RAMIRENT

More than machines®

# FINANCIAL STATEMENTS 2015

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# RAMIRENT AT A GLANCE

(p. 4–5 are not part of the official financial statements)

Ramirent is a leading company in the equipment rental solutions business. Ramirent was founded in 1955 and has operations in 10 countries. Our vision is to be the leading and most progressive equipment rental solutions company. We offer efficiency and safety improvements by combining machines, services and know-how into customised rental solutions – More than Machines®.

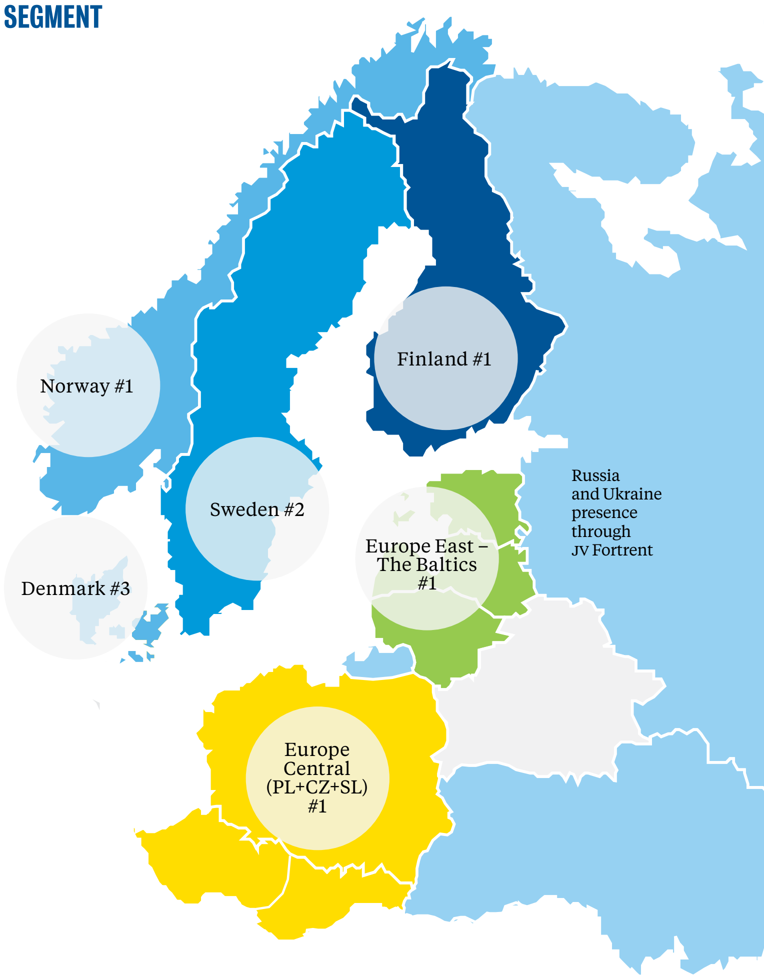
Ramirent has 2 654 employees serving a broad range of customer sectors including construction, industry, services, the public sector and households through a network of 288 customer centres. Ramirent has six geographical segments: Finland, Sweden, Norway, Denmark, Europe East and Europe Central. Operations are organised along three business areas:

**General Rental:** Ramirent fulfils customers' equipment rental and service needs conveniently through one of Europe's largest equipment fleets. The product portfolio consists of a variety of access equipment, heavy machinery, site modules and light equipment, including safety equipment as well as electrical and heating systems. Our service offering also includes planning, on-site services, logistics services, training and sale of accessories.

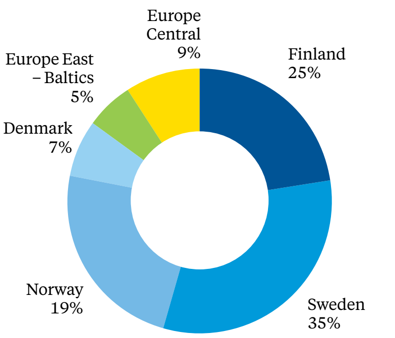
**Solutions:** Ramirent's equipment rental solutions simplify customers' businesses. We deliver value throughout the project life-cycle by helping customers move from several suppliers to one organisation, reducing costs and lead times while improving safety and efficiency. Customers get more knowledge and industry experience delivered through safe and sustainable solutions, ranging from fall protection, access, climate and power control, waste handling to comprehensive total solutions.

**Temporary Space:** Ramirent Temporary Space™ offers high-end eco-efficient module systems for different uses, including accommodation, offices, pre-schools, schools and health care centres, that are comparable to newly produced permanent buildings.

