucks became apparent immediately after their launch. After the first deliveries at the beginning of 2008, the number of significant orders received within one year was so high that the respective year-end order book level exceeded that of several preceding years, and the volume of incoming invitations for bids reached record heights.

Rocla's product range has been expanded through represented products, including counterbalance trucks, small manually operated equipment, towing trucks and combined trucks for narrow-aisle warehouses. The range of represented products will be expanded according to customers' requirements in the local markets.

**New Services Increase Indoor Logistics Efficiency**

Rocla is continuously expanding its service offering. The company has long-standing experience in comprehensive truck fleet maintenance and rental services. In addition, the service offering covers intralogistics analysis, consulting, driver training as well as fleet inspection services. The service portfolio has been expanded from driver services to the management of entire logistics processes or distinct sub-processes.

**From Record Speed to Production Restructuring**

Rocla's objective was to increase its annual production capacity to 10 000 trucks. This target was achieved in late 2007 through investment, the restructuring of production and increased automation. During 2008, approximately 8 200 trucks were manufactured, about the same number as in 2007. In the near future, investment needs will remain below the level of the past few years and will be focused on information system modernisations and further increasing the efficiency of the assembly process.

Truck manufacture capitalises on strong supplier and sub-contractor networks. Mast manufacture and the final assembly of warehouse trucks and automated trucks take place at the Rocla Järvenpää factory. At the beginning of 2008, order book levels were good. Moreover, the company was able to shorten product delivery times considerably by the autumn. Towards the end of the year, the rapidly deteriorating market situation presented a new set of challenges, requiring production capacity cutbacks that were implemented through temporary dismissals immediately before the year end.

The past year's development activities were focused on the development of procurement and sub-contractor collaboration and the enhancement of production processes e.g. by increasing the share of assembly-line type production. The change in Rocla's ownership base resulting from Mitsubishi Caterpillar Forklift Europe B.V.'s (MCFE) public purchase offer for the company's share, will bring along considerable advantages. The combined forces of MCFE and Rocla will open up

*Truck manufacture capitalises on strong supplier and sub-contractor networks. Mast manufacture and the final assembly of warehouse trucks and automated trucks take place at the Rocla Järvenpää factory.*



growth opportunities for Rocla while enabling the development of operations through the distribution of good practices across corporate boundaries. New opportunities will be provided particularly regarding purchasing, the allocation of production work as well as technology and product development.

## Praise for Product Development

Rocla's core product development competencies are concentrated on cutting-edge, award-winning design, combining automation know-how with expertise in warehouse trucks as well as efficient development processes. Rocla's investment in industrial design continued to attract attention during last year. In March, the company was given an honourable mention in the prestigious red dot design competition, in which over 3 200 products from 51 different countries participated. The Rocla h2 tiller arm designed for warehouse trucks was acclaimed for its excellent usability and elegant design.

The automated truck concept received considerable international recognition when Rocla was awarded the global AGVS Award 2008 in September. According to the chairman of the jury, the award signals capability, competitiveness and leadership within the industry. In explaining the grounds for their choice, the jury highlighted both the technical solution and the business concept built around it. Particular acknowledgement was given to the modular design and flexibility of the technical concept as well as to the leasing opportunities of the commercial concept.

## Comprehensive Solutions for Logistics Centres

One of the most important projects in 2008 was the development of the low level order picker. According to an independent researcher, the Rocla Rapid low level order picker provides an up to 20 percent higher performance than competing products. In addition, it offers 40 percent more space for the driver than equivalent models – a feature with considerable significance for the efficiency of the most labour-intensive picking operation. The Rocla Rapid was introduced in January 2009.

Rocla's product development process is characterised by innovativeness, fast prototype creation and the utilisation of simulations. Rocla's annual investment in product development amounts to approximately 3-4% of the company's net sales. Moreover, its share of service concepts and solutions of product development is continuously increasing. In 2008, the main product development objective was to create a solution-oriented offering for logistics centres. This offering is built around Rocla's standard products, reach trucks, power pallet trucks and order pickers. By combining its comprehensive maintenance and financing service with the automated warehouse truck launched a year ago, the new low level order picker, the data collection and reporting system Abbot, as well as the remote control and fleet management systems, Rocla has created an offering that has attracted the interest of several logistics operators in the local markets.

# *Towards a More International Work Community*

*Because the competition on competent human resources is increasing, Rocla aims to ensure the future availability of labour by developing as an employer. The transformation from an equipment supplier into a comprehensive service provider entailing also challenges. Rocla operates in global environment and meets different cultures. Rocla wants to be successful also internationally, understand cultural differences, act correctly in different cultures and be able to make most of these differences.*

The goal is to make Rocla into the best workplace, where employees are able to trust the organisation's management, take pride in their work and enjoy working with their colleagues.

Well-being at work is the result of meaningful tasks, quality leadership and a balance between work and personal life.

In 2008, the number of Rocla's employees increased on average by 24 per cent, totalling 648 on 31 December, with new employees being hired in maintenance and sales services, throughout neighbouring regions in particular. Rocla also increased its personnel by company purchase. Its employee turnover stood at 14 per cent.

The market situation in the truck business deteriorated as a result of the global financial crisis, and the number of truck orders received by the Rocla Group decreased compared to the beginning of the year and Q4 of last year. As a result, cooperative negotiations were begun last November. The goal of these negotiations is to increase the efficiency of our operations and reduce costs in order to secure Rocla's competitiveness and profitability. It was estimated that a work capacity reduction of around 20 per cent would be required. In December, temporary lay-offs of all personnel groups began in the Finnish units. Additionally, streamlining measures required by the situation of each unit and market area were begun in the foreign unit in question, as necessary.

## HR strategy

Rocla´s HR strategy points out f.ex. qualified superior acts, principles of continuous learning, attempting employer image and balance in life.

Rocla will continue its basic HR operations and their management. These aspects will be both maintained and developed. HR provides managers with tools and, if necessary, individual guidance on the management of required HR issues.

Rocla's leadership development process is systematic and continuous. Good leadership is part of our core competence. Fairness in leadership is achieved through consistency, transparency and interaction.

Development discussions are a key performance management tool. These discussions are hold regularly yearly and are reported to the HR System which is available to everyone. The agreed actions will be followed throughout the year in cooperation between superior and subordinate.

## Internationality

All issues important to Rocla effect all organisations and employees and take global effect. The local characteristics and applications are carried out in subsidiaries.

## Knowhow

Rocla is an advocate of the principle of continuous learning. Motivated and competent staff striving for continuous professional development is a fundamental precondition. Leadership training is systematic and continuous.

Rocla encourages job mobility within the company. Rocla supports employee training, career planning and job rotation, in particular based on its strategy. The need for employee training and implementation on an individual level are defined and monitored primarily by means of regular development discussions.

## Employer image

Rocla is a well-known and desirable employer both among active workers and students.

*Rocla´s HR strategy points out f.ex. qualified superior acts, principles of continuous learning, attempting employer image and balance in life.*

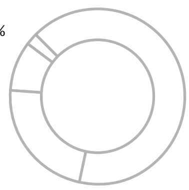
Rocla  gets plenty of job applications via internet. Rocla's employer profile is reputable and known. Rocla understands the significance of media and maintain the image. Rocla keeps up the image by working closely with different educational institutions and taking care of our present personnel.

**Wellbeing**

The primary focus of occupational health services is on prevention and co-operation with the service provider is being developed continuously. Rocla supports its employees' physical activity and other free-time activities and emphasises the importance of a balanced life. The staff restaurant is paying attention to the proper nutritional approach. The wellbeing is also considered in development discussions where the aspect is preventing the early retirement.

Personnel by gender

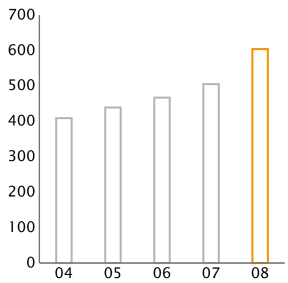

Personnel by country




Key figures

| | 2008 | 2007 |
|---|---|---|
| Personnel, average | **604** | 505 |
| Personnel, year-end | **648** | 521 |
| Net sales/employee EUR 1 000 | **210** | 247 |
| Average age, years | **42** | 41 |
| Employee turnover, % | **14** | 13 |
| Years of services, average | **9.7** | 9.4 |
| Training costs/personnel costs, % | **1.0** | 1.1 |

Personnel
average 2004–2008



# *Report of the Board of Directors*

## 2008 in brief

Rocla Group's operations saw widespread, major changes in 2008. During the first half of the year, the company extended its business operations by acquiring additional customer service resources in Russia and Finland, and by acquiring a Danish company in the forklift business. Market developments took a sharp turn during the year: the strong growth in the order book on the European forklift market during the first half gave way to monthly falls in demand over the latter half of the year. In October, Mitsubishi Caterpillar Forklift Europe B.V. (MCFE) published its public tender offer for Rocla shares, leading to a new ownership structure, with Rocla becoming a subsidiary of MCFE. At the turn of the year, Rocla Group began making adjustments to its business operations due to the worsening market situation, a significant part of which included temporary staff dismissals.

## Mitsubishi Caterpillar Forklift Europe B.V.'s public tender offer for Rocla shares

On 23 October 2008, Mitsubishi Caterpillar Forklift Europe B.V. (MCFE), the Dutch subsidiary of the Japanese Mitsubishi Heavy Industries, Ltd. company, made a public tender offer for all shares and option rights in Rocla Oyj, as a result of which MCFE's ownership rose to approximately 99 per cent of all such shares and voting rights, on 23 December 2008. Rocla has thus become a subsidiary of MCFE. Based on its ownership share of over nine tenths (9/10), MCFE has gained the right to redeem all shares held by any remaining shareholders in Rocla at fair value, in accordance with Chapter 18, Section 1 of the Companies Act. On 23 December 2008, MCFE notified Rocla of its decision to exercise its redemption right and presented its redemption claim for the remaining shares in accordance with the Companies Act.
Rocla Oyj has been listed on the Helsinki Stock Exchange's Main List since 1997. Mitsubishi Heavy Industries, Ltd. (MHI), headquartered in Tokyo, Japan, is one of the world's leading manufacturers of heavy machinery, with consolidated sales of 3,203 billion yen in the fiscal year ended 31 March 2008. MHI's diverse line-up of products and services encompasses shipbuilding, power plants, chemical plants, environmental equipment, steel structures, industrial and general machinery, aircraft, space technology and air-conditioning systems.

## Group structure

Rocla Group expanded its operations in Denmark in June, by acquiring the shares of VB Trucks A/S. Behind this deal is Rocla's strategy of strengthening its product, service and solution business in local markets. As a result of the deal, Rocla became one of the biggest players in the Danish forklift market. The name of the acquired company was changed to Rocla Danmark A/S and the company began operating as part of Rocla Group on 2 June 2008, from which date the figures for the acquired company are included in the Group figures. During the current year, the operations of Rocla's subsidiary Rocla A/S, which has being doing business in Denmark since 2000, and Rocla Danmark A/S, will be integrated. Following this deal, Rocla will employ around 140 persons in Denmark.

## Markets, development of order levels and key indicators

Overall demand for forklifts grew over the first four months of the financial year in Rocla's principal markets in Europe. From May, the markets shrank each month compared to the corresponding period in the previous year. Indeed, the year as a whole saw a reduction of 8% in worklift orders in the European markets, compared to the previous year. Moreover, warehouse trucks saw a reduction of 6% and counterbalance trucks 10%. Of the major markets, the heaviest downturn occurred in Spain, the UK and Italy, while Rocla's domestic markets, Denmark and Russia also experienced a significant reduction in demand. For its part, Finland saw a somewhat more moderate reduction.

On average, development in Rocla's warehouse truck orders matched market demand level, while trend in deliveries exceeded the industry average. Some 2% fewer warehouse trucks were delivered compared to the previous year, while the delivery volume of counterbalance trucks increased. In particular, this growth was attained through expansion projects in the service business in local markets.

Rocla's consolidated key business indicators were as follows:

| Meur | 1–12 2008 | 1–12 2007 | Change % |
|---|---|---|---|
| Net sales | 127.2 | 124.9 | 1.8 |
| Operating profit | 2.0 | 4.9 | -58.4 |
| Orders received | 88.8 | 98.2 | -9.6 |
| Order book at year-end | 13.6 | 4.2 | -43.8 |

78.6 per cent of consolidated net sales originated in exports and overseas operations (76.9 per cent in 2007).

## Development of operating profit

The Group's net sales, €127.2 million, showed an increase of 1.8% over the previous year (€124.9 million). Operating profit stood at €2.0 million (€4.9 million). However, operating profit plummeted during the last quarter of the year: while, at the end of September, it was still slightly larger than the previous year's, net sales for the last quarter were significantly lower and costs increased dramatically.

Operating profit for the last quarter was burdened by costs of approximately €0.8 million due to the expert services required by the public tender offer for Rocla shares and the expedited booking of the option system costs.

The Group's profit before taxes was also adversely affected by the strong increase in financing costs, which included an exchange rate loss of some €1.0 million in December caused by the devaluation of the rouble, related to the debts owed to the parent company by the Group's Russian subsidiary, OOO Rocla RUS. In addition, interest expenditure increased due to the increase of rental business, the general rise in interest rates and the financing required for the company acquisition in Denmark.

Consolidated profit before taxes came to €-1.8 million (€3.2 million) and net income for the period was €-1.4 million (€2.4 million).

