FINANCIAL REVIEW

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BOARD OF DIRECTORS' REPORT

Cramo is a service company specialising in equipment rental services and the rental of modular space. Its equipment rental services comprise construction machinery and equipment rentals and rental-related services, such as site and installation services. Cramo is a leading service provider in its field in the Nordic countries and Central and Eastern Europe. At the end of the year, Cramo had 328 (329) depots.

At the end of the financial year, Cramo Group consisted of the parent company Cramo Plc, which provides group-level services, and, as operating companies, its wholly-owned subsidiaries in Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Germany, Austria and Hungary. Cramo Plc also owns a company in Sweden which offers group-level services. Cramo conducts modular space business under the name Cramo Adapteo. In addition, Cramo owns 50% of Fortrent, a joint venture launched with Ramirent that operates in Russia and Ukraine. Fortrent's sales are not included in Cramo's sales. However, Cramo's share (50%) of Fortrent's profit for the financial period is included in the EBITA of the Eastern Europe business segment.

OPERATING ENVIRONMENT

The national economies in nearly all of Cramo's operating countries took a moderate upward turn during 2015, and the positive development is expected to continue. Construction activity also picked up but showed significant differences between countries. In Sweden, a local estimate (Sveriges Byggindustrier) indicated that the overall construction market grew by 9%, whereas in Finland, Estonia, Latvia and Russia, construction activity decreased. According to the Confederation of Finnish Construction Industries RT, construction in Finland decreased by approximately 1%. In Norway, the overall construction market grew by approximately 2.5% despite the decline in the oil price. In Denmark, Lithuania, Poland, the Czech Republic, Slovakia, Germany and Austria, construction increased by 0.2–10%, with the strongest growth in the Czech Republic and Slovakia. In Central Europe, growth was slightly weaker than expected during the second half of the year, and the annual growth rate of construction remained under 0.5%.

BUSINESS REVIEW

Cramo Group's business segments are Finland, Sweden, Norway, Denmark, Central Europe (Germany, Austria and Hungary) and Eastern Europe (Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and the Kaliningrad region in Russia as well as a 50% share of the profit of the joint venture Fortrent (in Ukraine and Russia, excluding the Kaliningrad region)). Cramo also reports on the financial information and order book value for modular space.

Finland generated 16.6% (15.9%) of sales, Sweden 49.5% (47.6%), Norway 10.5% (12.6%), Denmark 4.2% (4.5%), Central Europe 11.5% (11.8%) and Eastern Europe 7.6% (7.6%). These shares include inter-segment sales. The strongest sales growth in 2015 was achieved in Finland and Sweden.

Profitability improved in all markets and product areas, with the exception of Eastern Europe where profitability was on par with the previous year. The best profitability was achieved in Finland and Sweden. In Central Europe, full-year EBITA still remained negative but improved clearly towards the end of the year. The result was improved by performance improvement actions and by the slightly improved market situation. Fixed costs reduced, thanks to the performance improvement actions carried out in 2014, and in 2015 performance improvement actions were continued especially with regard to direct costs (materials and services).

In Finland, Cramo increased both its sales and its profitability, despite the market situation in new construction remaining weak. Sales and profitability improved in Sweden, too. In Norway, sales decreased due to, among other things, the reduction of the depot network and other restructuring measures, but EBITA improved. In Denmark, full-year sales were decreased by the restructuring measures carried out in 2014 in equipment rental, but the positive development of profitability continued. Good development in modular space boosted sales growth in Denmark in the fourth quarter. In Central Europe, sales did not grow but the negative result decreased. Modular space business in Central Europe, launched with the acquisition of C/S Raumcenter in 2014, has got off to a good start. In 2015, the Central European depots and sales operations adopted a common Performance Management Model, and towards the end of the year, operations were focused on the best-performing geographic regions.

In Eastern Europe, sales improved slightly, but EBITA stayed on par with the previous year. The joint venture Fortrent's euro-denominated sales for 2015 decreased by 19.8%; however, in local currencies sales grew by 7.4%. Fortrent's sales developed positively due to slightly higher prices and good demand in new regions in Russia, such as Volga and the southern parts of the country. Slower activity in the Russian construction sector impacted negatively on utilisation rates.

Cramo is a leading player in modular space in Northern Europe. Typical applications of modular space include schools, kindergartens, offices and accommodation facilities, and the rental period is typically 2–5 years. The modular space business grew especially in Finland, Sweden and Central Europe. Profitability improved in particular in Finland, Norway and Denmark.

Cramo strengthened its regional market position with acquisitions in Finland and Sweden. In February, Cramo acquired all the assets of Visby Hyresmaskiner AB ("VHM"), an equipment rental company operating in Gotland, Sweden and the entire share capital of the equipment rental company Vuokra-Pekat Oy in Finland. At the end of December, Cramo acquired MDS Raumsysteme's modular space rental business in Germany.

Cramo Group's good cash flow and the balance sheet that strengthened in 2015 ensure opportunities for growth investments in the future, too.

The key figures are shown on page 58.

SALES AND PROFIT

Cramo Group's consolidated sales for 2015 were EUR 667.9 (651.8) million, showing a year-on-year increase of 2.5%. In local currencies, sales grew by 4.7%.

Profitability improved year-on-year. In 2015, comparable EBITA before non-recurring items was EUR 86.8 (73.2) million, showing growth of 18.7%. Comparable EBITA margin before non-recurring items was 13.0% (11.2%) of sales. Non-recurring items amounted to EUR 2.0 million, of which EUR 1.2 million relate to the change of the President and CEO and EUR 0.8 million to restructuring in Central Europe. EBITA after non-recurring items was EUR 84.8 (70.3) million and EBITA margin 12.7% (10.8%) of sales. The result was improved by performance improvement actions and by the slightly improved market situation.

As for product areas, sales were EUR 568.5 (560.4) million for equipment rental and EUR 100.0 (92.8) million for modular space. EBITA was EUR 64.9 (50.8) million, or 11.4% (9.1%) of sales, for equipment rental and EUR 29.5 (26.9) million, or 29.5% (29.0%) of sales, for modular space.

EBITDA was EUR 185.7 (167.3) million, or 27.8% (25.7%) of sales. EBIT was EUR 76.7 (34.3) million, or 11.5% (5.3%) of sales. In 2014 an impairment loss of EUR 25.5 million was recognised on goodwill and intangible assets in Central Europe.

The cost effect of the Group's credit losses and credit loss provisions amounted to EUR 3.5 (5.2) million. The result includes EUR 1.4 (1.5) million in impairment losses on the fleet. Expenses associated with share-based incentive programs totalled EUR 2.2 (1.0) million. Net financial expenses in 2015 were EUR 12.9 (12.8) million.

Profit before taxes was EUR 63.8 (21.5) million, and profit for the period EUR 49.7 (16.0) million.

Full-year comparable earnings per share before non-recurring items were EUR 1.17 (0.91) and earnings per share after non-recurring items EUR 1.13 (0.37).

Return on investment (rolling 12 months) was 9.0% (4.2%) and return on equity (rolling 12 months) 10.5% (3.4%). Comparable return on investment before the effect of non-recurring items was 9.2% (7.5%) and comparable return on equity before the effect of non-recurring items 10.9% (8.3%).

CAPITAL EXPENDITURE, DEPRECIATION AND AMORTISATION

Gross capital expenditure for 2015 was EUR 175.0 (159.1) million. Of gross capital expenditure, EUR 9.8 (11.4) million was attributable to acquisitions and business combinations. Other capital expenditure was mainly related to fleet procurement.

Gross capital expenditure grew especially in Finland, Sweden and Eastern Europe. In Central Europe and Norway, investments were decreased. As for product areas, Cramo continued its growth investments in modular space.

Reported depreciation and impairment on tangible assets were EUR 100.9 (97.0) million. Amortisation and impairment resulting from acquisitions totalled EUR 8.1 (36.0) million.

At the end of the financial year, goodwill totalled EUR 151.1 (149.5) million.

FINANCIAL POSITION AND BALANCE SHEET

Cash flow from operating activities improved clearly year-on-year and was EUR 182.9 (118.3) million. Cash flow from operating activities was improved by improved EBITDA, improved net working capital and a tax refund of EUR 8.3 million received in the fourth quarter. Cash flow from investing activities was EUR -147.3 (-124.8) million. Cash flow after investments was EUR 35.6 (-6.5) million.

Cash flow from operating activities was improved by the EUR 8.3 million tax refund in the fourth quarter with regard to the 2009–2012 taxation of the interest income from Cramo's financing company in Belgium. In 2013, the Tax Administration issued a residual tax decision of EUR 9.7 million for Cramo Plc, concerning the years 2009–2012. According to the decision, the interest income from Cramo's financing company in Belgium should have been taxed in Finland. Cramo had paid the taxes in Belgium and appealed against the decision. In October 2015, the Assessment Adjustment Board changed the tax decision, and the Tax Administration paid Cramo a EUR 8.3 million tax refund. Cramo has decided to submit the case to the tax agreement procedure (the MAP process) between Belgium and Finland, to the extent that Cramo has been subjected to double taxation, pursuant to the changed tax decision. In addition, Cramo will appeal against the approximately EUR 1 million tax increase associated with the changed tax decision. In relation to this case, Cramo continues to record a EUR 1.5 million tax receivable on the balance sheet.

On 31 December 2015, Cramo Group's net interest-bearing liabilities totalled EUR 368.4 (385.4) million. At the end of the period, gearing was 75.1% (84.7%).

Of the Group's variable rate loans, EUR 130.0 (90.0) million were hedged by way of interest rate swaps on 31 December 2015. Hedge accounting is applied to all of these interest rate hedges. On 31 December 2015, Cramo Group had undrawn committed credit facilities (excluding leasing facilities) in the amount of EUR 201.2 (217.6) million, of which non-current facilities represented EUR 185.0 (192.0) million and current facilities EUR 16.2 (25.6) million.

Tangible assets amounted to EUR 686.9 (625.7) million of the balance sheet total at the end of the financial period. The balance sheet total on 31 December 2015 was EUR 1,085.9 (1,047.7) million. The equity ratio was 45.7% (43.9%).

Rental liabilities associated with off-balance sheet operational leasing agreements totalled EUR 23.1 (28.9) million on 31 December 2015. Off-balance sheet liabilities for office and depot rents stood at EUR 90.1 (91.7) million. The Group's investment commitments amounted to EUR 25.0 (21.0) million.

STRATEGIC AND FINANCIAL TARGETS

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

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

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

MANAGEMENT TEAM

Operationally, Cramo has three market areas: Scandinavia (Sweden, Norway, Denmark), Eastern Europe (Finland, Estonia, Latvia, Lithuania, Poland) and Central Europe (Germany, Austria, Hungary, the Czech Republic, Slovakia).

In addition to the President and CEO Vesa Koivula, Cramo Plc's Group Management Team comprised the following people at the end of the financial period: Göran Carlson, Senior Executive Vice President, Scandinavia, and Managing Director, Cramo Sweden; Tatu Hauhio, Executive Vice President, Eastern Europe, and Managing Director, Cramo Finland; Dirk Schlitzkus, Executive Vice President, Central Europe, and Managing Director (Germany, Austria, Hungary); Per Lundquist, Senior Vice President, Operations (IT, HR, marketing and communications, and the harmonisation of the Group's business concepts and processes); Martin Holmgren, Senior Vice President, Fleet Management; Martti Ala-Härkönen, CFO, also responsible for corporate planning, M&A, legal affairs and investor relations; Petri Moksén, Senior Vice President, Modular Space; and Aku Rumpunen, Senior Vice President, Group Business Control.

On 6 August 2015, the Board of Directors of Cramo Plc appointed Leif Gustafsson as new President and CEO. Leif Gustafsson took up the position after the review period, on 1 January 2016, following the retirement of Vesa Koivula, President and CEO. Göran Carlson was appointed Managing Director of Cramo AB in Sweden and Senior Executive Vice President, Cramo Scandinavia and member of Cramo's Group Management team as of 1 June 2015 as the previous holder of these positions, EVP Erik Bengtsson, announced that he would leave the Cramo Group.

PERSONNEL

During the review period, the Group had an average of 2,486 (2,528) employees. In addition, the Group employed an average of approximately 141 (149) people hired from a staffing service. At the end of the period, Group personnel numbered 2,473 (2,473) as full time equivalent (FTE) employees. The geographical distribution of personnel at the end of the period was as follows: 472 (452) employees in Finland, 869 (849) in Sweden, 219 (235) in Norway, 97 (118) in Denmark, 350 (363) in Central Europe and 466 (456) in Eastern Europe.

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

The total amount of salaries and fees paid was EUR 108.3 (106.1) million.

A key area in personnel development was to strengthen the Cramo Story culture throughout the organisation. A customer-oriented corporate culture and a service level improvement in the entire rental industry are essential to the Cramo Story. The Performance Management Model was developed and its roll-out was extended.

SHARES AND SHARE CAPITAL

On 31 December 2015, Cramo Plc's share capital as registered in the Finnish Trade Register was EUR 24,834,753.09, and the number of shares was 44,621,294. At the end of the financial year, Cramo Plc holds 295,550 of these shares. After the review period, on 15 January 2016, the number of shares held by the company decreased to 251,988 due to the directed share issue based on Cramo Group's Performance Share Plan 2013.

As a result of the option programme 2011, the number of Cramo Plc shares

PERSONNEL BY SEGMENT AT THE END OF 2015

	Number of employees (FTE)		Percentage of total personnel	
	2015	2014	2015	2014
Finland	448	428	18.1	17.3
Sweden	825	806	33.4	32.6
Norway	219	235	8.9	9.5
Denmark	97	118	3.9	4.8
Central Europe	350	363	14.2	14.7
Eastern Europe	466	456	18.8	18.4
Group activities	68	67	2.7	2.7
of whom in the parent company	24	24	1.0	1.0
Group total	**2,473**	**2,473**	**100.0**	**100.0**

PERSONNEL AGE DISTRIBUTION

	Number of employees (FTE)		Percentage of total personnel	
	2015	2014	2015	2014
–23	59	80	2.4	3.2
24–35	708	705	28.6	28.5
36–45	700	695	28.3	28.1
46–59	848	833	34.3	33.7
60–	157	160	6.3	6.5
Group total	**2,473**	**2,473**	**100.0**	**100.0**

PERSONNEL BY GENDER

	Number of employees (FTE)		Percentage of total personnel	
	2015	2014	2015	2014
Male	2,143	2,131	86.7	86.2
Female	330	342	13.3	13.8
Group total	**2,473**	**2,473**	**100.0**	**100.0**

increased by a total of 625,525 new shares during the financial year. The number of shares subscribed for under the option programme was 113,453 in the first quarter, 326,378 in the second quarter and 116,434 in the third quarter. In the fourth quarter, a total of 69,260 shares were subscribed for. These shares were registered in the Finnish Trade Register after the review period, on 18 January 2016, and trading in them began on 19 January 2016.

The share subscription period for the 2011 option programme ended on 31 December 2015, and a total of 787,000 shares were subscribed for with its stock options. The subscription price was EUR 5.43. One subscription right entitled its holder to subscribe for one new share. The subscription payments are included in the invested unrestricted equity fund.

CURRENT INCENTIVE SCHEMES

In the One Cramo Share Plan incentive scheme for the Group's permanent employees, employees are offered an opportunity to save a maximum of 5% of their salary, and the accumulated savings are used for share purchases. The third savings period of the incentive scheme began on 1 October 2014 and ended on 30 September 2015. The fourth savings period began on 1 October 2015 and will end on 30 September 2016. The first savings period ended on 30 September 2013 and related additional shares will be conveyed in May 2016. In the One Cramo Share Plan, the participants get the opportunity to acquire one additional share for each two shares purchased.

The discretionary periods of the share-based incentive scheme for Cramo Plc's key employees are the calendar years starting from 2012. The rewards for the discretionary periods 2012–2014 were based on the earnings per share (EPS) key indicator. The rewards for 2012 were paid on 8 January 2015. A total of 20,738 shares were given in a directed share issue, in addition to which rewards were paid in cash in the amount of EUR 218,566. The rewards for 2013 were paid after the financial period, on 15 January 2016. A total of 43,562 shares were given in a directed share issue, in addition to which rewards were paid in cash in the amount of EUR 674,281. The rewards for 2014 equal the approximate worth of 43,000 shares and will be paid in January 2017.

In February 2015, Cramo Plc's Board of Directors resolved on a share-based incentive scheme for the Cramo Group Management Team members and its key employees for 2015–2017. The scheme offers an opportunity to earn Cramo shares as a reward for achieving the targets. Each discretionary period will immediately be followed by a two year vesting period, after which any earned reward will be paid out to participants. The target group of the scheme consists of approximately 65 Cramo key employees. The earned reward may correspond to a maximum total of 1,000,000 Cramo Plc shares, including the proportion to be paid in cash. The rewards for 2015 equal the approximate worth of 190,000 shares and will be paid in January 2018.

CHANGES IN SHAREHOLDINGS

During the financial year, Cramo Plc received the following notifications about changes in shareholdings as defined in Section 5 of Chapter 9 of the Finnish Securities Markets Act:

Nordea Funds Oy submitted a notification that its total holding of share capital and voting rights in Cramo Plc had decreased below 5% on 26 February 2015. At that time, its proportion of voting rights and share capital of the company was 4.998% and it owned 2,202,437 shares.

On 27 March 2015, Hartwall Capital Oy Ab submitted a notification that Hartwall Capital Oy Ab is party to an arrangement which would, when implemented, result in Hartwall Capital Oy Ab's total holding of shares and votes in Cramo Plc to fall below the five and ten per cent thresholds. As at the date of the notification, Hartwall Capital Oy Ab held 4,491,702 shares in Cramo Plc, representing 10.17% of shares and votes. As a result of the implementation of the arrangement, Hartwall Capital Oy Ab will no longer hold any shares in Cramo Plc.

On 27 March 2015, Cramo Plc also received a notification from Zeres Capital AB, according to which Zeres Capital AB is party to an arrangement which would, when implemented, result in Zeres Capital AB's total holding of shares and votes in Cramo Plc to exceed the five and ten per cent thresholds. As at the date of the notification, Zeres Capital AB held 5,028 shares in Cramo Plc, representing 0.01% of shares and votes. After the arrangement was implemented, Zeres Capital AB held a total of 4,696,730 shares, representing 10.63% of shares and votes. The share purchase was conditional upon (i) that the seller of the shares provided Zeres Capital AB with a power of attorney enabling Zeres Capital AB to vote with the shares at the Annual General Meeting of Cramo Plc on 31 March 2015 and (ii) that Cramo Plc's Nomination and Compensation Committee revised its proposal to the annual general meeting, so that two persons currently proposed by the Nomination and Compensation Committee shall be replaced with two persons in a way satisfactory for Zeres Capital AB. The arrangement was implemented on 30 March 2015.

Massachusetts Mutual Life Insurance Company's, MassMutual Holding LLC's and MM Asset Management Holding LLC's total holding of share capital and voting rights in Cramo Plc increased above five per cent on 25 August 2015. At that time, the companies' proportion of voting rights and share capital in Cramo Plc was 5.081% and they owned 2,261,163 shares.

ANNUAL GENERAL MEETING 2015 AND THE BOARD'S AUTHORISATIONS

Cramo Plc's Annual General Meeting of Shareholders held on 31 March 2015 adopted the consolidated financial statements and the parent company's financial statements for the financial year 2014 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting decided, as proposed by the Board of Directors, that a dividend of EUR 0.55 per share be paid from the distributable funds for the financial year 1 January–31 December 2014.

Ms Helene Biström, Mr Eino Halonen, Mr Erkki Stenberg, Mr Leif Boström, Ms Caroline Sundewall and Mr Raimo Seppänen were re-elected as members of the Board. Mr Joakim Rubin and Mr Peter Nilsson were elected to the Board as new members.

The Annual General Meeting confirmed the remuneration payable to the chairman of the Board of Directors as EUR 70,000, to the deputy chairman as EUR 45,000 and to the other members of the Board as EUR 35,000 per year. It was decided that 50% of the annual remuneration will be paid in Cramo Plc shares purchased on the market on behalf of the Board members. In case such purchase of shares is not carried out due to reasons related to either the company or a Board member, the annual remuneration shall be paid entirely in cash. In addition, it was decided that all Board members are entitled to a compensation of EUR 1,000 per each attended Board committee meeting. Reasonable travel expenses will be refunded.

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

The Annual General Meeting

authorised the Board of Directors to decide on the repurchase of the company's own shares and/or their acceptance as pledge as follows: The number of own shares to be acquired and/or accepted as pledge shall not exceed 4,100,000. Own shares may only be acquired using the company's unrestricted equity, at a price formed in public trading on the date of the repurchase or at a price otherwise formed in the market. Own shares can be acquired otherwise than in proportion to the shareholdings of the shareholders, and no more than 400,000 of these shares may be used in the company's incentive schemes. The authorisation is effective until the close of the next Annual General Meeting, but no later than 30 September 2016.

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

Pursuant to the Board of Directors' proposal, the Annual General Meeting decided to amend the Articles of Association with regard to the number of the Board members and the publication of the summons to the Annual General Meeting.

Pursuant to the Board of Directors' proposal, the Annual General Meeting resolved to establish a Shareholders' Nomination Committee to prepare annually proposals to the Annual General Meeting for the election and remuneration of the members of the Board of Directors. The Annual General Meeting also adopted the Charter of the Nomination Committee. The Committee consists of maximum four members, of which maximum three represent the company's largest shareholders. The chairman of the Board of Directors shall be a member of the Nomination Committee.

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

CORPORATE GOVERNANCE AND AUDITORS

At the end of the financial year, Cramo Plc's Board of Directors was composed of Ms Helene Biström, Mr Leif Boström, Mr Eino Halonen, Mr Peter Nilsson, Mr Joakim Rubin, Mr Erkki Stenberg, Ms Caroline Sundewall and Mr Raimo Seppänen. Ms Helene Biström, Mr Leif Boström, Mr Eino Halonen, Mr Victor Hartwall, Mr Raimo Seppänen, Mr Erkki Stenberg and Ms Caroline Sundewall comprised the Board of Directors until the Annual General Meeting of 31 March 2015.

Mr Leif Boström (Chairman), Mr Eino Halonen, Mr Joakim Rubin and Ms Caroline Sundewall comprised the Audit Committee. Ms Helene Biström (Chairman), Mr Peter Nilsson, Mr Raimo Seppänen and Mr Erkki Stenberg comprised the Remuneration Committee.

The members of the Shareholders' Nomination Committee established by the Annual General Meeting were nominated in November and they are Ms Helene Biström; Mr Mikael Moll, Partner, Zeres Capital; Mr Ari Autio, Member of the Board of Directors of Rakennusmestarien Säätiö; and Mr Matti Rusanen, Head of Equity Investments and Funds, Ilmarinen Mutual Pension Insurance Company. The chairman of the Nomination Committee is Mr Mikael Moll.

On 31 December 2015, the Board members and the President and CEO held, either directly or through companies in which they exercise control, a total of 155,293 Cramo Plc shares, which represents 0.35% of the company's shares and votes.

The company's auditors were KPMG Oy Ab, Authorised Public Accountants, with Mr Toni Aaltonen, APA, as the responsible auditor.

In 2015, Cramo Plc observed the Finnish Corporate Governance Code, which entered into force on 1 October 2010 and, as of 1 January 2016, started observing the new Finnish Corporate Governance Code, which entered into force on that date. Cramo Plc's insider guidelines are based on the Finnish Securities Markets Act, rules and regulations issued by the Financial Supervision Authority, and the insider guidelines of the stock exchange. Euroclear Finland Ltd. maintains an insider register of Cramo Plc's permanent insiders, whose holdings are also available on Cramo Plc's website.

The Corporate Governance statement for 2015 issued by Cramo Plc's Board of Directors and the Remuneration Statement for 2015 are available on the Cramo Plc website.

ESSENTIAL RISKS AND UNCERTAINTIES

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

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

Of geopolitical risks, especially the prolongation of the Ukrainian crisis and difficulties in the Russian economy have increased economic uncertainty in Cramo's operations. These uncertainties may also have an effect on construction and the demand for rental services in Cramo's operating countries.

Cramo estimates that the decline in the oil price has a positive impact on economic development with the exception of Norway and Russia.

STRATEGIC RISKS

The Group's operations are closely linked to general economic development and the construction and property markets. Unfavourable development in these markets may have a negative impact on the Group's operations, profit and financial position. Efforts have been made to reduce the risks related to demand and price development by dividing the operations into different product and customer segments and by reducing dependence on a single geographical market.

The construction industry is characterised by seasonal fluctuations, and the Group's sales and profit vary by quarter in a manner that is typical of equipment rental operations. The modular space business is less dependent on economic cycles than the equipment rental business. The Group also strives to minimise the impact of economic trends through continually optimising its rental fleet utilisation rate.

Expansion and business development are partly based on acquisitions. The risks in acquisitions are related to knowledge of local markets and regulations, customers, key personnel and suppliers, among other factors. Expansion into new geographical areas exposes the Group to cultural, political, economic, regulatory and legal risks. The goal is to take these risks into consideration through careful preparation and by investing in the integration of acquisitions.

There are risks associated with the amount, allocation and timing of the investments and with other strategic business decisions. The goal is to control investment-related risks by applying a careful approval process for investments, optimising fleet use across the Group, financing some investments through operative leasing, and using external and internal indicators to forecast future market development, among other measures. These indicators that illustrate the future are monitored by country company on a monthly basis. Strategy follow-up also includes an actively monitored set of forward-looking indicators to give an early indication of any changes in the market conditions or the company's operations. Cramo has prepared itself for changes in the operating methods applied in the industry by developing electronic rental services, among other measures.