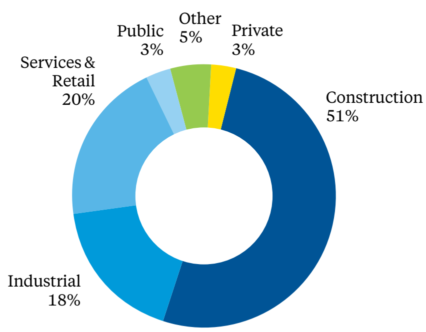
## RAMIRENT MARKET POSITIONS BY SEGMENT



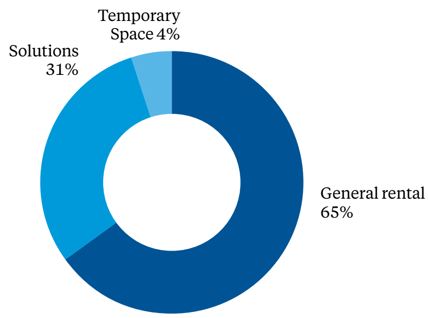

## NET SALES PER SEGMENT



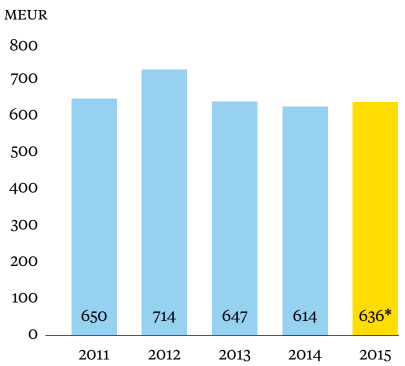

## NET SALES BY CUSTOMER SECTOR




## NET SALES BY BUSINESS AREA

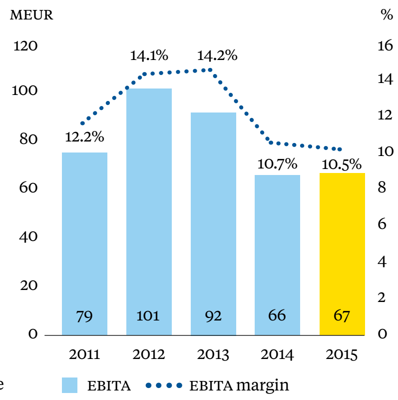


## NET SALES*

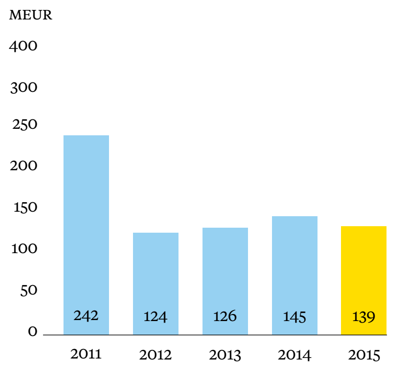



* Financial target: Annual net sales growth above GDP +2%-points.

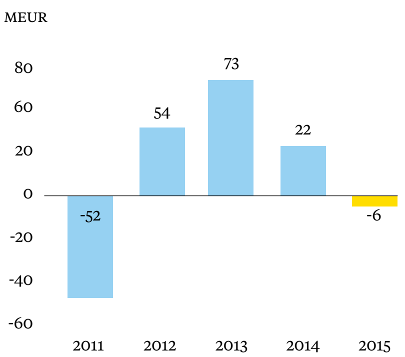
## EBITA AND EBITA MARGIN



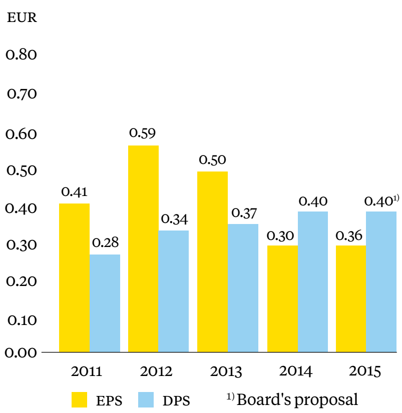

## CAPITAL EXPENDITURE



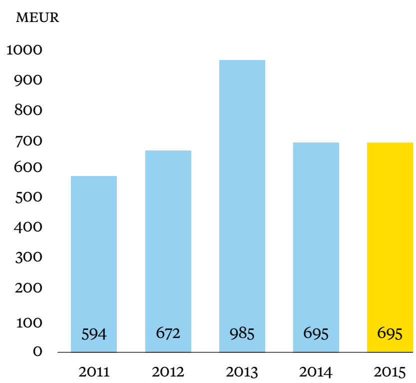

## CASH FLOW AFTER INVESTMENTS



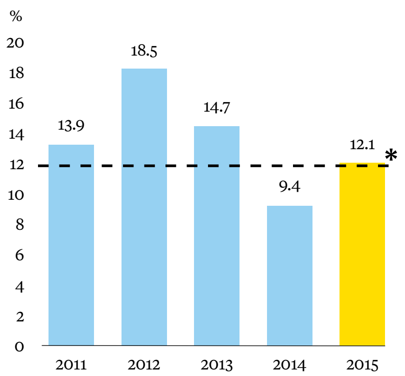

## EARNINGS PER SHARE AND DIVIDEND PER SHARE




## MARKET CAPITALISATION

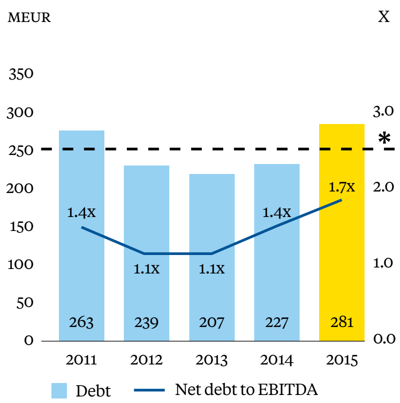



## RETURN ON EQUITY



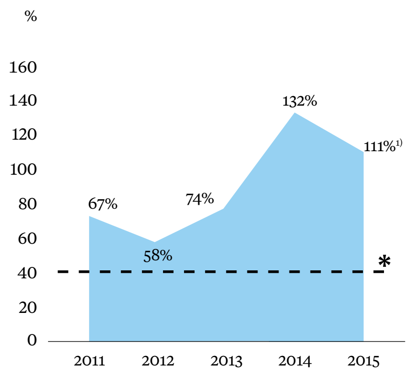

* Financial target: ROE of 12% per fiscal year

## NET DEBT AND NET DEBT TO EBITDA RATIO




* Financial target: Below 2.5x at the end of each fiscal year

## DIVIDEND PAY-OUT RATIO




* Financial target: Dividend at least 40% of net profit

1) Board's proposal

# REPORT OF THE BOARD OF DIRECTORS

## RAMIRENT IN BRIEF

Ramirent is a leading rental solutions equipment group combining the best equipment, services and know-how into rental solutions that simplify customer business. Ramirent serves a broad range of customer sectors including construction, industry, services, the public sector and households. In 2015, Ramirent Group sales totalled EUR 636 million. The Group has 2 654 employees in 288 customer centres in 10 countries. Ramirent is listed on the NASDAQ Helsinki (RMR1V). Ramirent – More Than Machines®.

## MARKET REVIEW

In the Nordic countries, market conditions improved in Sweden and Denmark while markets in Finland and Norway remained challenging throughout the year. In Sweden, demand in the equipment rental market was driven by high activity especially within residential and infrastructure construction as well as several commercial building projects. In Denmark, the equipment rental market continued its recovery supported by an increase in construction especially in the large city areas. In Finland, slow activity in the construction and industrial markets, except for Southern Finland, impacted negatively on the equipment rental market. In Norway, sluggish activity within building construction and uncertainty in the oil and gas sector impacted negatively on volumes and prices in the equipment rental market. In the Baltics, overall market conditions remained balanced supported by stable activity in the construction sector. In Poland, industrial building projects and infrastructure construction fuelled demand for equipment rental. In Czech Republic and Slovakia, demand in the equipment rental market was supported by high underlying activity especially in infrastructure and industrial construction. Falling oil prices and the prolonged Ukrainian crisis continued to impact on market conditions in Fortrent's markets, Russia and Ukraine.