**Balance sheet and financial position**

At the end of 2008, the consolidated balance sheet total stood at €107.5 million (€85.5 million). The balance sheet grew due to the company acquisition in Denmark of June 2008 in particular. Furthermore, the net interest-bearing liabilities of the Group totalled €59.0 million (€36.8 million), net gearing 234.6% (136.2%) and the equity-to-assets-ratio 23.6% (32.0%).

Cash flow from operations before investment totalled €6.2 million (€6.0 million) and that before external financing €-2.2 million (€1.1 million).

**Profitability**

Consolidated return on investment for the period, ROI, was 4.5% (8.6%). Return on equity, ROE, was -5.4% (9.4 %). Earnings per share, EPS, amounted to €-0.33 (€0.57). The year-end equity per share stood at €5.94 (€6.38).

**R&D and investment**

During the year gone by, Rocla's gross investments in R&D activities totalled €4.1 million, i.e. 3.2% of net sales (€4.5 million and 3.6% in 2007).

Gross investment in fixed assets was €8.2 million (€4.8 million), of which product development expenditure of €2.4 million (€2.1 million) was capitalised in line with IFRS practices.

**Management**

Tapio Rummukainen B.Sc. (Eng.) will act as the President and CEO of Rocla Oyj from 1 January 2008. In operational decision-making, the CEO will be assisted by a seven-member Executive Team consisting of the following directors: Jukka Viinikainen (Customer Services), Pentti Salonen (Products), Janne Polvilampi (Portfolio Development), Juha Mikkonen (Business Support), Hilkka Webb (Finance) and the directors supporting the Mitsubishi integration Wataru Mizunuma (Technology Development) and Katsumi Hamada (Business Planning).

In addition to the aforementioned, the extended Executive Team includes Jari Valtanen (Country Manager, Finland), Peter Møller (Country Manager, Denmark), Konstantin Titov (Country Manager, Russia), Anselmi Immonen (Director, Solutions), Kyösti Sarkkinen (Director, Mentoring), Maija Karhusaari (Director, Marketing and Communications) and Heikki Karsimus (Director, Development of the Solutions Business).

**Personnel**

In 2008, the Group had an average of 604 employees (505). At the end of the year, there were a total of 648 employees (521), of whom 219 (106) worked outside Finland. Most of this growth in personnel is attributable to the strengthening of our customer service organisations in local markets.

**Decisions of the Annual General Meeting 2008**

*Financial Statements*

At Rocla Oyj's Annual General Meeting, held on 26 March 2008, the accounts for the financial year 2007 were approved and the persons responsible were discharged from liability. According to the proposal of the Board of Directors, it was decided that a dividend of €0.25 per share would be paid. The record date for the dividend payment was 31 March and the payment date was 7 April.

*Cash Bonus*

The Annual General Meeting decided to pay a cash bonus to the Group personnel, amounting to €1 056 and given to all persons who were in the employment of Rocla Group throughout 2007.

*Board of Directors and Auditors*

The Annual General Meeting decided that the number of the Directors of the Board would be six. Ilkka Hakala, Eero Karvonen and Vesa Puttonen were re-elected, while Gregory E. King, Naoyuki Matsumura and Christian Ramm-Schmidt were elected as new members. At the first meeting of the Board of Directors, Vesa Puttonen was elected Chairman of the Board and Ilkka Hakala Vice Chairman. Of the members of the Board of Directors, Vesa Puttonen, Ilkka Hakala, Eero Karvonen and Christian Ramm-Schmidt are independent of the company and its principal owners.

The AGM elected KMPG Oy Ab, Authorised Public Accountants, as the company's auditor, with Lasse Holopainen, Authorised Public Accountant, acting as the principal auditor.

The number of Rocla Oyj's Board Members was reduced to five, when Gregory E. King relinquished his Board Membership on 31 May 2008 after resigning from the company's current owner, Mitsubishi Caterpillar Forklift America Inc.

*Election of Board Members in the Extraordinary General Meeting in January 2009*

At Rocla Oyj's Extraordinary General Meeting held on 13 January 2009 it was decided that the number of Directors of the Board would be five: Naoyuki Matsumura and Vesa Puttonen were re-elected, while Herman Hofland, Yuichi Mano and Hiroyuki Shimma were elected as new members. At the first meeting of the new Board of Directors, Hiroyuki Shimma was elected Chairman of the Board and Vesa Puttonen as Vice Chairman.

*Board Authorisations*

The Annual General Meeting authorised the Board to decide on the acquisition of 194,535 treasury shares and the transfer of treasury shares held by the company. Under this authorisation, the Board may issue a maximum of 230,000 shares based on one or several decisions. The authorisation is valid for a paid share issue.

Shares will be purchased in a ratio other than the current shareholder ownership ratio, through public trading arranged through the Helsinki Stock Exchange. These shares must be purchased at their fair value at the time of their purchase, as determined under public trading.

This authorisation shall remain valid until the Annual General Meeting of 2009, or a maximum of 18 months from the AGM's decision.

The authorisation includes waiving the existing shareholders' pre-emptive right to subscribe for shares (directed share issue) based on the prerequisites stated under law. This authorisation includes the right to decide on how the subscription price is entered in the company's balance sheet. The subscription price may be paid either through a monetary settlement or partly or entirely in exchange for a consideration in kind or by exercising the right to offset the subscription price.

The Board of Directors has the right to decide on all other conditions of the share issue. The share issue authorisation shall remain valid until the Annual General Meeting of 2009.

*Options*

The Annual General Meeting decided to issue stock options to the key personnel and Board members of Rocla Oyj as well as to a fully owned subsidiary of the company. It was thereby decided that a maximum total number of 300,000 stock options would be issued, entitling their owners to subscribe for a maximum total of 300,000 new shares in the company or treasury shares.

Of the options, it was decided that 100,000 would be marked with the symbol 2008A, 100,000 with 2008B and 100,000 with 2008C. In accordance with this decision, the subscription period for the shares will be 1 April 2011 to 31 March 2013 for option 2008A; 1 April 2012 to 31 March 2014 for option 2008B; and 1 April 2013 to 31 March 2015 for option 2008C.

Furthermore, this decision entails a share subscription price for option 2008A equal to the weighted average price of the company share during April 2008 increased by 10%, and for option 2008B a share subscription price equal to the weighted average price of the company share during April 2009 increased by 10%, and for option 2008C a share subscription price equal to the weighted average price of the company share during April 2010 increased by 10%.

The public tender offer issued by Mitsubishi Caterpillar Forklift Europe B.V. for Rocla's shares included a redemption offer for all option rights. MCFE therefore redeemed all of its option rights, a total of 109,000, in December 2008. Upon the end of the year, the company had no option scheme in effect.

**Impending risks and uncertainties**

The most significant, near-term risks to the Group's business operations are related to the uncertain development of product sales in the current economic recession, the efficacy of cost reductions, the securing of cash flow as operating volumes decrease and the exchange rate risk in the Russian business operations. Risks associated with raw material costs and component availability are expected to reduce as the economic situation declines. The company's goal is to lower its manufacturing costs through leveraging the opportunity to do so created by the declining economic trends and the fruits of ownership cooperation.

**Environmental issues**

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

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

**Litigation**

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

**Order book**

The Group's year-end order book stood at €13.6 million (€24.2 million), 43.6% lower than the level at the beginning of the year. The value of orders received during the year fell 9.6% to €88.8 million.

**Outlook**

Demand for trucks has declined in Rocla's principal markets in Europe since May 2008. We estimate that the business outlook will develop in line with the currently gloomy, global economic trends, and no significant revival in demand is expected during 2009. At the start of the financial period 2009, Rocla Group's order book for basic products is thin compared to its manufacturing capacity, due to which the company is undergoing adaptive measures in order to reduce costs. However, the service business is not vulnerable to the economic downturn to the same extent. Projects for the expansion of the service business in local markets over the last few years, and long-term service contracts already won, will ensure a certain sales volume even if customers become more cautious towards equipment investments. The order book for automation solutions is also at a satisfactory level, and based on the tender book, the company expects demand for automation solutions to increase over the next few years.

In 2009, it is estimated that Rocla Group's net sales will decrease compared to last year's levels. The goal is to adapt the company's costs to this shrinkage in business volumes. The company will start negotiating about reduction of work force in addition to the on-going temporary lay-offs.

# *Consolidated Income Statement (IFRS)*

| EUR 1 000 | Note | **2008** | % | 2007 | % |
|---|---|---|---|---|---|
| **Net sales** | 2,3 | **127 167** | 100.0 | 124 935 | 100.0 |
| Change in finished goods and work in progress | | **1 410** | | -1 623 | |
| Production for own use | | **0** | | 37 | |
| Other operating income | 4 | **216** | | 139 | |
| Materials and services | | **-71 887** | | -74 561 | |
| Personnel expenses | 5 | **-29 917** | | -24 112 | |
| Depreciation, amortisation and impairment | 7 | **-9 200** | | -7 254 | |
| Other operating expenses | 6 | **-15 754** | | -12 675 | |
| **Operating profit** | | **2 035** | 1.6 | 4 887 | 3.9 |
| Financial income | 8 | **1 383** | | 432 | |
| Financial expenses | 9 | **-5 168** | | -2 124 | |
| **Profit before taxes** | | **-1 750** | -1.4 | 3 196 | 2.6 |
| Income tax expense | 10 | **344** | | -837 | |
| **Net profit** | | **-1 406** | -1.1 | 2 359 | 1.9 |
| Earnings/share, EUR | | **-0.33** | | 0.58 | |
| Earnings/share, diluted, EUR | | - | | - | |

# *Consolidated Balance Sheet (IFRS)*

| EUR 1 000 | Note | **31 Dec 2008** | 31 Dec 2007 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | 12 | **8 413** | 7 564 |
| Goodwill | 12 | **2 489** | 2 115 |
| Property, plant and equipment | 13 | **43 580** | 30 519 |
| Available-for-sale investments | 14 | **48** | 93 |
| Non-current receivables | 21 | **261** | 582 |
| Total non-current assets | | **54 791** | 40 874 |
| **Current assets** | | | |
| Inventories | 16 | **34 964** | 23 892 |
| Trade and other receivables | 17, 21 | **16 224** | 19 701 |
| Available-for-sale investments | 22 | **18** | 17 |
| Cash and cash equivalents | 23 | **1 544** | 982 |
| Total current assets | | **52 749** | 44 593 |
| **Total assets** | | **107 540** | 85 467 |
| **Equity and liabilities** | | | |
| **Shareholders' equity** | | | |
| Share capital | 24 | **4 265** | 4 265 |
| Share premium account | 24 | **6 757** | 6 751 |
| Fair value reserve and other reserves | 26 | **8** | 36 |
| Translation differences | | **22** | 12 |
| Retained earnings | | **15 512** | 13 608 |
| Net profit for the period | | **-1 406** | 2 359 |
| Total shareholders' equity | 27 | **25 159** | 27 030 |
| **Non-current liabilities** | | | |
| Interest-bearing liabilities | 29 | **34 463** | 20 864 |
| Deferred tax liabilities | 11 | **1 742** | 1 916 |
| Total non-current liabilities | | **36 205** | 22 780 |
| **Current liabilities** | | | |
| Interest-bearing liabilities | 29 | **26 108** | 16 943 |
| Provisions | 28 | **397** | 405 |
| Other liabilities | 30 | **19 671** | 18 310 |
| Total current liabilities | | **46 176** | 35 657 |
| Total liabilities | | **82 381** | 58 437 |
| **Total equity and liabilities** | | **107 540** | 85 467 |

# *Consolidated Cash Flow Statement (IFRS)*

| EUR 1 000 | Note | 2008 | 2007 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Net profit for the period | | **-1 406** | 2 359 |
| Adjustments | | | |
| Non-cash transactions | | **-250** | -3 |
| Depreciation and amortisation | 7 | **9 200** | 7 254 |
| Financial income and expenses | 8,9 | **3 785** | 1 738 |
| Dividends received | 8 | **0** | -11 |
| Income taxes | 10 | **-344** | 837 |
| | | | |
| Change in net working capital | | | |
| Increase/decrease in trade and other receivables | | **5 256** | 1 704 |
| Increase/decrease in inventories | 16 | **-5 624** | -2 521 |
| Increase/decrease in trade and other payables | | **-583** | -3 189 |
| Increase/decrease in provisions | | **-8** | -104 |
| Interest paid | 9 | **-5 195** | -2 060 |
| Interest received | 8 | **1 383** | 80 |
| Income taxes paid | 10 | **0** | -42 |
| Net cash fl ow generated from operating activities | | **6 215** | 6 043 |
| | | | |
| **Cash flow from investing activities** | | | |
| Purchases of property, plant and equipment | | **-5 240** | -5 054 |
| Proceeds from sale of property, plant and equipment | | **23** | 115 |
| Acquisition of subsidiaries | | **-3 152** | 0 |
| Loans granted | | **0** | 0 |
| Dividends received | 8 | **0** | 11 |
| Net cash used in investing activities | | **-8 368** | -4 928 |
| | | | |
| **Cash flow from financing activities** | | | |
| Proceeds from borrowings | | **13 091** | 5 331 |
| Repayments of borrowings | | **-5 942** | -7 406 |
| Increase in equity | | **0** | 2 472 |
| Repayment of finance lease liabilities | | **-3 212** | -2 491 |
| Dividends paid | | **-1 059** | -782 |
| Net cash flow of financing activities | | **2 885** | -2 875 |
| | | | |
| **Change in cash and cash equivalents** | | **732** | -1 760 |
| | | | |
| Cash and cash equivalents at year start | | **982** | 2 742 |
| Foreign exchange gains/losses | | **-171** | 0 |
| **Cash and cash equivalents at year end** | 23 | **1 544** | 982 |

# *Consolidated Statement of Changes in Equity (IFRS)*

| EUR 1 000 | Share capital | Share premium account | Translation differences | Fair value reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|---|
| Balance at 1 Jan 2008 | 4 265 | 6 751 | 12 | 36 | 15 967 | 27 030 |
| Translation differences | | | 340 | | | 340 |
| Net fair value gains/losses | | | | -27 | | -27 |
| Transfer of treasury shares | | 7 | | | | 7 |
| Net profit for the period | | | | | -1 406 | -1 406 |
| Dividends | | | | | -1 059 | -1 059 |
| Share-based incentives, value of received services | | | | | 275 | 275 |
| Balance at 31 Dec 2008 | 4 265 | 6 757 | 352 | 8 | 13 777 | 25 159 |

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

# Notes to the Consolidated Financial Statements

## 1. Accounting policies

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

The consolidated financial statements include the accounts of the following Group companies: Rocla Oyj, Rocla A/S and its wholly owned subsidiary Rocla Rent A/S, OOO Rocla Rus, Rocla Eesti Oü, Rocla AB, Kiinteistö Oy Roclankuja 1 and Rocla Danmark A/S, that was acquired on June 2, 2008. Starting from that date, Rocla Danmark's accounts are consolidated to the group statements. All Group companies' accounting year equals the calendar year.