OPERATIVE RISKS

The Group's most significant operative risks include those associated with business operations and personnel, contract risks, occupational safety risks, IT-related risks, risks related to compliance with laws and regulations and risks related to the Group's administrative principles. In order to control the most significant strategic and operative risks, the Group and its subsidiaries have their own contingency plans. OHSAS 18001 certification has been granted to Finland and Sweden for their occupational health and safety management systems.

ECONOMIC AND FINANCING RISKS

The objective of economic and financing risk management is to safeguard the company's high-quality external and internal financial reporting and the availability of financing and to minimise the adverse effects that changes in the operating environment and financial markets have on the Group's profit and financial position.

The Group's primary financing risks are cash flow's interest rate risk, currency rate risk, credit risk and liquidity risk.

To manage the interest rate risk, the Group's loans and investments have been spread between fixed-rate and variable-rate instruments. Derivative contracts, such as interest rate swaps, are also used to manage the interest rate risk. The exchange rate risk mainly comprises net investments in foreign units and currency-denominated loans, with currency forwards as hedging instruments.

The Group's treasury policy specifies the responsibilities and procedures of the treasury function as well as the targets and principles of hedging. The Group's country-specific financing is handled in a centralised manner, primarily through internal Group loans.

TRANSACTION RISKS

The Group's transaction risks include risks related to equipment rental and uninterrupted operations, among other risks, which can be managed by means of insurance. Comprehensive insurance coverage is an essential part of Cramo Group's risk management.

ENVIRONMENTAL RISK

Environmental responsibility is an important part of Cramo's business model. The Group is able to reduce the environmental load of construction by maintaining high utilisation rates for its equipment. Cramo's environmental responsibility involves ensuring that its rental and modular space solutions are of a high quality and carefully serviced and overhauled. When making equipment purchases, Cramo checks whether its equipment suppliers are signatories to UN Global Compact (or similar). Equipment is delivered fully tested and without unnecessary packaging.

Long equipment life cycles are maintained through careful maintenance. Material generated by equipment to be disposed of is recycled as comprehensively as possible.

Regional profit centres are responsible for the appropriate storage and reprocessing of chemicals and hazardous waste. Cramo's operations in Finland, Sweden, Denmark and Norway have been certified in accordance with the ISO 14001 environmental system and the ISO 9001 quality system.

Cramo publishes a separate sustainability report, which provides information on environmental management and corporate responsibility. The report will be published during the spring, and it will also be available in electronic format on the Cramo website. The report is not verified by a third party.

OUTLOOK FOR 2016

Economic development is expected to gradually pick up in Europe. According to the European Central Bank's December estimate, short-term indicators suggest that GDP growth will continue to be moderate.

ECB expects favourable financing conditions and low mortgage interest rates, combined with the increase in households' disposable income, to boost demand for housing in the near future. New construction, renovation and need for modular space also increase especially due to urbanisation, demographical changes and intensely increasing immigration. Demand for modular space is increased by a completely new application, i.e. asylum seeker reception centres.

In Cramo countries, the construction market outlook for 2016 is positive. In their reports published in December, the construction market analysts Euroconstruct and Forecon estimated that in 2016, construction would increase in all of Cramo's operating countries with the exception of Russia and Slovakia. The Confederation of Finnish Construction Industries RT also estimated that construction will take an upward turn in Finland in 2016. The strongest growth, 7.4%, is expected to occur in Poland. Elsewhere, growth expectations vary from 1% to 4%.

In the long term, the equipment rental market is expected to grow faster than construction. Changes in demand usually follow those in construction with a delay. In addition to construction volume, the demand for equipment rental services is affected by industrial investments and the increase in the rental penetration rate. Tightening legislation and the requirements to improve the efficiency and quality of construction increase the need for various rental-related services.

According to its November forecast, the European Rental Association (ERA) expects the usage of equipment rental services to increase in all of Cramo's markets in 2016. According to Cramo's estimate, demand for modular space has increased in the Nordic countries by nearly 6% per year for the past five years. Cramo estimates that market growth is somewhat stronger in the Baltic countries and Germany.

The guidance of Cramo Plc's Board of Directors for 2016 is: In 2016, Cramo Group's sales will grow in local currencies and the EBITA margin will improve compared to 2015.

PROFIT DISTRIBUTION POLICY AND THE BOARD OF DIRECTORS' PROPOSAL FOR PROFIT DISTRIBUTION

Cramo Plc's goal is to follow a stable profit distribution policy and to pay approximately 40% of earnings per share (EPS) for a period as a dividend.

On 31 December 2015, Cramo Plc's total distributable funds were EUR 190,317,876.06, including EUR 48,702,101.29 of retained earnings. Cramo Plc's profit for the period was EUR 33,318,935.80.

The Board of Directors proposes to the Annual General Meeting to be held on 31 March 2016 that a dividend of EUR 0.65 be paid for the financial year 1 January–31 December 2015 and the rest of the distributable funds be carried forward in equity.

The Annual General Meeting is planned for Thursday, 31 March 2016.

EVENTS AFTER THE BALANCE SHEET DATE

The Group's new President and CEO Leif Gustafsson took up his new position on 1 January 2016.

On 15 January 2016, Cramo announced a directed share issue related to Cramo Performance Share Plan 2013. In the share issue, 43,562 Cramo Plc shares held by the company were conveyed without consideration to the key employees participating in the Performance Share Plan 2013 in accordance with the terms and conditions of the Plan. The decision on the share issue, made by Cramo Plc's Board of Directors on 16 December 2015, is based on the authorisation granted by the Annual General Meeting on 31 March 2015.

On 27 January 2016, Cramo Plc's Shareholders' Nomination Committee proposed to the next Annual General Meeting, which is planned to be held on 31 March 2016, that the number of members of the Board of Directors be confirmed as seven (7) ordinary members. The Nomination Committee proposed that the following current members of Board be re-elected: Ms Helene Biström, Mr Peter Nilsson, Mr Joakim Rubin, Mr Raimo Seppänen, Mr Erkki Stenberg and Ms Caroline Sundewall, and that Mr Perttu Louhiluoto be elected as a new Board member. Of the current members of the Board, Mr Leif Boström and Mr Eino Halonen have announced that they will not be available for re-election.

KEY FIGURES AND RATIOS

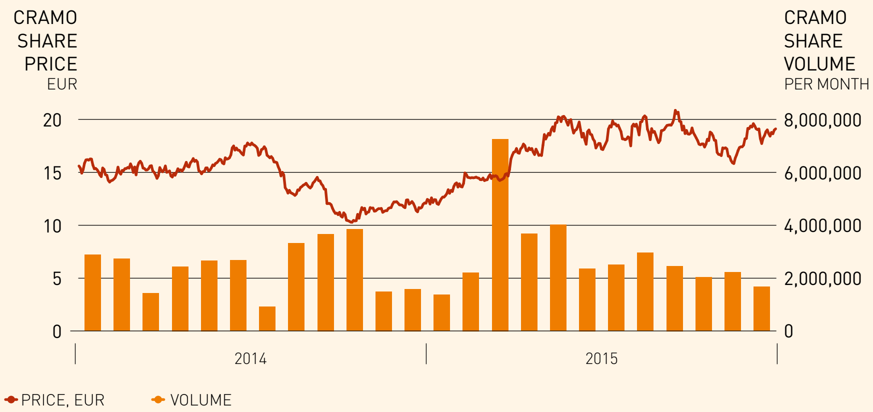
KEY FIGURES ON FINANCIAL PERFORMANCE		2015	2014	2013	2012[2]	2011
Sales	MEUR	667.9	651.8	657.3	688.4	679.9
Change -%	%	+2,5	-0.8	-4.5	+1.3	+38.2
Operating profit	MEUR	76.7	34.3	66.8	64.5	54.3
% of sales	%	11.5	5.3	10.2	9.4	8.0
Profit before taxes[1]	MEUR	63.8	21.5	51.9	44.3	32.2
% of sales	%	9.6	3.3	7.9	6.4	4.7
Profit/loss for the year[1]	MEUR	49.7	16.0	42.8	38.7	23.5
% of sales	%	7.4	2.5	6.5	5.6	3.5
Return on equity[1]	%	10.5	3.4	8.3	7.5	5.4
Return on investment[1]	%	9.0	4.2	7.7	7.3	6.6
Equity ratio	%	45.7	43.9	47.1	48.6	44.4
Gross capital expenditure	MEUR	175.0	159.1	129.6	125.1	262.5
% of sales	%	26.2	24.4	19.7	18.2	38.6
of which business combinations	MEUR	9.8	11.4	29.1	0.8	115.4
Equity	MEUR	490.7	455.0	500.6	532.6	493.9
Net interest-bearing liabilities	MEUR	368.4	385.4	364.8	346.9	390.4
Gearing	%	75.1	84.7	72.9	65.1	78.7
Average number of personnel	No.	2,486	2,528	2,463	2,664	2,580

1 Comparative figures for 2012 have been adjusted due to the retrospective application of the revised IAS 19 Employee benefits
2 2012 key figures have been calculated before reclassification of Russian business as assets and liabilities to be transferred to joint venture according to IFRS 5

PER-SHARE RATIOS		2015	2014	2013	2012	2011
Earnings per share[1]	EUR	1.13	0.37	1.01	0.94	0.60
Earnings per share diluted[1,2]	EUR	1.12	0.36	1.00	0.93	0.60
Shareholders' equity per share	EUR	11.05	10.40	11.56	11.58	10.83
Dividend per earnings[1]	%	57.6*	149.3	59.3	44.8	49.9
Dividend per share	EUR	0.65*	0.55	0.60	0.42	0.30
Trading volume of shares	No.	33,659,526	28,710,540	23,736,696	16,900,991	30,446,719
% of total number	%	75	66	55	40	74
Adjusted average number of shares	No.	44,067,946	43,455,457	42,297,421	41,356,347	39,098,751
Adjusted number of shares at year-end	No.	44,395,004	43,748,741	43,310,671	41,708,387	41,122,798
P/E ratio		16.9	32.8	15.2	8.5	13.2
Effective dividend yield	%	3.4*	4.6	3.9	5.3	3.8
Market capitalisation of share capital	MEUR	848.4	528.5	665.3	332.8	327.8
Average price	EUR	17.08	13.97	12.21	9.77	11.89
Closing price at year-end	EUR	19.11	12.08	15.36	7.92	7.91
Lowest quotation	EUR	11.77	10.28	7.98	7.04	5.68
Highest quotation	EUR	20.88	17.78	16.83	13.03	20.23

1 Comparative figures for 2012 have been adjusted due to the retrospective application of the revised IAS 19 Employee benefits
2 Adjusted by the dilution effect of stock options and share plans
* The Board proposes to the Annual General Meeting a dividend of EUR 0.65

CRAMO SHARE PRICE AND TRADING VOLUME



CONSOLIDATED BALANCE SHEET

EUR 1,000	Note	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Tangible assets	3	686,909	625,738
Goodwill	4	151,142	149,472
Other intangible assets	4	68,179	76,167
Investments in joint ventures	7	2,608	4,254
Deferred tax assets	8	13,463	14,336
Loan receivables	11	15,267	17,656
Trade and other receivables	11	1,436	1,266
Total non-current assets		**939,003**	**888,889**
Current assets			
Inventories	12	8,963	9,718
Trade and other receivables	11	130,482	128,767
Income tax receivables		3,031	10,996
Derivative financial instruments	10	889	3,632
Cash and cash equivalents	13	3,511	5,689
Total current assets		**146,875**	**158,801**
TOTAL ASSETS		**1,085,878**	**1,047,690**
EQUITY AND LIABILITIES			
Equity			
Share capital		24,835	24,835
Other reserves		326,297	322,837
Hedging fund		-7,074	-8,162
Translation differences[1]		-26,395	-31,133
Retained earnings[1]		173,081	146,613
Equity attributable to owners of the parent company		490,743	454,990
Total equity	14	**490,743**	**454,990**
Non-current liabilities			
Interest-bearing liabilities	15	293,811	294,392
Derivative financial instruments	10	8,322	9,286
Deferred tax liabilities	8	70,636	68,096
Retirement benefit liabilities	16	1,707	1,861
Other non-current liabilities	17	2,832	1,797
Total non-current liabilities		**377,308**	**375,432**
Current liabilities			
Interest-bearing liabilities	15	78,097	96,676
Derivative financial instruments	10	233	580
Trade and other payables	18	136,070	115,377
Income tax liabilities		2,817	3,984
Provisions		611	652
Total current liabilities		**217,827**	**217,269**
Total liabilities		**595,135**	**592,700**
TOTAL EQUITY AND LIABILITIES		**1,085,878**	**1,047,690**

1 Presentation of translation differences in equity has been changed. As a result, retained earnings for the comparative period have increased by EUR 6.4 million and translation differences decreased by EUR 6.4 million.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Note	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Sales		**667,877**	**651,758**
Other operating income	20	13,462	13,156
Materials and services	21	-236,619	-232,663
Employee benefit expenses	22	-143,899	-138,500
Other operating expenses	23	-115,510	-125,927
Depreciation and impairment on tangible assets	24	-100,878	-97,008
Share of profit/loss of joint ventures	7	395	-523
Amortisation and impairment resulting from acquisitions	24	-8,114	-35,965
Operating profit		**76,714**	**34,328**
Financial income[1]		11,038	19,668
Financial expenses[1]		-23,961	-32,518
Total financial income and expenses	25	-12,923	-12,849
Profit before taxes		**63,791**	**21,479**
Income taxes	26	-14,075	-5,471
Profit for the year		**49,715**	**16,008**
Attributable to			
Owners of the parent company		49,715	16,008
Earnings per share for profit attributable to owners of the parent company			
Basic, EUR	27	1.13	0.37
Diluted, EUR	27	1.12	0.36
OTHER COMPREHENSIVE INCOME ITEMS			
Profit for the year		49,715	16,008
Other comprehensive income	26		
Items that will not be reclassified to profit or loss:			
Remeasurements on retirement benefit liabilities, net of tax		59	-324
Total items that will not be reclassified to profit or loss		59	-324
Items that may be reclassified subsequently to profit or loss:			
Change in hedging fund, net of tax		1,088	-2,309
Available-for-sale financial assets			-119
Share of other comprehensive income of joint ventures		-2,040	-12,689
Change in translation differences		6,778	-25,243
Total items that may be reclassified subsequently to profit or loss		5,826	-40,360
Total other comprehensive income, net of tax		5,885	-40,684
Total comprehensive income for the year		**55,600**	**-24,676**
Attributable to			
Owners of the parent company		55,600	-24,676

1 Presentation of financial income and expenses have been changed. Earlier exchange differences have been presented as net value in the financial expenses. Now the exchange rate gains are presented in financial income and exchange rate losses in financial expenses. Comparative figures have been changed accordingly.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent company							
EUR 1,000	Share capital	Other reserves	Invested unrestricted equity	Fair value reserve	Hedging fund	Translation differences	Retained earnings	Total equity
At 1 Jan 2014	**24,835**	**186,926**	**131,816**	**119**	**-6,726**	**6,799**	**156,813**	**500,582**
Translation differences [1]						-37,932		**-37,932**
Remeasurement on retirement benefit liabilities							-324	**-324**
Hedging fund					-2,309			**-2,309**
Transfer between groups					873		-873	
Available-for-sale financial assets				-119				**-119**
Profit for the year							16,008	**16,008**
Comprehensive income				-119	-1,436	-37,932	14,811	**-24,676**
Exercise of share options			4,395					**4,395**
Dividend distribution							-25,986	**-25,986**
Share-based payments							675	**675**
Changes within equity			-300				300	
At 31 Dec 2014	**24,835**	**186,926**	**135,911**		**-8,162**	**-31,133**	**146,613**	**454,990**
At 1 Jan 2015	**24,835**	**186,926**	**135,911**		**-8,162**	**-31,133**	**146,613**	**454,990**
Translation differences						4,738		**4,738**
Remeasurement on retirement benefit liabilities							59	**59**
Hedging fund					1,088			**1,088**
Profit for the year							49,715	**49,715**
Comprehensive income					1,088	4,738	49,774	**55,600**
Exercise of share options			3,459					**3,459**
Dividend distribution							-24,132	**-24,132**
Share-based payments							826	**826**
At 31 Dec 2015	**24,835**	**186,926**	**139,370**		**-7,074**	**-26,395**	**173,081**	**490,743**

1 Presentation of translation differences in equity has been changed. As a result, the opening balance of the retained earnngs for the comparative period has decreased by EUR 9.1 million and translation differences increased by EUR 9.1 million.

Further information about share capital and equity funds is given in note 14.

CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	Note	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Cash flow from operating activities			
Profit before tax		63,791	21,479
Adjustments:			
Depreciation, amortisation and impairment	24	108,992	132,974
Share of profit of joint ventures	7	-395	523
Other non cash corrections	28	-8,806	-10,064
Finance cost (net)	25	12,923	12,849
Operating profit before changes in working capital		176,505	157,761
Change in working capital			
Change in inventories		880	-1,772
Change in trade and other receivables		-955	-12,915
Change in trade and other payables		19,453	7,934
Cash generated from operations before financial items and tax		195,883	151,008
Interest paid		-11,597	-12,827
Interest received		1,193	1,684
Other financial items		3,192	-211
Income taxes paid		-5,810	-21,388
Net cash flow from operating activities		**182,861**	**118,266**
Cash flow from investing activities			
Investments in tangible and intangible assets		-165,204	-147,700
Sale of tangible and intangible assets		25,071	28,354
Acquisition of subsidiaries and business operations, net of cash acquired		-7,146	-5,407
Net cash flow from investing activities		**-147,279**	**-124,753**
Cash flow from financing activities			
Change in interest-bearing receivables		2,388	2,689
Change in finance lease liabilities		-13,295	-15,863
Proceeds from interest-bearing liabilities		7,000	42,000
Repayments of interest-bearing liabilities		-13,721	-6,586
Proceeds from exercise of share options		4,049	11,358
Dividends paid		-24,128	-25,982
Net cash flow from financing activities		**-37,707**	**7,616**
Change in cash and cash equivalents		**-2,125**	**1,129**
Cash and cash equivalents at beginning of the year		5,689	4,770
Exchange differences		-53	-210
Cash and cash equivalents at year end		**3,511**	**5,689**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34

1. ACCOUNTING PRINCIPLES RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS

COMPANY PROFILE

Cramo is a service company specialising in equipment rental services, as well as the rental of modular space. Cramo operates in fifteen countries in the Nordic and in Central and Eastern Europe with 328 depots and 2,486 employees.

The Group's parent company, Cramo Plc, is a Finnish public limited company, established in accordance with Finnish legislation, and its Business ID is 0196435-4. The address of Cramo Plc's registered office is Kalliosolantie 2, 01740 Vantaa. Cramo Plc has its listing on the main list of Nasdaq Helsinki Ltd.

A copy of the consolidated financial statements is available on the internet at www.cramo.com or can be obtained at the parent company's head office, address Kalliosolantie 2, 01740 Vantaa.

On 9 February 2016, the Board of Directors approved these consolidated financial statements for issue. According to the Finnish Companies Act, the shareholders have the opportunity to approve or reject the financial statements at the Annual General Meeting held after their publication. Furthermore, the Annual General Meeting can decide on modifications to be made to the financial statements.

BASIS OF PREPARATION

The consolidated financial statements of Cramo have been prepared in accordance with International Financial Reporting Standards (IFRS) approved for adoption by the European Union, including International Accounting Standards (IAS) and the SIC and IFRIC interpretations valid on 31 December 2015. In the Finnish Accounting Act and ordinances based on the provisions of the Act, IFRS refer to the standards and their interpretations adopted in accordance with the procedures laid down in regulation (EC) No.1606/2002 of the European Parliament and of the Council. The notes of the consolidated financial statements also conform to the demands of the Finnish accounting and corporate legislation which supplement the IFRS.

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, share-based payments and defined benefit pension plans. The information in the financial statements is presented in thousands of euros.

The preparation of financial statements in accordance with IFRS requires the performance of certain assessments by the Group management and data about the judgements they have made. The data about such judgements the management have used in applying the Group's accounting principles for the preparation of financial statements and which affect the consolidated financial statements most significantly is presented in Accounting Principles under the section "Accounting principles requiring the management's judgement and the principal uncertainties of estimates."

ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS APPLIED IN FINANCIAL YEAR ENDED AND APPLICABLE FOR FUTURE FINANCIAL YEARS

The Group has adopted the new standards and interpretations and amendments to existing standards that took effect during the financial period and are relevant to its operations (IAS 19 Employee benefits, IFRIC 21 Levies and annual standard amendments 2010-2012 and 2011-2013). The changes did not have a material impact on the result or the financial position of the Group or on the presentation of the financial statements.

The International Accounting Standards Board has issued three new standards, IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases, which are relevant to the Group. IFRS 9 and IFRS 15 are effective starting on January 1, 2018 and IFRS 16 on January 1, 2019. The European Union has not yet endorsed the standards. The Group is currently assessing the potential impacts of the standard

- IFRS 9 Financial Instruments (effective for financial periods beginning on or after 1 January 2018). The standard includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. The Group is currently assessing the potential impacts of the standard.
- IFRS 15 Revenue from Contracts with Customers (effective for financial periods beginning on or after 1 January 2018). The standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Revenue is recognized when, or as, the customer obtains control of the goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, IFRS 15 requires a set of quantitative and qualitative disclosures. The Group's sales consist mainly of rental of equipment and modular space, for which the new IFRS 16 Leases standard is applied. The Group is is currently assessing the potential impacts of the standard.
- IFRS 16 Leases (effective for financial periods beginning on or after 1 January 2019). The standard requires lessees to recognize a lease liability reflecting future lease payments and a 'right-of-use' asset for virtually all lease contracts. For lessors the accounting remains almost unchanged. The Group is currently assessing the potential impacts of the standard.

The IFRS standards that take effect in 2016 are not expected to have a material impact on the result or the financial position of the Group or on the presentation of the financial statements. The Group has not yet adopted the following new and amended standards and interpretations already issued by the IASB. The Group will adopt them for the financial period beginning 1 January 2016.

- Amendment to IAS 1 Presentation of Financial Statements: Disclosure Initiative (effective for financial periods beginning on or after 1 January 2016). The amendments are

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34

designed to encourage companies to apply judgement in determining what information to disclose in the financial statements. For example, the amendments clarify the application of the materiality concept and judgement when determining where and in what order information is presented in the financial disclosures. The amendments will not have significant impact on the Group's consolidated financial statements.

CONSOLIDATION PRINCIPLES

SUBSIDIARIES

The consolidated financial statements include the parent company, Cramo Plc, and those subsidiaries over which the Group has control. The Group has control of an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All the facts and circumstances shall be considered when assessing the control. The investor shall reassess whether it controls an investee if facts and circumstances indicate that there are changes of the elements of control. Power means that the investor has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's return. Acquired subsidiaries are consolidated from the date on which control is transferred to the Group, and are no longer consolidated from the date that control ceases. The Group has 100 percent control over all its subsidiaries. The subsidiaries are listed in note 31.

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is the fair value of the assets transferred, the liabilities incurred and the equity instruments issued at the acquisition date. Any contingent consideration is recognised at fair value at the acquisition date and classified as a liability or equity. Contingent considerations classified as a liability are measured at fair value on each reporting date with changes recognised in the income statement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, without deducting non-controlling interest. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

All of the Group's intercompany transactions, receivables, liabilities and unrealised gains, as well as its internal profit distribution are eliminated; unrealised losses are also eliminated unless the costs cannot be recovered.

JOINT VENTURES

The consolidated financial statements include those entities which the Group has a joint control. Investments in joint ventures are accounted for in the consolidated financial statements under the equity method. The Group's share of the profit or loss of joint ventures is shown in the consolidated statement of comprehensive income as a separate line above Operating profit. Group's investments in the joint ventures upon the date of acquisition, adjusted for changes in the joint ventures equity after the date of acquisition, are shown in the consolidated statement of financial position under "Shares in joint ventures"

FOREIGN CURRENCY TRANSLATION

Items concerning the performance and financial position of the Group's units are measured using the currency of the primary economic environment in which the entities operate ("the functional currency"). The consolidated financial information is presented in euros, which is the functional and presentation currency of the parent company.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded in the functional currency using the rate of exchange prevailing at the transaction date. In practice, it is often necessary to use a rate that is close to the rate of the transaction date. Foreign currency monetary items are translated into the functional currency using the rates of the last trading day of the reporting period. Foreign currency non-monetary items, which have been recognised at fair value, are translated into the functional currency using the rate of fair value measurement date. Otherwise, non-monetary items are translated using the rate of the transaction date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognised in the income statement. The foreign exchange gains and losses from operating activities are included in the respective items above operating profit. The currency exchange gains and losses are included in the financial income and financial expenses.

TRANSLATING THE CURRENCY OF THE FINANCIAL STATEMENTS OF FOREIGN ENTITIES

Income statements of foreign entities are translated into euros at the weighted average exchange rates for the year, while balance sheets are translated using the exchange rates of the last trading day of the reporting period. The translation of the profit (loss) for the period using different rates in the consolidated statement of comprehensive income and the balance sheet causes a translation difference, which is recognised in equity and whose adjustment is recognised in other comprehensive income items. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and the translation of the accumulated equity items after the acquisition are recognised in other comprehensive income items. When the control over a subsidiary changes, the accumulated translation differences are recognised as part of capital gain or loss. Fair value adjustments and goodwill arising from acquisitions of foreign entities are treated as assets and liabilities of the foreign entities in their functional currency. They are translated into euros at the rate of the last trading day of the reporting period.