## NET SALES

Ramirent Group's January–December 2015 net sales increased by 3.6%, amounting to EUR 635.6 (2014: 613.5; 2013 647.3) million. At comparable exchange rates, the Group's January–December net sales increased by 6.0%

In January–December, net sales increased in Finland by 4.9%, in Sweden by 12.1%, in Denmark by 7.4%, in Europe East by 0.6% and in Europe Central by 4.2%. Net sales decreased in Norway by 11.1% compared to the previous year.

In January–December, the geographical distribution of net sales was Sweden 35.3% (32.6%), Finland 25.1% (24.8%), Norway 18.9% (22.0%), Denmark 6.6% (6.4%), Europe East 5.3% (5.5%) and Europe Central 8.7% (8.6%).

## FINANCIAL RESULTS

Ramirent Group's January–December 2015 EBITDA increased by 0.1% from the previous year to EUR 168.1 (167.9) million. EBITDA margin was 26.4% (27.4%) of the net sales. Credit losses and change in the allowance for bad debt amounted to EUR −3.5 (−3.4) million.

Depreciation and amortisation was slightly above the previous year's level at EUR 110.1 (109.7) million.

Ramirent Group's January–December EBITA increased by 1.4% and amounted to EUR 66.8 (65.8) million, representing 10.5% (10.7%) of net sales. January–December EBITA excluding non-recurring items was 63.4 (71.5) million or 10.0% (11.7%). Non-recurring items included two derecognitions in contingent considerations liabilities. The total amount, EUR 4.6 million, was recognised in other operating income. In the third quarter of 2015,

**NET SALES DEVELOPMENT BY SEGMENT**

| (MEUR) | JAN–DEC 2015 | % OF TOTAL 2015 | JAN–DEC 2014 | % OF TOTAL 2014 | CHANGE 15/14 |
|---|---|---|---|---|---|
| Finland | 160.2 | 25.1% | 152.8 | 24.8% | 4.9% |
| Sweden | 225.4 | 35.3% | 201.0 | 32.6% | 12.1% |
| Norway | 120.7 | 18.9% | 135.7 | 22.0% | −11.1% |
| Denmark | 42.3 | 6.6% | 39.4 | 6.4% | 7.4% |
| Europe East | 34.1 | 5.3% | 33.9 | 5.5% | 0.6% |
| Europe Central | 55.4 | 8.7% | 53.2 | 8.6% | 4.2% |
| Elimination of sales between segments | −2.5 | | −2.4 | | |
| **Total** | **635.6** | | **613.5** | | **3.6%** |

a EUR 0.5 million restructuring provision was recognised in Denmark. In the fourth quarter, restructuring provisions of EUR 0.5 million and EUR 0.3 million were recognised in Norway and Sweden, respectively.

January–December EBIT was EUR 57.9 (58.1) million or 9.1% (9.5%) of net sales.

Net financial items were EUR −11.1 (−15.7) million, including EUR −0.6 (−3.7) million net effects of exchange rate gains and losses.

The Group's result before taxes increased to EUR 46.9 (42.5) million. Income taxes amounted to EUR −8.1 (−10.4) million. January–December 2015 effective tax rate for the Group decreased to 17.2% (24.4%) mainly due to non-taxable non-recurring income of EUR 4.6 million connected to the acquisitions in 2014 and a change in tax rate in Norway affecting deferred taxes.

Ramirent January–December 2015 result for the period attributable to the owners of the parent company increased by 19.4% from the previous year and amounted to EUR 39.0 (32.6) million. Earnings per share improved to EUR 0.36 (2014: 0.30; 2013: 0.50).

In January–December 2015 Return on invested capital (ROI) increased to 12.3% (2014: 12.2%; 2013: 16.5%). Return on equity (ROE) improved to 12.1% (2014: 9.4%; 2013: 14.7%) which was slightly above our long-term financial target of 12.0% per fiscal year. The equity per share was EUR 2.96 (2014: 3.01; 2013: 3.44) at the end of the fourth quarter.

As of 2015, Ramirent has published return on capital employed (ROCE, %) and capital employed in million euros by operating segment. The figures are presented in the segment key figures tables.

## EBITA AND EBITA MARGIN BY SEGMENT

| (MEUR AND % OF NET SALES) | JAN–DEC 2015 | EBITA MARGIN | JAN–DEC 2014 | EBITA MARGIN |
|---|---|---|---|---|
| Finland | 21.1 | 13.2% | 20.8 | 13.6% |
| Sweden | 33.0 | 14.6% | 29.4 | 14.6% |
| Norway | 6.5 | 5.4% | 14.0 | 10.3% |
| Denmark | 0.3 | 0.7% | −3.9 | −10.0% |
| Europe East | 7.2 | 21.2% | 6.7 | 19.6% |
| Europe Central | 3.3 | 5.9% | 1.7 | 3.2% |
| Unallocated items | −4.6 | | −2.8 | |
| **Total** | **66.8** | **10.5%** | **65.8** | **10.7%** |

## NON-RECURRING ITEMS IMPACTING EBITA

| (MEUR) | JAN–DEC 2015 | JAN–DEC 2014 |
|---|---|---|
| Finland | 0.8[1)] | −1.5[5)] |
| Sweden | 3.5[2)] | −0.7[6)] |
| Norway | −0.5[3)] | −2.2[7)] |
| Denmark | −0.5[4)] | −0.1[8)] |
| Europe East | – | – |
| Europe Central | – | −1.1[9)] |
| Unallocated items | – | – |
| **Total** | **3.3** | **−5.7** |

1) Derecognition of a contingent consideration liability. The amount, EUR 0.8 million, was recognised in other operating income in the fourth quarter of 2015.
2) Derecognition of a contingent consideration liability. The amount, EUR 3.8 million, was recognised in other operating income in the second quarter of 2015. EUR 0.3 million restructuring provision was recognised in the fourth quarter of 2015.
3) EUR 0.5 million restructuring provision was recognised in the fourth quarter of 2015.
4) EUR 0.5 million restructuring provision was recognised in the third quarter of 2015.
5) EUR 1.5 million of restructuring costs and asset write-downs were recognised in the fourth quarter of 2014.
6) EUR 0.7 million of restructuring costs were recognised in the fourth quarter of 2014.
7) EUR 2.2 million of restructuring costs were recognised in the second half of 2014.
8) EUR 0.1 million of restructuring costs were recognised in the fourth quarter of 2014.
9) EUR 1.1 million of restructuring costs and asset write-downs recognised in the fourth quarter of 2014.