These consolidated financial statements for 2008 are Rocla's fourth prepared in accordance with the International Financial Reporting Standards (IFRS) while adhering to the related standards under IFRS/IAS effective since 31 December 2008, as well as SIC and IFRIC interpretations.

The Group has not applied the following standards and interpretations, which have already been issued but the application of which is not mandatory: IFRS 8 Operating segments, IAS 1 (revised) Presentation of financial statements; IFRS 2 Share-based paymenst, IFRS 3 (revised) Business combinations, IAS 27 (revised) Consolidated and separate financial statements. These standards and interpretations are not expected to have any material effect on the Group's results or balance sheet.

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

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

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

### Judgements and assumptions

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

### Consolidation principles

The consolidated financial statements include the accounts of the parent company Rocla Oyj and each of those subsidiaries in which the parent company holds, directly of indirectly, over 50 per cent of the voting rights entitled by the shares, or over which the parent company exercises control. Intra-Group shareholdings are eliminated using the acquisition cost method. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date on which said control ceases. Intra-Group transactions, receivables, liabilities and unrealised gains, as well as profit allocation are eliminated in the consolidated financial statements. Unrealised losses are not eliminated if said losses are due to impairment. When applying the acquisition cost method, the assets and liabilities of an acquired business, as well as commitments are measured at fair value on the date of acquisition, and goodwill is the residual stemming from the fair value of the acquired net assets exceeding that of the consideration given. Instead of amortising goodwill amounts, they are subject to an annual impairment test. In accordance with the exemption under IFRS 1, company acquisitions carried out before the date of transition to IFRS were not adjusted to comply with IFRS, but the related FAS-compliant values were used.

### Foreign currency transactions

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

### Reporting by Business Segment

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

### Revenue recognition

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

### Research and development

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

### Income tax

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

### Goodwill and other intangible assets

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

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

### Property, plant and equipment

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

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

### Derivative instruments

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

### Inventories

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

### Accounts receivable

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

### Financial assets

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

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

### Originated loans and other receivables

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

### Available-for-sale assets

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

### Cash and cash equivalents

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

### Financial liabilities

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

### Treasury shares

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

### Government grants

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

### Provisions

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

### Impairment

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

**Leases**

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

**Employee benefits**

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

**Share-based payment**

Rocla's 1998 share option scheme was directed, as a special issue, at the staff, management and Board Members of Rocla Group, and the options remained valid until 24 April 2007. Based on this scheme, during 2007, shares were subscribed at €7.60 per share. These share subscriptions increased the company's equity capital and premium fund.
The 2008 Annual General Meeting decided to allocate option rights to the key personnel, the Board members and to a fully owned subsidiary of the company. The option rights were valued according to the fair value based on the Black-Scholes model at the time of allocation.

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

**Dividend payment**

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

**Earnings per share**

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

**Operating profit**

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

## 2. Segment information

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

**Geographical segments**

| **2008**<br>EUR 1 000 | Finland | Denmark | Rest of Europe | North and-South America | Rest of world | Group |
|---|---|---|---|---|---|---|
| Net sales by region | 27 155 | 18 823 | 69 093 | 8 683 | 3 412 | 127 167 |
| Assets by region | 65 326 | 32 996 | 9 219 | 0 | 0 | 107 540 |
| Capital expenditure by region | 7 488 | 554 | 160 | | | 8 202 |

| 2007<br>EUR 1 000 | Finland | Denmark | Rest of Europe | North and-South America | Rest of world | Group |
|---|---|---|---|---|---|---|
| Net sales by region | 28 898 | 10 667 | 70 821 | 10 159 | 4 389 | 124 935 |
| Assets by region | 68 022 | 13 565 | 3 880 | | | 85 467 |
| Capital expenditure by region | 4 036 | 560 | 175 | | | 4 770 |

## 3. Revenue recognition based on percentage of completion

Consolidated net sales include € 4,9 million (M€ 6,1) in construction-contract revenue recognised on the percentage of- completion basis. The consolidated balance sheet includes €0.6 million (M€0.6) in advances received from construction contracts in progress and €0.8 million (M€0.5) in uninvoiced trade receivables.

Based on an estimate describing the extent of uncertainty caused by assessments related to construction contracts, the consolidated net profi t for the fi nancial year would decline by €0.6 million if the total costs of unfi nished contracts recognised on the percentage-of-completion basis rose by 10% in comparison with the assessment.

## 4. Other operating income

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Gains on sale of property, plant and equipment | **23** | 49 |
| Other income | **193** | 90 |
| Total | **216** | 139 |

## 5. Personnel and employee benefits expenses

| | **2008** | 2007 |
|---|---|---|
| Average personnel | **604** | 505 |
| Year-end personnel | **648** | 521 |

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

Employee benefits expenses

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Wages and salaries | **23 918** | 20 375 |
| Social expenses | **3 210** | 919 |
| Pensions | | |
| Defined contribution plans | **2 749** | 2 792 |
| Other post-employment benefits | **41** | 26 |
| Total | **29 917** | 24 112 |

## 6. Other operating expenses

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Travel expenses | **1 913** | 1 757 |
| External services | **3 232** | 2 296 |
| Rents | **1 949** | 1 417 |
| Advertising | **653** | 701 |
| Operating and maintenance expenses | **1 137** | 919 |
| Other expenses | **6 871** | 5 585 |
| Total | **15 754** | 12 675 |

## 7. Depreciation and impairment loss

EUR 1 000

| Planned depreciation and amortisation | **2008** | 2007 |
|---|---|---|
| Other intangible assets | **2 224** | 2 027 |
| Buildings and structures | **727** | 750 |
| Machinery and equipment | **6 250** | 4 477 |
| Total | **9 200** | 7 254 |

The Group did not recognise impairment losses on intangible or tangible assets in 2007 - 2008. Goodwill is not amortised as of 1 January 2004.

## 8. Financial income

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Dividend income from available-for-sale investments | **0** | 11 |
| Interest income from | | |
| liabilities and receivables | **61** | 78 |
| non-hedge accounting derivatives | **0** | 96 |
| Exchange rate gains on trade receivables | **1 322** | 247 |
| Total | **1 383** | 432 |

### 9. Financial expenses

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Interest expenses on liabilities recognised at amortised cost | **-2 609** | -1 932 |
| Non-hedge accounting derivatives | **-259** | 0 |
| Other financial expenses | **-28** | -12 |
| Exchange rate losses on trade receivables | **-2 272** | -180 |
| Total | **-5 168** | -2 124 |

| | | |
|---|---|---|
| Changes in fair value included in operating profit | | |
| Impairment losses on trade receivables | **100** | -221 |

### 10. Income tax expenses

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Current tax | **0** | -981 |
| Deferred tax | **344** | 144 |
| Total | **344** | -837 |

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

| | **2008** | 2007 |
|---|---|---|
| Consolidated pre-tax profit | **-1 750** | 3 196 |
| Income tax on consolidated pre-tax profit according to the Finnish corporate income tax rate | **455** | -831 |
| Difference between Finnish and foreign corporate income tax rates | **-25** | -1 |
| Tax effect of non-deductible expenses | **-250** | -13 |
| Changes in deferred tax assets for previous years | **-41** | 3 |
| Tax for previous years | **108** | 10 |
| Effects of consolidation and elimination | **95** | -5 |
| Tax effect of sale of treasury shares | **2** | - |
| Total | **344** | -837 |

### 11. Deferred tax in the balance sheet

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Deferred tax assets | **1 922** | 747 |
| Deferred tax liabilities | **-3 664** | -2 663 |
| Net deferred tax liability | **-1 742** | -1 916 |

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

Gross change in deferred tax in the balance sheet

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Deferred tax, 1 Jan | **-1 916** | -1 122 |
| Deferred tax charged to profit | **344** | 144 |
| Translation differences | **-72** | 0 |
| Items recognised in equity | **-98** | -938 |
| Deferred tax, 31 Dec | **-1 742** | -1 916 |

### 12.a Intangible assets

| EUR 1 000 | Internally generated intangiblet assets | Intangible rights | Goodwill | Advances paid and other non-current assets | Total 2008 | Total 2007 |
|---|---|---|---|---|---|---|
| Acquisition costs, 1 Jan 2008 | 12 658 | 3 962 | 2 115 | 73 | 18 807 | 16 395 |
| Additions | 2 011 | 268 | 375 | 605 | 3 258 | 2 471 |
| Disposals | | | | | 0 | -59 |
| Acquisition costs, 31 Dec 2008 | 14 669 | 4 230 | 2 489 | 678 | 22 065 | 18 807 |
| Accumulated amortisation, 1 Jan 2008 | -5 775 | -3 282 | 0 | -71 | -9 128 | -7 100 |
| Amortisation charge | -1 716 | -314 | 0 | -6 | -2 036 | -2 028 |
| Accumulated amortisation, 31 Dec 2008 | -7 491 | -3 596 | 0 | -77 | -11 164 | -9 129 |
| Book value, 31 Dec 2008 | 7 178 | 634 | 2 489 | 601 | 10 901 | |
| Book value, 31 Dec 2007 | 6 883 | 679 | 2 115 | 2 | | 9 679 |

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

| EUR 1 000<br>2008 | Intangible rights | Total |
|---|---|---|
| Acquisition cost | 437 | 437 |
| Accumulated amortisation | -341 | -341 |
| Book value, 31 Dec 2008 | 96 | 96 |

| EUR 1 000<br>2007 | Intangible rights | Total |
|---|---|---|
| Acquisition cost | 626 | 626 |
| Accumulated amortisation | -465 | -465 |
| Book value, 31 Dec 2007 | 161 | 161 |

### 12.c Impairment test of CGU goodwill

CGU goodwill

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Russia | **664** | 582 |
| Denmark | **375** | |
| Automated warehouse trucks | **1 451** | 1 532 |
| Total | **2 489** | 2 115 |

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

The Group uses WACC (Weighted average cost of capital) as a discount rate defining the requirement set for pre-tax return on capital. The calculation components of this return requirement include a risk-free rate of return, market-risk premium, industry-specific beta coefficient, cost of liabilities and targeted capital structure. In 2008, the discount rate was 10.8% (10.8%). On the basis of the impairment test, there was no need to recognize impairment losses. Somewhat likely changes in the components of the return requirement will have no determining effect on the impairment test result.