INTANGIBLE ASSETS

GOODWILL

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets.

Goodwill is not amortised but tested annually for impairment, and whenever there is an indication that the asset may be impaired. For this purpose, goodwill is allocated to cash-generating units. Goodwill is carried at cost less any accumulated impairment losses.

CUSTOMER RELATIONSHIPS AND DEPOT NETWORK

In business combinations part of the purchase price has been allocated to customer relationships and depot network. Initial measurement of customer relationships has been prepared by applying the Multi-period Excess Earnings Method. The depot network has been measured based on estimated benefit gained, compared to the earnings of a depot in the normal course of business with the earnings of a start-up depot.

BRAND AND CO-BRAND

Brands and co-brands have been generated through the business combinations. Useful life of the Group's main brand "Cramo" has been defined indefinite because there is no foreseeable limit to the period over which the asset is expected to generate cash flows. The Cramo brand is not amortised but tested annually for impairment. The Cramo brand has been considered a corporate-level asset and for testing purposes the brand is reallocated to cash generating units based on sales. The reallocation of the assets to units is presented in note 5. The brand is carried at cost less any accumulated impairment losses.

Brands acquired in the business combinations are measured applying the relief-from-royalty method regardless of whether the Group intends to use the brand. These co-brands are of temporary nature and they are amortised according to the diminishing balance method over the economic useful lives of 1-10 years. The method reflects the higher importance of the brand right after the acquisition. The co-brand is allocated to the same segment as the business combination.

RESEARCH AND DEVELOPMENT

Research costs are expensed as incurred. Development costs are capitalised when it is probable that a development project will generate future economic benefits, and the cost can be measured reliably. Other development costs are expensed.

Currently the development projects of the Group do not fulfil the criteria of capitalisation and thus the development costs are expensed as incurred.

OTHER INTANGIBLE ASSETS

Intangible assets are recorded in the balance sheet initially at cost, when it is probable that the assets will generate future economic benefits and the cost can be measured reliably. Those intangible assets with a finite useful life are amortised on a straight-line basis over their expected lives. Intangible assets with indefinite useful lives are not amortised but tested annually for impairment.

Amortisation periods for intangible assets are:

Customer relationships	3–10 years
Depot network	10–20 years
Co-brands	1–10 years
Other intangible assets	2–8 years

Amortisation of intangible assets is started when they are available for use, i.e. in the location and condition necessary to operate in a manner intended by the management.

TANGIBLE ASSETS

Tangible assets are stated at cost less accumulated depreciation and any impairment losses. This cost includes expenditure that is directly attributable to the acquisition. Tangible assets acquired in the business combinations are measured at fair value at the date of acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset when it is probable that they will generate future economic benefits, and the cost can be measured reliably. The expenditure on repairs and maintenance of tangible assets are recognised as expense when incurred.

Tangible assets are depreciated on a straight-line basis over the estimated economic useful lives as follows:

Buildings and structures	15–50 years
For rental:	
Modular space	10–15 years
Machinery and equipment	3–10 years
Machinery and equipment for services	6–10 years
Machinery and equipment for own use	3–6 years
Other tangible assets	3–10 years

Depreciation of an asset is started when it is available for use, i.e. in the location and condition necessary to operate in a manner intended by the management. Depreciations of the rental machinery and equipment are started when they are available for rent.

The residual value and useful life of the assets are reviewed at least at the end of each financial year and, if necessary, adjusted to reflect any changes in expectations of economic value.

Gains or losses on disposal are recognised through profit and loss and presented as other operating income.

GOVERNMENT GRANTS

Grants from the government are recognised as reductions of the carrying amount of tangible assets where there is a reasonable assurance that the grant will be received and the Group will comply with all inherent conditions. Grants are recognised in the consolidated statement of comprehensive income in the form of smaller depreciation over the economic life of the related asset. Research and development grants and grants received as reimbursement for actual costs are charged to profit during the period in which the right to collect the grant emerge. Such grants are presented in other operating income.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The Group assesses at each balance sheet date whether there are indications that the carrying amount of an asset may not be recoverable. If such indications exist, the recoverable amount of the asset in question will be measured. In addition, the recoverable amount will be estimated annually from the following assets whether there are indications of impairment or not: goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use. For the purposes of assessing impairment, assets are examined at the level of cash-generating units, i.e. at the lowest level that is mainly independent of other units and for which there are separately identifiable cash flows, largely independent from those of corresponding units.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use is determined by reference to discounted future cash flows expected to be generated by the asset. The discount rate used is

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34

pre-tax and reflects the time value of money and asset specific risks.

Impairment loss is recognised when the carrying amount of the asset is greater than its recoverable amount. Impairment loss is charged directly to the consolidated statement of comprehensive income. If a cash-generating unit is subject to an impairment loss, it is allocated first to decrease the goodwill and subsequently, to decrease the other assets of the unit. At recognition of the impairment loss, the useful life of the assets amortised is reassessed. Impairment loss from other assets than goodwill is reversed in the case that a change has occurred in the estimates used in measuring the recoverable amount of the asset. The increased carrying amount must not, however, exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. Previously recognised impairment loss of goodwill is not reversed in any circumstance.

RENTAL CONTRACTS

LESSEE

The rental agreements concerning tangible assets where the Group carries a significant share of the risks and rewards incidental to ownership are classified as financial leasing contracts. Assets acquired through financial leasing are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The tangible assets acquired under finance leases are depreciated over the economic useful life of the asset or the lease term, if there is uncertainty about the acquisition of ownership at the end of the rental period. Lease payments are allocated between the liability and finance costs so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Rental liabilities are included in financial liabilities.

Leases where the risks and rewards of ownership are retained by the lessor are treated as operating leases. Other operating lease payments are treated as rentals and charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term.

LESSOR

Leases of assets, where the Group as a lessor, has transferred all essential risks and rewards of ownership to the lessee are treated as financial leasing contracts and recognised as receivables in the balance sheet. Receivables are recognised at their present value. Other assets not leased under financial leasing contracts are included in tangible assets in the balance sheet. They are depreciated over their useful lives in the same way as corresponding tangible assets in the company's own use are.

Rental revenue recognition is presented in Accounting Principles under the section "Principles of revenue recognition".

FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS

The Group classifies its financial assets in the following categories; a) financial assets at fair value through profit and loss, b) loans and receivables, and c) available-for-sale financial assets. The Group, however, does not currently have any material available-for-sale financial assets. The classification of assets is performed upon the initial recognition and determined in line with the aim of the asset, and re-evaluation is done on a regular basis. Assets with maturities under 12 months are included in the balance sheet under current assets, and those with maturities over 12 months under non-current assets.

a) *Financial assets at fair value through profit and loss*
   Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless hedge accounting is applied. Assets in this category are classified as current assets.
b) *Loans and receivables*
   Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans are shown as a separate line, and other other receivables are classified as trade and other receivables in the balance sheet in Note 11 Trade and other receivables.
c) *Available-for-sale financial assets*
   Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date, in which case they are included in current assets.

Purchases and sales of financial assets are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss.

Financial assets carried at fair value through profit and loss, are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of comprehensive income. Financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest rate method.

Available-for-sale financial assets are usually carried at fair value. All unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income items. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recorded in other comprehensive income items are recognised in the financial income and expenses of the consolidated statement of comprehensive income. However, due to their immaterial nature for the Group, it was decided in 2014 to reclassify available-for-sale financial assets to be measured at historical cost.

Financial assets are derecognised when the rights to receive cash flows from the investment have expired or have been transferred, and the Group has substantially transferred all risks and rewards of ownership.

IMPAIRMENT OF FINANCIAL ASSETS

The book values of assets are reviewed regularly, at least annually, in order to assess whether an asset has been impaired. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In assessing impairment both external and internal sources of information are considered. External sources include a significant decline in market value that is not result of the passage of the time or a normal use of the assets or increase in interest rates. Internal sources of information include evidence of the obsolescence of, or damage to, an asset.

FINANCIAL LIABILITIES

Interest-bearing liabilities are recognised initially at fair value, net of transaction costs incurred. Subsequently, they are measured at amortised cost using the effective interest method. Interest-bearing liabilities are included in both current and non-current liabilities. Unless the Group has a non-contingent right to postpone the amortisation of a liability by a minimum of 12 months from the balance sheet date, it is classified as current.

Borrowing costs are recognised in the accounting period during which they have incurred. Credit fees related to loan commitments are recognised as transaction costs to the extent that it is probable that the total loan commitment or a part of it will be raised. This means that the fee is recognised in the balance sheet until the loan is raised. In connection with the drawdown, the credit fee related to loan commitments is recognised as part of the transaction costs. To the extent that it is probable that the loan commitment will not be raised, the credit fee is recognised as prepaid expense in respect of the liquidity related services and is accrued for period of the loan commitment.

For the measurement policies of the fair values of all financial assets and liabilities, refer to note 9 Fair values of financial assets and liabilities.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

a) Hedges of the fair value of recognised liabilities (fair value hedge);
b) Hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge); or
c) Hedges of a net investment in a foreign operation (net investment hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss and presented in the comprehensive income statement within financial items. Amounts accumulated in equity are transferred to the comprehensive income statement and classified as income or expense in the same period when the hedged item affects the comprehensive income statement.

The gain or loss relating to the effective portion of an interest rate swap hedging variable rate borrowings is recognised in other comprehensive income. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity until the forecast transaction is ultimately recognised in the comprehensive income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss and presented in the comprehensive income statement within financial items.

Derivatives, which are entered in with hedging purposes, but for which hedge accounting is not applied or cannot be applied are measured at fair value through profit and loss. Changes in the fair value of these derivative instruments are recognised immediately through profit or loss and presented in the comprehensive income statement within financial items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 10 Financial risk management. Movements of the hedging fund in shareholders' equity are shown in note 14 Share capital and equity funds. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Derivatives, for which hedge accounting is not applied, are classified as a current asset or liability

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of inventories shall comprise all costs of purchase including transport, handling and other costs directly attributable to the acquisition. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of selling.

TRADE RECEIVABLES

Trade receivables are recognised in the amount of their initial billing. Impairment is recognised when there is objective evidence suggesting that impairment loss has been identified. The Group has established a uniform basis for the determination of impairment of trade receivables based on the time receivables have been overdue. In addition, impairment is recognised if there is otherwise some evidence of the debtor's insolvency, bankruptcy or liquidation. Credit losses are recognised as an expense in other operating expenses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents, which include cash accounts and short-term cash deposits at banks, have maturities of up to three months. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets or a group of disposed items and the assets and liabilities related to discontinued operations are reclassified as held for sale if their amount corresponding to their carrying amount will accrue principally from the sale of assets instead of continuing use. The conditions for the classification of a held for sale asset are considered to be met when its sale is very probable and the asset or the group of disposed items is directly saleable in its current condition under general and customary conditions

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after management has committed itself to the sale and the transaction is expected to occur within a year of the classification. Immediately before being classified as held for sale, the assets or the assets and liabilities of the disposed groups are measured according to the applicable IFRSs. From the date of the classification, the assets held for sale or groups of disposed items are measured at their carrying amount or at the lower of the fair value less costs to sell. Depreciation of these assets is ceased on the date of classification. Assets included in a group of disposed items which are not included in the scope of the IFRS 5 valuation regulation, and liabilities are measured according to the applicable IFRSs also after the date of classification.

The result of discontinued operations is presented as a separate item in the Group's comprehensive income statement. Assets held for sale, groups of disposed items, items which relate to assets held for sale and are recognised in other comprehensive income items, as well as liabilities included in the groups of disposed items are presented separately from other items in the balance sheet.

The Group did not have any non-current assets held for sale or discontinued operations during the financial years included in the financial statements.

EQUITY

Equity shares are presented as issued share capital. Costs related to the issue of equity instruments or to an acquisition are presented as a reduction in share capital.

When any Group company purchases the parent company's shares (treasury shares), the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the parent company.

In the option plans the proceeds gained from share subscriptions, adjusted by possible transaction costs, are recorded according to the conditions of the plans into the invested unrestricted equity fund.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are measured at the present value of the required payments to cover the obligation. For the calculation of the present value, the chosen discount rate is one that reflects the time value of money and the risks included in the obligation at the time of observation. If it is possible to receive reimbursement for part of the obligation from a third party, the reimbursement is stated as a separate asset when receipt is practically certain.

A contingent liability is a possible obligation, incurred as a result of earlier events, whose existence is confirmed only when an uncertain event outside the control of the Group is realised. An existing liability that is not likely to require the fulfilment of the payment obligation or whose amount cannot be reliably measured is also considered a contingent liability. Contingent liabilities are disclosed in note 19 Collaterals and contingent liabilities.

EMPLOYEE BENEFITS

RETIREMENT BENEFIT OBLIGATIONS

Pension plans are classified as defined benefit or defined contribution plans. In defined contribution plans, the Group makes fixed payments to separate entities. The Group has no legal or constructive obligation to make additional payments if the party receiving them is unable to pay the pension benefits in question. All arrangements that do not fulfil these conditions are considered defined benefit pension plans. The payments made to defined contribution pension plans are recognised in the comprehensive income statement in the period to which the contributions relate.

The Group currently operates only such defined benefit pension plans, in which all beneficiaries are already retired. The liability (or asset) recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is calculated by using discount rate, which reflects the market yield of high quality corporate bonds. Net interest cost of the net defined liability is recognised in the comprehensive income statement as finance costs. Re-measurements from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income items as they occur.

SHARE-BASED PAYMENTS

The Group has the following share-based compensation plans: stock options, performance share plans and share savings plans. For stock option plans the total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Any non-market conditions, such as service period, affect the estimation of the total number of options. The fair value of the option plans is defined using the Black-Scholes option pricing model. The amount of the fair value is allocated as an expense over the vesting period and the corresponding adjustment is charged to equity. On each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable and recognises the impact of the revision of original estimates, if any, in the comprehensive income statement with a corresponding adjustment to equity.

In performance share plans the target group has an opportunity to earn company shares as a reward on the basis of achievement of targets established for the performance criteria for each calendar year. Part of the reward is paid in cash to cover taxes and tax-related costs arising from the reward. The rewards are paid to the target group approximately two years after the confirmation of the reward, if the service conditions are met. The fair value of the equity-settled payment is determined at grant date and expensed during the vesting period, the corresponding amount being charged to equity. The total amount to be expensed over the vesting period is determined based on the Group's estimate on the number of the shares that are expected to be vested by the end of the vesting period. The impact of any non-market vesting conditions (EPS-target) has been excluded, but they are included in the assumptions about the number of shares that are expected to be distributed. On each reporting date the Group revises its estimate on the number of shares that are expected to be distributed. The impact of the revision of the original estimates is recognized in the consolidated statement of comprehensive income. The fair value of the cash-settled payment is measured on each reporting date and presented as a liability. The cash-settled payment is recognised as an expense during the vesting period. Any changes in the estimates are recognised in the comprehensive income statement.

In share savings plans the employees

can save 2-5% of their monthly gross salaries during the 12 months plan periods and the savings are automatically used to purchase company shares for the participants quarterly after each publication date of the interim results during the plan period. The participant will receive one free matching share for every two acquired savings shares, if the participant holds the acquired shares until the end of the designated holding period. An additional requirement for receiving the matching shares is that the participant's employment has not been terminated before the end of the designated holding period. The first savings period started on 1 October 2012 and the corresponding matching shares are paid during 2016. The matching shares are paid partly in cash to cover tax and other tax related costs arising from the reward. The fair value of the equity-settled payment is determined at the date of acquisition of the savings shares. The fair value of the cash-settled part of the reward is determined at the acquisition of the savings shares and re-measured on each reporting date. The expenses of the share savings plan are recognized during the vesting period.

Share-based payments are presented in note 29.

PRINCIPLES OF REVENUE RECOGNITION

Group's sales mainly comprise of rental revenue of construction equipment and modular space, rental related services and trading of construction and other equipment. Sales are recognised at fair value net of indirect taxes, discounts and exchange differences of currency sales.

RENTAL SALES

Rental revenues from the rental agreements of equipment, machines and modular space are recognised as income in equal amounts over the lease term.

The sales of modular space, which also include a rental agreement with the third party, and when the modular space has been sold to a finance company on a repurchase commitment, has been considered a lease agreement, because the significant risks and rewards incidental to ownership are not considered to transfer to the finance company. The proceeds of the sale of the buildings with the related rental agreements are recognised as rental income over time. Interest on the liability is calculated using the effective interest rate method.

TRADING SALES AND RENTAL-RELATED SERVICES

Sales of goods are recognised when the significant risks and rewards of ownership, interests and control have been transferred to the buyer. This mainly occurs in connection with the contractual transfer of the goods. Revenues from the services are recognised in the accounting period during which the service is performed.

PROCEEDS ON SALE OF USED EQUIPMENT

Gains and losses on sale of used rental equipment are presented as other operating income. The sale is recognised when the significant risks and rewards of ownership, interests and control have been transferred to the buyer. This mainly occurs in connection with the contractual transfer of the goods.

INTEREST AND DIVIDENDS

Interest income is recognised using the effective interest rate method. Dividend yield is recognised when the right to dividend is established.

TAXES BASED ON TAXABLE INCOME AND DEFERRED TAXES

Tax expense consists of the taxes based on taxable income and deferred taxes for the current accounting period. Taxes are recognised through profit and loss, except when they relate directly to equity or the items recognised in the other comprehensive income items. In such cases, tax is also charged to these items. Taxes based on taxable income for the current period are calculated based on the effective tax rate of each country.

Deferred taxes are calculated for temporary differences between the book values of assets and liabilities and the tax basis of assets and liabilities. Deferred tax liabilities are not recognised, however, if they are attributable to the initial recognition of an asset or liability in a transaction other than business combination and the transaction, at the time it occurs, does not affect the accounting profit or taxable profit. The deferred tax for investments in subsidiaries and joint ventures is recognised, except when the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future. The most significant temporary differences arise from the depreciation of tangible assets items; the measurement of derivative financial instruments at fair value; unutilised tax losses and fair value adjustments made in connection with acquisitions.

Deferred taxes are calculated using the tax rates enacted by the final day of the reporting period or those which have, in practice, been accepted by the final day of the reporting period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

DIVIDEND DISTRIBUTION

The dividend proposed by the Board of Directors to the Annual General Meeting has not been deducted from equity; instead, dividends will be recognised after a decision has been made on the matter at the Annual General Meeting.

ACCOUNTING PRINCIPLES REQUIRING DISCRETION BY MANAGEMENT AND CRITICAL FACTORS OF UNCERTAINTY ASSOCIATED WITH ESTIMATES

Estimates and assumptions regarding the future have to be made during the preparation of financial statements, and the outcome may differ from the estimates and assumptions made. Furthermore, the application of accounting principles requires consideration.

MANAGEMENT CONSIDERATION IN CHOOSING AND APPLYING ACCOUNTING PRINCIPLES TO FINANCIAL STATEMENTS

It is the duty of the Group's management to make judgements relating to the choice and application of the accounting principles of the financial statements. This is especially true in those cases where the operative IFRSs allow alternative ways of recognition, measurement or presentation.

The most significant sector in which the management has applied the above-described discretion relates to rental agreements of tangible assets (with the Group as lessee) and the economic useful lives of tangible assets. The Group has both financial leasing contracts and rental agreements classified as other types of leases.

FACTORS OF UNCERTAINTY ASSOCIATED WITH ESTIMATES

The estimates made when preparing the financial statements are based on the management's best knowledge of current events and actions at balance sheet date. Forming the background of these estimates are previous experiences and assumptions of the future which are considered the most probable at the date of the financial statement's preparation. These assumptions concern, among other things, the development of the Group's sales and level of costs. The management together with business units follow the realisation of these assessments and assumptions and the changes in background factors regularly using several internal as well as external sources of information. Possible changes to estimations and assumptions are recorded in accounting in the reporting period during which one or both of them are adjusted and in all consecutive years.

The critical assumptions concerning the future and the factors of uncertainty associated with estimates made on the final day of the reporting period which cause a significant risk to the stability of the Group's book value of assets and liabilities during the following financial year are presented below. The Group's management consider these sections of the financial statements the most crucial, because the accounting principles involved are the most complicated from the point of view of the Group and their application requires the use of significant estimations and assumptions more than any other in, for example, the measurement of assets. Furthermore, the effects of possible changes on the actual facts behind these assumptions and assessments are expected to be the greatest.

Impairment testing

In order to observe possible impairment and to prevent it, the Group performs annual tests of goodwill, intangible assets not yet available for use and intangible assets with indefinite useful life. In addition, any signs of impairment are carefully estimated following the principles described above in accounting policies. The recoverable amounts of the cash generating units are defined using calculations based on value in use. In these calculations, cash flows are based on the financial plans approved by the management which cover a period of 5 years.

More information on the sensitivity of recoverable amounts to changes in used assumptions is provided in the note 5 Impairment testing of goodwill and other intangible assets with indefinite useful life.

Income taxes

The Group is subject to tax in several countries. Determining the Group's income tax requires significant assessment. The quantification of the final tax for many transactions and calculations of normal business is uncertain. In 2013, the Finnish Tax Administration issued a residual tax decision, total amount of EUR 9.7 million, for Cramo Plc concerning 2009-2012. According to the decision, the interest income from Cramo's financing company in Belgium should have taxed in Finland. Cramo Plc has paid the taxes in Belgium and appealed against the decision. In 2015, the Assessment Adjustment Board changed the tax decision, and the Finnish Tax Administration paid Cramo Plc a EUR 8.3 million tax refund. Cramo Plc has appealed to an Administrative Court in Finland against the approximately one million euro tax penalty. The tax payment is recognised as an income tax receivable. Cramo Plc has decided to submit the case to the mutual agreement procedure (the MAP process) between Belgium and Finland, to the extent that Cramo has been subjected to double taxation, pursuant to the changed tax decision.

Deferred taxes are presented in note 8 Deferred taxes.

Share-based payments

The Group has share-based compensation plans. The fair value of reward shares in the performance share plan is based on the share price on the grant date and the valuation does not involve high degree of estimation. Instead, the determination of the fair value of matching shares in the One Cramo Share savings plan includes certain assumptions relating to expected dividend yield and cost of equity and debt. These variables make fair value estimation difficult. These assumptions are described in note 29 Share-based payments.

Valuation of the rental equipment fleet

The optimisation of rental fleet's utilisation rate is managed on the Group level. Testing of the value of the rental fleet is based on calculations of value in use, taking into account the possibility of transferring it to another entity of the Group. The preparation of these calculations requires estimations.

Determining the fair value of the assets acquired through business combinations

With regard to tangible assets, the Group's financial department and if necessary Fleet Management makes comparisons to the market prices of corresponding assets, as well as estimates of the decrease in value attributable to the age, wear and tear and other similar factors of acquired assets. The determination of the fair value of intangible assets is based on assessments concerning the cash flows of assets, because information on the sales of similar assets has not been available. More information on the measurement of intangible assets acquired through business combinations is presented in note 6 Business combinations. Management believes that the estimations and assumptions used are a sufficiently accurate basis for the determination of fair value. In major business combinations, the Group utilises an outside advisor to estimate the fair values of tangible and intangible assets. Furthermore, possible signs of impairment in both tangible and intangible assets are discussed and considered at the least at each balance sheet date.

2. SEGMENT REPORTING

The Group's management has determined the operating segments based on management reporting regularly reviewed by the Group's chief operating decision maker. Group management has been identified as the chief operating decision maker. The operating segment structure reflects the structure, in which equipment rental and modular space businesses have been combined under the management of each country. The modular space business is also monitored at product area level. In addition to segment information, Cramo discloses additional financial information by product areas for equipment rental and modular space. The reporting of the modular space order book value is also continued.

Cramo Group's business structure consists of the following reportable segments:

- Finland
- Sweden
- Norway
- Denmark
- Central Europe
- Eastern Europe*

* Fortrent joint venture in Russia and Ukraine, owned and controlled 50/50 by Cramo and Ramirent, is presented under the Eastern Europe segment. Cramo's share (50 per cent) of the profit/loss is included in EBITA (operating profit before amortisations and impairment on intangible assets resulting from acquisitions) of the Eastern Europe reportable segment in accordance with the equity method of accounting.

In all of its operating segments, Cramo provides modern rental solutions through the Cramo Rental Concept. Under the Cramo Rental Concept, construction companies and customers in trade, industry and the public sector, as well as private customers, are provided with machinery, equipment and modular space through different rental solutions and services.

The information reported for each segment is the measure, which Group management uses internally for evaluating segment performance and deciding on how to allocate resources to operating segments.

The performance of an operating segment is evaluated primarily based on the segment's EBITA, which refers to operating profit before amortisation and impairment on intangible assets resulting from acquisitions. According to management's view, this is the most appropriate measure when comparing how the segment performance and the performance of other companies engaged in the same industry stand vis-à-vis each other. The figures provided to Group management in respect of segment profitability are measured on a basis consistent with the consolidated financial statements.

The figures provided to Group management in respect of segment assets and liabilities are measured on a basis consistent with the consolidated financial statements. Assets and liabilities are allocated to the segments based on segment operations. The allocation of segment assets and liabilities is in line with the information reported to Group management. Unallocated assets and liabilities comprise financial receivables, deferred tax assets and liabilities, income tax receivables and payables, derivatives, cash and cash equivalents and interest-bearing liabilities.