## EBITA EXCLUDING NON-RECURRING ITEMS

| (MEUR AND % OF NET SALES) | JAN–DEC 2015 | EBITA MARGIN | JAN–DEC 2014 | EBITA MARGIN |
|---|---|---|---|---|
| Finland | 20.3 | 12.7% | 22.3 | 14.6% |
| Sweden | 29.4 | 13.1% | 30.1 | 14.9% |
| Norway | 7.0 | 5.8% | 16.2 | 11.9% |
| Denmark | 0.8 | 1.8% | −3.8 | −9.6% |
| Europe East | 7.2 | 21.2% | 6.7 | 19.6% |
| Europe Central | 3.3 | 5.9% | 2.8 | 5.3% |
| Unallocated items | −4.6 | | −2.8 | |
| **Total** | **63.4** | **10.0%** | **71.5** | **11.7%** |

## CAPITAL EXPENDITURE AND CASH FLOWS

Ramirent Group's January–December gross capital expenditure on non-current assets totalled EUR 139.2 (144.6) million of which EUR 5.6 (48.2) million related to acquisitions. In some of the acquisitions Ramirent has agreed to pay contingent consideration to the sellers. The estimated contingent considerations are included in the gross capital expenditure.

Investments in machinery and equipment increased to EUR 126.1 (106.4) million.

Sales of tangible non-current assets at sales value were EUR 23.7 (33.0) million, of which EUR 23.3 (24.7) million was attributable to rental machinery and equipment. The book value of sold tangible assets was EUR 9.2 (17.4) million, of which EUR 8.9 (10.9) million related to rental machinery and equipment.

The Group's January–December cash flow from operating activities decreased to EUR 136.3 (140.5) million, of which the change in working capital was EUR –11.0 (–15.9) million. Cash flow from investing activities increased to EUR –142.7 (–118.7) million mainly due to increased investments in machinery and equipment. Cash flow after investments amounted to EUR –6.3 (21.8) million.

Committed investments on rental machinery at the end of the fourth quarter amounted to EUR 26.3 (7.4) million.

On 10 April 2015, Ramirent paid EUR 43.1 (39.9) million in dividends to shareholders. No own shares were repurchased in January–December 2015.

## FINANCIAL POSITION

At the end of 2015, interest-bearing liabilities amounted to EUR 281.4 (230.2) million. Net debt amounted to EUR 280.9 (227.1) million at the end of the fourth quarter. Gearing increased to 88.0% (69.9%). Net debt to EBITDA ratio was 1.7x (1.4x) at the end of the fourth quarter, which was below Ramirent's long-term financial target of maximum 2.5x at the end of each fiscal year.

At the end of December 2015, Ramirent had unused committed back-up loan facilities of EUR 134.4 (188.7) million available. The average interest rate of the loan portfolio was 2.2% (2.7%) at the end of the fourth quarter. The average interest rate including interest rate hedges was 2.6% (3.1%) at the end of the fourth quarter. Ramirent has committed senior credit facilities of EUR 415.0 million in total.

Total assets amounted to EUR 770.6 (743.9) million at the end of December 2015, of which property, plant and equipment amounted to EUR 425.6 (406.0) million. The Group's equity attributable to the parent company shareholders amounted to EUR 318.9 (324.3) million and the Group's equity ratio was 41.4% (43.7%).

Non-cancellable minimum future off-balance sheet lease payments amounted to EUR 89.4 (76.6) million at the end of the fourth quarter, of which EUR 1.1 (0.9) million arose from leased rental equipment and machinery.

## PERSONNEL AND CUSTOMER CENTRES

At the end of 2015, Ramirent Group's full time equivalent employees (FTE) was 2,654 (2,576). The geographical distribution of the personnel was: 455 (497) employees in Finland, 779 (759) employees in Sweden, 401 (388) employees in Norway, 139 (147) employees in Denmark, 251 (240) employees in Europe East and 493 (477) employees in Europe Central. Outsourcing of non-core operations and contingency actions reduced personnel in Finland compared to the previous year. The number of employees in Group administration and services increased compared to the previous year due to the establishment of a shared service centre for financial services in Estonia.

Ramirent is continuously developing its processes and monitoring safety observations to make sure safety is a natural part of all its activities. In January–December 2015 Ramirent's accident frequency was 7.7 (9.2).

### PERSONNEL AND CUSTOMER CENTRES

| | AVERAGE PERSONNEL (FTE) | | | CUSTOMER CENTRES | | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2015 | 2014 | 2013 |
| Finland | 468 | 522 | 560 | 56 | 66 | 74 |
| Sweden | 773 | 706 | 666 | 78 | 77 | 74 |
| Norway | 405 | 422 | 465 | 42 | 43 | 43 |
| Denmark | 146 | 154 | 184 | 13 | 16 | 16 |
| Europe East | 250 | 238 | 261 | 44 | 42 | 41 |
| Europe Central | 486 | 469 | 558 | 55 | 58 | 56 |
| Group administration and services | 110 1) | 55 | 32 | – | – | – |
| **Total** | **2 639** | **2 566** | **2 725** | **288** | **302** | **304** |

1) Including personnel in Ramirent Shared Services AS.

## BUSINESS EXPANSIONS, ACQUISITIONS AND DIVESTMENTS

On 12 January 2015, Ramirent and Zeppelin Rental announced the formation of the joint venture Fehmarnbelt Solution Services A/S. With the transaction, two of Europe's leading rental and construction site solution providers combined their resources and expertise to serve the cross-border Fehmarnbelt tunnel construction project. The Fehmarnbelt Fixed Link between Germany and Denmark will be the world's longest immersed road and rail tunnel. The project has been postponed and is expected to start in 2017. The estimated total construction value of the project is EUR 6.2 billion. Typically the potential equipment rental volume shared among the rental companies servicing a project amounts to 1-3% of the total construction value.

In the second quarter of 2015, Ramirent increased its ownership stake in Safety Solutions Jonsereds AB from 50.1% to 72.6%.

On 25 November 2015, Ramirent and the Finnish construction company Hartela signed an agreement for the outsourcing of Hartela's equipment, machinery operations and personnel to Ramirent Finland. In addition, the companies signed a five-year cooperation agreement for renting equipment and providing rental related services to Hartela in Finland. The operations related to Hartela's equipment management activities in Finland have an annual turnover of approximately EUR 4 million and employ 13 persons that moved to Ramirent as part of the agreement.