### 13.a Tangible assets

| EUR 1 000 | Land | Buildings and structures | Machinery and equipment | Advances paid and constructions in progress | Total 2008 | Total 2007 |
|---|---|---|---|---|---|---|
| Acquisition costs, 1 Jan 2008 | 1 000 | 12 404 | 45 870 | 94 | 59 368 | 50 602 |
| Additions | | | 18 826 | 483 | 19 309 | 9 126 |
| Disposals | | 1 239 | -376 | -288 | 576 | -361 |
| Re-classification | | | -130 | -94 | -224 | 0 |
| Translation differences | | | | | | |
| Acquisition costs, 31 Dec 2008 | 1 000 | 13 643 | 64 190 | 195 | 79 027 | 59 368 |
| | | | | | | |
| Accumulated amortisation, 1 Jan 2008 | | -3 110 | -25 737 | | -28 848 | -23 904 |
| Disposals | | | 376 | | 376 | 283 |
| Amortisation charge | | -727 | -6 250 | | -6 977 | -5 227 |
| Translation differences | | | | | | 0 |
| Accumulated amortisation, 31 Dec 2008 | | -3 837 | -31 611 | | -35 449 | -28 848 |
| | | | | | | |
| Book value, 31 Dec 2008 | 1 000 | 9 806 | 32 579 | 195 | 43 580 | |
| Book value, 31 Dec 2007 | 1 000 | 9 293 | 20 132 | 94 | | 30 519 |

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

| EUR 1 000<br>2008 | Machinery and equipment | Total |
|---|---|---|
| Acquisition cost | 36 135 | 36 135 |
| Accumulated amortisation | -13 278 | -13 278 |
| Book value, 31 Dec 2008 | 22 857 | 22 857 |

| EUR 1 000<br>2007 | Machinery and equipment | Total |
|---|---|---|
| Acquisition cost | 24 826 | 24 826 |
| Accumulated amortisation | -10 589 | -10 589 |
| Book value, 31 Dec 2007 | 14 237 | 14 237 |

### 14. Available-for-sale investments

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Carrying amount, 1 Jan | **93** | 92 |
| Changes in fair value | **-8** | 0 |
| Changes in fair value | **-38** | 1 |
| Carrying amount, 31 Dec | **48** | 93 |
| | | |
| Listed shares | **46** | 91 |
| Non-listed shares | **2** | 2 |
| Total | **48** | 93 |
| | | |
| Fair value | **48** | 93 |
| Acquisition cost | **5** | 13 |
| Changes in fair value | **43** | 80 |
| Deferred tax liability | **-11** | -21 |
| Fair value change of available-for-sale investments | **32** | 60 |

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

### 15.a Financial risk management

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

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

### 15.b Currency risks

The Group aims to hedge against currency risks by favouring the euro to the greatest possible extent in non-euro area transactions and by selecting other invoicing and purchasing currencies in such a way that foreign currency-denominated income and expenses correspond to one another as well as possible. A significant proportion of the cash flows of the Group's Danish subsidiaries is denominated in the Danish krone (DKK). The business of the Russian subsidiary OOO Rocla RUS is mainly rouble-denominated. The invoicing currency of truck deliveries to the USA, based on the Mitsubishi Caterpillar Forklift partnership, is also the euro. Whenever necessary, the Group hedges against currency risks by concluding forward exchange contracts. On 31 December 2008, the Group had no forward exchange contracts .

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

| | | Impact on result before taxes 2008 | Impact on shareholders' equity 2008 | Impact on result before taxes 2007 | Impact on shareholders' equity 2007 |
|---|---|---|---|---|---|
| USD/EUR, increase/decrease | **5 %** | -0.1 | 0.0 | -0.1 | 0.0 |
| | **-5 %** | 0.1 | 0.0 | 0.1 | 0.0 |
| RUR/EUR, increase/decrease | **5 %** | 0.1 | 0.2 | 0.1 | 0.2 |
| | **-5 %** | -0.1 | -0.2 | -0.1 | -0.2 |

### 15.c Interest rate risk

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

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

| **2008** | 2007 |
|---|---|
| **6 000** | 9 000 |

### 15.d Liquidity risks

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

Maturation analysis of financial liabilities

| EUR 1 000 | Maturation Dec 31.2008 < 1 year | 1–5 years | > 5 years | Total |
|---|---|---|---|---|
| Loans | | | | |
| Repayment | -8 484 | -14 461 | -3 272 | -26 217 |
| Bank account overdraft | | | | |
| Repayment | -12 037 | | | -12 037 |
| Finance lease liabilities | -6 543 | -19 518 | -924 | -26 985 |
| Derivatives | -40 | -88 | 0 | -128 |
| Trade payables | -11 043 | | | -11 043 |
| Trade payables | **-38 147** | **-34 067** | **-4 196** | **-76 410** |

| EUR 1 000 | Maturation Dec 31 2007 < 1 year | 1–5 years | > 5 years | Total |
|---|---|---|---|---|
| Loans | | | | |
| Repayment | -5 596 | -6 766 | -4 215 | -16 578 |
| Bank account overdraft | | | | |
| Repayment | -9 070 | | | -9 070 |
| Finance lease liabilities | -5 014 | -10 761 | -662 | -16 438 |
| Derivatives | 0 | 223 | 0 | 223 |
| Trade payables | -10 490 | | | -10 490 |
| Total payments | **-30 170** | **-17 305** | **-4 877** | **-52 353** |

### 15.e Commercial risks

Rocla Group regularly evaluates counterparty or credit-loss risks associated with its customers. The Group's customers consist mainly of corporate customers with a solid financial standing and long-standing, major partners. Given that trade receivables are divided quite evenly among Group customers, Rocla estimates that it is not exposed to any major individual credit risks. The Group aims to hedge against credit risks through credit ceilings, active control and by covering risks based on credit insurance. At the end of the year, write-offs of trade receivables totalled M€0.1 (0.2).

Age distribution of trade receivables excluding written off receivables

| EUR 1 000 | **31.12. 2008** | 31.12. 2007 |
|---|---|---|
| Non-matured and under 30 days outstanding receivables | **11 286** | 15 060 |
| 30 to 60 days outstanding | **978** | 366 |
| over 61 days outstanding | **760** | 1 381 |
| Carrying amount of trade receivables | **13 024** | 16 807 |

### 16. Inventories

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Materials and supplies | **18 407** | 13 416 |
| Work in progress | **2 519** | 1 929 |
| Finished products and goods | **14 037** | 8 548 |
| Total | **34 964** | 23 892 |

The amount of inventories whose book value has been reduced to the net realisable value totals €0.6 million (€0.6 million in 2007).

### 17.a Financial leases (gross investment in lease)

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| No later than 1 year | **0** | 37 |
| 1 to 5 years | **0** | 28 |
| Total | **0** | 65 |
| Future financial income | **0** | 5 |
| Minimum lease payment, present value | **0** | 60 |

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

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| No later than 1 year | **0** | 34 |
| 1 to 5 years | **0** | 26 |
| Total | **0** | 60 |

### 18. Operating lease (total minimum lease payments)

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| No later than 1 year | **6 008** | 5 801 |
| 1 to 5 years | **10 914** | 10 970 |
| Over 5 years | **232** | 201 |
| Total | **17 154** | 16 971 |

### 19. Unguaranteed residual value payable to lessor

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| | **0** | 181 |

### 20. Overview of leases

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

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

### 21.a Trade and other receivables

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Long-term | | |
| Interest-bearing | | |
| Receivables from hire-purchase transactions | **261** | 582 |
| Finance lease receivables | **0** | 0 |
| Total | **261** | 582 |

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

| | | |
|---|---|---|
| Short-term | | |
| Interest-bearing | | |
| Loans receivable | **20** | 17 |
| Receivables from hire-purchase transactions | **321** | 309 |
| Total | **340** | 326 |
| | | |
| Non-interest bearing | | |
| Trade receivables | **13 024** | 16 807 |
| VAT receivables | **29** | 424 |
| Accrued income and prepaid expenses | **2 036** | 1 899 |
| Other receivables | **795** | 245 |
| Total | **15 883** | 19 375 |

### 21.b Doubtful receivables deductedfrom trade receivables

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Doubtful receivables, 1 Jan | **375** | 152 |
| Additions | **79** | 292 |
| Reductions | **-324** | -39 |
| Payments received | **0** | -30 |
| Doubtful receivables, 31 Dec | **131** | 375 |

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

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Receivables from revenue based on percentage-of-completion | **789** | 532 |
| Other accrued income and prepaid expenses | **1 247** | 1 366 |
| Total | **2 036** | 1 899 |

### 22. Available-for-sale investments

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Carrying amount, 1 Jan | 17 | 17 |
| Changes in fair value | 1 | 1 |
| Carrying amount, 31 Dec | 18 | 17 |
| | | |
| Investments in bond funds | 18 | 17 |
| Total | 18 | 17 |
| | | |
| Fair value | 18 | 17 |
| Acquisition cost | 14 | 14 |
| Changes in fair value | 4 | 3 |
| Deferred tax liability | -1 | -1 |
| Total | 3 | 2 |

### 23. Cash and cash equivalents

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Bank deposits | 1 544 | 982 |
| Total | 1 544 | 982 |

### 24. Share capital

| | No. of shares 1 000 pcs | Share capital | Share premium | Total |
|---|---|---|---|---|
| 1 Jan 2007 | 3 909 | 3939 | 4 604 | 8 543 |
| Shares subscribed on the basis of stock options | 325 | 325 | 2 147 | 2 472 |
| 31 Jan 2007 | 4 234 | 4 265 | 6 751 | 11 016 |
| Treasury shares, 31 Dec 2007 | 31 | | | |
| Total no. of shares, 31 Dec 2007 | 4 265 | | | |
| | | | | |
| Disposal of treasury shares | 2 | | 7 | 7 |
| 31 Jan 2008 | 4 236 | 4 265 | 6 757 | 11 022 |
| Treasury shares | 29 | | | |
| Total no. of shares, 31 Dec 2008 | 4 265 | | | |

### 25.a Bond with warrants and warrants

The Annual General Meeting 2008 decided to issue stock options to the key personnel and Board members of Rocla Oyj as well as to a fully owned subsidiary of the company. The public tender offer issued by Mitsubishi Caterpillar Forklift Europe B.V. for Rocla's shares included a redemption offer for all option rights. MCFE therefore redeemed all of the option rights, a total of 109 000, in December 2008. The costs of the option program about MEUR 0.3 are booked as personnel expenses in the income statement. Upon the end of the year, the company had no option scheme in effect.

### 25.b Other share-based payment

Rocla applied a share-based bonus scheme to its top management in 2007. Payable bonuses were determined by the level of operating profit. Expenses (60 per cent in cash and 40 per cent in terms of company shares) resulting from this scheme were charged to employee benefits expenses for the period to which said bonuses relate. The incentive scheme was effective for one year at a time. The number of shares and costs under the share-based bonus scheme are as follows:

| | 2008 | 2007 |
|---|---|---|
| Previously granted shares, no | 1 723 | 0 |
| Bonuses granted for the period, no | 0 | 1 723 |
| Shares distributed during period, no | 1 723 | 0 |
| Incurred costs, EUR 1 000 | 0 | 49 |
| Share's fair value on the date of determining the scheme for the period, eur | 11,54 | 11,54 |

### 26. Fair value reserves

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Fair value reserve for available-for-sale investments | 8 | 36 |
| Total | 8 | 36 |

### 27. Equity attributable to shareholders

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Unrestricted shareholders' equity | 15 543 | 13 656 |
| Net profit for the financial year | -1 406 | 2 359 |
| Voluntary provisions in shareholders' equity | -520 | -357 |
| Total | 13 617 | 15 657 |
| | | |
| Voluntary provisions | | |
| Accumulated depreciation difference | 520 | 357 |
| Total voluntary provisions | 520 | 357 |
| Deferred tax liability on voluntary provisions | -135 | -93 |
| Total | 385 | 264 |

### 28. Provisions

Warranty provisions

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Provisions, 1 Jan | 405 | 447 |
| Increase in provisions | 0 | 0 |
| Used provisions | 8 | 42 |
| Provisions, 31 Dec | 397 | 405 |
| Short-term provisions | 397 | 405 |
| Total | 397 | 405 |

### 29.a Interest-bearing liabilities

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Long-term | | |
| Loans from financial institutions | **15 676** | 9 361 |
| Finance lease liabilities | **18 714** | 11 503 |
| Other liabilities | **72** | - |
| Total | **34 463** | 20 864 |
| | | |
| Short-term | | |
| Loans from financial institutions | **7 509** | 4 902 |
| Bank overdrafts | **11 997** | 9 032 |
| Finance lease liabilities | **5 666** | 3 009 |
| Other liabilities | **935** | 0 |
| Total | **26 108** | 16 943 |

### 29.b Finance lease liabilities (minimum lease payments)

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| No later than 1 year | **6 543** | 5 092 |
| 1 to 5 years | **19 518** | 11 312 |
| Over 5 years | **924** | 670 |
| Total | **26 985** | 17 074 |
| Future financial expenses | **-2 605** | -2 562 |
| Minimum lease payment, present value | **24 380** | 14 512 |

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

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| No later than 1 year | **5 666** | 4 351 |
| 1 to 5 years | **17 842** | 9 528 |
| Over 5 years | **872** | 633 |
| Total | **24 380** | 14 512 |

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

| EUR 1 000 | 2009 | 2010 | 2011 | 2012- | 2013 | 2014 | Total |
|---|---|---|---|---|---|---|---|
| Loans from financial institutions | 7 509 | 3 472 | 3 472 | 3 272 | 2 452 | 3 008 | **23 186** |
| Finance lease liabilities | 5 666 | 5 548 | 4 693 | 4 292 | 3 310 | 872 | **24 380** |

### 30.a Trade payables and other payables

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Non-interest bearing | | |
| Trade payables | **11 043** | 10 490 |
| Advances received | **938** | 909 |
| Other payables | **1 393** | 1 184 |
| Accrued expenses and deferred ncome | **6 298** | 5 727 |
| Total | **19 671** | 18 310 |

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

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Items related to employee benefits expenses | **3 686** | 4 629 |
| Other accrued expenses and deferred income | **2 612** | 1 098 |
| Total | **6 298** | 5 727 |

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

| EUR 1 000 | 2008 Carrying amount | 2007 Carrying amount |
|---|---|---|
| Financial assets at fair value through profit or loss | | |
| Cash and cash equivalents | **1 544** | 982 |
| Derivatives, non-hedge accounting | **-71** | 188 |
| Originated loans and other receivables | | |
| Long-term finance receivables | **261** | 582 |
| Other long-term receivables | **340** | 326 |
| Short-term finance receivables | **13 024** | 16 807 |
| Available-for-sale investments / cash and cash equivalents | **18** | 17 |
| Total financial assets | **15 116** | 18 902 |
| | | |
| Financial liabilities at fair value through profit or loss | | |
| Long-term interest-bearing liabilities | **34 463** | 20 864 |
| Decrease in long-term liabilities during next year | **7 509** | 4 902 |
| Short-term interest-bearing liabilities | **18 599** | 12 041 |
| Trade and other short-term payables | **11 043** | 10 490 |
| Total financial liabilities | **71 614** | 48 296 |

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

### 32. Capital management

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

Loan agreements include covenants which may have an impact on the Group's financial expenses. On Dec 31, 2008, the Group does not meet all the minimum levels set for those covenants.