Inter-segment transactions are based on commercial terms.

REPORTABLE SEGMENTS 2015

EUR 1,000 Income statement	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Total reportable segments
External sales	110,860	330,422	70,394	28,188	77,162	50,850	**667,877**
Inter-segment sales	50	768		66	78	16	**978**
Segment sales	**110,909**	**331,190**	**70,394**	**28,254**	**77,241**	**50,866**	**668,855**
Depreciation	-18,075	-41,055	-10,035	-5,737	-13,836	-11,866	**-100,604**
Share of profit of joint ventures			5			390	**395**
EBITA	**22,423**	**61,662**	**5,386**	**1,857**	**-3,312**	**6,254**	**94,270**
Amortisations on intangible assets resulting from acquisitions	-2,566	-3,565	-1,277			-706	**-8,114**
Operating profit/loss	**19,857**	**58,098**	**4,109**	**1,857**	**-3,312**	**5,548**	**86,157**
Segment assets and liabilities							
Intangible assets	37,579	107,986	19,364	633	1,641	20,301	**187,504**
Tangible and other assets	136,151	389,346	70,561	60,470	95,708	73,647	**825,883**
Investments in joint ventures			116			2,491	**2,608**
Segment assets[1]	**173,730**	**497,332**	**90,042**	**61,103**	**97,349**	**96,439**	**1,015,995**
Segment liabilities[2]	**19,613**	**75,208**	**12,247**	**8,166**	**10,054**	**7,368**	**132,656**
Capital employed[3]	**154,117**	**422,123**	**77,794**	**52,938**	**87,295**	**89,071**	**883,338**
Other disclosures							
Gross capital expenditure	37,277	70,459	6,732	14,921	26,089	17,829	**173,308**
Number of employees 31 Dec (FTE)	448	825	219	97	350	466	**2,405**
Average number of employees	450	818	225	103	358	465	**2,419**

1 Segment assets include goodwill, other intangible assets, tangible assets, investments in joint ventures, inventories, non-current and current trade and other receivables as well as assets held for sale.
2 Segment liabilities include provisions, retirement benefit liabilities and non-current and current trade and other liabilities.
3 Capital employed is segment assets less segment liabilities.

REPORTABLE SEGMENTS 2014

EUR 1,000 Income statement	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Total reportable segments
External sales	104,059	308,174	82,505	29,442	77,619	49,960	**651,758**
Inter-segment sales	171	4,541		98	79	4	**4,893**
Segment sales	**104,230**	**312,715**	**82,505**	**29,539**	**77,698**	**49,964**	**656,651**
Depreciation	-17,056	-39,103	-12,598	-5,670	-11,675	-11,086	**-97,188**
Share of profit of joint ventures			1			-524	**-523**
EBITA	**20,447**	**55,577**	**4,451**	**-3,358**	**-5,978**	**6,166**	**77,306**
Amortisations on intangible assets resulting from acquisitions	-2,539	-4,179	-1,430		-1,601	-705	**-10,455**
Impairments					-25,510		**-25,510**
Operating profit/loss	**17,908**	**51,398**	**3,021**	**-3,358**	**-33,089**	**5,461**	**41,341**
Segment assets and liabilities							
Intangible assets	38,441	109,876	22,064	741	1,876	20,974	**193,972**
Tangible and other assets	116,567	364,125	74,954	49,670	91,098	68,223	**764,637**
Investments in joint ventures			119			4,135	**4,254**
Segment assets[1]	**155,008**	**474,001**	**97,136**	**50,411**	**92,973**	**93,333**	**962,862**
Segment liabilities[2]	**15,698**	**60,088**	**15,420**	**7,993**	**10,353**	**5,471**	**115,022**
Capital employed[3]	**139,310**	**413,913**	**81,717**	**42,418**	**82,620**	**87,862**	**847,841**
Other disclosures							
Gross capital expenditure	26,656	53,331	8,966	12,391	44,671	11,214	**157,230**
Number of employees 31 Dec (FTE)	428	806	235	118	363	456	**2,406**
Average number of employees	437	819	260	115	378	454	**2,463**

1 Segment assets include goodwill, other intangible assets, tangible assets, investments in joint ventures, inventories, non-current and current trade and other receivables as well as assets held for sale
2 Segment liabilities include provisions, retirement benefit liabilities and non-current and current trade and other liabilities
3 Capital employed is segment assets less segment liabilities

RECONCILIATIONS

EUR 1,000	2015	2014
Sales		
Total sales for reportable segments	668,855	656,651
Elimination of inter-segment sales	-978	-4,893
Group sales	**667,877**	**651,758**
EBITA		
Total EBITA for reportable segments	94,270	77,306
Eliminations	270	363
Unallocated amounts	-9,713	-7,376
Group EBITA	**84,827**	**70,293**
Amortisation and impairment resulting from acquisitions	-8,114	-35,965
Group finance costs, net	-12,923	-12,849
Group profit before taxes	**63,791**	**21,479**

EUR 1,000	2015	2014
Assets		
Total assets for reportable segments	1,015,995	962,862
Unallocated amounts and eliminations	33,642	32,474
Group assets for capital employed[1]	**1,049,637**	**995,336**
Other assets	36,241	52,354
Group total assets	**1,085,878**	**1,047,690**
Liabilites		
Total liabilities for reportable segments	132,656	115,022
Unallocated amounts and eliminations	8,564	4,665
Group liabilities for capital employed[2]	**141,220**	**119,687**
Other liabilities	453,915	473,013
Group total liabilities	**595,135**	**592,700**
Capital employed		
Capital employed for total reportable segments	883,338	847,841
Unallocated amounts and eliminations	25,078	27,809
Group capital employed[3]	**908,417**	**875,649**

1 Group assets for capital employed include the same asset items as segment assets.
2 Group liabilities for capital employed include the same liability items as segment liabilities.
3 Group capital employed is group assets for capital employed less group liabilities for capital employed.

OTHER DISCLOSURES

	2015			2014		
	Reportable segments total	Unallocated amounts and eliminations	Total	Reportable segments total	Unallocated amounts and eliminations	Total
Depreciation	-100,604	-274	**-100,878**	-97,188	179	**-97,008**
Gross capital expenditure	173,308	1,678	**174,987**	157,230	1,844	**159,074**
Number of employees 31 Dec (FTE)	2,405	68	**2,473**	2,406	67	**2,473**
Average number of employees	2,419	68	**2,486**	2,463	64	**2,528**

VALUE OF OUTSTANDING ORDERS FOR MODULAR SPACE 2015

EUR 1,000	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Total reportable segments
Rental sales	20,649	56,313	1,879	9,265	6,985	1,063	**96,154**
Other sales	2,199	2,350	647	2,175	1,058		**8,429**
Total	**22,848**	**58,663**	**2,526**	**11,440**	**8,043**	**1,063**	**104,583**

VALUE OF OUTSTANDING ORDERS FOR MODULAR SPACE 2014

EUR 1,000	Finland	Sweden	Norway	Denmark	Central Europe	Eastern Europe	Total reportable segments
Rental sales	24,388	54,210	5,425	8,808	2,101	1,106	**96,038**
Other sales	1,272				178	39	**1,489**
Total	**25,660**	**54,210**	**5,425**	**8,808**	**2,279**	**1,145**	**97,527**

ADDITIONAL INFORMATION BY PRODUCT AREA 2015

EUR 1,000	Equipment rental	Modular space	Product areas total	Unallocated amounts and eliminations	Group
Sales	**568,449**	**100,001**	**668,451**	**-574**	**667,877**
EBITDA	**150,024**	**44,617**	**194,641**	**-8,935**	**185,705**
EBITDA-%	26.4	44.6	29.1		27.8
Depreciation and impairment on tangible assets	-85,169	-15,075	-100,244	-634	-100,878
EBITA	**64,855**	**29,541**	**94,396**	**-9,569**	**84,827**
EBITA-%	11.4	29.5	14.1		12.7
Capital employed[1]	**625,035**	**257,813**	**882,847**	**25,569**	**908,417**

1 Capital employed is product area assets less product area liabilities. Product area assets and liabilities are similar to assets and liabilities allocated to reportable segments.

ADDITIONAL INFORMATION BY PRODUCT AREA 2014

EUR 1,000	Equipment rental[1]	Modular space	Praoduct areas total	Unallocated amounts and eliminations	Group
Sales	**560,357**	**92,766**	**653,123**	**-1,365**	**651,758**
EBITDA	**134,048**	**40,346**	**174,922**	**-7,620**	**167,302**
EBITDA-%	23.9	43.5	26.8		25.7
Depreciation and impairment on tangible assets	-83,294	-13,431	-96,725	-284	-97,008
EBITA	**50,754**	**26,915**	**78,197**	**-7,904**	**70,293**
EBITA-%	9.1	29.0	12.0		10.8
Capital employed[2]	**628,973**	**218,250**	**847,224**	**28,426**	**875,649**

1 Comparative figures for equipment rental EBITDA and EBITA have been adjusted by the share of loss of the joint venture Fortrent.
2 Capital employed is product area assets less product area liabilities. Product area assets and liabilities are similar to assets and liabilities allocated to reportable segments.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34

INFORMATION ABOUT PRODUCTS AND SERVICES

EUR 1,000	2015	2014
Rental sales	493,930	482,366
Rental-related sales	131,997	125,525
Trading sales[1]	41,949	43,868
Group total sales	**667,877**	**651,758**

1 Comparative figure for trading sales inludes EUR 435 thousands of sale of used modular space. In 2015 net gains from the sale of used modular space are presented in other operating income.

3. TANGIBLE ASSETS

EUR 1,000	Land	Buildings and improvements	Machinery and equipment	Uncompleted purchases	Total
Acquisition cost					
At 1 Jan 2014	1,835	21,204	1,119,781	900	1,143,720
Exchange differences	-23	-382	-45,039	-21	-45,464
Additions		908	143,747	1,157	145,812
Business combinations (note 6)		199	7,903		8,102
Reductions		31	-65,167	24	-65,111
Reclassification between asset categories	-133	139	1,594	-1,533	67
At 31 Dec 2014	**1,680**	**22,099**	**1,162,820**	**527**	**1,187,126**
Accumulated depreciation and impairment					
At 1 Jan 2014		-12,390	-524,708		-537,097
Exchange differences		253	22,176		22,429
Reductions		-48	48,342		48,293
Reclassification between asset categories		-30	3		-26
Depreciation (note 24)		-1,755	-91,729		-93,484
Impairment loss (note 24)			-1 502		-1,502
At 31 Dec 2014		**-13,970**	**-547,418**		**-561,387**
Acquisition cost					
At 1 Jan 2015	1,680	22,099	1,162,820	527	1,187,126
Exchange differences	26	-203	6,359	18	6,199
Additions		1,922	161,065	1,622	164,610
Business combinations (note 6)			7,556		7,556
Reductions		-1,267	-77,140	-59	-78,467
Reclassification between asset categories		7,766	-5,438	-259	2,069
At 31 Dec 2015	**1,706**	**30,317**	**1,255,221**	**1,849**	**1,289,093**
Accumulated depreciation and impairment					
At 31 Jan 2015		-13,970	-547,418		-561,387
Exchange differences		174	-3,282		-3,108
Reductions		1,027	61,950		62,977
Reclassification between asset categories		-6,385	4,123		-2,262
Depreciation (note 24)		-2,434	-94,539		-96,973
Impairment loss (note 24)			-1,430		-1,430
At 31 Dec 2015		**-21,588**	**-580,597**		**-602,184**
Net book value:					
At 1 Jan 2014	1,835	8,814	595,073	900	606,625
At 31 Dec 2014	1,680	8,129	615,401	527	625,738
At 31 Dec 2015	1,706	8,730	674,624	1,849	686,909

Net book value of tangible assets increased by EUR 61.2 million from EUR 625.7 million to EUR 686.9 million in 2015. The net book value increased mainly due to investments (EUR 164.6 million) and business combinations (EUR 7.6 million), which were above the level of depreciation and impairment losses (EUR 98.4 million) and asset reductions (EUR 15.5 million). Exchange differences increased the net book value by EUR 3.1 million.

Machinery and equipment includes assets acquired through finance lease contracts. Acquisition cost of such equipment at the end of period was EUR 78.4 (101.5) million, accumulated depreciation EUR 43.4 (51.6) million and net book value EUR 35.0 (49.9) million.

Investment commitments are presented in note 19.

4. GOODWILL AND OTHER INTANGIBLE ASSETS

EUR 1,000	Goodwill	Other intangible assets							Total
		Cramo-brand	Co-brands	Customer relation-ships	Depot network	Non-competition agreement	Other intangible assets	Software	
Acquisition cost									
At 1 Jan 2014	192,138	29,500	7,861	46,517	67,751	5,933	1,426	15,495	366,622
Exchange differences	-6,637		-82	-914	-1,678	-71	-31	-534	**-9,947**
Additions							568	1,320	**1,888**
Business combinations (note 6)	979		657	841		793		4	**3,274**
Reductions								-495	**-495**
Reclassification between asset categories							117	628	**745**
At 31 Dec 2014	186,481	29,500	8,436	46,444	66,073	6,655	2,079	16,418	362,087
Accumulated depreciation, amortisation and impairment									
At 1 Jan 2014	-26,786		-4,668	-33,184	-22,880	-5,637	-1,249	-5,767	-100,170
Exchange differences	-12		59	581	295	63	13	220	**1,219**
Reductions								479	**479**
Reclassification between asset categories								9	**9**
Depreciation (note 24)							-116	-1,906	**-2,022**
Amortisation resulting from acquisitions (note 24)			-1,162	-5,479	-3,377	-437			**-10,455**
Impairment loss (note 24)	-10,212		-2 ,240	-320	-12,737				**-25,510**
At 31 Dec 2014	-37 009		-8,011	-38,402	-38,699	-6,011	-1,351	-6,964	-136,448
Acquisition cost									
At 1 Jan 2015	186,481	29,500	8,436	46,444	66,073	6,655	2,079	16,418	362,087
Exchange differences	946		6	-35	288	-5	20	64	**1,285**
Additions							205	388	**593**
Business combinations (note 6)	711			728	457	332			**2,228**
Reductions								-6	**-6**
Reclassification between asset categories							-756	822	**66**
At 31 Dec 2015	188,137	29,500	8,442	47,137	66,818	6,983	1,549	17,687	366,253
Accumulated depreciation, amortisation and impairment									
At 1 Jan 2015	-37,009		-8,011	-38,402	-38,699	-6,011	-1,351	-6,964	-136,448
Exchange differences	12		-4	81	-68	6	-5	-49	**-29**
Reductions								5	**5**
Reclassification between asset categories								127	**127**
Depreciation (note 24)							-99	-2,376	**-2,475**
Amortisation resulting from acquisitions (note 24)			-327	-4,961	-2,567	-259			**-8,114**
At 31 Dec 2015	-36,996		-8,342	-43,282	-41,334	-6,264	-1,456	-9,257	-146,932
Net book value:									
At 1 Jan 2014	165,352	29,500	3,193	13,333	44,871	296	177	9,729	266,452
At 31 Dec 2014	149,472	29,500	424	8,042	27,374	644	728	9,455	225,639
At 31 Dec 2015	151,142	29,500	99	3,855	25,484	718	93	8,430	219,320

Net book value of goodwill and intangible assets decreased by EUR 6.3 million from EUR 225.6 million to EUR 219.3 milllion in 2015. Decrease in net book value was mainly due to annual amortisations and depreciation (EUR 10.6 million). Business combinations and other investments increased the net book value by EUR 2.8 million. Exchange differences increased the net book value by EUR 1.3 million.

5. IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

The allocation of goodwill and other intangible assets with indefinite useful lives
Goodwill and other intangible assets with indefinite useful lives acquired through business combinations have been allocated to cash-generating units for impairment testing. A CGU encompasses the business operations of the segment in each country, except for Central Europe, Latvia and Lithuania, and the Czech Republic and Slovakia. Central Europe consists of business in Germany, Austria and Hungary. The Cramo brand has been considered as a corporate-level asset which is annually allocated to CGUs for impairment on the basis of CGU sales. Sales is believed to best reflect the future cash inflows the brand generates. Russian operations have been treated as assets to be transferred to joint venture.

Goodwill and the Cramo brand have been allocated to CGUs as follows:

EUR 1,000	2015 Goodwill	2015 Cramo brand	2014 Goodwill	2014 Cramo brand
Finland	31,123	4,892	30,412	4,683
Sweden	88,462	14,607	86,546	14,049
Norway	15,542	3,105	16,507	3,707
Denmark		1,246		1,327
Central Europe		3,407		3,491
Estonia	11,806	703	11,806	763
Latvia and Lithuania	948	697	948	743
Poland	3,261	494	3,254	458
The Czech Republic and Slovakia		349		281
Total	**151,142**	**29,500**	**149,472**	**29,500**

Basis for impairment testing
Goodwill is tested for impairment annually, or on a more frequent basis should there be an indication of a potential impairment. The latest impairment test has been performed in December 2015. The test was based on the balance sheet as at 31 October 2015. In impairment testing the assets of a CGU are compared to its recoverable amount. The recoverable amount of a CGU has been determined based on value in use which is calculated by using the discounted cash flow method. The cash flow projections used in the calculations are based on the next year's financial budget and the forecasts for the subsequent four years approved by management. The cash flow projections, covering all together a period of five years, are based on experience as well as on the estimated future development of the markets. The projections are in line with the external information to the extent such projections are available. Management has approved the plans upon which the impairment tests are based.

The results of impairment test in 2015 indicate no need for impairment loss, since recoverable amount exceeds carrying amount of assets in all cash generating units.

The results of impairment test as per 31 December 2014 indicated a need for impairment loss in Central Europe amounting to EUR 25,510 thousand. The classification of impairment loss between balance sheet items is disclosed in note 4 Intangible assets. The transformation program of Central Europe has progressed slower than expected, which has caused weaker than expected financial performance until the end of 2014. This has resulted in an impairment loss as per 31 December 2014. For other units there was no need for impairment loss, since the recoverable amount exceeded the carrying amount of assets in other cash generating units.

The key assumptions related to impairment test of 2015 and 2014 is presented in the tables below.

Key assumptions used in value-in-use calculations:

2015	EBITA-%	Compound annual growth rate five-year period, %	Growth rate beyond the five-year period, %	Discount rate before tax, %	Discount rate after tax, %
Finland	18.9–22.8	1.3	1.0	6.98	5.81
Sweden	17.3–19.4	0.8	1.0	7.12	5.79
Norway	7.6–11.8	1.7	1.0	7.99	6.18
Denmark	9.8–11.0	2.0	1.0	7.90	6.37
Central Europe	0.2–9.7	4.0	1.0	8.01	6.15
Eastern Europe	13.6–20.1	0,6-3,3	1.5	7,42–8,90	6,26–7,45

2014	EBITA-%	Compound annual growth rate five-year period, %	Growth rate beyond the five-year period, %	Discount rate before tax, %	Discount rate after tax, %
Finland	16.7 – 19.8	2.0	1.0	7.86	6.45
Sweden	17.1– 18.1	1.0	1.0	8.00	6.43
Norway	10.3– 12.8	2.5	1.0	8.99	6.82
Denmark	7.4– 11.0	1.4	1.0	8.72	7.03
Central Europe	1.4 – 9.0	3.8	1.0	9.44	6.79
Eastern Europe	5.6 – 21.9	1.9-7.8	1.5-2.0	8.37 - 9.65	6.89 - 8.10

EBITA margin
The Group's profitability improved in 2015. The efficiency improvements are expected to gradually improve the profitability in majority of the CGUs during the forecasting period. Profitability level used in terminal value calculation reflects mostly moderate historical level. There is significant improvement potential in utilisation rates especially in Central Europe but also in other units.

Growth rate for the five year period
Future growth estimates are mainly based on higher utilisation rates but also on improved pricing in some areas. Growth investments and their impact have been carved out. Sales is expected to reach an annual average growth rate of 0.6 - 4.0 per cent in 2016-2020. In the Nordic countries the annual average growth rate is expected to vary between 0.8 - 2.0 per cent, depending on the unit. In Central Europe sales is expected to grown in an annual average rate of 4.0 percent in 2016-2020. In Eastern-Europe, the annual average growth rate is expected to be 0.6 - 3.3 per cent.

Growth rate beyond the five years
The growth rate beyond five years for Eastern Europe countries equals 1.5 percent per year and for the Nordic countries and Central Europe it equals one percent per year. This is predicted to reflect a moderate long-term inflation forecast.

Discount rate
Forecasted cash flows are discounted to present value with CGU-specific discount rate. Cramo Group's weighted average cost of capital (WACC) consitutes the basis for the determination of the discount rate. Cost of capital includes assumptions for capital structure, risk-free interest rate, risk premium, cost of debt and equity and equity beta. In determining the CGU-specific discount rates the weighted average cost of capital is increased by a CGU specific risk factor, which includes assumptions for country, currency and price risks inherent to the CGU.

Sensitivity analysis of the main assumptions
The figures below represent the maximum changes of the main assumptions, for each assumption separately, after which the carrying amount of the unit equals its recoverable amount. In the sensitivity analysis, each parameter was varied independently whilst holding the other parameters constant.

2015	Change in EBITA margin Max. decrease in %-units	Compound annual growth rate, five-year period Max. decrease in %-units	Growth rate beyond five-year period Max. decrease in %-units	Discount rate Max. increase in %-units	The amount by which the recoverable amount exceeds the carrying amount, EUR million	The amount by which the recoverable amount exceeds the carrying amount, %-range
Finland	-11.6	-17.2	-11.9	5.8	206.5	> 100
Sweden	-8.7	-14.4	-8.4	4.5	427.1	50 - 100
Norway	-1.2	-2.4	-0.8	0.6	11.2	0 - 20
Denmark	-0.1	-0.3	-0.1	0.1	0.6	0 - 10
Central Europe	-0.3	-0.7	-0.2	0.1	3.1	0 - 10
Eastern Europe	-6,1 - -2,6	-11,3 - -4,1	-6,5 - -1,5	1,0 - 3,6	3,8-14,4	20 - 100

6. BUSINESS COMBINATIONS

BUSINESS COMBINATIONS 2015
The information of the business combinations have been presented as combined, since none of them is material when assessed separately. Individual considerations have not been presented separately, since none of them is material, when assessed individually.
Cramo acquired on 4 February 2015 the shares of Vuokra-Pekat Oy. Vuokra-Pekat, founded in 2004, is a strong local general rental company in Southern Finland. The company's specific area of expertise is rental-related dust control, in which area it is also the market leader in Finland. The dust control service is an excellent complement to Cramo's range of rental-related services throughout the country. The company's sales were approximately EUR 4.8 million in 2014, profitability is at a good level and the company employs 20 persons.

On 13 February 2015 Cramo annouced that it strengthens its position on the island of Gotland in Sweden by acquiring all the assets of Visby Hyresmaskiner AB ("VHM") and at the same time converting VHM into a Cramo franchisee. VHM's sales in 2013 were approximately EUR 2.3 million. VHM, founded in 1998 and located in central Visby, has a strong position in the local rental market. The company provides a wide range of rental equipment for construction companies and contractors all over Gotland.

Cramo acquired on 22 December 2015 MDS Raumsysteme's modular space rental business including 180 modules and related customer contracts. The deal resulted in a EUR 136 thousand negative goodwill, which is recognised as other operating income.

The Group sales would have increased by EUR 0.8 million and EBITA would have been the same, if all the acquisitions had been completed on 1 January 2015.

The total consideration for transactions includes a EUR 1.0 million contingent consideration, which is paid mostly based on the financial development after the consolidation date. In 2015 the contingent consideration has been reversed by EUR 0.4 million, thus the remaining liability is EUR 0.6 million. The decrease has been recognised in other operating income. A contingent consideration liability relating to acquisitions prior to 2015 totalling EUR 0.7 million was paid. The remaining contingent consideration for acquisitions made prior to 2015 is EUR 0.5 million.

The table below represents the summary of the business combinations completed in 2015. The acquisition values have been converted to euros by using the exchange rates prevailing at the acquisition date. Exchange differences compared with the balance sheet date's exchange rates are immaterial.

BUSINESS COMBINATIONS 2014
Cramo's Finnish subsidiary Cramo Finland Oy acquired 9 April 2014 the shares of OptiRent Oy. OptiRent, founded in 2007, was the market leader in Finland in the rental of earth moving equipment weighing under 10 tons. OptiRent's sales in 2013 were EUR 2.3 million and the company employs four persons.

Cramo Plc acquired the shares of modular space rental company C/S RaumCenter GmbH. The company was consolidated from 1 April 2014 onwards. The company sales were EUR 4 million in 2013 and it employed 21 people.

Cramo's Swedish subsidiary Cramo AB acquired the shares of BMS Uthyrning i Kalmar AB with operations in Kalmar and Nybro. The company is consolidated from 1 October 2014 onwards. The company annual sales were approximately EUR 1.1 million prior to acquisition.

The Group sales would have increased by EUR 2.0 million and EBITA would have been the same, if the acquisition had been completed 1 January 2014.

Total consideration includes EUR 1.25 million contingent consideration relating to OptiRent and C/S RaumCenter, which is paid based on the financial development after the consolidation date. In 2014 the contingent consideration has been reversed by EUR 0.2 million and recognised in other operating income. The contingent consideration liability of EUR 2.4 million relating to acquisitions prior to 2014 was reversed and recognised in other operating income.