## CHANGES IN GROUP STRUCTURE

In the first quarter of 2015, Ramirent established a shared service centre, Ramirent Shared Services AS, located in Tallinn in Estonia. The shared service centre enables efficient production of financial services by a condensed Finance organisation to realise synergies of harmonised processes in accordance with Ramirent's strategy of operating a common business platform and to increase focus on business controlling and customer activities on country level. Ramirent Plc owns 100% of the shares in Ramirent Shared Services AS.

## PERFORMANCE BY SEGMENT
## FINLAND

**KEY FIGURES (MEUR)**

| | JAN–DEC 2015 | JAN–DEC 2014 | CHANGE |
|---|---|---|---|
| Net sales | 160.2 | 152.8 | 4.9% |
| EBITA | 21.1[1)] | 20.8[2)] | 1.4% |
| % of net sales | 13.2[1)] | 13.6%[2)] | |
| Capital expenditure | 31.3 | 35.8 | -12.5% |
| Capital employed at the end of period | 120.6 | 124.4 | -3.1% |
| Return on capital employed (ROCE) % | 17.5% | 15.6% | |
| Personnel (FTE, year-end) | 455 | 497 | -8.5% |
| Customer centres | 56 | 66 | -15.2% |

1) EBITA excluding non-recurring items was EUR 20.3 million or 12.7% of net sales in January–December 2015. The non-recurring items included derecognition of a contingent consideration liability. The amount, EUR 0.8 million, was recognised in other operating income.

2) EBITA excluding non-recurring items was EUR 22.3 million or 14.6% of net sales in January–December 2014. The non-recurring items included EUR 1.5 million of restructuring costs and asset write-downs recognised in the fourth quarter of 2014.

Ramirent's January–December net sales in Finland increased by 4.9% and amounted to EUR 160.2 (152.8) million. Net sales growth was supported by favourable demand especially in Southern Finland from small and medium sized projects. Outside Southern Finland, demand for equipment rental was negatively impacted by slow activity in the construction sector. Uncertainty related to the Russian economy hampered rental activity especially in Eastern parts of Finland. In the industrial sector, demand for scaffolding projects and site services supported sales in Solutions. Sales growth was supported by better fleet availability due to improved fleet management and centralisation of maintenance and repair operations.

January–December EBITA in Finland increased by 1.4% from the previous year and amounted to EUR 21.1 (20.8) million. January–December EBITA margin was 13.2% (13.6%). EBITA excluding non-recurring items was EUR 20.3 (22.3) million or 12.7% (14.6%) of net sales. EBITA was negatively affected by increased handling costs due to a larger number of transactions as well as internal development costs. While fleet utilisation increased throughout the year, the lower overall price level in the market diluted the effect on profitability. Ramirent continued to adapt its network to prevailing market conditions by closing and merging customer centres throughout the country apart from Southern Finland. January–December Return on capital employed (ROCE) in Finland increased to 17.5% (15.6%). Improvement in ROCE was driven by strong service sales and higher margins especially in the second half of 2015.

Ramirent expects market conditions in the

Finnish equipment rental market to be balanced in 2016. According to a forecast published in December 2015, Forecon expects the Finnish equipment rental market to grow by 3.0% in 2016. Increasing residential construction and renovation are expected to support demand in General Rental while activity within infrastructure construction will remain sluggish. Ongoing large commercial building and hospital projects are expected to support demand in Solutions. Renovation is estimated to exceed the value of new construction also in 2016. According to a forecast published by Euroconstruct in December 2015, the Finnish construction output is expected to increase by 3.2% in 2016. In the industrial sector, demand for General Rental and Solutions is estimated to recover driven by projects in the energy, shipyard and pulp and paper sectors. The Confederation of Finnish Industries (EK) expects full-year industrial investments to grow by 12.9% in 2016, mainly due to projects in general manufacturing and in the energy sector.

## SWEDEN

**KEY FIGURES (MEUR)**

| | JAN–DEC 2015 | JAN–DEC 2014 | CHANGE |
|---|---|---|---|
| Net sales | 225.4 | 201.0 | 12.1% |
| EBITA | 33.0[1)] | 29.4[2)] | 12.3% |
| % of net sales | 14.6%[1)] | 14.6%[2)] | |
| Capital expenditure | 47.3 | 67.3 | −29.6% |
| Capital employed at the end of period | 199.0 | 155.0 | 28.4% |
| Return on capital employed (ROCE) % | 16.1% | 16.9% | |
| Personnel (FTE, year-end) | 779 | 759 | 2.6% |
| Customer centres | 78 | 77 | 1.3% |

1) EBITA excluding non-recurring items was EUR 29.4 million or 13.1% in January–December 2015. Non-recurring items included derecognition of a contingent consideration liability. The amount, EUR 3.8 million, was recognised in other operating income in the second quarter of 2015. A restructuring provision of EUR 0.3 million was recognised in the fourth quarter of 2015.

2) EBITA excluding non-recurring items was EUR 30.1 million or 14.9% of net sales in January–December 2014. The non-recurring items included EUR 0.7 million restructuring costs recognised in the fourth quarter of 2014.

Ramirent's January–December net sales in Sweden increased by 12.1% and amounted to EUR 225.4 (201.0) million. At comparable exchange rates, net sales increased by 15.2%. Sales grew in all business areas; General Rental, Solutions and Temporary Space. Sales growth was driven by new Total Solutions projects and strong demand for rental related services. Ramirent's investments into delivering Total Solutions in Sweden were highlighted in several large orders received during January–December 2015. Demand in General Rental increased based on high activity in residential and infrastructure construction especially in the large city areas. Sales growth was also supported by strategic acquisitions completed in 2014.

January–December EBITA in Sweden increased by 12.3% from the previous year and amounted to EUR 33.0 (29.4) million. January–December EBITA margin was on a par with the previous year at 14.6% (14.6%). EBITA was positively impacted by derecognition of a contingent consideration liability. The amount, EUR 3.8 million, was recognised in other operating income in the second quarter of 2015. January–December EBITA excluding non-recurring items was EUR 29.4 (30.1) million or 13.1% (14.9%) of net sales. A higher share of service sales, the build-up of the Solutions operation and start-up costs in new Total Solutions projects weighed on the EBITA margin. Strong market conditions fuelled fleet utilisation rates but the price level remained stable throughout the year. January–December Return on capital employed (ROCE) in Sweden was 16.1% (16.9%). ROCE weakened mainly due to reorganisations, development the Solutions operation and increased costs related to developing the customer centre network.