### 33. Contingent liabilities

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Pledges given, 31 Dec | | |
| Business mortgages for own debt | **9 409** | 9 409 |
| Property mortgages for own debt | **495** | 495 |
| | | |
| Pledges given, 31 Dec | | |
| For own debt | **15 865** | 12 983 |

### 34. Minimum lease payments of operating leases

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| No later than 1 year | **309** | 369 |
| 1 to 5 years | **362** | 292 |
| Over 5 years | - | - |
| Total | **671** | 661 |

### 35. Residual value liabilities

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Residual value guarantee given to the financial institution | **6 535** | 5 659 |

### 36. Disputes and legal proceedings

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

### 37. Related party transactions

| | **2008** | 2007 |
|---|---|---|
| Transactions and open balances with holding companies exercising significant influence | | |
| Sales | **52 456** | 55 823 |
| Purchase | **12 651** | 11 665 |

Related parties generated neither interest income nor other income to the Group.

| | | |
|---|---|---|
| Short-term receivables | | |
| Trade receivables | **2 365** | 4 502 |

There are neither loan receivables nor other receivables from related parties.

| | | |
|---|---|---|
| Short-term liabilities | | |
| Trade payables | **204** | 1 405 |

No other liabilities apply to related parties.

### 38. Employee benefits for top management

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Wages and salaries | | |
| Managing Director | **173** | 160 |
| Board members: | | |
| Niilo Pellonmaa | **7** | 24 |
| Naoyuki Matsumura | **11** | 0 |
| Jay N. Gusler | **5** | 12 |
| Ilkka Hakala | **16** | 15 |
| Donald V. Henn | **0** | 5 |
| Frans Maarse | **5** | 15 |
| Gregory E. King | **3** | 0 |
| Eero Karvonen | **16** | 15 |
| Vesa Puttonen | **24** | 12 |
| Christian Ramm-Schmidt | **12** | 0 |
| Corporate Management Team | **520** | 467 |
| Total | **789** | 725 |

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Short-term employee benefits | | |
| Managing Director | **17** | 11 |
| Corporate Management Team | **24** | 21 |

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| Post-employment benefits * | | |
| Managing Director | **51** | 34 |
| Corporate Management Team | **121** | 105 |
| Total | **172** | 139 |

*) The figures include TyEL pension contributions accounting for 17.9% of paid salaries. No other long-term employee benefits are in place. The top management comprises the Board of Directors, Managing Director and Corporate Management Team members. There are no loans receivable from the top management.

### 39. Group companies

| Holdings % | **2008** | 2007 |
|---|---|---|
| Rocla AB | **100** | 100 |
| Rocla A/S | **100** | 100 |
| Rocla Rent A/S | **100** | 100 |
| Rocla Danmark A/S | **100** | 100 |
| OOO Rocla Rus | **100** | 0 |
| Rocla Eesti Oü | **100** | 100 |
| Kiinteistö Oy Roclankuja 1 | **100** | 100 |

### 40. Company acquisition

Rocla acquired in June 2008 all the shares of the Danish company VB Trucks A/S.

Fair value of acquired assets

| EUR 1 000 | Book values | Allocated fair values | Values total |
|---|---|---|---|
| Intangible assets | 0 | 365 | 365 |
| Property, plant and equipment | 2 382 | 3 318 | 5 700 |
| Other assets | 7 663 | 1 409 | 9 072 |
| Non-interest-bearing liabilities | -3 386 | -1 097 | -4 484 |
| Interest-bearing liabilities | -4 524 | -3 356 | -7 880 |
| Net assets | 2 138 | 640 | 2 777 |
| | | | |
| Purchase price incl. direct costs | | | 3 152 |
| | | | |
| Goodwill | | | 375 |

# Key Figures and Ratios

## Financial indicators

| | IFRS 2008 | IFRS 2007 | IFRS 2006 | IFRS 2005 | IFRS 2004 |
|---|---|---|---|---|---|
| Net sales, € million | **127.2** | 124.9 | 104.4 | 96.6 | 91.8 |
| EBITDA, € million | **11.2** | 12.1 | 8.1 | 9.8 | 10.9 |
| Operating profit/loss, € million | **2.0** | 4.9 | 1.5 | 4.2 | 5.7 |
| - % of net sales | **1.6** | 3.9 | 1.4 | 4.4 | 6.2 |
| Profit/loss after financial items, € million | **-1.8** | 3.2 | 0.4 | 3.4 | 4.3 |
| - % net sales | **-1.4** | 2.6 | 0.4 | 3.6 | 4.6 |
| Net profit/loss for the period, € million | **-1.4** | 2.4 | 0.3 | 3.1 | 3.3 |
| - % net sales | **-1.1** | 1.9 | 0.3 | 3.2 | 3.5 |
| Return on equity (ROE), % | **-5.4** | 9.4 | 1.2 | 14.7 | 18.3 |
| Return on investment (ROI), % | **4.5** | 8.6 | 3.3 | 8.8 | 11.5 |
| Net gearing, % | **234.6** | 136.2 | 145.9 | 132.0 | 158.7 |
| Equity/asset ratio, % | **23.6** | 32.0 | 28.4 | 34.5 | 29.4 |
| Gross capital expenditure, € million | **8.2** | 4.8 | 5.9 | 4.1 | 4.6 |
| - % net sales | **6.4** | 3.8 | 5.6 | 4.3 | 5.0 |
| Gross R&D costs, € million | **4.1** | 4.5 | 4.4 | 4.0 | 4.3 |
| - % net sales | **3.2** | 3.6 | 4.2 | 4.2 | 4.7 |
| Order books, € million | **13.6** | 24.2 | 26.8 | 13.9 | 13.6 |
| Period-end personnel | **648** | 521 | 489 | 445 | 420 |
| Average personnel | **604** | 505 | 467 | 439 | 409 |
| Wages and salaries, € million | **23.9** | 20.4 | 17.4 | 16.0 | 15.1 |

## Per-share ratios

| | IFRS 2008 | IFRS 2007 | IFRS 2006 | IFRS 2005 | IFRS 2004 |
|---|---|---|---|---|---|
| Earnings/share (EPS), € | **-0.33** | 0.57 | 0.07 | 0.82 | 0.88 |
| Earnings/share (EPS), diluted, € | - | - | 0.07 | 0.80 | - |
| Equity/share, € | **5.94** | 6.38 | 5.88 | 6.00 | 5.17 |
| Dividend/share, €*) | - | 0.25 | 0.20 | 0.20 | 0.15 |
| Dividend payout ratio, % *) | - | 43.7 | 286.1 | 24.4 | 17.1 |
| Effective dividend yield, %*) | - | 2.3 | 1.7 | 1.8 | 1.9 |
| Price-earnings ratio (P/E) | **-38.3** | 19.4 | 167.0 | 13.6 | 9.0 |
| Lowest share price, € | **6.50** | 10.00 | 10.51 | 8.00 | 7.80 |
| Highest share price, € | **13.00** | 12.50 | 15.20 | 12.30 | 8.20 |
| Average share price, € | **12.84** | 11.19 | 12.71 | 9.86 | 7.71 |
| Closing price at year end, € | **12.70** | 11.10 | 11.67 | 11.12 | 7.90 |
| Market capitalisation, € million | **53.8** | 47.0 | 45.6 | 42.9 | 29.3 |
| Share trading volume, 1 000 share | **3 244** | 512 | 400 | 979 | 361 |
| Share turnover, % | **77** | 12 | 10 | 26 | 10 |
| Average no. of shares, 1 000 shares**) | **4 235** | 4 119 | 3 860 | 3 788 | 3 706 |
| Year-end no. of shares, 1 000 shares **) | **4 236** | 4 119 | 3 860 | 3 788 | 3 706 |

*) Board's proposal

**) Treasury share excluded

# *Definition of Key Ratios*

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

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

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

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

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

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

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

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

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

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

# *Parent Company Income Statement (FAS)*

| EUR 1 000 | Note | **1 Jan–31 Dec 2008** | 1 Jan–31 Dec 2007 |
|---|---|---|---|
| **Net sales** | 4 | **111 785** | 114 573 |
| Change in finished goods inventory and work in progress | | **1 331** | -1 554 |
| Production for own use | | **0** | 37 |
| Other operating income | 5 | **128** | 127 |
| Materials and services | 6 | **-68 780** | -70 655 |
| Personnel expenses | 7 | **-23 859** | -22 043 |
| Depreciation, amortisation and write-downs | 8 | **-2 405** | -2 304 |
| Other operating costs | 9 | **-17 903** | -14 618 |
| **Operating profit** | | **298** | 3 564 |
| Financial income and expenses | 10 | **-876** | -664 |
| **Profit before extraordinary items** | | **-578** | 2 899 |
| **Profit before appropriations and taxes** | | **-578** | 2 899 |
| Appropriations | | **-37** | -163 |
| Income taxes | 11 | **99** | -981 |
| **Net profit for the period** | | **-517** | 1 755 |

# Parent Company Balance Sheet (FAS)

| EUR 1 000 | Note | **31 Dec 2008** | 31 Dec 2007 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | 12 | | |
| Intangible assets | | | |
| Intangible rights | | **366** | 510 |
| Goodwill | | **2 083** | 2 806 |
| Other long-term assets | | **1 559** | 1 638 |
| Advances paid | | **556** | 70 |
| | | **4 564** | 5 024 |
| Tangible assets | | | |
| Buildings and structures | | **133** | 148 |
| Machinery and equipment | | **3 877** | 3 812 |
| Advances paid and construction in progress | | **195** | 24 |
| | | **4 205** | 3 985 |
| Investments | | | |
| Holdings in Group companies | | **4 781** | 129 |
| Receivables from Group companies | | **9 969** | 9 969 |
| Other shares and holdings | | **5** | 13 |
| | | **14 755** | 10 110 |
| Total non-current assets | | **23 524** | 19 119 |
| **Current assets** | | | |
| Inventories | | | |
| Materials and supplies | | **14 171** | 12 351 |
| Work in progress | | **2 311** | 1 786 |
| Finished products/goods | | **6 035** | 5 229 |
| | | **22 517** | 19 365 |
| Non current assets | | | |
| Long-term trade receivables | | **261** | |
| Current receivables | 13 | | |
| Accounts receivable | | **21 627** | 21 149 |
| Loans receivable | | **3 014** | 2 289 |
| Deferred tax receivables | | **194** | 98 |
| Other receivables | | **106** | 435 |
| Accrued income and prepaid expenses | | **2 416** | 1 927 |
| | | **27 358** | 25 899 |
| Securities under financial assets | 14 | | |
| Own shares (treasury shares) | | **177** | 186 |
| Other securities | | **14** | 14 |
| | | **191** | 200 |
| Cash and cash equivalents | | **31** | 25 |
| Total current assets | | **50 096** | 45 489 |
| **Total assets** | | **73 881** | 64 608 |

| EUR 1 000 | Note | **31 Dec 2008** | 31 Dec 2007 |
|---|---|---|---|
| **Shareholders' equity and liabilities** | | | |
| **Shareholders' equity** | 15, 16 | | |
| Share capital | | **4 265** | 4 265 |
| Premium fund | | **6 681** | 6 674 |
| Treasury shares | | **177** | 186 |
| Retained earnings | | **13 743** | 13 037 |
| Net profit for the period | | **-517** | 1 755 |
| | | **24 349** | 25 918 |
| **Appropriations** | | | |
| Accumulated depreciation difference | | **298** | 260 |
| **Provisions** | 17 | **397** | 405 |
| **Liabilities** | | | |
| Long-term liabilities | | | |
| Loans from financial institutions | 18 | **13 189** | 8 929 |
| Short-term liabilities | 19 | | |
| Loans from financial institutions | | **17 333** | 12 387 |
| Advances received | | **937** | 730 |
| Accounts payable | | **11 815** | 9 857 |
| Other liabilities | | **494** | 512 |
| Accrued expenses and deferred income | | **5 069** | 5 610 |
| | | **35 648** | 29 096 |
| **Total shareholders' equity and liabilities** | | **73 881** | 64 608 |

# *Parent Company Cash Flow Statement (FAS)*

| EUR 1 000 | **2008** | 2007 |
|---|---|---|
| **Operating activities** | | |
| Profit before extraordinary items | **-578** | 2 899 |
| Adjustments: | | |
| Depreciation, amortisation and write-downs | **2 405** | 2 304 |
| Unrealised exchange rate gains and losses | **-91** | 36 |
| Other non-cash income and expenses | **-8** | -42 |
| Financial income and expenses | **966** | 664 |
| Other adjustments | **119** | -4 |
| Cash flow before change in working capital | **2 814** | 5 857 |
| | | |
| **Change in working capital** | | |
| Increase (-)/decrease (+) in short-term non-interest-bearing receivables | **-1 160** | -3 447 |
| Increase (-)/decrease (+) in inventories | **-3 152** | -723 |
| Increase (+)/decrease (-) in short-term non-interest-bearing liabilities | **2 148** | -2 331 |
| Cash flow before financial items and taxes | **651** | -644 |
| | | |
| Interest paid and other financial expenses | **-1 511** | -1 124 |
| Dividends received | **6** | 30 |
| Interest received | **130** | 80 |
| Income tax paid | **0** | -10 |
| Cash flow from operations | **-725** | -1 668 |
| | | |
| **Investment activities** | | |
| Capital expenditure | **-2 514** | -2 068 |
| Proceeds from sale of tangible assets | **23** | 71 |
| Subsidiary shares bought | **-4 652** | 0 |
| Cash flow from investments | **-7 143** | -1 997 |
| | | |
| **Financing activities** | | |
| Proceeds from share issue | **0** | 2 472 |
| Sale of treasury shares | **7** | 0 |
| Increase/decrease in short-term loans | **-1 909** | 631 |
| Increase in long-term loans | **12 300** | 0 |
| Decrease in long-term loans | **-1 475** | -934 |
| Dividends paid | **-1 050** | -782 |
| Cash flow from financing | **7 874** | 1 388 |
| | | |
| **Increase (+)/decrease (-) in liquid assets** | **6** | -2 277 |
| | | |
| Cash and cash equivalents at beginning of period | **25** | 2 302 |
| Cash and cash equivalents at year-end, excl. those transferred as a result of mergers | **31** | 25 |
| **Cash and cash equivalents at end of period** | **31** | **25** |

# Notes to the Parent Company Financial Statements

## 1. Scope of financial statements

In preparing its financial statements, Rocla Oyj applies accounting policies based on the Finnish Accounting Standards (FAS). Rocla Oyj is the Group's parent company that also prepares the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). The parent company is domiciled in Järvenpää. A list of subsidiaries can be found in Note 12. Rocla Oyj's financial year equals the calendar year. The figures in the notes to the financial statements are given in thousands of euros (€1,000), unless otherwise stated.