The acquisition values have been converted to euros by using the exchange rates prevailing at the acquisition date. Exchange differences compared with the balance sheet date's exchange rates are immaterial.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34

EUR 1,000	2015
Consideration	
Cash	6,750
Contingent consideration	1,000
Total consideration	**7,750**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Identifiable assets	
Non-current assets	
Intangible assets	
Customer relationships	728
Depot network	457
Non-compete agreements	332
Total intangible assets	**1,517**
Tangible assets	
Machinery and equiment	7,527
Total tangible assets	**7,527**
Total non-current assets	**9,044**
Current assets	
Inventories	38
Trade and other receivables	586
Cash and cash equivalents	134
Total current assets	**758**
Total identifiable assets	**9,802**
Assumed liabilities	
Deferred tax liabilities	721
Interest bearing liabilities	832
Trade and other payables	1,074
Total liabilities assumed	**2,627**
Total identifiable net assets	**7,175**
Goodwill	**711**
Negative goodwill (recognised as other operating income)	**-136**

EUR 1,000	2014
Consideration	
Cash	5,818
Contingent consideration	1,250
Total consideration	**7,068**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Identifiable assets	
Non-current assets	
Intangible assets	
Customer relationships	841
Brand (amortised)	657
Non-compete agreements	793
Software	4
Total intangible assets	**2,296**
Tangible assets	
Machinery and equiment	7,928
Buildings	199
Total tangible assets	**8,127**
Total non-current assets	**10,423**
Current assets	
Inventories	449
Trade and other receivables	699
Income tax receivables	29
Cash and cash equivalents	416
Total current assets	**1,594**
Total identifiable assets	**12,017**
Assumed liabilities	
Deferred tax liabilities	1,386
Interest bearing liabilities	3,606
Trade and other payables	774
Income tax liabilities	161
Total liabilities assumed	**5,927**
Total identifiable net assets	**6,089**
Goodwill	**979**

7. JOINT VENTURES

Reconciliation of summarised financial information

EUR 1,000	Fortrent		Fellesutleie AS		Total	
Summarised financial information	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Opening net assets at 1 Jan	**6,086**	**32,512**	**238**	**255**	**6,324**	**32,767**
Profit/loss for the period	780	-1,048	9	2	789	-1,046
Other comprehensive income items	-4,065	-25,378	-15	-19	-4,080	-25,397
Closing net assets at 31 Dec	**2,801**	**6,086**	**233**	**238**	**3,034**	**6,324**
Interest in joint venture (50 %)	1,401	3,043	116	119	1,517	3,162
Transaction costs	1,091	1,091			1,091	1,091
Carrying amount of investment	**2,492**	**4,134**	**116**	**119**	**2,608**	**4,254**

Fortrent is a construction machinery and equipment rental company operating in Russia and Ukraine. The company is owned and controlled jointly 50/50 by Cramo and Ramirent. Cramo presents its share of profit or loss from the joint venture above EBITDA in the consolidated income statement in accordance with the equity method of accounting.

Cramo and Ramirent have granted loans to the joint venture. The value of the loan at the end of 2015 is 30.5 million. In 2015 Fortrent has amortised the loans by EUR 4.8 (5.2) million.

The Group has also a 50 per cent share in a joint venture Fellesutleie AS. The company operates in machinery rental in Norway. Cramo presents its share of profit of the joint venture using the equity method of accounting above EBITDA.

EUR 1,000 Summarised balance sheet	Fortrent 2015	2014	Fellesutleie AS 2015	2014
Current assets				
Cash and cash equivalents	894	811	180	157
Other current assets (excluding cash)	5,393	5,910	69	109
Total current assets	**6,287**	**6,721**	**249**	**266**
Other current liabilities	2,881	3,305	2	31
Total current liabilities	**2,881**	**3,305**	**2**	**31**
Non-current assets				
Goodwill	4,321	4,819		
Intangible assets relating to PPA	4,440	5,579		
Other non-current assets	21,462	28,169	223	427
Deferred tax assets	2,144	2,283		
Total non-current assets	**32,367**	**40,850**	**223**	**427**
Interest bearing liabilities	30,533	35,311	185	363
Deferred tax liabilities	2,439	2,868	53	61
Total non-current liabilities	**32,972**	**38,179**	**237**	**424**
Net assets	**2,801**	**6,086**	**233**	**238**

Fortrent has commitments amounting to EUR 0.1 (0.2) million

EUR 1,000 Summarised statement of comprehensive income	Fortrent 2015	2014	Fellesutleie AS 2015	2014
Sales	**30,503**	**37,970**	**441**	**412**
Materials and services	-9,466	-10,674		
Other expenses	-10,898	-14,279	-429	-392
Depreciation and impairment on tangible assets	-7,864	-10,983		
EBITA	**2,275**	**2,034**	**11**	**19**
Amortisation and impairment resulting from acquisitions	-758	-1,528		
Interest expenses	-887	-1,120		
Other financial expenses	-87	-798	-2	-17
EBT	**543**	**-1,412**	**10**	**2**
Income taxes	237	364	0	0
Profit/loss for the year	**780**	**-1,048**	**9**	**2**
Other comprehensive income items	-4,065	-25,378	-15	-19
Total comprehensive income	**-3,285**	**-26,426**	**-5**	**-17**

8. DEFERRED TAXES

Deferred tax assets and liabilities as presented in the balance sheet

EUR 1,000	2015	2014
Deferred tax assets	13,463	14,336
Deferred tax liabilities	70,636	68,096
Deferred tax liabilities net	**57,173**	**53,760**

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Movements in deferred tax assets and liabilities during the year:

EUR 1,000	1 Jan 2015	Recognised in income statement	Recognised in other comprehensive income	Acquisitions and disposals	Exchange differences	31 Dec 2015
Deferred tax assets						
Tax losses carried forward	8,375	-35			-293	**8,047**
Depreciation difference, negative	1,545	-645			13	**913**
Financial leases	382	-133			3	**252**
Fair value of hedging fund	1,857		-193			**1,664**
Derivative financial instruments	116	-69				**47**
Elimination of internal profit	993	-120				**873**
Retirement benefit liabilities	542	24	-22		8	**552**
Other temporary differences	526	596			-7	**1,115**
Total	**14,336**	**-382**	**-215**		**-276**	**13,463**
Deferred tax liabilities						
Depreciation difference	49,643	3,688		86	503	**53,919**
Financial leases	3,879	-248			78	**3,709**
Derivative financial instruments	726	-548				**178**
Valuation of assets to fair value in business combinations	13,411	-1,567		685	79	**12,608**
Undistributed retained earnings	372	-172				**200**
Other temporary differences	65	-45			2	**22**
Total	**68,096**	**1,108**		**771**	**662**	**70,636**
Deferred tax liabilites net	**53,760**	**1,490**	**215**	**771**	**938**	**57,173**

EUR 1,000	1 Jan 2014	Recognised in income statement	Recognised in other comprehensive income	Acquisitions and disposals	Exchange differences	31 Dec 2014
Deferred tax assets						
Tax losses carried forward	9,913	-1,012			-526	**8,375**
Depreciation difference, negative	122	1,426			-3	**1,545**
Financial leases	589	-199			-8	**382**
Fair value of hedging fund	1,200		657			**1,857**
Derivative financial instruments	587	-471				**116**
Elimination of internal profit	1,181	-188				**993**
Retirement benefit liabilities	139	285	131		-13	**542**
Other temporary differences	1,089	-550			-13	**526**
Total	**14,820**	**-709**	**788**		**-563**	**14,336**
Deferred tax liabilities						
Depreciation difference	51,085	1,411			-2,852	**49,643**
Financial leases	4,219	-169			-171	**3,879**
Derivative financial instruments	411	315				**726**
Valuation of assets to fair value in business combinations	19,010	-6,543		1,356	-412	**13,411**
Undistributed retained earnings	532	-160				**372**
Other temporary differences	80	-13			-2	**65**
Total	**75,337**	**-5,159**		**1,356**	**-3,437**	**68,096**
Deferred tax liabilites net	**60,517**	**-4,450**	**-788**	**1,356**	**-2,874**	**53,760**

"The deferred tax liability for the annual profits of the Estonian subsidiary has been recognised since the financial year 2013 corresponding to the half of the profit in line with the dividend distribution policy for future earnings. No deferred tax liability has been recognised on the undistributed earnings of the earlier years, because the distribution is in the control of the Group and such distribution is not probable within foreseeable future.

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group had not recognised deferred tax assets of EUR 13,551 (9,229) thousands of the tax losses in respect of subsidiaries that are currently making a loss.

Specification of tax items recognised in other comprehensive income is presented in note 26.

9. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

EUR 1,000 At 31 Dec 2015	Note	Financial assets/ liabilities at fair value through profit and loss	Loans and other receivables	Loans and other liabilities	Hedge accounted derivatives	Book value	Fair value	Fair value hierarchy
Non-current financial assets								
Interest-bearing receivables	11		15,267			15,267	15,267	2
Trade and other receivables	11		1,436			1,436		-
Current financial assets								
Derivative financial instruments	10	889				889	889	2
Trade and other receivables	11		108,931			108,931		-
Cash and short-term deposits	13		3,511			3,511	3,511	2
Total		**889**	**129,145**			**130,034**		
Non-current financial liabilities								
Interest-bearing liabilities	15			293,811		293,811	299,493	2
Derivative financial instruments	10				8,322	8,322	8,322	2
Other non-current liabilities	17			2,559		2,559		-
Current financial liabilities								
Interest-bearing liabilities	15			78,097		78,097	78,097	2
Derivative financial instruments	10	233				233	233	2
Trade and other payables	18			76,153		76,153		-
Total		**233**		**450,620**	**8,322**	**459,175**		

EUR 1,000 At 31 Dec 2014	Note	Financial assets/ liabilities at fair value through profit and loss	Loans and other receivables	Loans and other liabilities	Hedge accounted derivatives	Book value	Fair value	Fair value hierarchy
Non-current financial assets								
Interest-bearing receivables	11		17,656			17,656	17,656	2
Trade and other receivables	11		1,266			1,266		-
Current financial assets								
Derivative financial instruments	10	3,632				3,632	3,632	2
Trade and other receivables	11		105,889			105,889		-
Cash and short-term deposits	13		5,689			5,689	5,689	2
Total		**3,632**	**130,500**			**134,132**		
Non-current financial liabilities								
Interest-bearing liabilities	15			294,392		294,392	299,830	2
Derivative financial instruments	10				9,286	9,286	9,286	2
Other non-current liabilities	17			1,369		1,369		-
Current financial liabilities								
Interest-bearing liabilities	15			96,676		96,676	96,676	2
Derivative financial instruments	10	580				580	580	2
Trade and other payables	18			63,154		63,154		-
Total		**580**		**455,591**	**9,286**	**465,457**		

Derivative financial instruments
The fair value of forward contracts is determined by using the forward rates of 31 December for respective contracts. For interest rate swaps the fair value is computed by discounting the future cash flows using the market rates at annual closing. If the market value given by a counterparty is utilised, company produces also its own calculation using generally accepted valuation methods.

Interest-bearing receivables and liabilities
The fair value of loans and loans receivable is based on the discounted cash flows. The rate used for measurement is the rate which would apply for the Group's new external financing and investments. The overall rate consists of a risk free rate and the risk premium for the company. The fair value of leasing contracts is computed by discounting the cash flows with a rate corresponding to similar contracts.

Trade and other receivables and liabilities
The fair value of trade and other receivables and liabilities corresponds to the historical cost. The effect of discounting is not relevant due to short maturity of the instrument.

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Fair value hierarchy disclosures for each class of financial instruments: The following fair value measurement hierarchy is applied for the financial instruments measured in the balance sheet at fair value.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

10. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The objective of the Group's risk management is to minimise the negative effects on the Group's financial performance caused by changes in financial markets. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury function (Group Treasury). Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units according to the Treasury policy approved by the Board. The objectives of Group Treasury are to secure sufficient funding for business operations, avoiding financial constraints at all times, to provide business units with financial services, to minimise the costs of financing, to manage financial risks (currency, interest rate, liquidity and funding, credit and operational risks) and to provide the management with information on the financial position and risk exposures of Cramo and its business units. In addition, Group Treasury actively monitors the actual values of the Group's financial covenants and anticipated financial headroom in relation to maximum values of these financial covenants as part of the Group's business planning.

MARKET RISK

Interest rate risk

Fluctuations in market interest rates have an effect on consolidated interest outflows and the fair value of interest-bearing receivables, loans payable and derivative instruments. The objective of interest rate risk management is to mitigate the impact of interest rate changes on the income statement, balance sheet and cash flow, while also taking into account the market value of net debt.

The Group's interest rate risk arises mainly from its long-term borrowings. The Group is mainly exposed to cash flow interest rate risk, which arises from liabilities at variable rates and is partly off-set by the bond with fixed interest rate. At the balance sheet date, 62.4% (49.2%) of outstanding interest-bearing liabilities were at fixed interest rates when including the effect of derivatives used. During 2015 and 2014 the Group's borrowings were denominated mainly in the EUR. The currency specification of financial lease liabilities is presented in table later in this note. The weighted average interest rate fixing period for loan portfolio was 3.0 (2.3 years). The Treasury Policy states the limit for the portion of fixed interest to be 20–80% of the whole loan portfolio and duration to stay in a range from one to four years.

The Group manages its cash flow interest rate risk by using interest rate swaps in accordance with the Treasury Policy. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. The nominal value of the Group's interest rate swaps was at 31 December 2015 EUR 130.0 (90.0) million. IAS 39 hedge accounting was applied to all of these interest rate swaps. The maturity structure of these derivatives is presented in a table following in this note.

For interest rate sensitivity analysis in accordance with IFRS 7, if interest rates at 31 December 2015 on EUR-denominated borrowings had been 1 % higher/lower with all other variables held constant, the impact to pre-tax profit for the year would have been EUR -1.3/-0.5 (-1.6/-0.3) million, as a result of changes in the interest flows on floating rate borrowings and hedging instruments and the change of market value of the non-hedge accounted interest rate swaps. The impact to other components of equity would have been EUR +5.6/-6.0 (+4.3/-4.6) million, as a result of a change in the fair value of interest rate swaps for which hedge accounting is applied. The following table illustrates the sensitivity analysis.

	2015				2014			
MEUR	Income statement		Equity		Income statement		Equity	
Effect of change in interest rates	+ 1%	- 1%	+ 1%	- 1%	+1%	-1%	+1%	-1%
Interest-bearing liabilities	-2.0	0.2			-2.3	0.4		
Interest rate derivatives								
Hedge accounted	0.7	-0.7	5.6	-6.0	0.7	-0.7	4.3	-4.6
Total	**-1.3**	**-0.5**	**5.6**	**-6.0**	**-1.6**	**-0.3**	**4.3**	**-4.6**

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing liabilities and their average interest rates are presented in note 15.

Foreign exchange risk

The Group operates internationally and is exposed to risks arising from foreign exchange rate fluctuations, primarily from exposures with respect to the Swedish crown. Foreign exchange risk arises primarily from internal funding and net investments in foreign operations as well as from recognised assets and liabilities.

Since Cramo has subsidiaries outside the euro zone, the euro denominated value of the shareholders' equity is exposed to fluctuations in exchange rates. Equity changes caused by movements in foreign exchange rates are shown as translation differences in other comprehensive income items. The Group Treasury regularly monitors and evaluates the translation risk. In 2015 the Group had not hedged any foreign currency denominated equity.

Foreign exchange risk arising from internal funding and recognised assets and liabilities is managed primarily through forward contracts. A table following in this note presents the maturity structure of these derivatives. Hedge accounting is not applied for these derivatives and changes in the fair value of derivatives are recognised in the income statement.

Sales in Group companies are carried out in the functional currency of the local entities. These transactions do not expose the Group to significant foreign exchange risk. Purchases are carried out both in Euros and local currencies. The currency risk arising from purchases is considered insignificant. Hence, according to the Treasury Policy, future purchase commitments are not hedged.

Sensitivity analysis, in accordance with IFRS 7, aims to represent the sensitivity of the consolidated income and equity with respect to foreign exchange rate fluctuations. The open euro exposure against other functional currencies arises from account payables, leasing liabilities in other than local currency, as well as from the open exposure of the Group Treasury.

The following table presents the Group's currency exposure and the sensitivity effects to equity. The sensitivity calculation is based on a change of 5% in the Euro exchange rate against all the functional currencies that the Group operates in.

EUR 1,000 31 Dec 2015	SEK	DKK	NOK	Other currencies total	Total
Translation risk and hedging					
Equity exposed to translation risk	375,445	11,721	28,508	17,906	**433,580**
Open exposure	**375,445**	**11,721**	**28,508**	**17,906**	**433,580**
Sensitivity analysis, 5% depreciation of each currency against euro					
Translation differences	-18,772	-1,425	-586	-895	**-21,678**
Total	**-18,772**	**-1,425**	**-586**	**-895**	**-21,678**

EUR 1,000 31 Dec 2014	SEK	DKK	NOK	Other currencies total	Total
Translation risk and hedging					
Equity exposed to translation risk	359,422	10,759	29,698	20,921	**420,800**
Open exposure	**359,422**	**10,759**	**29,698**	**20,921**	**420,800**
Sensitivity analysis, 5% depreciation of each currency against euro					
Translation differences	-17,971	-538	-1,485	-1,046	**-21,040**
Total	**-17,971**	**-538**	**-1,485**	**-1,046**	**-21,040**

During 2015 and 2014 Cramo has not utilised any financial instruments to hedge the net investments in subsidiaries denominated in other currencies than EUR.

In 2015 the translation differences arising from subsidiaries' equities denominated in Swedish krona amounted to EUR 7.7 (-21.6) million, in Danish krone EUR -0.0 (+0.0) million, in Norwegian krone EUR -1.7 (-2.3) million and other currencies EUR 0.9 (-1.4) million. In addition to these, translation differences derived from a joint venture Fortrent amounted to EUR -2.0 (-12.7) million. The cumulative total of translation differences shown in other comprehensive income items totalled to EUR -26.4 (-31.1) million.

EUR 1,000 31 Dec 2015	SEK	DKK	NOK	Other currencies total	Total
Transaction risk and hedging					
Transaction exposure	-8,998	40,976	44,167	9,514	**85,659**
Hedges	7,617	-37,252	-42,643	-7,622	**-79,900**
Open exposure	**-1,381**	**3,724**	**1,524**	**1,892**	**5,759**
Sensitivity analysis, 5% depreciation of each currency against euro					
Transaction exposure	450	-2,049	-2,208	-476	**-4,283**
Hedges	-381	1,863	2,132	381	**3,995**
Total	**69**	**-186**	**-76**	**-95**	**-288**

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EUR 1,000 31 Dec 2014	SEK	DKK	NOK	Other currencies total	Total
Transaction risk and hedging					
Transaction exposure	-17,025	38,572	58,526	7,523	**87,596**
Hedges	14,905	-32,504	-46,173	-6,938	**-70,710**
Open exposure	**-2,121**	**6,068**	**12,353**	**585**	**16,886**
Sensitivity analysis, 5% depreciation of each currency against euro					
Transaction exposure	851	-1,929	-2,926	-376	**-4,380**
Hedges	-745	1,625	2,309	347	**3,536**
Total	**106**	**-303**	**-618**	**-29**	**-844**

Price risk
The Group holds a minor amount of unquoted shares, which do not expose to material price risk. The Group is not exposed to commodity price risk.

DERIVATIVE FINANCIAL INSTRUMENTS

EUR 1,000 Fair values 31 Dec 2015	Positive fair value	Negative fair value	Net fair value
FX forward contracts	780	-123	657
Interest rate swaps, cash flow hedges		-8,322	-8,322
Total	**780**	**-8,445**	**-7,665**
Non-current portion			
Interest rate swaps, cash flow hedges		-8,322	-8,322
Non-current portion		**-8,322**	**-8,322**
Current portion	**780**	**-123**	**657**

EUR 1,000 Fair values 31 Dec 2014	Positive fair value	Negative fair value	Net fair value
FX forward contracts	3,376	-325	3,051
Interest rate swaps, cash flow hedges		-9,286	-9,286
Total	**3,376**	**-9,611**	**-6,234**
Non-current portion			
Interest rate swaps, cash flow hedges		-9,286	-9,286
Non-current portion		**-9,286**	**-9,286**
Current portion	**3,376**	**-325**	**3,051**

EUR 1,000 Nominal values of derivative financial instruments	2015	2014
FX forward contracts	106,904	138,569
Interest rate swaps	130,000	90,000
Total	**236,904**	**228,569**

The derivatives used in 2015 and 2014 were currency forward contracts and interest rate swaps. These were used for hedging purposes in line with the Group's hedging policy.

The change in fair value of currency derivatives has been recognised in the income statement. The change in fair value of hedge accounted interest rate derivatives has been recognised in other comprehensive income items, as net of tax. At 31 December 2015 the open derivative exposure reflects well the exposure retained during the financial year.

Cramo enters into derivative transactions under master netting agreements. In general the amounts owed by each counterparty are settled with one single net payment by each currency. In certain circumstances, e.g. when a credit event such as a default occurs, all outstanding transactions under the agreements are terminated and only one amount is payable in settlement of all transactions. The netting agreements do not meet the criteria for offsetting in the balance sheet. The following table illustrates the carrying amounts of derivative instruments that are subject to the agreements described above.

EUR 1,000 Derivative financial assets	2015	2014
Gross amounts in the balance sheet	780	3,376
Related instruments that are not offset	-587	-2,800
Total	**193**	**576**

EUR 1,000 Derivative financial liabilities	2015	2014
Gross amounts in the balance sheet	8,445	9,611
Related instruments that are not offset	-587	-2,800
Total	**7,858**	**6,811**

EUR 1,000 Derivative instruments mature as follows, 2015	2016	2017	2018	2019	2020	2021+	Total
Currency derivative instruments	106,904						**106,904**
Interest rate derivative instruments					20,000	110,000	**130,000**
Total interest derivative instruments	**106,904**				**20,000**	**110,000**	**236,904**

EUR 1,000 Derivative instruments mature as follows, 2014	2015	2016	2017	2018	2019	2020+	Total
Currency derivative instruments	138,569						**138,569**
Interest rate derivative instruments				40,000		50,000	**90,000**
Total interest derivative instruments	**138,569**			**40,000**		**50,000**	**228,569**

CREDIT RISK

The Group's policy identifies counterparty credit rating requirements and principles of investment for clients, investment transactions and derivative financial instruments. The Group has no significant credit risk concentrations since it has a broad clientele, which is geographically spread over a wide area. Credits are granted to companies and private persons, which have proper credit information. The Group's maximum exposure to credit risk is represented by the fair values of receivables and other financial assets at 31 December 2015.

The maturity structure of accounts receivables is presented in note 11.

Also the credit losses and increase of provision for bad debts are presented in note 11. Receivables do not include significant credit risk concentrations.

REFUNDING AND LIQUIDITY RISK

The Group Treasury manages the Group's liquidity risk and ensures flexibility in funding by maintaining availability under committed credit lines. The The Group Treasury manages the Group's liquidity risk and ensures flexibility in funding by maintaining availability under committed credit lines. The Group uses diverse funding sources and borrowings are primarily long-term. The Group has committed borrowing facilities or other lines of credit that it can access to meet liquidity needs. At 31 December 2015 the undrawn committed credit facilities totalled EUR 201.2 (217.6) million.

In order to decrease the refinancing risk the Group aims to diversify the maturity structure of its interest-bearing debt and negotiates new committed credit lines well in advance of need. During 2015 Cramo partly extended its EUR 375 million long term unsecured syndicated loan facilities. The facility is from 2014 and was due to mature in January 2020. With the extension EUR 75 million of the syndicated facility matures on 1 January 2020 and EUR 300 million on 1 January 2021. The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative instruments are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

EUR 1,000 Maturities of financial liabilities at 31 Dec 2015	Less than 1 year	1–2 years	2–5 years	Over 5 years	Total
Derivatives					
FX forward contracts, outflow	-123				**-123**
FX forward contracts, inflow	780				**780**
Interest rate swaps, outflow	-1,859	-2,229	-5,625	-3,390	**-13,103**
Interest rate swaps, inflow			501	1,452	**1,953**
Derivatives, net	**-1,202**	**-2,229**	**-5,124**	**-1,938**	**-10,493**
Accounts payable and other non-interest bearing liabilities	-76,153				**-76,153**
Borrowings (excl. finance lease liabilities)	-64,664	-4,500	-142,063	-150,252	**-361,479**
Finance lease liabilities	-8,031	-2,671	-1,957	-1,519	**-14,178**
Repurchase liabilities	-8	-8	-204		**-220**
Total	**-148,856**	**-7,179**	**-144,224**	**-151,771**	**-452,043**

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EUR 1,000 Maturities of financial liabilities at 31 Dec 2014	Less than 1 year	1–2 years	2–5 years	Over 5 years	Total
Derivatives					
FX forward contracts, outflow	-422				**-422**
FX forward contracts, inflow	2,053				**2,053**
Interest rate swaps, outflow	-1,930	-2,925	-3,366	-3,843	**-12,063**
Interest rate swaps, inflow	65	82	437	1,626	**2,209**
Derivatives, net	**-234**	**-2,843**	**-2,929**	**-2,217**	**-8,223**
Accounts payable and other non-interest bearing liabilities	-63,155				**-63,155**
Borrowings (excl. finance lease liabilities)	-87,674	-9,012	-104,500	-183,000	**-384,186**
Finance lease liabilities	-13,573	-6,752	-7,595		**-27,920**
Repurchase liabilities	-8	-8	-218		**-234**
Total	**-164,410**	**-15,772**	**-112,313**	**-183,000**	**-475,495**

CAPITAL STRUCTURE

The Group's objectives when managing capital structure are to safeguard the Group's ability to continue as a going concern and to maintain the optimum capital structure. The targets for capital structure are determined by the Board of Directors. The Group Treasury regularly monitors the development of the capital structure.