Ramirent expects conditions in the Swedish equipment rental market to be favourable in 2016. According to a forecast published by Euroconstruct in December 2015, the Swedish construction market is expected to increase by 2.8% in 2016. High activity in residential construction and large ongoing infrastructure projects in Stockholm and Gothenburg are expected to support demand both in General Rental and in Solutions in 2016. Renovation construction is also expected to continue to increase driven by ageing building stock, energy efficiency requirements and government grants. Commercial and industrial construction projects are expected to support demand in Solutions. Market conditions for the Temporary Space business are expected to be favourable based on high demand from the public sector.

## NORWAY

| KEY FIGURES (MEUR) | JAN–DEC 2015 | JAN–DEC 2014 | CHANGE |
|---|---|---|---|
| Net sales | 120.7 | 135.7 | −11.1% |
| EBITA | 6.5[1)] | 14.0[2)] | −53.3% |
| % of net sales | 5.4%[1)] | 10.3 %[2)] | |
| Capital expenditure | 19.1 | 14.2 | 34.4% |
| Capital employed at the end of period | 120.9 | 125.5 | −3.7% |
| Return on capital employed (ROCE) % | 3.8% | 9.2% | |
| Personnel (FTE, year–end) | 401 | 388 | 3.4% |
| Customer centres | 42 | 43 | −2.3% |

1) EBITA excluding non–recurring items was EUR 7.0 million or 5.8% of net sales in January–December 2015. The non–recurring items included EUR 0.5 million of restructuring costs recognised in the fourth quarter of 2015.

2) EBITA excluding non–recurring items was EUR 16.2 million or 11.9% of net sales in January–December 2014. The non–recurring items included EUR 2.2 million of restructuring costs recognised in the second half of the 2014.

Ramirent's January–December net sales in Norway decreased by 11.1% to EUR 120.7 (135.7) million. At comparable exchange rates, net sales decreased by 4.9%. Euro-denominated sales were negatively impacted by the continued weakening of the Norwegian krona. Slow activity in the building construction sector impacted negatively on demand for General Rental and Solutions in 2015. In Norway the general economy was impacted by the slowdown in the oil industry, which weakened demand in General Rental and Temporary Space business due to companies postponing new investments and larger maintenance projects. Net sales decreased also due to lower sales of used temporary space modules compared to the previous year.

Ramirent's January–December EBITA in Norway decreased by 53.3% from the comparative period and amounted to EUR 6.5 (14.0) million. January–December EBITA margin was 5.4% (10.3%). EBITA in Norway excluding non-recurring items was EUR 7.0 (16.2) million or 5.8% (11.9%) of net sales. Lower sales and continued price pressure especially in the building construction sector burdened the profitability. EBITA was also impaired by lower sales of temporary space modules to end-customers in the oil and gas sector. January–December Return on capital employed (ROCE) in Norway was 3.8% (9.2%). ROCE was negatively impacted by a lower margin level and restructuring of operations in 2015.

Ramirent expects market conditions for equipment rental to remain challenging in Norway in 2016. Modest economic growth, low oil prices and soft building construction activity continue to impact negatively on demand in General Rental as well as in Solutions. According to a forecast published by Euroconstruct in December 2015, the Norwegian construction market is expected to grow by 3.9% in 2016. However, the primary growth driver is infrastructure construction, while residential and non-residential construction, which are the main drivers for equipment rental, are estimated to remain close to the previous year's level. According to an estimate by Norwegian Petroleum Directorate, investments in the oil and gas sector are estimated to decline by 10.0% in 2016. Ramirent expects demand in Temporary Space to be modest in the oil and gas sector but to improve in the public sector.

## DENMARK

| KEY FIGURES (MEUR) | JAN–DEC 2015 | JAN–DEC 2014 | CHANGE |
|---|---|---|---|
| Net sales | 42.3 | 39.4 | 7.4% |
| EBITA | 0.3[1)] | −3.9[2)] | n/a |
| % of net sales | 0.7%[1)] | −10.0%[2)] | |
| Capital expenditure | 4.7 | 3.6 | 28.6% |
| Capital employed at the end of period | 26.0 | 25.4 | 2.2% |
| Return on capital employed (ROCE) % | −0.5% | −14.9% | |
| Personnel (FTE, year–end) | 139 | 147 | −5.3% |
| Customer centres | 13 | 16 | −18.8% |

1) EBITA excluding non–recurring items was EUR 0.8 million or 1.8% of net sales in January–December 2015. The non–recurring items included a EUR 0.5 million of restructuring provision recognised in the third quarter of 2015.

2) EBITA excluding non–recurring items was EUR −3.8 million or −9.6% of net sales in January–December 2014. The non–recurring items included EUR 0.1 million of restructuring costs recognised in the fourth quarter of 2014.

Ramirent's January–December net sales in Denmark increased by 7.4% and amounted to EUR 42.3 (39.4) million. At comparable exchange rates, the increase was also 7.4%. The overall demand in the Danish equipment rental market picked up in 2015 as a result of recovery in activity in the construction sector. In General Rental, demand developed favourably especially in the Eastern parts of Denmark and sales were supported by customers' increased interest towards rental related services. In the second half of 2015, demand for rental equipment and related services started to recover also in Western parts of Denmark. In Solutions, sales growth was driven by high activity in Total Solutions projects. The performance also demonstrated that the integration of operations with the Swedish business produced good results.

Ramirent's January–December EBITA in Denmark improved clearly and amounted to EUR 0.3 (–3.9) million. January–December EBITA margin was 0.7% (–10.0%). EBITA excluding non-recurring items was EUR 0.8 (–3.8) million or 1.8% (–9.6%) of net sales. The non-recurring items included EUR 0.5 million restructuring provision recognised in the third quarter of 2015. Succesful restructuring of the Danish operations and synergies from shared functions with Sweden supported the profitability improvement. In the second half of 2015, Ramirent's performance in Western parts of Denmark started to improve as a result of operational efficiency actions taken earlier in the year. A high relative share of service sales and price pressure due to continued tough competition hampered the EBITA margin in 2015. January–December Return on capital employed (ROCE) in Denmark was –0.5% (–14.9%). ROCE improved from the prior year driven by margin improvement and successful operational efficiency actions.