## 2. Accounting principles

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

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

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

Research and development costs are expensed as incurred.

Leases are treated as rental costs.

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

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

## 3. Valuation of fixed assets

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

The depreciation and amortisation periods are as follows:

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

## 4. Net sales

EUR 1 000

| Net sales by business area | 2008 | 2007 |
|---|---|---|
| Materials handling solutions | **111 785** | 114 573 |

| Net sales by market | 2008 | 2007 |
|---|---|---|
| Finland | **27 098** | 28 685 |
| Denmark | **3 502** | 2 121 |
| Rest of Europe | **69 320** | 69 777 |
| North and South America | **8 683** | 10 159 |
| Rest of world | **3 181** | 3 831 |
| Total | **111 785** | 114 573 |

## 5. Other operating income

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Divestment of fixed assets | **21** | 49 |
| Other income | **107** | 78 |
| Total | **128** | 127 |

Grants received are entered as adjustments for other operating costs.

## 6. Materials and services

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Purchases | **-73 900** | -75 272 |
| Change in inventories | **6 185** | 6 285 |
| Materials total | **-67 715** | -68 987 |
| External services | **-1 065** | -1 668 |
| Total | **-68 780** | -70 655 |

## 7. Personnel and personnel expenses

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Average personnel | **428** | 406 |
| Year-end personnel | **428** | 415 |
| Personnel expenses | | |
| Managing Director | **-173** | -160 |
| Board members | **-96** | -97 |
| Other wages and salaries | **-18 851** | -17 879 |
| Pension expenses | **-3 275** | -2 989 |
| Other social expenses | **-1 463** | -918 |
| Total | **-23 859** | -22 043 |

## 8. Depreciation, amortisation and write-downs

Planned depreciation and amortisation

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Intangible rights | **-221** | -260 |
| Goodwill | **-724** | -724 |
| Other long-term assets | **-274** | -258 |
| Buildings and structures | **-15** | 0 |
| Machinery and equipment | **1 171** | -1 062 |
| Total | **-2 405** | -2 304 |

The Parent Company did not recognise any write-downs during 2007–2008.

### 9. Other operating costs

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Rents | -4 720 | -4 156 |
| Operating and maintenance expenses | -1 480 | -1 342 |
| Services bought | -3 304 | -2 157 |
| Other operating costs | -8 399 | -6 963 |
| Total | -17 903 | -14 618 |

### 10. Financial income and expenses

Financial income

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Dividend income | 5 | 30 |
| Interest income | 497 | 440 |
| Other financial income | 180 | 80 |
| Total | 682 | 551 |

| Financial expenses | | |
|---|---|---|
| Interest expenses | -1 464 | -1 127 |
| Other financial expenses | -94 | -88 |
| Total | -1 558 | -1 215 |

### 11. Income taxes

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Period income tax on operations | -11 | -991 |
| Period income tax on extraordinary items | 108 | 10 |
| Transfer to premium fund | 2 | 0 |
| Total | 99 | -981 |

### 12. Non-current assets

Intangible rights

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Acquisition cost 1 Jan. | 2 406 | 2 312 |
| Additions*) | 76 | 218 |
| Acquisition cost 31 Dec. | 2 482 | 2 530 |
| Amortisation for the financial year | -221 | -260 |
| Accumulated planned amortisation | -2 116 | -2 019 |
| Non-amortised balance 31 Dec. | 366 | 510 |

Goodwill

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Acquisition cost 1 Jan. | 3 530 | 3 530 |
| Acquisition cost 31 Dec. | 3 530 | 3 530 |
| Amortisation for the financial year | -724 | - 724 |
| Accumulated planned amortisation | -1 447 | -724 |
| Non-amortised balance 31 Dec | 2 083 | 2 806 |

Other long-term assets

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Acquisition cost 1 Jan. | 2 601 | 3 098 |
| Additions*) | 198 | 265 |
| Transfers between items | -2 | 0 |
| Acquisition cost 31 Dec | 2 797 | 3 363 |
| Amortisation for the financial year | -274 | -258 |
| Accumulated planned amortisation | -1 238 | -1 726 |
| Non-amortised balance 31 Dec. | 1 559 | 1 638 |

Advances paid for intangible rights

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Acquisition cost 1 Jan | 70 | 59 |
| Additions | 486 | 70 |
| Transfers between items | 0 | -59 |
| Acquisition cost 31 Dec | 556 | 70 |

Tangible assets
Buildings and structures

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Acquisition cost 1 Jan. | 148 | 0 |
| Additions | 0 | 148 |
| Acquisition cost 31 Dec | 148 | 148 |
| Depreciation for the financial year | -15 | 0 |
| Accumulated planned depreciation | -15 | 0 |
| Non-depreciated balance 31 Dec. | 133 | 148 |

Tangible assets
Machinery and equipment

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Acquisition cost 1 Jan | 9 618 | 13 352 |
| Additions*) | 1 369 | 1 179 |
| Disposals | -157 | -22 |
| Transfers between items | 24 | -46 |
| Acquisition cost 31 Dec | 10 854 | 14 463 |
| Depreciation for the financial year | -1 171 | -1 062 |
| Accumulated planned depreciation | -6 977 | -10 651 |
| Non-depreciated balance 31 Dec. | 3 877 | 3 812 |

Advances paid and construction inprogress

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Acquisition cost 1 Jan | 24 | 21 |
| Additions | 483 | 237 |
| Disposals | -288 | -213 |
| Transfers between items | -24 | -21 |
| Acquisition cost 31 Dec | 195 | 24 |

Investments

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Holdings in Group companies: | | |
| Book value 1 Jan | 129 | 129 |
| Additions*) | 4 652 | 0 |
| Book value 31 Dec. | 4 781 | 129 |
| | | |
| Loans receivable from Group companies: | | |
| Book value 1 Jan | 9 969 | 9 969 |
| Book value 31 Dec | 9 969 | 0 |
| | | |
| Other shares and holdings: | | |
| Book value 1 Jan | 13 | 13 |
| Disposals | -8 | 0 |
| Book value 31 Dec | 5 | 13 |

Group companies

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Holding, % | | |
| Kiinteistö Oy Roclankuja 1 | 100 | 100 |
| Rocla AB | 100 | 100 |
| Rocla A/S | 100 | 100 |
| Rocla Rent A/S | 100 | 100 |
| Rocla Danmark A/S | 100 | 0 |
| Rocla Eesti Oü | 100 | 100 |
| OOO Rocla Rus | 100 | 100 |

### 13. Current receivables

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Accounts receivable | **21 627** | 21 149 |
| from Group companies | **12 212** | 6 208 |
| from others | **9 415** | 14 941 |
| Loans receivables | **3 014** | 2 289 |
| from Group companies | **2 995** | 2 273 |
| from others | **19** | 17 |
| Other receivables | **106** | 435 |
| Deferred tax receivables | **194** | 98 |
| Accrued income and prepaid expenses | **2 416** | 1 927 |
| from Group companies | **727** | 363 |
| receivables from partially debited sales | **789** | 532 |
| receivables from grants | **128** | 521 |
| from others | **772** | 511 |
| Total | **27 358** | 25 899 |

### 14. Securities under financial assets

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Fund units: | | |
| Book value 31 Dec. | **14** | 14 |
| Fair value 31 Dec | **18** | 17 |
| Fair value less book value | **4** | 3 |
| Treasury shares: | | |
| Book value 31 Dec. | **177** | 186 |
| Fair value 31 Dec | **369** | 342 |
| Fair value less book value | **192** | 156 |

### 15. Changes in shareholders' equity

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Share capital 1 Jan. | **4 265** | 3 939 |
| Use of option rights | **0** | 325 |
| Share capital 31 Dec. | **4 265** | 4 265 |
| | | |
| Premium fund 1 Jan | **6 674** | 4 527 |
| Disposal of treasury shares | **7** | 0 |
| Use of option rights | **0** | 2 147 |
| Premium fund 31 Dec. | **6 681** | 6 674 |
| | | |
| Treasury shares 1 Jan. | **186** | 186 |
| Disposal of treasury shares | **-9** | 0 |
| Treasury shares 31 Dec | **177** | 186 |
| | | |
| Retained earnings 1 Jan. | **14 792** | 13 819 |
| Dividends | **-1 059** | -782 |
| Disposal of treasury shares | **9** | 0 |
| Retained earnings 31 Dec | **13 743** | 13 037 |
| | | |
| Net profit for the financial year | **-517** | 1 755 |
| Total shareholders' equity | **24 349** | 25 918 |

### 16. Profit attributable to shareholders 31 Dec.

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Retained earnings | **13 743** | 13 037 |
| Net profit for the financial year | **-517** | 1 755 |
| Profi t attributable to shareholders | **13 226** | 14 792 |

### 17. Provisions

Provisions include an estimated, unrealised product warranty liability of €397 thousand (€405 thousand in 2007).

### 18. Liabilities with a maturity of five years or later

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Loans from financial institutions | **2 083** | **3 452** |

### 19. Short-term liabilities

| EUR 1 000 | 2008 | 2007 |
|---|---|---|
| Loans from financial institutions | **17 333** | 12 387 |
| Advances received | **937** | 730 |
| Accounts payable | **11 815** | 9 857 |
| to Group companies | **1 225** | 746 |
| to others | **10 590** | 9 111 |
| Other liabilities | **494** | 512 |
| Accrued expenses and deferred income | **5 069** | 5 610 |
| to others | **1 219** | 1 453 |
| to others, related to personnel expenses | **3 850** | 4 157 |
| Total | **35 648** | 29 096 |

### 20. Commitments and other contingent liabilities

| For own debt: | 2008 | 2007 |
|---|---|---|
| Business mortgages | **9 409** | 9 409 |
| Guarantees on behalf of Group companies | **2 790** | 2 790 |
| | | |
| Other own liabilities: | | |
| Lease liabilities due within one year | **3 554** | 3 014 |
| Lease liabilities due thereafter | **6 829** | 5 879 |
| Total | **10 383** | 8 892 |
| | | |
| Repurchase commitments | **1 220** | 2 067 |
| Residual value liabilities | **4 030** | 4 156 |

### 21. Derivative contracts

| Forward foreign exchange contracts | 2008 | 2007 |
|---|---|---|
| Nominal value | **6,000** | 9 000 |
| Fair value | **-71** | 188 |

The parent company has valid interest-rate swaps which will mature in 2010, their combined nominal value totalling €6 000 000 and the fair value €-71 000 at the end of 2008. Nominal values describe the use of derivatives, while fair values correspond to the income or expenses which the company would recognise if it closed out the contracts on the balance sheet date.

# *Shares and shareholders*

Under Rocla Oyj's Articles of Association, the company's minimum share capital is €3 600 000 and maximum share capital €14 400 000, within which limits the share capital can be increased or decreased without altering the Articles of Association. The company has a single share series and all shares entitle their holders to equal dividends and votes. Each share has a nominal value of one euro. Rocla Oyj's fully paid-up share capital entered in the share register totalled €4 264 788 and the number of shares 4 264 788.

### Listing of Rocla's shares

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

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

### Treasury shares

At the end of the financial period 2008, Rocla Oyj held a total of 29 066 treasury shares, corresponding to approximately 0.7% of the number of shares and votes. This number was reduced from the previous year-end due to the 1 723 shares awarded to the management based on the bonus system.