The Group monitors capital on the basis of the gearing ratio. Gearing is calculated as the ratio of net interest-bearing liability to total equity. One of the financial targets of the Group is to keep the gearing ratio below 100%. This target was well met (gearing at 31 Dec 2015 75.1%, 31 Dec 2014 84.7%).

The net interest-bearing liabilities of the Group at 31 December 2015 totalled EUR 368.4 million, while at 31 December 2014 they were EUR 385.4 million. During 2015 the net interest-bearing liabilities decreased by EUR 17.0 million.

Net debt and gearing are represented in the table below.

EUR 1,000	2015	2014
Interest-bearing liabilities	371,908	391,068
Cash and cash equivalents	-3,511	-5,689
Net interest-bearing liabilities	**368,397**	**385,379**
Total equity	**490,743**	**454,990**
Gearing, %	**75.1**	**84.7**

11. NON-CURRENT AND CURRENT RECEIVABLES

EUR 1,000	2015	2014
Non-current receivables		
Loan receivables from joint ventures (see note 30)	15,267	17,656
Pension assets (see note 16)	33	
Other receivables[1]	1,403	1,266
Non-current receivables, total	**16,703**	**18,922**
Current receivables		
Trade receivables	104,027	100,231
Other receivables	4,905	5,658
Prepaid expenses and accrued income	21,550	22,878
Current receivables, total	**130,482**	**128,767**

1 Available-for-sale financial assets have been reclassified as financial assets to be measured at historical cost due to their immaterial nature for the Group and are presented as other non-current receivables. The comparative figure for other non-current receivables has therefore increased by EUR 187 thousands.

Trade receivables are non-interest-bearing and are generally on 14-60 day terms.

A total amount of EUR 3,485 (5,187) thousands of trade receivables has been recognised in the income statement as impairment losses. See below for the movements in the provision for impairment of receivables. For further guidance, see credit risk note 10.

EUR 1,000 Movements in the provision for impairment of receivables	2015	2014
At 1 Jan	6,130	6,043
Exchange differences	-19	-161
Charge for the period (+)/income (-)	-535	248
At 31 Dec	5,576	6,130

The balance sheet values best correspond to the amount which is the maximum credit risk exposure before deducting the fair value of collateral in case other contractual parties fail to meet their obligations related to the financial instruments. The manner in which the Group operates does not require the obtaining of collateral in respect of trade and other receivables. Trade and other receivables do not contain any significant concentration of credit risk. The management considers that the carrying amount of trade and other receivables approximates their fair value.

Material items included in prepaid expenses and accrued income relate to uninvoiced revenue accrual and prepaid premises, insurance, personnel and leasing expenses.

EUR 1,000 Ageing analysis of trade receivables	2015	2014
Trade receivables, not due at reporting date	79,601	68,073
Trade receivables 1 – 30 days overdue	18,759	25,626
Trade receivables 31 – 60 days overdue	2,182	3,053
Trade receivables 61 – 90 days overdue	455	473
Trade receivables 91 – 180 days overdue	1,048	1,375
Trade receivables more than 180 days overdue	1,982	1,631
Total	104,027	100,231

EUR 1,000 Trade receivables by currencies	2015	2014
EUR	27,640	26,576
SEK	56,811	48,103
NOK	9,985	14,731
DKK	5,588	6,110
PLN	1,729	1,653
Other	2,274	3,058
Total	104,027	100,231

Trade receivables are arising from a large number of customers and are mainly denominated in EUR, SEK and NOK, therefore mitigating the concentration of risk.

12. INVENTORIES

EUR 1,000	2015	2014
Materials, supplies and goods for sale	9,055	9,908
Obsolescence allowance	-92	-190
Total	8,963	9,718

At the end of the period, inventories have been written down by EUR 92 (190) thousands to correspond to their net realisable value. The amount of write-down is recognised in materials and services in the income statement.

13. CASH AND CASH EQUIVALENTS

EUR 1,000	2015	2014
Cash in hand and at banks	3,511	5,689
Total	3,511	5,689

Cash and cash equivalents include cash in hand and bank deposits available at call. Cash and cash equivalents have original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash at banks earns interest at floating rates based on daily bank deposit rates.

At 31 December 2015, the Group had available EUR 201.2 (217.6) million of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the abovementioned figures for cash in hand and at banks at 31 December 2015 and 31 December 2014.

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14. SHARE CAPITAL AND EQUITY FUNDS

EUR 1,000 Movements during the year	Number of shares	Share capital	Other reserves	Total
At 1 Jan 2014	42,844,333	24,835	318,742	**343,577**
Exercise of share options	1,059,221		4,395	**4,395**
Changes within equity			-300	**-300**
At 31 Dec 2014	**43,903,554**	**24,835**	**322,837**	**347,672**
Exercise of share options	717,740		3,459	**3,459**
At 31 Dec 2015	**44,621,294**	**24,835**	**326,297**	**351,132**

During the financial year Cramo Plc had one option plan and other share plans. The last option plan expired on 31 December 2015. More information on the share-based payments is given in note 29.

Each share entitles the holder to one vote at the Annual General Meeting and to an equal dividend. At the balance sheet date share capital was fully paid and entered in the trade register.

Other reserves
Other reserves include the subscription price of the shares and also the premiums received on exercise of share options and other share issues under the old Limited Liability Companies Act.

EUR 1,000 Movements during the year	Fair value reserve	Hedging fund	Total
At 1 Jan 2014	119	-6,726	**-6,607**
Cash flow hedges			
Fair value lossess in period		-2,093	**-2,093**
Tax on fair value losses		657	**657**
Change in fair value reserve	-119		**-119**
At 31 Dec 2014		**-8,162**	**-8,162**
Cash flow hedges			
Fair value gains in period		1,281	**1,281**
Tax on fair value gains		-193	**-193**
At 31 Dec 2015		**-7,074**	**-7,074**

Fair value reserve
At the balance sheet date the Group had no financial assets classified as available-for-sale. During 2014 the Group reclassified the available-for-sale financial assets to be measured at historical cost.

Hedging fund
The Group applies hedge accounting for all of the interest rate derivatives that are designated as cash flow hedges. The effective portion of changes in the fair value of those derivatives is recognised in hedging fund. The gain or loss relating to the ineffective portion is recognised in the income statement and classified within finance expenses.

Translation differences
Translation differences arise from the consolidation of the financial statements of subsidiaries outside the Euro zone.

At the balance sheet date the Group had not hedged any foreign currency denominated equity.

DIVIDENDS

The Board proposes to the AGM a dividend of EUR 0.65 (0.55) per share for year 2015.

15. INTEREST-BEARING LIABILITIES

EUR 1,000	2015		2014	
Non-current interest-bearing liabilities	**Book value**	**Fair value**	**Book value**	**Fair value**
Syndicated bank loan	187,815	187,815	180,191	180,191
Bond	99,769	105,451	99,662	105,100
Other bank loans	156	156	613	613
Repurchase liabilities	202	202	202	202
Finance lease liabilities	5,869	5,869	13,724	13,724
Total	**293,811**	**299,493**	**294,392**	**299,830**
Current interest-bearing liabilities	**Book value**		**Book value**	
Other bank loans	10,764		1,199	
Finance lease liabilities	7,873		13,018	
Commercial papers	59,460		82,459	
Total	**78,097**		**96,676**	
Total interest-bearing liabilities	**371,908**		**391,068**	

Book values of current liabilities approximate their fair values. All bank loans are at floating rate and thus their fair values do not differ materially from their carrying amounts. Repurchase liabilities are at fixed rate, but their fair values do not differ materially from their carrying amounts.

Other bank loans mainly consist of overdraft limits and hire purchase liabilities.

At the year end the Group had available undrawn committed credit facilities totalling EUR 201.2 (217.6) million, of which long-term EUR 185.0 (192.00) million and short-term EUR 16.2 (25.6) million.

In 2015 Cramo partially extended its long-term syndicated loan facilities totalling EUR 375 million. The facility was agreed in 2014 and was due to mature on 1 January 2020. With the extension EUR 300 of the unsecured syndicated loan matures on 1 January 2021 and EUR 75 on 1 January 2020. The extension improves further the maturity profile of Cramo's debt portfolio. The loan consists of a EUR 125 million term loan and a EUR 250 million revolving credit facility. The loan has only one financial covenant, the Net Debt to EBITDA ratio. The Group has extensive headroom towards the essential parameters breaking the covenant.

EUR 1,000 **Interest-bearing liabilities mature as follows, 2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021+**	**Total**
Syndicated bank loan					37,563	150,252	**187,815**
Bond			99,769				**99,769**
Other bank loans	10,920						**10,920**
Repurchase liabilities			202				**202**
Finance lease liabilities	7,875	2,575	1,891	1,164	237		**13,742**
Commercial papers	59,460						**59,460**
Total	**78,255**	**2,575**	**101,862**	**1,164**	**37,800**	**150,252**	**371,908**

EUR 1,000 **Interest-bearing liabilities mature as follows, 2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020+**	**Total**
Syndicated bank loan						180,191	**180,191**
Bond				99,662			**99,662**
Other bank loans	1,813						**1,813**
Repurchase liabilities				202			**202**
Finance lease liabilities	13,017	6,465	3,655	1,769	1,835		**26,741**
Commercial papers	82,459						**82,459**
Total	**97,289**	**6,465**	**3,655**	**101,633**	**1,835**	**180,191**	**391,068**

Finance lease liabilities

The Group has entered into financial leases on certain vehicles and items of machinery. These leases have an average life of between three and five years. Financial lease liabilities mainly have floating rates based on market rates between one and three months. Tables below specify the future minimum cash flows under financial leases by maturity and by currency as at 31 December.

EUR 1,000 **Gross finance lease liabilities – minimum lease payments**	**2015**	**2014**
Payable < 1 year from balance sheet date	8,006	13,572
Payable 1–5 years from balance sheet date	6,124	14,347
Payable > 5 years from balance sheet date		
Total	**14,130**	**27,919**
Future finance charges on finance leases	388	1,178
Present value of minimum future finance lease payments	**13,742**	**26,741**

EUR 1,000 **Finance lease liabilities by currency**	**2015**	**2014**
SEK	8,523	14,799
NOK	3,596	5,867
EUR	962	3,694
Other	660	2,381
Total	**13,742**	**26,741**

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Weighted average maturity and interest rates at 31 Dec	2015		2014	
	Maturity, years	Interest, %	Maturity, years	Interest, %
Bank loans excluding interest rate swaps	4.8	1.27	5.0	1.39
Bank loans including interest rate swaps	4.8	2.09	5.0	2.41
Bond	2.2	4.50	3.2	4.50
Finance leases	1.3	1.73	1.5	2.83
Repurchase liabilities	2.6	4.08	3.6	4.08
Commercial papers	0.1	0.49	0.1	0.56
Total (including interest rate swaps)	**3.2**	**2.47**	**3.3**	**2.58**

16. RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations as presented in the balance sheet as follows:

EUR 1,000	2015	2014
Liabilities in the balance sheet		
Defined pension benefits	1,659	1,818
Other long-term employee benefits	48	44
Total	**1,707**	**1,861**
Assets in the balance sheet		
Defined pension benefits (see note 11)	33	
Total	**33**	

The Group operates a number of retirement benefit plans in accordance with local conditions and practises in the countries in which it operates. Most of the retirement benefit plans are defined contribution plans. Currently there are two retirement benefit plans in Germany and Sweden that are classified as defined benefit plans.

The pension obligations in Germany are directly at the Group's own responsibility and there are no funded assets. The plan applies to already retired employees.

The defined benefit plan in Sweden applies to retired former employees. The plan is funded.

The amounts recognised in the balance sheet are determined as follows:

EUR 1,000	2015	2014
Present value of funded obligations	1,380	1,342
Fair value of plan assets	-1,413	-1,276
Excess (-) / Deficit (+) of funded plans	-33	66
Present value of unfunded obligations	1,659	1,752
Total deficit of defined benefit plans	**1,627**	**1,818**

Defined benefit obligation has changed during the period as follows:

EUR 1,000	2015	2014
Net book value at 1 Jan	**3,094**	**2,781**
Exchange differences	30	-67
Benefits paid	-169	-166
Interest cost	62	92
Remeasurements	22	454
Net book value at 31 Dec	**3,039**	**3,094**

Fair value of plan assets has changed during the period as follows:

EUR 1,000	2015	2014
Balance at 1 Jan	**1,276**	**1,271**
Exchange differences	28	-72
Benefits paid	-27	-24
Interest income	32	45
Remeasurements	103	58
Balance at 31 Dec	**1,413**	**1,276**

Expense in the income statement has been defined as follows:

EUR 1,000	2015	2014
Net interest income (+)/cost (-)	-30	-47
Total	**-30**	**-47**

Remeasurements charged (+) or credited (-) to equity in other comprehensive income as follows:

EUR 1,000	2015	2014
Remeasurements:		
Gain (-)/Loss (+) from change in financial assumptions	-305	397
Experience gains (-)/losses (+)	225	-1
Total	**-81**	**397**

The principal assumtions used in determining pension benefit obligations for the Group's plans are shown below:

%	2015	2014
Discount rate	2,02-3,00	1.70-2.50
Expected pension increase rate	2.00	2.00

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:	Change in assumption	Effect of increase in assumption on the obligation	Effect of decrease in assumption on the obligation
Discount rate, %	0.50	Decrease by 5,4	Increase by 5,9
Pension growth rate, %	1.00	Increase by 3,1	Decrease by 3,0
Life expectancy	1 year	Increase by 7,1	Decrease by 7,4

Expected maturity analysis of undiscounted pension liabilities:

EUR 1,000 At 31 Dec 2015	Less than a year	Between 1–2 years	Between 2–5 years	Over 5 years	Total
Payments from plans	249	241	676	2,488	**3,655**

In Sweden the ITP pension plans operated by Alecta are multi-employer benefit plans. It has not been possible to receive sufficient information for the calculation of obligation and assets by employer from Alecta and due to that the plan has been treated as a defined contribution plan in the financial statements. In addition, the Group has defined benefit plans in Norway which are not significant and those plans are treated as defined contribution plans.

17. OTHER NON-CURRENT LIABILITIES

EUR 1,000 **Other non-current liabilities**	2015	2014
Advances received	273	428
Other non-current liabilities[1]	2,559	1,369
Total	**2,832**	**1,797**

1 Other non-current liabilities mainly consist of the cash component of the performance share plan program and unpaid contingent considrations of business acquistions.

18. TRADE AND OTHER PAYABLES

EUR 1,000	2015	2014
Trade payables	63,432	53,223
Advances received	12,607	11,070
Accrued expenses and deferred income	47,310	41,152
Other current liabilities	12,721	9,932
Total	**136,070**	**115,377**

Material items included in accrued expenses and deferred income consist of personnel expenses and periodised customer bonuses.

The management considers that the carrying amount of trade and other liabilities approximates their fair value.

Terms and conditions of the above liabilities:

- Trade payables are non-interest bearing and are normally settled on 14-60 day terms
- Other current liabilities are non-interest bearing and have an average term of three months

19. COLLATERALS AND CONTINGENT LIABILITIES

EUR 1,000	2015	2014
Collateral given on own behalf		
Debts, secured by collateral		
Finance lease liabilities	13,741	26,741
Collateral given		
Pledges, finance lease	34,983	49,880
Other contingent liabilities		
Investments	24,995	21,001
Other contingent liabilities	1,182	1,212
Group's share of commitments in joint ventures	65	120

Joint venture contingent liabilities see note 7.

EUR 1,000 **Commitments to office and depot rents**	2015	2014
Payable < 1 year from balance sheet date	29,284	24,756
Payable 1–5 years from balance sheet date	55,919	58,890
Payable > 5 years from balance sheet date	4,903	8,011
Total	**90,106**	**91,657**

EUR 1,000 **Operational lease payments**	2015	2014
Payable < 1 year from balance sheet date	10,335	12,178
Payable 1–5 years from balance sheet date	12,795	16,687
Total	**23,130**	**28,865**

The Group has entered into commercial leases on rental machinery and vehicles. These leases have an average life of between three and five years. The maximum maturity of operational lease payments is five years. Operational lease liabilities mainly have floating rates and are based on Euribor, Stibor, Nibor or Cibor varying between 1 and 3 months.

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20. OTHER OPERATING INCOME

EUR 1,000	2015	2014
Net capital gain on sale of tangible assets	9,309	8,067
Reversal of contingent considerations	396	2,594
Rent on premises	752	1,037
Income from insurance companies	480	338
Other income	2,526	1,120
Total	**13,462**	**13,156**

21. MATERIALS AND SERVICES

EUR 1,000	2015	2014
Cost of sub-rental and rental-sharing	-35,427	-31,363
Cost of goods sold	-29,813	-32,104
Repair and maintenance cost	-50,784	-54,797
Transportation cost	-53,082	-52,039
Cost of external services	-67,513	-62,360
Total	**-236,619**	**-232,663**

22. EMPLOYEE BENEFIT EXPENSES

EUR 1,000	2015	2014
Salaries and fees	-107,084	-105,822
Termination benefits	-1,510	-255
Share-based payments[1]	-1,969	-977
Social security costs	-23,580	-21,911
Pension costs - defined contribution plans	-9,755	-9,535
Total	**-143,899**	**-138,500**

1 In 2015 share-based payments include EUR 255 thousands of termination benefits, which are presented in the note as termination benefits.

Number	2015	2014
Average number of personnel	**2,486**	**2,528**
Average number of personnel in joint ventures	**347**	**371**

The employee benefits of the Group's management are disclosed in note 30 and information concerning share based payments are presented in note 29. Joint ventures, see note 7.

23. OTHER OPERATING EXPENSES

EUR 1,000	2015	2014
Rent for premises	-31,412	-32,187
Other expenses for premises	-11,973	-13,300
Operational leases	-11,613	-14,935
Bad debts	-3,485	-5,187
Marketing	-8,116	-8,361
ICT	-10,010	-10,680
Temporary staff	-8,937	-8,164
Other personnel related expenses	-10,537	-10,499
Other administrative and operating expenses	-19,427	-22,612
Total	**-115,510**	**-125,927**
Audit fees		
Authorised Public Accountants KPMG		
Audit fees	-400	-396
Tax consultation	-57	-24
Other services	-56	-16
Total	**-513**	**-436**
Other audit companies		
Audit fees	-28	-139
Tax consultation		-153
Other services		-122
Total	**-28**	**-414**
Total	**-541**	**-851**

24. DEPRECIATION AND IMPAIRMENT

EUR 1,000	2015	2014
Depreciation of tangible assets	-96,973	-93,484
Amortisation of intangible assets	-2,475	-2,022
Total depreciation	**-99,448**	**-95,506**
Impairment loss of tangible assets	-1,430	-1,502
Depreciation and impairment loss related to tangible and intangible assets	**-100,878**	**-97,008**
Amortisation on intangible assets resulting from acquisitions	-8,114	-10,455
Impairment loss related to intangible assets resulting from acquisitions		-25,510
Amortisation and impairment loss resulting from acquisitions and disposals	**-8,114**	**-35,965**
Total depreciation, amortisation and impairment losses	**-108,991**	**-132,974**
Depreciation of tangible assets	-96,973	-93,484
Amortisation of intangible assets	-2,475	-2,022
Amortisation of intangible assets resulting from acquisitions	-8,114	-10,455
Total depreciation and amortisation	**-107,562**	**-105,961**
Impairment loss of tangible assets	-1,430	-1,502
Impairment loss related to intangible assets resulting from acquisitions		-25,510
Total impairment losses	**-1,430**	**-27,012**
Total depreciation, amortisation and impairment losses	**-108,991**	**-132,974**

In 2015 no impairment losses were recognised on goodwill and intangible assets. In 2014 an impairment loss of EUR 25,510 thousands was recognised on goodwill and intangible assets in Central Europe.

25. FINANCIAL INCOME AND EXPENSES

EUR 1,000	2015	2014
Interest income on loans receivable and cash and cash equivalents	990	1,349
Exchange rate gains, non-hedge accounted derivatives	8,525	8,119
Other exchange rate gains	1,518	10,199
Other financing income	5	1
Incomes total	**11,038**	**19,668**
Interest expenses on financial liabilities measured at amortised cost	-8,050	-8,702
Interest expenses on financial leases	-510	-947
Net interest expenses on interest rate derivatives, cash flow hedges	-3,030	-3,254
Exchange rate losses, non-hedge accounted derivatives	-5,826	-4,062
Other exchange rate losses	-4,881	-13,747
Arrangement and commitment fees relating to interest-bearing loans	-1,565	-1,640
Other financing expenses	-99	-166
Expenses total	**-23,961**	**-32,518**
Net financial incomes and expenses	**-12,923**	**-12,849**

In accordance with the Treasury Policy, the Group uses interest rate swaps as the hedging instruments designated as cash flow hedges. All terms of these hedges match with the terms of the hedged instrument (loan). Hedges are effective and therefore no gains or losses arising from ineffectiveness have been recognised in net finance expenses during the period.

26. INCOME TAXES

EUR 1,000 Amounts recognised in income statement	2015	2014
Current tax	-11,922	-9,660
Adjustment for prior years	-663	-261
Change in deferred taxes	-1,490	4,450
Total	**-14,075**	**-5,471**

Amounts recognised in other comprehensive income items (OCI)	2015 Before tax	2015 Tax effect	2015 Net of tax	2014 Before tax	2014 Tax effect	2014 Net of tax
Remeasurements of defined benefit liability	80	-22	**59**	-454	131	**-324**
Change in hedging fund	1,281	-193	**1,088**	-2,967	657	**-2,309**
Available-for-sale financial assets				-119		**-119**
Share of OCI of joint ventures	-2,040		**-2,040**	-12,689		**-12,689**
Change in translation differences	6,778		**6,778**	-25,243		**-25,243**
Total	**6,099**	**-215**	**5,885**	**-41,472**	**788**	**-40,684**

Reconciliation of effective tax rate
The difference between income taxes at the domestic tax rate in Finland 20 % (2014 20 %) and income taxes recognised in the consolidated income statement is reconciled as follows:

EUR 1,000	2015	2014
Profit before tax	63,791	21,479
Tax calculated with domestic corporate tax rate	-12,758	-4,296
Foreign subsidiaries divergent tax rate +/-	-734	2,452
Tax from the previous financial periods	-663	-261
Change in tax rates	85	
Non-taxable income	134	732
Non-deductable expenses	-525	-1,557
Goodwill impairment		-2,979
Share of result of joint ventures reported net of taxes	79	-105
Tax losses for which no deferred income tax asset was recognised	-1,688	-1,970
Utilisation of previously unrecognised tax losses	639	860
Recognition of previously unrecognised tax losses	1,474	1,146
Other items	-118	507
Taxes in income statement	**-14,075**	**-5,471**
Group's effective tax rate, %	**22.1**	**25.5**

Deferred taxes have been recalculated due to the following changes in tax rates:
2015 Norway from 27% to 25% (2014 no changes)

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34

27. EARNINGS PER SHARE

	2015	2014
Profit for the year attributable to owners of the parent company , EUR 1,000	**49,715**	**16,008**
Number of shares		
Basic weighted average number of shares outstanding	**44,067,946**	**43,455,457**
Effect of options and share plans granted	193,064	466,358
Diluted weighted average number of shares outstanding	**44,261,010**	**43,921,815**
Earnings per share from profit attributable to owners of the parent company		
Basic, EUR	1.13	0.37
Diluted, EUR	1.12	0.36

Basic earnings per share are calculated by dividing the net profit attributable to the owners of the parent company by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by adjusting the weighted average number of all shares to assume conversion of all potentially dilutive shares.

The Group has share plans with a dilutive effect, which increases the number of shares. The Group also operated stock option plans until the end of 2015, when the last stock option plan expired. Stock options have a dilutive effect when their exercise price is lower than the fair value of the share. For stock options the dilutive effect is the number of shares which has to be issued without consideration. With the proceeds from the exercise of stock options the Group could not issue the same number of shares at fair value. The fair value of the share is based on the average share price during the period.

28. OTHER NON-CASH CORRECTIONS

EUR 1,000	2015	2014
Net capital gain on sale of tangible assets	-9,309	-8,067
Share-based payments	826	676
Reversal of contingent considerations	-396	-2,594
Other non-cash corrections	73	-79
Total	**-8,806**	**-10,064**

29. SHARE-BASED PAYMENTS

During the financial year the Group had one stock option plan, performance share plans and One Cramo share savings plans in operation. The last stock option plan, Stock Options 2011 expired on 31 December 2015. The Group has two performance share plans, established as part of the incentive and commitment program for the key personnel of the Group. The plan established in 2012 covers three discretionary periods 2012, 2013 and 2014 and the plan established in 2015 covers three discretionary periods 2015, 2016 and 2017. One Cramo share plans have been established to encourage Cramo employees to become shareholders in the company. The fourth plan period 2015-2016 was started 1 October 2015.