Ramirent expects the equipment rental market in Denmark to grow in 2016 supported by favourable activity in the construction sector. According to a forecast published by Euroconstruct, the Danish construction market is estimated to increase by 2.3% in 2016. In General Rental, demand is driven by urbanisation and strong underlying demand from residential and infrastructure construction. Market outlook in the industry sector remains positive as a result of healthy economic growth and improved industrial confidence. Ramirent expects demand in General Rental and Solutions to be supported by a large programme to build new hospitals in Denmark. In Temporary Space, the need for renovation of preschools, schools and healthcare centres supports demand in 2016.

## EUROPE EAST

**The Baltics and Fortrent, the joint venture in Russia and Ukraine**

**KEY FIGURES (MEUR)**

| | JAN–DEC 2015 | JAN–DEC 2014 | CHANGE |
|---|---|---|---|
| Net sales | 34.1 | 33.9 | 0.6% |
| EBITA | 7.2 | 6.7 | 8.8% |
| % of net sales | 21.2% | 19.6% | |
| Capital expenditure | 19.0 | 10.6 | 79.6% |
| Capital employed at the end of period | 51.5 | 46.6 | 10.5% |
| Return on capital employed (ROCE) % | 15.0% | 11.3% | |
| Personnel (FTE, year–end) | 251 | 240 | 4.6% |
| Customer centres | 44 | 42 | 4.8% |

Segment Europe East consists of Ramirent Group's operations in Baltics and the share of profit from Fortrent Group. Fortrent is owned and controlled 50/50 by Ramirent and Cramo, and its parent company Fortrent Ltd is a Finnish limited liability company. Ramirent's 50% share of the consolidated net result from the joint venture is presented above EBITDA in the consolidated income statement in accordance with the equity method of accounting. Only the sales in Baltics is reported in the segment's net sales figure.

Ramirent's January–December net sales in Baltics increased by 0.6% to EUR 34.1 (33.9) million. Demand in the equipment rental market was mainly driven by small and medium sized construction projects. Interest towards rental related services increased during the year. Favourable construction activity especially in Estonia and Lithuania supported demand in both General Rental and Solutions.

Ramirent's January–December EBITA in Europe East improved from the comparative period by 8.8% and amounted to EUR 7.2 (6.7) million. January–December EBITA margin was 21.2% (19.6%). January–December Return on capital employed (ROCE) in Europe East improved to 15.0% (11.3%). The consolidated net result in the Fortrent Group was EUR 0.8 (–1.0) million in January–December and the share of net result to Ramirent was EUR 0.4 (–0.5) million.

Ramirent's January–December EBITA in the Baltics decreased by 4.6% and amounted to EUR 6.8 (7.2) million. January–December EBITA margin was 20.1% (21.2%) of net sales. EBITA was supported by higher fleet utilisation and good control of fixed costs through the lean and effective organisational structure in the Baltics. January–December Return on capital employed (ROCE) in the Baltics decreased to 15.6% (16.2%). ROCE remained close to the previous year's level as a result of increased service sales and strict cost control in the operations.

Ramirent expects the overall demand in the Baltic equipment rental market to be balanced in 2016. According to a forecast published by Euroconstruct in December 2015, the total construction output in the Baltics is expected to increase by 1.5% in 2016. Infrastructure construction is estimated to grow in all Baltic countries supported by EU and public funding which will benefit General Rental and Temporary Space business areas. Increasing non-residential construction activity is expected to support demand in General Rental and in Solutions. Residential construction is expected to remain close to the previous year's level in 2016.

## SEPARATE FINANCIAL INFORMATION ON FORTRENT GROUP (JOINT VENTURE IN RUSSIA AND UKRAINE)

Fortrent Group's January–December net sales decreased by 19.8% to EUR 30.5 (38.0) million. At comparable exchange rates, however, sales increased by 7.4%. The rapid weakening of Russian rouble and the Ukrainian hryvnia against the euro had a negative impact on euro-denominated sales. Sales increased 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. In Ukraine, the crisis has slowed down the construction market and work has ceased on many construction sites due to lack of available funding. Fortrent has continued to increase focus towards industrial customers in Ukraine.

Fortrent Group's January–December EBITA amounted to EUR 2.2 (2.0) million. January–December EBITA margin was 7.2% (5.3%) of net sales. The net result was EUR 0.8 (–1.0) million. The result was positively affected by fixed cost savings.

The decline in the oil price has a negative impact on the economy and construction activity in Russia. The volatility of the rouble and the Russian financial market hinder economic growth in Russia. EU and US economic sanctions against Russia due to the Ukrainian crisis remain in place, creating further uncertainty over the development of the Russian economy. The weakened situation in the construction market affects the demand for equipment rental and related services in Russia in 2016. According to the forecast published by Euroconstruct in December 2015, the Russian construction market is expected to decline by 2.6% in 2016. All construction sub-sectors, except infrastructure construction, are forecast to decline in 2016. In Ukraine, the outlook remains challenging.

## EUROPE CENTRAL

**Poland, Czech Republic and Slovakia**

**KEY FIGURES (MEUR)**

| | JAN–DEC 2015 | JAN–DEC 2014 | CHANGE |
|---|---|---|---|
| Net sales | 55.4 | 53.2 | 4.2% |
| EBITA | 3.3 | 1.7[1)] | 91.2% |
| % of net sales | 5.9% | 3.2%[1)] | |
| Capital expenditure | 16.2 | 7.8 | 107.5% |
| Capital employed at the end of period | 54.7 | 58.5 | –6.5% |
| Return on capital employed (ROCE) % | 5.6% | 2.6% | |
| Personnel (FTE, year–end) | 493 | 477 | 3.3% |
| Customer centres | 55 | 58 | –5.2% |

1) EBITA excluding non–recurring items was EUR 2.8 million or 5.3 % of net sales in January–December 2014. The non–recurring items included EUR 1.1 million of restructuring costs and asset write-downs recognised in the fourth quarter of 2014.

Ramirent's January–December net sales in Europe Central increased by 4.2% and amounted to EUR 55.4 (53.2) million. At comparable exchange rates, net sales increased by 4.1%. In Poland demand in General Rental and in Solutions was driven by improving construction activity and new projects especially in the power plant and industry sectors. In the Czech Republic and Slovakia, demand in General Rental was fuelled by road projects as well as warehouse and logistics building projects. Fleet renewals in growing product groups contributed to sales growth in all countries.