### Share redemption obligation

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

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

### Abolishment of the redemption clause at the Extraordinary General Meeting in December 2008

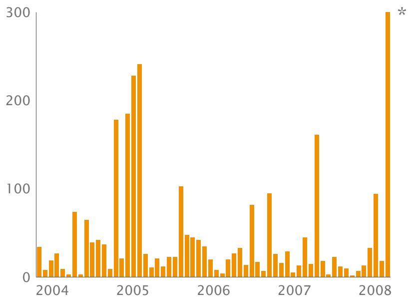
At the Extraordinary General Meeting of Rocla Oyj, held on 1 December 2008, it was resolved that the redemption clause contained in Article 12 of the Articles of Association of Rocla be abolished. This decision by the Extraordinary General Meeting was conditional, requiring that Mitsubishi Caterpillar Forklift Europe B.V. publicly announce that the conditions for the completion of its public tender offer had been satisfied or waived by MCFE, and that the public tender offer would be completed in accordance with its terms and conditions.

Mitsubishi Caterpillar Forklift Europe B.V. later announced that the conditions for the completion of its public tender offer had been satisfied and that the company would complete the public tender offer; thus the redemption clause in the Articles of Association of Rocla Oyj was abolished.

### Shareholder agreements

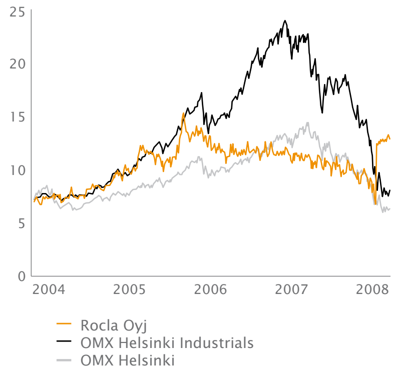
No shareholder agreements related to holdings in Rocla Oyj and the exercise of voting rights have been brought to the company's attention.

Share trading by month 2004–2008, 1 000 shares




*Trading volume was 3 012 000 in December 2008.

Share price performance (€) and OMX indexes 2004–2008



### Share trading and price development

During 2008, a total of 3 244 364 Rocla Oyj shares were traded on the Helsinki Stock Exchange, representing around 76.6% of the average number of shares, excluding treasury shares, at a value of €41 668 891. The highest quotation for 2008 was €13.00 and the lowest €6.50. The share price averaged €12.84 and closed at €12.70.

On the balance sheet date, the market capitalisation, excluding treasury shares, totalled €53.8 million (€47.0 million).

### Ownership

The last quarter of 2008 saw a major change in Rocla Oyj's ownership as the public tender offer for Rocla shares made by Mitsubishi Caterpillar Forklift B.V. was completed.

### Board shareholding

On 31 December 2008, the company's Board Members and its President & CEO did not hold any shares in the company.

### Shareholding by sectors on 31 December 2008

| Holder category | % of shares |
|---|---|
| Non-banking corporate sector | 0.7 |
| Financial institutions and insurance companies | 0 |
| Non-corporate public sector | 0 |
| Non-profit organisations | 0 |
| Households | 0.7 |
| Foreign and nominee-registered holdings | 98.6 |
| Total | 100.0 |

### Ten largest shareholders on 31 December 2008:

| | % of shares | Shares and votes |
|---|---|---|
| 1. Mitsubishi Caterpillar Forklift Europe B.V. | 98.58 | 4 204 320 |
| 2. Rocla Oyj | 0.68 | 29 066 |
| 3. Polon Peter | 0.21 | 9 150 |
| 4. Lehto Kai Rauno Into | 0.04 | 1 500 |
| 5. Lappalainen Jussi | 0.03 | 1 200 |
| 6. Royal Skandia Life Assurance Ltd | 0.02 | 1 000 |
| 7. Eskelinen Martti Aulis | 0.02 | 1 000 |
| 8. Pajarinen Reijo Heikki | 0.02 | 1 000 |
| 9. Kuula Osmo Kullervo | 0.02 | 800 |
| 10. Nuottasaari Invest Oy | 0.02 | 700 |
| Total | 99.65 | 4 249 736 |
| Nominee-registered holdings | 0.02 | 927 |
| Others | 0.33 | 14 125 |
| Total | 100.0 | 4 264 788 |

### Shareholding by number of shares held on 31 December 2008

| No. of shares | Shareholders | % | Shares | % |
|---|---|---|---|---|
| 1–100 | 53 | 53.3 | 2 382 | 0.1 |
| 101–1 000 | 41 | 41.4 | 17 170 | 0.4 |
| 1 001–10 000 | 3 | 3.0 | 11 850 | 0.3 |
| 10 001–100 000 *) | 1 | 1.0 | 29 066 | 0.7 |
| 100 001–1 000 000 | 0 | 0 | 0 | 0 |
| 1000 001–10 000 000 | 1 | 1.0 | 4 204 320 | 98.6 |
| Total | 99 | 100.0 | 4 264 788 | 100.0 |

*) Including the treasure shares

# *Board's proposal for the distribution of dividends*

Based on the financial statements on 31 December 2008, the parent company's profit attributable to shareholders totalled EUR 13 266 000. The Board of Directors will propose to the Annual General Meeting of 2009 that no dividend be distributed for the year 2008.

Järvenpää, Febuary 11, 2009

Hiroyuki Shimma

Herman Hofland

Naoyuki Matsumura

Tapio Rummukainen
President & CEO

Vesa Puttonen

Yuichi Mano

# *Auditor's report*

**To the Annual General Meeting of Rocla Oyj**

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Rocla Oyj for the financial period 1.1.–31.12.2008. The financial statements comprise the consolidated balance sheet, income statement, cash flow statement, statement of changes in equity and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

**The responsibility of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the parent company's financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

**Auditor's responsibility**

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion on the consolidated financial statements**

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

**Opinion on the company's financial statements and the report of the Board of Directors**

In our opinion, the financial statements, together with the consolidated financial statements included therein, and the report of the Board of Directors give a true and fair view of the financial performance and financial position of the company in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 11 February 2009

KPMG OY AB

Lasse Holopainen
Authorized Public Accountant

# *Rocla's Corporate Governance*

Rocla Oyj is a Finnish public limited company whose control and governance, under the provisions of the Finnish Companies Act and the company's Articles of Association, is distributed among its shareholders as represented at the shareholders' meeting, the Board of Directors and the President&CEO. However, the authorised bodies of Rocla Oyj, the parent company, are responsible for Rocla Group's management and operations. The Group Executive Team assists the President&CEO. Mitsubishi Caterpillar Forklift Europe B.V. ("MCFE") owns over 99% of Rocla's shares and votes (excluding the treasure shares) as the result of the public tender offer to purchase Rocla's shares published at the end of 2008. MCFE has announced that it will start the measures to redeem the remaining minority shares of Rocla according to the Companies Act. MCFE aims at delisting of Rocla's shares from NASDAQ OMX Helsinki Exchange as soon as possible after the redemption process.

Registered in the Trade Register on 31 July 1942, Rocla last updated its Articles of Association on 22.12.2008. The company is domiciled in the town of Järvenpää, and its company registration number is 0124294-1 and its Trade Register Number 93.643.

Rocla's corporate governance policy is based on the Recommendation for the Corporate Governance of Listed Companies issued by the Helsinki Stock Exchange (NASDAQ OMX), the Central Chamber of Commerce and the Confederation of Finnish Industries EK.

### Shareholders' meeting

Shareholders exercise their voting and decision-making powers at shareholders' meetings. Rocla Oyj holds one Annual General Meeting (AGM) every year and Extraordinary General Meetings (EGM) as and when necessary. Article 11 of Rocla Oyj's Articles of Association describes the issues discussed at the AGM.

The AGM must convene annually in the company's domicile or in Helsinki by the end of June, on a date set by the Board of Directors. Notice of the AGM must be sent to shareholders no earlier than two (2) months prior to the registration date stated in the notice and no later than one (1) week prior to the deadline referred to in paragraph 11, Chapter 3a of the Finnish Companies Act, by placing an announcement in two (2) newspapers, confirmed by the Board of Directors and published in Helsinki. Shareholders must register for the shareholders' meeting by no later than the date stated in the notice of meeting which is to be set no earlier than ten (10) days prior to the meeting.

The 2008 AGM convened on 26 March 2008 and notice for it was published on 3 March 2008. One extraordinary general meeting (EGM) of shareholders was held in 2008. It took place on Dec 1, 2008 and it decided on the change of the Articles of Association concerning the redemption clause. In addition, an EGM was held on Jan 13, 2009. At this EGM, one of the five Board Members were re-elected and four new Board Members were elected.

### Supervisory Board

Rocla Oyj has no Supervisory Board.

### Board of Directors

The tasks and responsibilities of the Company's Board of Directors are determined on the basis of the Finnish Companies Act, the Company's Articles of Association as well as other applicable legislation. The Board of Directors is in charge of supervising the company's business.

### The main tasks of the Board of Directors include the following:

- Approving Group and business unit strategies and business plans proposed by the Executive Team, and overseeing their implementation;
- Approving business-plan-based investments and other projects valued at more than €0.5 million, and other major purchases, long-term commitments or divestments;
- Taking decisions on major arrangements for and changes in Group financing;
- Appointing and dismissing the Managing Director and determining the terms and conditions of his/her executive contract and remuneration;
- Approving Executive Team members' appointments and the terms and conditions of their service contracts and remuneration;
- Deciding on the composition of the subsidiaries' Boards of Directors; and
- Ensuring that the Group's risk and insider management policies and other corporate governance activities have been defined and conducted in an appropriate way.

In addition, the Board approves interim reports and financial statements and puts forward proposals to the shareholders' meeting, such as that for dividend distribution.

### Board Members

In accordance with the Articles of Association, the AGM elects members to Rocla Oyj's Board of Directors.

Comprising a minimum of three (3) and a maximum of six (6) members elected for a term of one year, the Board elects from among its members a Chairman and a Deputy Chairman who preside until the end of the next AGM. The Board chairmanship is not a full-time position. Under the Articles of Association, the company's Managing Director may not chair the Board or deputise the Chairman.

In 2009, the EGM elected the following five Board Members:

- Hiroyuki Shimma, Chairman. Japanese citizen.
- Vesa Puttonen, Deputy Chairman, independent Board Member. Finnish citizen.
- Herman Hofland. Dutch citizen.
- Yuichi Mano. Japanese citizen.
- Naoyuki Matsumura. Japanese citizen.

Of the Board of Directors, Vesa Puttonen is independent of the company and its major shareholders. At the end of the financial period 2008, Board Members held no Rocla Oyj shares. Biographies of the Board Members are shown on page 45 of this Annual Report.

### Board emoluments

The AGM 2008 decided on Board emoluments as follows: Fixed monthly remuneration paid to the Chairman and Board Members came to €1800 and €1 000, respectively. In addition, attendance allowances for each meeting paid to the Chairman and Board Members amounted to €600 and €500, respectively. Rocla reimburses Board Members their travel expenses. The Board participated in the option program in 2008. Mitsubishi Caterpillar Forklift Europe B.V. purchased the option rights at the end of 2008.

Board remuneration paid in 2008 totalled €96 400. The Board of Directors convened 14 times, with the member attendance rate averaging 97 per cent.

### Subsidiaries' Boards of Directors

The majority of the members and the Chairman of the Boards of Directors of Rocla Oyj's domestic and overseas subsidiaries belong to the Group's operational management.

### Managing Director

Pursuant to the Companies Act, the Managing Director is responsible for the company's daily management in accordance with the principles and guidelines determined by the Board of Directors. The Managing Director is in charge of overseeing the compliance of accounting and reporting with legislation and other regulations, and their sound management. Responsible for strategic planning, company finances and risk management, the Managing Director is assisted by the Group Executive Team.

The company's Managing Director elected by the Board has a valid written executive contract, which either the company or the Managing Director may terminate at four (4) months' notice. In the event of the company terminating the contract, the Managing Director will additionally be paid compensation equivalent to eight (8) months' salary. The Managing Director may retire at the age of 60. Rocla Oyj's Managing Director is not a Board Member.

### Executive Team

The Group's Executive Team comprises the following eight (8) members:

- Tapio Rummukainen, Managing Director
- Pentti Salonen, Products
- Jukka Viinikainen, CRM
- Janne Polvilampi, Offering Development
- Juha Mikkonen, Business Support
- Hilkka Webb, Finance
- Katsumi Hamada, Corporate Planning
- Wataru Mitsunuma, Chief Engineering

The biographies of the Executive Team and their respective share holdings are shown on page 46 of this Annual Report.

### Management remuneration

The Board decides on the remuneration of the Managing Director and that of the rest of the Group Executive Team. The Managing Director's annual salary, including fringe benefits, was approximately €185 000, as per January 2009.

### Internal control, risk management and internal auditing

Internal control and risk management aim to ensure that, for example

- The Group meets its corporate goals and profitability targets and makes efficient use of its resources;
- Accounting, reporting and other financial controls are reliable;
- The Group supervises and manages its assets with prudence; and
- The Group's operations are in compliance with laws, rules and regulations as well as Group guidelines and policies.

The Group comprises several legal entities. Furthermore, the operations have been divided into business areas and units. Thus, financial responsibility and operational control fall under the responsibility of several directors. However, the Board of Directors and the Managing Director, who in practice is responsible for the organisation of these functions, bear ultimate responsibility for accounting and financial control.

Forming a major part of the internal control system, the Group's business planning and control system involves long-term planning, annual planning and monthly reporting.