Effect of Stock Options and Share Plans on the result and financial position	
EUR 1,000	
Expenses for the financial period, share-based payments	2,224
Expenses for the financial period, share-based payments, equity-settled	826
Liabilities arising from share-based payments on 31 Dec 2015	1,844

STOCK OPTIONS

During the financial year Cramo had stock option 2011 in operation. Under the plan the Board of Directors was authorised to grant up to 1 milloin stock options to the key employees of Cramo Group. The option plan expired on 31 December 2015. Key characteristics and terms of the option plan are listed in the table below.

Options Basic information	**Stock Options 2011**
Annual General Shareholders' Meeting date	24-Mar-11
Initial grant date	31-Oct-11
Maximum number of stock options	1,000,000
The number of shares subscribed by one option	1
Initial exercise price, €	7.30
Dividend adjustment	Yes
Current exercise price, €[1]	5.43
Beginning of exercise period, date (vesting)	01-Oct-14
End of excercise period, date (expiration)	31-Dec-15
Maximum contractual life, years	4.2
Remaining contractual life, years	-
Number of persons Dec 31, 2015	Expired

1 The exercise price is deducted by the amount of the dividend distributed annually.

Options Changes during the period 2015	Stock Options 2011	Weighted average exercise price in EUR[1]
1 Jan 2015		
Outstanding at the beginning of the period	625,525	5.98
Changes during the period		
Granted		
Forfeited		
Exercised	625,525	5.43
Expired		
Weighted average share price, €[2]	17.08	
31 Dec 2015		
Outstanding at the end of the period	-	
Exercisable at the end of the period	-	

1 Exercise price in the beginning of the period is status at Dec. 31, 2013. Exercise price for the options forfeitured during the period is based on the status at Dec. 31, 2014. Exercise price for the options exercised during the period is based on the realised exercise price.
2 Weighted average price for the company share during the reporting period or partial instrument term within

Options Changes during the period 2014	Stock Options 2010	Stock Options 2011	Total	Weighted average exercise price in EUR[1]	Weighted average remaining life, years
1 Jan 2015					
Outstanding at the beginning of the period	778,500	827,000	**1,605,500**	9.69	
Changes during the period					
Granted					
Forfeited		40,000	**40,000**	5.98	
Exercised	212,766	161,475	**374,241**	9.63	
Expired	565,734		**565,734**	12.40	
Weighted average share price, €[2]	13.97	11.25	**9.54**		
31 Dec 2015					
Outstanding at the end of the period	-	625,525	**625,525**	5.98	1.0
Exercisable at the end of the period	-	625,525	**625,525**		

1 Exercise price in the beginning of the period is status at Dec. 31, 2013. Exercise price for the options forfeitured during the period is based on the status at Dec. 31, 2014. Exercise price for the options exercised during the period is based on the realised exercise price.
2 Weighted average price for the company share during the reporting period or partial instrument term within

PERFORMANCE SHARE PLAN

The Group has two performance share plans. The plan established in 2012 covers three discretionary periods 2012, 2013 and 2014 and the plan established in 2015 covers three discretionary periods 2015, 2016 and 2017. The plans were established as part of the incentive and commitment program for the key personnel of the company and its subsidiaries. They offer the target group the opportunity to earn the company shares as a reward on the basis of achievement of targets established for the performance criteria.

There shall be a maximum total of 2,000,000 shares that shall be given as reward on the basis of the two plans covering years 2012-2017 including a cash proportion needed for taxes and tax-related costs arising from the reward to the key employees on the book-entry registration date of the shares. The rewards shall be paid to the key employees approximately two years after the confirmation of the reward. The rewards of the discretionary period 2012 were paid in January 2015.

The key data and changes in the amounts of share ownership plans are presented in the tables below. Since the cash component of the share reward is also recognised as a share-based expense, the amounts below are presented in gross terms, i.e. the share reward figures include both the reward paid in shares and a number of shares corresponding to the amount of the reward paid in cash.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34

Performance share plan Basic information	Discretionary Period 2012	Discretionary Period 2013	Discretionary Period 2014	Discretionary Period 2015
Maximum number of shares	1,000,000			1,000,000
Dividend adjustment	-	-	-	-
Grant date	25-Jun-12	15-Apr-13	17-Mar-14	14-Apr-15
Beginning of earning period	01-Jan-12	01-Jan-13	01-Jan-14	01-Jan-15
End of earning period	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15
End of restriction period	08-Jan-15	15-Jan-16	31-Jan-17	31-Jan-18
Vesting conditions	EPS	EPS	EPS	EPS
	Service period	Service period	Service period	Service period
Maximum contractual life, years	2.5	2.8	2.9	2.8
Remaining contractual life, years	-	0.1	1.1	2.1
Number of persons at the end of the reporting year	Expired	51	57	62
Payment method	Cash & Equity	Cash & Equity	Cash & Equity	Cash & Equity

Performance share plan Changes during the period 2015	Discretionary Period 2012[2]	Discretionary Period 2013[2]	Discretionary Period 2014[2]	Discretionary Period 2015[2]	Weighted remaining life in years
1 Jan 2014					
Outstanding at the beginning of the period[1]	266,000	299,000	333,000		
Changes during the period[1]					
Granted				316,000	
Forfeited		24,000	25,000		
Exercised	266,000				
Expired					
31 Dec 2014					
Outstanding at the end of the period[1]		275,000	308,000	316,000	1.6
Achievement of reward target, %	15	30	14	61	
Corresponding number of reward shares	39,900	82,500	43,120	192,760	

1 Maximum number of shares received if the reward target was 100% met
2 The number of shares is presented in gross terms, i.e. the share reward figures include both the reward paid in shares and a number of shares corresponding to the amount of the reward paid in cash

Performance share plan Changes during the period 2014	Discretionary Period 2012[2]	Discretionary Period 2013[2]	Discretionary Period 2014[2]	Weighted remaining life in years
1 Jan 2014				
Outstanding at the beginning of the period[1]	280,500	313,000		
Changes during the period[1]				
Granted			336,000	
Forfeited	14,500	14,000	3,000	
Exercised				
Expired				
31 Dec 2014				
Outstanding at the end of the period[1]	266,000	299,000	333,000	1.4
Achievement of reward target, %	15	30	14	
Corresponding number of reward shares	39,900	89,700	46,620	

1 Maximum number of shares received if the reward target was 100% met.
2 The number of shares is presented in gross terms, i.e. the share reward figures include both the reward paid in shares and a number of shares corresponding to the amount of the reward paid in cash.

Determination of fair value

Inputs to the fair value determination of the share plans granted during the financial year 2015 are listed in the table below. The fair value of the equity-settled payment has been determined at grant date and the fair value is expensed during the vesting period. The fair value of the cash-settled payment is revalued on each reporting date and expensed during the vesting period. The total fair value of the rewards is based on the achievement of 61% of the target and the company's estimate on December 31, 2015 as to the number of shares to be eventually vesting.

Performance share plan Valuation parameters	Discretionary Period 2015
Share price at grant date, €	17.67
Expected dividends, €	1.20
Fair value of the equity-settled component per share, €	16.47
Fair value of the cash-settled component per share on 31 Dec 2015, €	19.11
Total fair value on 31 Dec 2015, € thousands	3,018

ONE CRAMO SHARE PLAN

One Cramo share plans have been established to encourage all Cramo employees to become shareholders in the company and reward the employees for their efforts in working towards Cramo's goals. Another objective is to strengthen the tie between Cramo shareholders and employees. The fourth One Cramo plan period 2015-2016 was started 1 October 2015.

During the plan periods the participants can save 2-5% of their monthly gross salary. The total amount of all savings from each plan period may not exceed EUR 4 million. The savings are automatically used to purchase Cramo shares for the participants quarterly, after the publication date of the interim results during the plan period, at market price. The participant will receive one free matching share for every two acquired savings shares, if the participant holds the acquired shares until the end of the designated holding period. An additional requirement for receiving the matching shares is that the participant's employment has not been terminated before the end of the designated holding period. The matching shares will be paid partly in company shares and partly in cash. The cash part is intended to cover the tax and other tax-related costs arising from the reward to the participant.

The first plan period 2012-2013 ended on 30 September 2013 and related additional shares will be conveyed in May 2016.

In accordance with IFRS 2 the matching shares that are equity-settled are valued at the date of acquisition of the savings shares. The cash-settled part of the reward will be evaluated to the fair value at each reporting date. The expenses of the plans are recognised on the vesting-periods ending approximately after 3 years from the grant date.

The key data and changes in the amounts of share ownership plans are presented in the tables below:

One Cramo share plan Basic information	One Cramo 2012-2013	One Cramo 2013-2014	One Cramo 2014-2015
Grant date	22-Feb-13	26-Feb-14	24-Feb-15
Vesting date	15-May-16	15-May-17	15-May-18
Maximum contractual life, years	3.2	3.2	3.2
Remaining contractual life, years	0.4	1.4	2.4
Number of persons at the end of the reporting year	399	407	410
Payment method	Cash & Equity	Cash & Equity	Cash & Equity

One Cramo share plan Changes during the period 2015	One Cramo 2012–2013[1]	One Cramo 2013–2014[1]	One Cramo 2014-2015[1]
1 Jan 2015			
Outstanding at the beginning of the period	27,812	24,770	
Changes during the period			
Granted			18,470
Forfeited	2,367	1,679	722
Exercised			
Expired			
31 Dec 2015			
Outstanding at the end of the period	25,445	23,091	17,748

1 The number of shares is presented in gross terms, i.e. the matching share figures include both the reward paid in shares and a number of shares corresponding to the amount of the reward paid in cash.

One Cramo share plan Changes during the period 2014	One Cramo 2012–2013[1]	One Cramo 2013–2014[1]
1 Jan 2014		
Outstanding at the beginning of the period	29,540	
Changes during the period		
Granted		25,323
Forfeited	1,728	553
Exercised		
Expired		
31 Dec 2014		
Outstanding at the end of the period	27,812	24,770

1 The number of shares is presented in gross terms, i.e. the matching share figures include both the reward paid in shares and a number of shares corresponding to the amount of the reward paid in cash.

One Cramo share plan Valuation parameters	One Cramo 2014–2015
Share price at grant date, EUR	17.47
Share price at reporting period end, EUR	19.11
Cost of equity	8.23%
Holding period, years	2.9
Interest expense (one share), EUR	1.23
Expected dividends, EUR	2.02
Fair value of the equity-settled component per share, EUR	10.53
Fair value of the cash-settled component per share on 31 Dec 2015, EUR	19.11
Total fair value on 31 Dec 2015, EUR thousands	231

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34

Determination of fair value

Inputs to the fair value determination of the One Cramo Share Plan granted during the financial year 2014 are listed in the table below. The fair value of the equity-settled payment has been determined at grant date and the fair value is expensed during the vesting period. The fair value of the cash-settled payment is revalued on each reporting date and expensed during the vesting period. The total fair value of the rewards is based on the company's estimate on December 31, 2014 as to the number of shares to be eventually vesting.

30. RELATED PARTY TRANSACTIONS

The Group's related parties include the Board of Directors, Group management team (key management personnel), his/her close family members, entities under control or significant influence of the persons belonging to related parties, subsidiaries and joint ventures. The subsidiaries are listed in a separate note 33 Group companies. Joint ventures, see note 29.

The related party transactions disclosed consist of transactions carried out with related parties that are not eliminated in the consolidated financial statements.

President and CEO Vesa Koivula has retired and left the position on December 31, 2015. Leif Gustafsson was appointed as new Cramo Plc's President and CEO as of January 1, 2016.

According to Employees' Pensions Act (TyEL 395/2006), pension costs of EUR 113.4 (114.4) thousand were recognised based on the compensation to the President and CEO. TyEL pension system is part of the Finnish social security system. It is a collective arrangement, in which the employer has no direct responsibility for the pension, but the responsibility lies on the pension system. Arrangements for the financing of pensions are done in two different ways: part of the pensions paid in future is funded in advance, and part funded by the so-called distribution system only when the pensions are paid.

The retirement age for the President and CEO is agreed to be the Finnish statutory retirement age (for Vesa Koivula 63 years). In addition to the statutory pension system, Cramo offers a voluntary pension insurance for the President and CEO (for Vesa Koivula until 31 December 2015 and for Leif Gustafsson as from 1 January 2016) and two of the Group management team members. The notice period of the President and CEO's service contract is 6 months, during which time he receives a full salary. In case that the contract is terminated by the employer, there may also be a severance payment of 12 months' salary.

In related party transactions bonuses are reported in the financial period when realised. Post-employment benefits include voluntary pension systems, which are defined contribution plans.

The value of share-based payments represents the IFRS 2 expense of the stock options and share plans granted to the President and CEO and other Group management.

The discreationary periods of the share-based incentive scheme for Cramo Plc's key employees are the calendar years starting from 2012. The rewards for 2012 were paid on January 8, 2015. A total of 8,344 shares were given in a directed share issue to the President and CEO and other Group management. In addition to which, rewards were paid in cash in the amount of EUR 107.7 thousand.

Under the option programme 2011 the President and CEO and other Group management suscribed for 3,910 new shares and sold 293,540 options.

EUR 1,000 Compensation to Board members	2015	2014
Board members:		
Helene Biström, Chairman	74	73
Eino Halonen, Debuty Chairman	50	48
Leif Boström	40	37
Peter Nilsson	38	
Joakim Rubin	39	
Raimo Seppänen	39	37
Erkki Stenberg	39	38
Caroline Sundewall	40	37
Former Board members:		
Stig Gustavson		1
Victor Hartwall	1	38
Jari Lainio		1
Esko Mäkelä		1
Total	**360**	**311**

An amount of EUR 145 (0) thousand of the Board fees has been paid in the form of Cramo shares.

EUR 1,000 Executive remuneration	2015	2014
Compensation to President and CEO		
Salaries, bonuses and fringe benefits	488	475
Termination benefits	1,140	
Post-employment benefits	84	84
Share-based payments	257	120
Total	**1,968**	**679**
Compensation to the Group management team		
Salaries, bonuses and fringe benefits	1,544	1,567
Post-employment benefits	35	14
Share-based payments	748	337
Total	**2,327**	**1,919**
Total compensation to President and CEO and other Group management	**4,295**	**2,598**

Related party transactions

Tatu Hauhio, Executive Vice President, Eastern Europe, and Managing Director, Cramo Finland is a joint-owner of Kiinteistö Oy Hosionrinne, to which Cramo has paid real estate rents amounting to EUR 1,733 (1,725) thousand.

Loans to related parties

EUR 1,000 Loans to joint ventures[1]	2015	2014
1 Jan	17,656	20,250
Amortisations during the period	-2,389	-2,594
Accrued interest	443	560
Paid interest	-232	-560
31 Dec	15,478	17,656

1 Fortrent Oy.

31. GROUP COMPANIES

The Group consists of Cramo Plc and the following subsidiaries.

			% of shares	
Subsidiaries		Domicile	Parent company	Group
Cramo AB	Sollentuna	Sweden	100	
Cramo Adapteo AB	Sollentuna	Sweden	100	
Cramo AG	Feldkirchen	Germany	100	
Cramo A/S	Glostrup	Denmark	100	
Cramo AS	Oslo	Norway	100	
Cramo AS Estonia	Tallinn	Estonia	100	
Cramo Finance NV	Antwerp	Belgium	99.9	100
Cramo Finland Oy	Vantaa	Finland	100	
Cramo Holding BV	Amsterdam	Netherlands	100	
Cramo Kaliningrad OOO	Kaliningrad	Russia	100	
Cramo New Holding AB	Sollentuna	Sweden	100	
Cramo SK s.r.o.	Bratislava	Slovakia	100	
Cramo s.r.o.	Prague	the Czech Republic	100	
Cramo UAB	Vilnius	Lithuania	100	
Construction Vehicles Karvina s.r.o.	Karvina	the Czech Republic	100	
C/S Raum Center GmbH	Frankfurt	Germany	100	
SIA Cramo	Riga	Latvia	100	
Suomen Tähtivuokraus Oy	Vantaa	Finland	100	
Cramo Dutch Holding BV	Rotterdam	Netherlands		100
Cramo GmbH	Wien	Austria		100
Cramo GMBH & Co KG	Wien	Austria		100
Cramo Korlatolt Felelössegu Tarsasag	Budapest	Hungary		100
Cramo Scaffolding Oy	Kemi	Finland		100
Cramo Services AB	Sollentuna	Sweden		100
Cramo Sp.zo.o	Warszawa	Poland		100
Ehitustööriist OÜ	Tallinn	Estonia		100
Machine Forum Oy	Helsinki	Suomi		100
Mupol Förvaltnings AB	Stockholm	Sweden		100
Vuokra-Pekat Oy	Helsinki	Suomi		100

The Group has ownership in the following joint ventures. See more in note 7. Joint ventures.
There are no associated companies in the Group.

			% of shares	
Joint ventures	Domicile		Parent company	Group
Fellesutleie AS	Oslo	Norway		50
Fortrent Oy	Vantaa	Finland		50

32. EVENTS AFTER BALANCE SHEET DATE

On 1 January 2016, Leif Gustafsson started as a new President and CEO of the Group.

On 15 January 2016, Cramo announced a directed share issue related to Cramo Performance Share Plan 2013. In the share issue, 43,562 Cramo Plc shares held by the company were conveyed without consideration to the key employees participating in the Performance Share Plan 2013 in accordance with the terms and conditions of the Plan. The decision on the share issue, made by Cramo Plc's Board of Directors on 16 December 2015, is based on the authorisation granted by the Annual General Meeting on 31 March 2015.

On January 27, 2016, the Shareholders' Nomination Committee of Cramo Plc proposed to the next Annual General Meeting of Shareholders, which is planned to be held on 31 March 2016, that the number of members of the Board of Directors be confirmed as seven (7) ordinary members. The Nomination Committee proposed that, in accordance with their consents, the following current members of the Board be re-elected: Helene Biström, Peter Nilsson, Joakim Rubin, Raimo Seppänen, Erkki Stenberg and Caroline Sundewall and that Perttu Louhiluoto be elected as new Board member, all to serve for a term ending at the end of the Annual General Meeting 2017. Of the current members of the Board Leif Boström and Eino Halonen have announced that they will not be available for re-election.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34

33. CALCULATION OF THE KEY FIGURES AND RATIOS

KEY FIGURES ON FINANCIAL PERFORMANCE:

Return on equity, %

$$= \frac{\text{Profit for the period}}{\text{Total equity (average)}} \times 100$$

Return on investment, %

$$= \frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing liabilities (average)}} \times 100$$

Equity ratio, %

$$= \frac{\text{Total equity}}{\text{Balance sheet total – advance payments received}} \times 100$$

Net interest-bearing liabilities

= Interest-bearing liabilities – cash and cash equivalents

Gearing, %

$$= \frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$$

Personnel on average

= The average number of employees at the end of each calendar month during the accounting period, adjusted with the number of part-time employees

PER-SHARE RATIOS:

Earnings per share (EPS)

$$= \frac{\text{Profit for the year attributable to owners of the parent company}}{\text{Average number of issue-adjusted shares during the period}}$$

Shareholders' equity per share

$$= \frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the period}}$$

Dividend per share

$$= \frac{\text{Dividend distribution for the period}}{\text{Adjusted number of shares at the end of the period}}$$

Dividend per earnings, %

$$= \frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$$

Effective dividend yield, %

$$= \frac{\text{Dividend per share}}{\text{Issue-adjusted closing price at the end of the period}} \times 100$$

Price/earnings ratio (P/E)

$$= \frac{\text{Issue-adjusted closing price at the end of the period}}{\text{Earnings per share}}$$

Market capitalisation

= Number of shares at the end of the period x closing price at the end of the period

34. SHARES AND SHAREHOLDERS

	2015		2014	
	No	EUR 1,000	No	EUR 1,000
Shares	44,621,294	24,835	43,903,554	24,835

All shares are issued, registered and fully paid. Each share entitles the holder to one vote.

Shareholders

The Group had 7 900 shareholders in the share register as at 31 December 2015.

Major shareholders 31 Dec 2015	Number of shares	%	Voting rights	%
Zeres Capital[1]	4,696,730	10.53	4,696,730	10.53 %
Massachusetts Mutual Life Insurance Company, MassMutual Holding LLC and MM Asset Management Holding LLC[2]	2,261,163	5.07	2,261,163	5.07
Rakennusmestarien Säätiö (Construction engineers' fund)	2,129,422	4.77	2,129,422	4.77
Ilmarinen Mutual Pension Insurance Company	1,145,603	2.57	1,145,603	2.57
Odin Finland	820,109	1.84	820,109	1.84
Nordea Nordenfonden	550,250	1.23	550,250	1.23
Varma Mutual Pension Insurance Company	518,387	1.16	518,387	1.16
Fondita Nordic Micro Cap	470,000	1.05	470,000	1.05
OP-Finland Value Fund	369,433	0.83	369,433	0.83
Nordea Life Assurance Finland Ltd	359,000	0.80	359,000	0.80
Savings Bank Finland Fund	349,648	0.78	349,648	0.78
Rakennusmestarit ja -insinöörit AMK RKL ry	301,220	0.68	301,220	0.68
OP-Finland Small Firms Fund	203,293	0.46	203,293	0.46
Nordea Nordic Fund	180,386	0.40	180,386	0.40
Helsingin Rakennusmestarit ja -insinöörit AMK ry	173,973	0.39	173,973	0.39
Lindström Kim	159,475	0.36	159,475	0.36
Laakkonen Mikko	135,300	0.30	135,300	0.30
Maa- ja vesitekniikan tuki r.y.	130,000	0.29	130,000	0.29
Koivula Vesa	120,216	0.27	120,216	0.27
Gustavson Stig	117,240	0.26	117,240	0.26
Relander Harald	105,000	0.24	105,000	0.24
OP-Delta Fund	102,609	0.23	102,609	0.23
Investment Fund Aktia Capital	91,562	0.21	91,562	0.21
SEB Life Helsinki Branch	89,929	0.20	89,929	0.20
Suomen Kauppayhtiöt Oy	87,370	0.20	87,370	0.20
Other	8,458,586	18.96	8,458,586	18.96
Nominee registered	20,487,221	45.91	20,487,221	45.91
Transferred to book-entry securities system total	**44,613,125**	**99.98**	**44,613,125**	**99.98**
Not transferred to book-entry securities system total	8,169	0.02	8,169	0.02
Total	**44,621,294**	**100.00**	**44,621,294**	**100.00**

1 According to the notification pursuant to Chapter 9, section 5 of the Securities Markets Act on 30 March 2015. No further information on current ownership.
2 According to the notification pursuant to Chapter 9, section 5 of the Securities Markets Act on 25 August 2015. No further information on current ownership.

Distribution of shareholding by size range 31 Dec 2015 Number of shares	Number of shareholders	% of shareholders	Number of shares	% of share capital
1–100	2,027	25.66	112,991	0.25
101–1000	4,460	56.46	1,725,052	3.87
1001–10 000	1,269	16.06	3,291,115	7.38
10 001–100 000	117	1.48	3,348,642	7.50
100 001–500 000	19	0.24	3,994,528	8.95
500 001–	8	0.10	32,140,797	72.03
Transferred to book-entry securities system total	**7,900**	**100.00**	**44,613,125**	**99.98**
Not transferred to book-entry securities system total			8,169	0.02
Total			**44,621,294**	**100.00**

Distribution of shareholding by sector 31 Dec 2015 Shareholding by sector	Number of shares	% of share capital	Number of votes	% of votes
Corporations	2,069,108	4.64	2,069,108	4.64
Financial and insurance corporations	29,555,597	66.24	29,555,597	66.24
General Government	1,687,040	3.78	1,687,040	3.78
Non-profit institutions	3,444,296	7.72	3,444,296	7.72
Households	5,945,696	13.32	5,945,696	13.32
Foreign shareholders	1,911,388	4.28	1,911,388	4.28
Transferred to book-entry securities system total	**44,613,125**	**99.98**	**44,613,125**	**99.98**
Not transferred to book-entry securities system total	8,169	0.02	8,169	0.02
Total	**44,621,294**	**100.00**	**44,621,294**	**100.00**

Shareholding of Board members and CEO of the Group

On 31 December 2015, the Board members and the President and CEO held, either directly or through companies in which they exercise control, a total of 155,293 Cramo Plc shares, representing 0.35% of the company's shares and votes.

Insider guidelines

Cramo Plc observes the Finnish Corporate Governance Code that entered into force on 1 October 2010. Cramo Plc's insider guidelines are based on the Finnish Securities Markets Act, rules and regulations issued by the Financial Supervision Authority, and the insider guidelines of the stock exchange. Euroclear Finland Ltd maintains an insider register of Cramo Plc's permanent insiders, whose holdings are also available on Cramo Plc's website.

BALANCE SHEET OF THE PARENT COMPANY (FAS)

EUR 1,000	Note	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Intangible assets	2	640	843
Tangible assets	2	426	440
Investments			
Shares in Group companies	2	354,397	361,761
Shares in other companies	2	119	119
Non-current receivables	3	431,801	398,355
Total non-current assets		**787,382**	**761,518**
Current assets			
Current receivables	4	60,444	69,082
Cash and cash equivalents		9	1,564
Total current assets		**60,454**	**70,646**
TOTAL ASSETS		**847,836**	**832,164**
EQUITY AND LIABILITIES			
Equity			
Share capital		24,835	24,835
Share premium		3,331	3,331
Invested unrestricted equity		141,616	138,157
Retained earnings		15,383	11,517
Profit for the period		33,319	27,999
Total equity	5	**218,484**	**205,838**
Appropriations	6	**177**	**174**
Provisions	7	**947**	**305**
Liabilities			
Non-current liabilities	8	500,272	483,341
Current liabilities	8	127,956	142,506
Total liabilities		**628,228**	**625,847**
TOTAL EQUITY AND LIABILITIES		**847,836**	**832,164**

INCOME STATEMENT OF THE PARENT COMPANY (FAS)

EUR 1,000	Note	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Sales	9	**1,178**	**1,138**
Other operating income	10	478	97
Personnel expenses	11	-4,916	-3,148
Depreciation and impairment	12	-237	-192
Other operating expenses	13	-5,277	-5,113
Operating loss		**-8,773**	**-7,218**
Financial income		60,916	63,302
Financial expenses		-33,498	-44,010
Total financial income and expenses	14	27,418	19,292
Profit before extraordinary items		**18,644**	**12,074**
Extraordinary income	15	14,678	15,983
Profit before appropriations and taxes		**33,322**	**28,057**
Appropriations	16	-3	-58
Income taxes	17	0	
Profit for the year		**33,319**	**27,999**

CASH FLOW STATEMENT OF THE PARENT COMPANY (FAS)

EUR 1,000	Note	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Cash flow from operating activites			
Profit before taxes		33,322	28,057
Non-cash adjustments:			
Depreciation	12	237	192
Financial income and expenses	14	-27,418	-19,292
Other non-cash corrections		644	-11
Extraordinary items	15	-14,678	-15,983
Operating loss before change in working capital		-7,892	-7,037
Change in working capital[1]		1,178	-6,538
Cash generated from operations		-6,714	-13,575
Taxes paid		8,208	-9,786
Dividends received	14	39,021	31,118
Interest received		10,932	13,466
Interest and other financial expenses paid		-10,321	-18,353
Net cash flow from operating activities		**41,127**	**2,871**
Cash flow from investing activities			
Investments in tangible and intangible assets		-20	-330
Acquisition of subsidiaries		-273	-23,721
Non-current loans granted			-28,000
Proceeds from repayments of non-current loans		9,661	25,803
Change in current loans		-13,750	204,109
Cash flow used in investing activities		**-4,382**	**177,861**
Cash flow from financing activities			
Proceeds from share options exercised		4,049	11,358
Proceeds from non-current liabilities		7,000	42,000
Change in current liabilities		-24,555	-208,187
Dividends paid	5	-24,128	-25,982
Net cash flow from financing activities		**-37,634**	**-180,811**
Change in cash and cash equivalents		**-888**	**-79**
Cash and cash equivalents at beginning of the year		1,564	240
Cash from merger			153
Exchange rate difference		-667	1,251
Cash and cash equivalents at year end		**9**	**1,564**
Change in working capital[1]			
Increase (-)/decrease (+) in short-term receivables		-209	1,001
Increase (+)/decrease (-) in short-term non-interest bearing liabilities		1,387	-7,539
Total		**1,178**	**-6,538**

PARENT COMPANY NOTES TO THE FINANCIAL STATEMENTS (FAS)

1. ACCOUNTING PRINCIPLES

Measurement of tangible assets
Tangible assets are recorded at cost, including fixed manufacturing costs less depreciation according to plan. Maintenance and repair costs are recognised as expenses in the year in which they are incurred.

Depreciation according to plan is calculated, based on Group-wide principles, on a straight-line basis over the expected useful lives of the assets.

Depreciations according to plan are as follows:

Buildings and structures	20 years
Machinery and equipment	3–6 years
Other tangible assets	10 years
Intangible assets	5 years

Items denominated in foreign currencies
Assets and liabilities denominated in currencies other than those of the euro zone are translated into euros at the exchange rates prevailing at the date of the transactions. Exchange gains and losses are recognized through profit and loss.

Appropriations
The accumulated difference between the depreciation according to plan and in taxation is shown under appropriations.

Deferred taxes
Deferred tax liabilities and assets are not entered into the company's balance sheet. Deferred tax liabilities and assets significant to the company are disclosed in the notes.

Revenue and revenue recognition
Revenue consists of service charges to subsidiaries. Sales are recognised on an accrual basis. In calculating revenue, sales are recorded net of indirect taxes, discounts and rebates.

Other operating income
Other operating income includes, among other things, rental income and contributions received as well as gain/loss from mergers. Other operating income is recognised on an accrual basis.

Pension schemes
Pensions are accounted as expense for the period they incurred. There are no uncovered pension liabilities. The pension scheme is based on pension insurance in compliance with the Employees' Pensions Act and the Employment Pensions Fund. In 2015, the contractual retirement age for the President and CEO was 63 years.

Extraordinary items
Extraordinary items include income and expenses which are based on material and non-frequent transactions departing from ordinary business or changes of accounting policies as well as received and given Group contributions.

Valuation of financial derivative instruments
Financial instruments are measured according to Accounting Act 5:2§, at the lower of acquisition cost and net realisable value.

Income taxes
Income taxes for the financial year and the previous financial years are recognised through taxes in profit and loss.

2. NON-CURRENT ASSETS

TANGIBLE ASSETS EUR 1,000	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Total tangible assets
Acquisition cost at 1 Jan 2015	**339**		**272**	**190**	**801**
Additions			19		**19**
Acquisition cost at 31 Dec 2015	339		291	190	**819**
Accumulated depreciation			-191	-171	**-361**
Depreciation for the financial year 2015			-32		**-32**
Net book value at 31 Dec 2015	**339**		**68**	**19**	**426**
Acquisition cost at 1 Jan 2014	339	40	268	191	**838**
Additions			4		**4**
Disposals				-1	**-1**
Acquisition cost at 31 Dec 2014	339	40	272	190	**841**
Accumulated depreciation		-35	-153	-171	**-359**
Depreciation for the financial year 2014		-5	-37		**-42**
Net book value at 31 Dec 2014	339		81	19	**440**

INTANGIBLE ASSETS EUR 1,000	Intangible rights	Other capitalised longterm expenditure	Total intangible assets
Acquisition cost at 1 Jan 2015	**665**	**565**	**1,230**
Additions	1		**1**
Acquisition cost at 31Dec 2015	667	565	**1,232**
Accumulated depreciation	-149	-239	**-388**
Amortisation for the financial year 2015	-116	-88	**-204**
Net book value at 31 Dec 2015	**402**	**238**	**640**
Acquisition cost at 1 Jan 2014	**340**	**565**	**905**
Additions	326		**326**
Acquisition cost at 31Dec 2014	665	565	**1,230**
Accumulated depreciation	-88	-151	**-238**
Amortisation for the financial year 2014	-61	-88	**-149**
Net book value at 31 Dec 2014	**516**	**326**	**843**

INVESTMENTS EUR 1,000	Shares in Group companies	Shares in other companies	Total investments
Acquisition cost at 1 Jan 2015	**361,761**	**119**	**361,880**
Additions	73		73
Impairment	-7,437		-7,437
Net book value at 31 Dec 2015	**354,397**	**119**	**354,516**
Acquisition cost at 1 Jan 2014	**343,293**	**119**	**343,413**
Additions	29,629		**29,629**
Disposals	-5,915		**-5,915**
Impairment	-5,246		**-5,246**
Net book value at 31 Dec 2014	**361,761**	**119**	**361,880**

For shares and shareholdings, see consolidated financial statements in note 31.

ACCUMULATED DEPRECIATION DIFFERENCE EUR 1,000	2015	2014
Machinery and equipment		
Accumulated difference in total depreciation and depreciation according to plan at 1 Jan	174	116
Increase in accumulated depreciation difference for the period of 1 Jan - 31 Dec	3	58
Accumulated difference in total depreciation and depreciation according to plan at 31 Dec	**177**	**174**

Change in depreciation difference of machinery and equipment 1 Jan - 31 Dec includes depreciation difference received through mergers.

3. NON-CURRENT RECEIVABLES

EUR 1,000	2015	2014
From Group companies		
Loan receivables	414,118	377,553
From others		
Loan receivables[1]	15,267	17,656
Prepaid expences and accrued income	2,416	3,147
Total	**431,801**	**398,355**

1 Loan receivables from joint venture Fortrent Oy. For joint ventures, see consolidated financial statements note 7.

4. CURRENT RECEIVABLES

EUR 1,000	2015	2014
From Group companies		
Loan receivables	55,351	55,549
Trade receivables	258	101
Prepaid expenses and accrued income	2,541	2,353
From others		
Trade receivables	0	15
Other receivables	504	1,246
Prepaid expenses and accrued income	1,791	9,818
Total	**60,444**	**69,082**
Prepaid expenses and accrued income		
From Group companies		
Accrued interest	411	470
Other prepaid expenses and accrued income	2,129	1,882
From others		
Income tax receivables[1]	1,514	9,722
Other prepaid expenses and accrued income	277	96
Total	**4,332**	**12,171**

1 In 2013, the Tax Administration issued a residual tax decision, total amount of EUR 9.7 million, for Cramo Plc concerning 2009 - 2012. According to the decision, the interest income from Cramo's financing company in Belgium should have been taxed in Finland. Cramo Plc has paid the taxes in Belgium and appealed against the decision. In 2015, the Assessment Adjustment Board changed the tax decision, and the Finnish Tax Administration paid Cramo Plc a EUR 8.3 million tax refund. Cramo Plc has appealed to an Administrative Court in Finland against the approximately one million euro tax penalty associated with the changed tax decision. Cramo Plc has decided to submit the case to the mutual agreement procedure (the MAP process) between Belgium and Finland, to the extent that Cramo has been subjected to double taxation, pursuant to the changed tax decision.

5. EQUITY

EUR 1,000	2015	2014
Share capital at 1 Jan / 31 Dec	24,835	24,835
Share premium fund at 1 Jan / 31 Dec	3,331	3,331
Invested unrestricted equity at 1 Jan	138,157	133,761
Exercise of share options, option program 2010		3,430
Excercise of share options, option program 2011	3,459	966
Invested unrestricted equity at 31 Dec	**141,616**	**138,157**
Retained earnings at 1 Jan	39,515	37,503
Dividend distribution	-24,132	-25,986
Retained earnings at 31 Dec	**15,383**	**11,517**
Profit for the year	33,319	27,999
Total equity	**218,484**	**205,838**
Distributable funds		
Retained earnings at 31 Dec	15,383	11,517
Profit for the year	33,319	27,999
Invested unrestricted equity	141,616	138,157
Total	**190,318**	**177,672**

SHARE CAPITAL	2015 No.	2015 EUR	2014 No.	2014 EUR
Shares	44,621,294	24,834,753.09	43,903,554	24,834,753.09

Stock options and share plans

Details about current option programmes and share incentive schemes are disclosed in the consolidated financial statements, note 29.

6. APPROPRIATIONS

EUR 1,000	2015	2014
Accumulated depreciation difference	177	174

7. PROVISIONS

EUR 1,000	2015	2014
Other provisions	947	305

Other provisions include the cash reward of the share plans payable during the financial periods 2016–2018.

8. LIABILITIES

EUR 1,000	2015	2014
Non-current liabilities		
Bonds	100,000	100,000
Loans from credit institutions	190,000	183,000
Loans from group companies	210,155	200,141
Other liabilities	117	200
Total	**500,272**	**483,341**
Current liabilities		
To Group companies		
Liabilities to Group companies	51,080	48,478
Accounts payable	686	505
Accrued liabilities and deferred income	173	4,243
Total	**51,939**	**53,226**
To others		
Loans from credit institutions	10,498	1,181
Accounts payable	381	1,018
Accrued liabilities and deferred income	5,552	4,519
Commercial papers	59,460	82,459
Other current liabilities	125	103
Total	**76,016**	**89,280**
Total current liabilities	**127,956**	**142,506**
Total liabilities	**628,228**	**625,847**
ACCRUED LIABILITIES AND DEFERRED INCOME		
To Group companies		
Interest expenses	173	4,874
Other accruals		-631
Total	**173**	**4,243**
To others		
Interest expenses	4,027	4,070
Personnel expenses	1,525	448
Total	**5,552**	**4,519**
Total	**5,725**	**8,761**

NON-CURRENT LIABILITIES, MATURITY > 5 YEARS		
Loans from credit institutions	152,000	

9. SALES BY GEOGRAPHICAL SEGMENTS

EUR 1,000	2015	2014
Service Charges		
Finland	260	332
Sweden	539	414
Norway	101	104
Denmark	73	91
Central Europe	61	157
Eastern Europe	145	41
Total	**1,178**	**1,138**

10. OTHER OPERATING INCOME

EUR 1,000	2015	2014
Rental of premises	25	25
Other	453	72
Total	**478**	**97**

11. PERSONNEL EXPENSES

EUR 1,000	2015	2014
Salaries and fees	-4,225	-2,537
Pensions	-579	-530
Other statutory employer contributions	-112	-81
Total	**-4,916**	**-3,148**
Average number of personnel		
Clerical personnel	24	22
Executive remuneration[1]		
Salaries and fees with fringe benefits		
President and CEO	-488	-475
Management team	-521	-543
Board members	-360	-311
Termination benefits[2]		
President and CEO	-1,140	
Post-employment benefits[3]		
President and CEO	-84	-84
Management team	-14	-14
Total	**-2,607**	**-1,427**

1 Executive remuneration, see consolidated financial statements note 30, related party transactions.
2 The President and CEO Vesa Koivula has retired and left the postion on 31 December, 2015.
3 Post-employment benefits include voluntary pension systems, which are defined contribution plans.

12. DEPRECIATION AND IMPAIRMENT

EUR 1,000	2015	2014
Depreciation according to plan on intangible assets	-204	-149
Depreciation according to plan on tangible assets	-32	-42
Total	**-237**	**-192**

13. OTHER OPERATING EXPENSES

EUR 1,000	2015	2014
Premises expenses	-302	-358
Investor relations	-458	-444
Expert services	-883	-1,858
Intra-Group services	-2,300	-1,304
Other administrative expenses	-1,334	-1,149
Total	**-5,277**	**-5,113**

	2015		2014	
AUDIT FEES	**KPMG Oy Ab**	**KPMG Oy Ab**	**Ernst & Young Oy**	**Total**
Authorised Public Accountants				
Audit fees	-62	-49	-52	**-101**
Tax consultation	-5	-8	-61	**-69**
Other services	-33	0	-119	**-120**
Total	**-100**	**-58**	**-232**	**-290**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

14. NET FINANCIAL ITEMS

EUR 1,000	2015	2014
Dividend income		
From Group companies	39,021	31,118
From others	0	0
Total dividend income	**39,021**	**31,118**
Interest income		
From Group companies	10,564	12,804
From others	518	566
Total interest income	**11,082**	**13,370**
Interest expenses		
To Group companies	-4,596	-6,482
To others	-10,762	-11,372
Total interest expenses	**-15,358**	**-17,854**
Other financial expenses		
Impairment on non-current investments	-7,437	-5,246
Other financial expenses	-1,580	-1,687
Total financial expenses	**-9,017**	**-6,933**
Exchange gains and losses		
To Group companies	-2,827	-5,096
To others	4,517	4,688
Total exchange gains and losses	**1,690**	**-409**
Net financial items	**27,418**	**19,292**

15. EXTRAORDINARY ITEMS

EUR 1,000	2015	2014
Group contributions received	14,678	15,983
Total	**14,678**	**15,983**

16. APPROPRIATIONS

EUR 1,000	2015	2014
Depreciation difference, increase (-)/decrease (+):		
Intangible assets		-55
Machinery and equipment	-3	-4
Total	**-3**	**-58**

17. INCOME TAXES

EUR 1,000	2015	2014
Current tax	2,936	3,197
Taxes on extraordinary income	-2,936	-3,197
Tax from previous financial periods	0	
Total	**0**	

18. COLLATERALS AND CONTINGENT LIABILITIES

EUR 1,000	2015	2014
COLLATERALS GIVEN		
Collaterals given on behalf of the Group companies		
Guarantees given	9,303	11,001
COMMITMENTS AND CONTINGENCIES		
Leasing liabilities		
Leasing liabilities in the following year	288	273
Subsequent leasing liabilities	273	351
Leasing liabilities are 3–4 year contracts without redemption clauses.		
Rental liabilities		
Rental liabilities in the following year	1,812	1,833
Subsequent rental liabilities	2,416	4,276

Rental liabilities of business premises are 10-year contracts without redemption clauses.

19. INTEREST RATE AND CURRENCY DERIVATIVES

	2015		2014	
EUR 1,000	Notional value	Fair value	Notional value	Fair value
INTEREST RATE DERIVATIVES				
Interest rate swap	130,000	-8,322	90,000	-9,286
Negative fair value		-8,322		-9,286
CURRENCY DERIVATIVES				
Forward contracts	106,904	657	138,569	3,051
Positive fair value		780		3,376
Negative fair value		-123		-325

Financial derivarive instruments of parent company which are valid at the closing date, will mature during financial years 2016-2023.

Financial derivative instruments consist of interest rate derivatives and currency derivatives. The forward exchange agreements designate as hedges of cash flow changes in foreign currency. Interest rate swaps are recognised under hedge accounting. The effects of hedge instruments are recognised in the income statement as an adjustment to interest expenses which are based on the hedged item.

20. DEFERRED TAXES

EUR 1,000	2015	2014
Deferred tax asset on negative depreciation difference	4	5
Deferred tax asset on tax losses carried forward	15	641
Deferred tax asset on provisions	189	61
	208	**707**
Deferred tax liability on depreciation difference	-35	-35
	-35	**-35**
Total	**173**	**672**

Deferred tax assets and liabilities are not included in the balance sheet.

SIGNATURES

Vantaa, 9 February 2016

Helene Biström	*Eino Halonen*	*Leif Boström*	*Peter Nilsson*
Joakim Rubin	*Raimo Seppänen*	*Erkki Stenberg*	*Caroline Sundewall*
			Leif Gustafsson *President and CEO*

AUDITOR'S REPORT

TO THE ANNUAL GENERAL MEETING OF CRAMO PLC

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Cramo Plc for the year ended 31 December 2015. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, 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.

RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE PRESIDENT AND CEO

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view 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 Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the President and CEO 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 express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about 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 of the parent company or the President and CEO are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

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, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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.

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 and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position 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.

OTHER OPINIONS

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the members of the Board of Directors of the parent company and the President and CEO should be discharged from liability for the financial period audited by us.

Helsinki, 9 February 2016

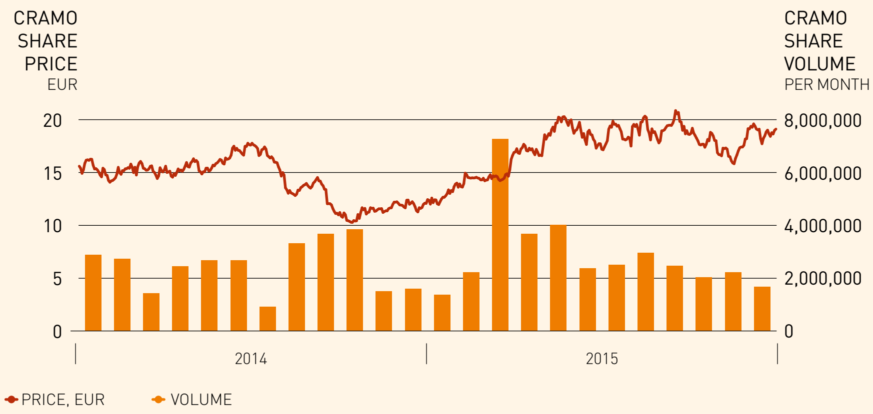
KPMG OY AB

Toni Aaltonen
Authorized Public Accountant

OUR INVESTOR INFORMATION IS READILY AVAILABLE TO EVERYONE

We support the correct valuation of Cramo's share by providing capital markets with information about the company's business, strategy and financial position. Our up-to-date investor information is readily available on our website in Finnish and English.

CRAMO SHARE PRICE AND TRADING VOLUME



DIVIDEND PAYMENT

In accordance with the company's profit distribution policy, the Board proposes a dividend of EUR 0.65 per share for the financial year 2015, representing 57.5% of reported earnings per share. A dividend of EUR 0.55 was paid for the financial year 2014, representing 149.3% of reported earnings per share.

MANAGEMENT AND EMPLOYEE INTEREST ON 31 DECEMBER 2015

At year-end, the members of the Board of Directors, the President and CEO and other members of the Cramo management team and their interested parties held a total of 240,991 Cramo Plc shares (487,282 in 2014), representing about 0.54% (1.11) of the total shares and voting rights in the company.

At year-end, as a result of the first, second and third phases of the One Cramo Share Plan, employees held a total of 132,569 Cramo Plc shares (81,158 in 2014), representing about 0.30% (0.18) of the total shares and voting rights in the company.

VALID BOARD AUTHORISATIONS

Board of Directors' report, pages 51–57.

SHARE INFORMATION

- Listed on the Nasdaq Helsinki Ltd
- List: Nordic Mid Cap
- Trading code: CRA1V
- ISIN code: FI0009900476
- Sector: Industrials
- Industry: Trading Companies & Distributors
- Number of shares 31 December 2015: 44,621,294
- Listing date: 1 August 1988

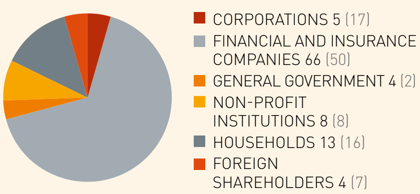
CHANGES IN SHARE CAPITAL

As a result of share subscriptions based on 2011 stock options, the number of Cramo Plc's shares increased by 717,740 to 44,621,294 shares in 2015. In the fourth quarter, 69,260 new shares were subscribed based on the 2011 option programme. These shares were registered in the Finnish Trade Register on 18 January 2016. The subscription prices have been reported under the invested unrestricted equity fund. Pages 94–98.

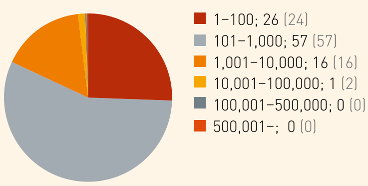
SHAREHOLDERS

Cramo had 9,149 shareholders as of 1 January 2015 and 7,900 as of 31 December 2015. The largest shareholders, page 100. Shares held by the management team: www.cramo.com ▶ Investors ▶ Share ▶ Insiders

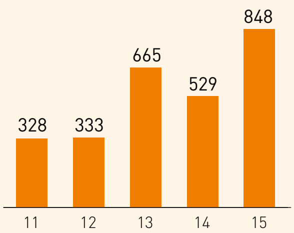
SHAREHOLDING BY SECTOR
31 DECEMBER 2015 (2014) % OF SHARES



SHAREHOLDING BY SIZE
31 DECEMBER 2015 (2014) %



MARKET CAPITALISATION ON NASDAQ HELSINKI 2011–2015 MEUR



INVESTOR RELATIONS POLICY

Cramo's investor relations seek to support the correct valuation of the company's share by providing capital markets with up-to-date information about the company's business, strategy and financial position. In its investor communications, Cramo follows the principle of impartiality and publishes all investor information including its annual report on its website in Finnish and English.

Cramo observes a three-week silent period prior to the publication of its results. At other times, we are happy to answer the enquiries of analysts and investors by phone or email, or at the investor meetings arranged.

ANNUAL GENERAL MEETING

Time: Thursday, 31 March 2016 at 10.00 am (EET)
Venue: Finlandia Hall
Address: Mannerheimintie 13 e, Congress Wing, Hall A, Helsinki, Finland.
Admission of registered shareholders begins at 9.00 am.

Shareholders who wish to attend the AGM must be registered on 17 March 2016 in the company's shareholders' register held by Euroclear Finland Ltd. Shareholders must also give prior notice of their attendance to the company by 24 March 2016 at 6.00 pm. Such notice can be given:

- on the company website: www.cramo.com
- by phone +358 10 661 1242 (Mon–Fri 8.00 am–6.00 pm)
- by fax to +358 10 661 1298
- in writing to Cramo Plc, "Annual General Meeting", Kalliosolantie 2, FI-01740 Vantaa, Finland

Any proxy documents should be delivered as originals prior to the final date for registration. If a shareholder wishes to bring up a matter for consideration by the Annual General Meeting, they must present the matter in writing to the Board of Directors at the latest four weeks prior to the publication of the notice in order for the matter to be included in the notice convening the meeting.

ANALYST RESEARCH

According to the information available to the company, analysts in the service of at least the following banks and brokerage firms have made investment analyses of Cramo in 2015: Carnegie, Danske Markets, Evli Bank Plc, Handelsbanken Capital Markets, Inderes, Nordea Markets, Pohjola Bank plc and SEB Enskilda Equities. Cramo takes no responsibility for the opinions expressed.

CHANGE OF ADDRESS

If your address or account number for dividend payment changes, we ask that you send written notification of this to the particular register holding your book entry account.

If you have any questions please contact:
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IR Communication Officer
tel: +358 10 661 1211
email: merja.naumanen@cramo.com

Financial documents can be obtained from:
Cramo Plc
Kalliosolantie 2, FI-01740 Vantaa, Finland
tel: +358 10 661 1211
email: investor.relations@cramo.com

Investor information:
www.cramo.com ▸ Investors
Releases for 2015:
www.cramo.com ▸ Investors ▸ Releases and publications

Week 10 2016	Annual report, electronic version
31 March 2016	Annual General Meeting
4 May 2016	Interim report for January–March
3 August 2016	Interim report for January–June
26 October 2016	Interim report for January–September