### Risk management

The Group's Finance function is responsible for the management of currency, interest and liquidity risks. Common Group principles are used to manage credit risks, which are comprehensively insured using a third party. Property, loss-of-profits and liability risks resulting from Group operations are covered by the appropriate insurance. Supported by appropriate tools and external consultants, the Group's Business Support function co-ordinates information and information-system security management within the Group. The Group manages other commercial and business risks on a regular basis, in accordance with the programme defined by Group Management.

### Internal audits

The Group has established an Internal Audit function independent of business units, which forms part of the quality audit organisation and is responsible for ensuring reliable Group control systems, the compliance of operations, effective risk management and appropriate asset management. In addition, it is responsible for the evaluation and continuous improvement of internal control. The Board confirms the guidelines for internal audits and conducts internal audit performance reviews on a regular basis.

### Governance of insider trading

On 7 April 2000, the Rocla Group decided on the adoption of the Instructions concerning insiders issued by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industries EK that entered into force on 1 March 2000. Separate Instructions concerning insiders were issued to the company's related parties on 11 April 2000, informing them of the above decision, in addition to which they were informed, on 15 December 2005, about the regulations of Insider standard 5.3 published by the Finnish Financial Supervision Authority (FIN-FSA), which took effect from the beginning of September 2005.

At the beginning of 2006, Rocla Group's insider governance was updated by issuing new guidelines concerning insider trading, incorporating the changes to the Securities Markets Act (13.5.2005/297) which entered into effect on 1 January 2006 as a result of the EU directive on the Abuse of inside information and market price distortion.
At Rocla Oyj, the recommendation for restricting insider trading is defined as 21 days, entailing that the related parties may not trade in the company's shares prior to the publication of its interim report or a Stock Exchange release of the annual report, when there are less than 21 days until the publication.

The Rocla Group public register of insider holdings includes its Board Members, the President & CEO, other Group management as well as its Chief Auditor.

### Audit

In accordance with Rocla Oyj's Articles of Association, the company has a minimum of one (1) and a maximum of two (2) auditors. The AGM of 26 March 2008 elected KPMG Oy Ab, Authorised Public Accountants, as the company auditor, with Lasse Holopainen, Authorised Public Accountant, acting as the chief auditor. The auditor's term expires at the close of the first AGM following their election.
Audit fees paid during the financial period 2008 totalled €94 000, in addition to other consulting fees of €144 000 paid to the firm of authorised public accountants.

### Details of corporate governance

Details of Rocla Oyj's updated corporate governance system can be found on the company's website at www.rocla.com.

### AUDITORS

The AGM of March 26, 2008 re-elected the following auditors:
KMPG Oy Ab
Authorised Public Accountants,
Chief auditor Lasse Holopainen
A.P.A., b. 1960, Finnish citizen
Company auditor since 2004. Owns no Rocla Oyj shares.

### Remuneration, emoluments and fringe benefits paid to members of the Board of Directors and the Executive Team

| **2008**, 1 000 EUR | Remuneration, emoluments and fringe benefits | Stock options | Share based rewards | Total |
|---|---|---|---|---|
| Board members | 96 | 29 | | 125 |
| Managing Director | 173 | 120 | | 293 |
| Other Executive Team members | 520 | 48 | 45 | 613 |
| **2007** | | | | |
| Board members | 99 | | | 99 |
| Managing Director | 160 | 11 | | 171 |
| Other Executive Team members | 467 | 21 | | 488 |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**1. Hiroyuki Shimma**
Chairman of the Board since 2009
Born 1957. Graduated at Waseda University, Japan. Japanese citizen.
Several positions in Mitsubishi Heavy Industries (MHI) since 1981, such as General Manager, Deputy General Manager, and Manager. Director of MHI Forklift Sales Co. Ltd., Japan 2005-2006, Positions at Material Handling Equipment Business Department at MHI 2005-2008, last as General Manager. In Mitsubishi Caterpillar Forklift Companies Organization; Asst. Manager at President Office in Mitsubishi Caterpillar Forklift America Inc. (MCFA) 1992-1993, Managing Director of Mitsubishi Caterpillar Forklift Asia Pte. Ltd. (MCFS) 2001-2005, and at MCF Forklift (Shanghai) Co. Ltd. (MCFC) Managing Director 2004-2005 and Director 2007-2008. President of Mitsubishi Caterpillar Forklift Europe B.V. (MCFE) since June 1, 2008.
No Rocla Oyj shares.

**2. Vesa Puttonen**
Vice Chairman of the Board since 2009. Board member since 2007, Chairman of the Board 2008-2009.
Born in 1966. D. Sc. (Econ.), Accounting and Finance. Finnish citizen.
Assistant in Accounting and Finance and Researcher in University of Vaasa 1989 – 1992, Project Researcher in the Academy of Finland 1992, Professor in Turku School of Economics and Business Administration 1992-1993, Professor in Helsinki School of Economics 1993-1998, Senior Vice President in HEX Helsinki Exchanges 1998-1999, Managing Director in Conventum Fund Management Ltd 1999-2001, Professor in Finance in Helsinki School of Economics since 2001. Member of Enable Ltd, JOKO Excutive Education Ltd, Oras Invest Ltd, Orion Corporation Oyj, Arvo Asset Management Ltd and Privanet Capital Oyj's boards of Directors.
No Rocla Oyj shares.

**3. Herman Hofland**
Board member since 2009.
Born 1956. Accountant (CPA – NOvAA). Dutch citizen.
Several positions at Ernst & Young Auditors 1977-1988. Manager Accounting CR Delta 1988-2001. General Manager Finance & Accounting Mitsubishi Caterpillar Forklift Europe B.V. (MCFE) 2001-2007. Vice President –Finance Division at MCFE from January 1, 2008.
No Rocla Oyj shares.

**4. Yuichi Mano**
Board member since 2009.
Born 1963. MBA at Carnegie Mellon University, USA. BA (Social Studies) at Hitotsubashi University, Japan. Japanese citizen.
Several positions in corporate planning and product support at Mitsubishi Heavy Industries, Ltd. (MHI) since 1986. Several positions in product support, marketing and dealer finance in Mitsubishi Caterpillar Forklift America Inc. (MCFA) 1996-2000. Currently Manager, Corporate Planning Group, Material Handling Equipment Business Department at MHI.
No Rocla Oyj Shares.

**5. Naoyuki Matsumura**
Board member since 2008. Member of Rocla Oyj Board 2003-2004.
Born 1957. Graduated at Tohoku University, Japan. Japanese citizen.
Several positions at Mitsubishi Heavy Industries (MHI) since 1981, such as Deputy Manager, Manager and Project Manager. Positions at Presidential Office in Mitsubishi Caterpillar Forklift Europe B.V. (MCFE) 2001-2007, last as General Manager. Deputy General Manager, Material Handling Equipment Business Department at MHI from April 1, 2008.
No Rocla Oyj shares.


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**1. Tapio Rummukainen**
President & CEO
Born in 1965. B.Sc. (Eng.).
Employed by Rocla since 2008.
Owns no Rocla shares.

**2. Jukka Viinikainen**
Executive Vice President, Customer Relations Management (CRM) and Deputy Managing Director
Born in 1962. B.Sc. (Tech.).
Employed by Rocla since 2002.
Owns no Rocla shares.

**3. Pentti Salonen**
Executive Vice President, Products and Deputy Managing Director
Born in 1965. M.Sc. (Tech.).
Employed by Rocla since 1995.
Owns no Rocla shares.

**4. Janne Polvilampi**
Executive Vice President, Offering development
Born in 1973. M.Sc. (Tech.).
Employed by Rocla since 1998.
Owns no Rocla shares.

**5. Juha Mikkonen**
Executive Vice President, Business Support
Born in 1953. B.Sc. (Eng.).
Employed by Rocla since 2000.
Owns no Rocla shares.

**6. Hilkka Webb**
CFO
Born in 1954. M. Sc (Tech.).
Employed by Rocla since 1981
Owns no Rocla shares.

**7. Katsumi Hamada**
Executive Vice President, Corporate Planning
Born in 1972.
Employed by Rocla since 2009.
Owns no Rocla shares.

**8. Wataru Mizunuma**
Executive Vice President, Chief Engineering
Born in 1956.
Employed by Rocla since 2009.
Owns no Rocla shares.

# *Summary of Stock Exchange Releases*

**27 February 2009** Notice to the Annual General Meeting

**11 February 2009** financial statements bulletin 1.1.-31.12.2008

**21 January 2009** q4/2008 loss grows because of the devaluation of the Russian ruble

**13 January 2009** Decisions of the Extraordinary General Meeting

**23 December 2008** Redemption right and claim under chapter 18, section 1 of the companies act regarding shares in Rocla Oyj

**19 December 2008** Invitation to the Extraordinary General Meeting

**17 December 2008** Notification referred to in chapter 2, section 9 of the securities market act on change in holdings

**17 December 2008** Final result of Mitsubishi Caterpillar Forklift Europe B.V.'s public tender offer for Rocla

**15 December 2008** Notification referred to in chapter 2, section 9 of the securities market act

**15 December 2008** Notification referred to in chapter 2, section 9 of the securities market act

**15 December 2008** Preliminary result of Mitsubishi Caterpillar Forklift Europe B.V.'S public tender offer for the shares and option rights

**10 December 2008** All the necessary approvals received for Mitsubishi Caterpillar Forklift Europe B.V.'s public tender offer for Rocla

**3 December 2008** Rocla concludes the negotiations about the temporary lay-offs

**2 December 2008** The German competition authority approves the acquisition of Rocla Oyj through public tender offer by Mitsubishi Caterpillar Forklift Europe B.V.

**1 December 2008** Decision of the Extraordinary General Meeting

**19 November 2008** Notification referred to in chapter 2, section 9 of the securities market act on an agreement which, when implemented, results in a change in holdings

**18 November 2008** q4/2008 result remains negative and the company starts negotiations about personnel cost reductions

**11 November 2008** The Finnish competition authority approves the acquisition of Rocla Oyj through public tender offer by Mitsubishi Caterpillar Forklift Europe B.V.

**7 November 2008** Decisions made by the board of directors of Rocla Oyj relating to the public tender offer of Mitsubishi Caterpillar Forklift Europe B.V.

**7 November 2008** Statement in accordance with chapter 6, section 6 of the securities markets act

**7 November 2008** Invitation to the general meeting of the shareholders

**6 November 2008** Mitsubishi Caterpillar Forklift Europe B.V. will commence the public tender offer for all the shares and option rights in Rocla Oyj on 10 November 2008

**23 October 2008** Notification referred to in chapter 2, section 9 of the securities market act on an agreement which, when implemented, results in a change in holdings

**23 October 2008** Notification referred to in chapter 2, section 9 of the securities market act on an undertaking concerning the acceptance of the tender offer

**23 October 2008** interim report 1.1.-30.9.2008

**23 October 2008** A public tender offer for all the shares and option rights

**16 July 2008** interim report 1.1.-30.6.2008

**10 June 2008** Amendment to the terms and conditions of Rocla Oyj stock options 2008

**03 June 2008** Change in the composition of Rocla's board of directors

**02 June 2008** Rocla grows in Denmark by acquiring VB Trucks A/S

**24 April 2008** Interim report 1.1.-31.3.2008

**26 March 2008** Decisions of the Annual General Meeting

**14 March 2008** annual report 2007 and summary of releases

**3 March 2008** Invitation to the Annual General Meeting

**7 February 2008** financial statements bulletin 1.1.-31.12.2007

All of Rocla Oyj's stock exchange releases and announcements can be found at www.rocla.com or http://nasdaqomxnordic.com/news

# Information for shareholders

### Annual General Meeting 2009

Rocla Oyj will hold its Annual General Meeting (AGM) at the company premises, Jampankatu 2, Järvenpää, on 24 March 2009, starting at 5.00 p.m.

### Right to attend the AGM

Shareholders registered as Rocla shareholders in the shareholder register maintained by Euroclear Finland Oy by no later than 13 March 2009 are entitled to attend the AGM. A nominee-registered shareholder wishing to attend the AGM must contact their account operators, in order to be entered temporarily into the company's shareholder register by 13 March 2009.

### Registration

A shareholder wishing to attend the AGM must notify the company by 16 March 2009, either by telephone +358 40 525 5754/Piia Jokela or by e-mail: piia.jokela@rocla.com.

### Proxies

Any proxies entitling authorised persons to exercise shareholders' voting rights at the meeting should be sent to the company to the address Rocla Oyj, AGM, P.O.Box 88, FI-04401 Järvenpää or as an attachment to the e-mail to piia.jokela@rocla.com by the above deadline.

### Dividend payment for 2008

The Board of Directors proposes to the AGM that no dividend be paid.

### Financial reports in 2009

Rocla Group publishes its Annual Report 2008 in Finnish and English on the company's website at www.rocla.com by March 17, 2009. The printed Annual Report can be ordered from rocla@rocla.com earliest in week starting on March 23, 2009. Rocla disclosed its Financial Statements for 2008 on 11 February 2009.

Rocla Group will publish its first interim report for 2009 on April 29, 2009. As the company estimates that the Rocla share will be delisted during the first half of 2009, the company will not publish other interim reports during 2009.

### Investor contacts

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

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

### Change of address

As a Rocla Oyj shareholder, please notify the bank or account operator, who manages your book-entry securities account, of changes of address. If your account is managed by Euroclear Finland Oy, please send change-of-address information to: Euroclear Finland Oy, P.O. Box 1110, FI-00101 Helsinki.

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