January–December EBITA in Europe Central increased by 91.2% and amounted to EUR 3.3 (1.7) million. January–December EBITA margin improved to 5.9% (3.2%). Growth in sales, increases in rental prices and strict fixed cost control contributed positively to the EBITA margin in January–December. Europe Central's fleet utilisation strengthened from the previous year due to a reduction of non-productive fleet and improved supply chain management. January–December Return on capital employed (ROCE) in Europe Central improved to 5.6% (2.6%). ROCE improvement was driven by a higher relative share of service sales, rental price increases as well as good cost control in operations.

Ramirent expects overall demand in Europe Central equipment rental markets to be favourable in 2016. According to a forecast published by Euroconstruct in December 2015, construction output in Europe Central is expected to grow by 5.8% in 2016. Demand in General Rental is expected to be fuelled by construction and renovation of power plants, wind power projects as well as EU funded infrastructure projects. Increasing activity especially in the non-residential construction sector is expect to support demand in Solutions.

## CHANGES IN THE GROUP MANAGEMENT TEAM IN 2015

Ramirent announced on 23 January 2015 a renewed management structure where operating segments are organised under two market areas, Scandinavia and North Central Europe. President and CEO Magnus Rosén heads the Scandinavia market area which covers the operating segments Sweden, Denmark and Norway. Anna Hyvönen was appointed Executive Vice President (EVP), North Central Europe which covers the operating segments Finland, Europe East and Europe Central.

On 22 September 2015, Ramirent announced the appointment of Pierre Brorsson as the new Chief Financial Officer (CFO) and member of the Executive Management Team of Ramirent Group as of 1 January 2016. He succeeds Jonas Söderkvist who was appointed to the position as Senior Vice President of segments Sweden and Denmark as of 1 January 2016. Magnus Rosén acted as interim SVP of segments Sweden and Denmark until 1 January 2016.

On 28 October 2015, Ramirent announced that Anna Hyvönen, Executive Vice President of North Central Europe market area, decided to leave Ramirent for a leading position in another industry. On 16 December 2015, Ramirent announced that the position of Ramirent Group's Executive Vice President of North Central Europe, was to be split into two new positions as of 1 April 2016. Mikael Kämpe, current Senior Vice President of segment Europe Central, will become Executive Vice President of segment Finland and Heiki Onton, current Senior Vice President of Baltics, will become Executive Vice President of Baltics and segment Europe Central. Jonas Söderkvist, SVP, Sweden and Denmark and Øyvind Emblem, SVP, Norway were also appointed Executive Vice Presidents as of 1 January 2016.

Following these changes the composition of the Executive Management Team as of 2016 is as follows:

- Magnus Rosén, President and CEO
- Pierre Brorsson, Chief Financial Officer (as of 1 January 2016)
- Dino Leistenschneider, Executive Vice President, Fleet and Sourcing
- Jonas Söderkvist, Executive Vice President, Sweden and Denmark (as of 1 January 2016)
- Øyvind Emblem, Executive Vice President, Norway
- Anna Hyvönen, Executive Vice President, North Central Europe (until 31 March 2016)
- Mikael Kämpe, Executive Vice President, Finland (as of 1 April 2016)
- Heiki Onton, Executive Vice President, Baltics and Europe Central (as of 1 April 2016)

In addition to the Executive Management Team, Ramirent's Group Management team consists of five Senior Vice Presidents responsible for the following areas: Temporary Space, Sales, Marketing, HR and IT.

## SHARES

**Trading in Shares**

Ramirent Plc's market capitalisation at the end of December 2015 was EUR 701.1 (701.1) million. The market capitalisation was EUR 694.9 (694.8) million excluding the company's treasury shares.

The share price closed at EUR 6.45 (6.45). The highest quotation for the period was EUR 8.29 (10.25), and the lowest EUR 6.03 (5.61). The volume weighted average trading price was EUR 6.90 (7.71).

The value of share turnover during January–December 2015 was EUR 269.3 (332.1) million, equivalent to 38,995,876 (40,519,419) traded Ramirent shares, i.e. 35.9% (37.6%) of Ramirent's total number of shares outstanding.

The average daily trading volume during January–December 2015 was 155,362 (162,078) shares, representing an average daily turnover of EUR 1,072,908 (1,328,355).

At the end of December 2015, the number of registered shareholders was 13,800 (14,242). At the end of December 2015 a total of 54.7% (50.1%) of the company's shares were owned by nominee-registered and non-Finnish investors.

Shareholders with higher than 5.0% ownership in Ramirent at the end of December 2015 were Nordstjernan AB with 27.96% (28.80%) of the shares, Oy Julius Tallberg Ab with 11.23% (11.23%) of the shares and Nordea funds with 5.06%.

**Share capital and number of shares**

At the end of 2015, Ramirent Plc's share capital was EUR 25.0 million, and the total number of Ramirent shares outstanding was 107, 736,679.

**Own shares**

At the end of December 2015, Ramirent Plc held 960,649 of the Company's own shares, representing 0.88% of the total number of Ramirent's shares. No own shares were acquired during January–December 2015.

## LONG-TERM INCENTIVE PROGRAMME (LTI) 2015

On 11 February 2015, the Board of Directors of Ramirent Plc approved a new Long-term incentive programme for the executives of the company. The aim of the new programme is to combine the objectives of the shareholders and the executives in order to increase the value of the company, to commit the executives to the company and to offer the executives a competitive reward programme based on holding the Company's shares. The new programme includes matching shares and performance shares, and the programme is targeted at approximately 60 executives for the earning period 2015–2017. The potential reward from the program for the earning period 2015–2017 will be based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR). The maximum reward to be paid will correspond to the value of up to 450,000 Ramirent Plc shares (including also the proportion to be paid in cash).

## SETTLEMENT OF THE LONG-TERM INCENTIVE PROGRAMME 2012

On 11 February 2015, the Board decided, based on the share issue authorisation granted by the AGM, to convey 13,308 of the company's own shares, currently held by the company, without cash payment to the key persons of the Group as a settlement of the Long-term incentive programme 2012. The value of the issued shares of EUR 95 038 was recognised in the invested unrestricted equity fund.

## DECISIONS AT THE AGM 2015 AND THE BOARD OF DIRECTORS FORMATIVE MEETING

Ramirent Plc's Annual General Meeting, which was held on 25 March 2015, adopted the 2014 annual financial accounts and discharged the members of the Board of Directors and the President and CEO from liability.

The Annual General Meeting adopted the Board's proposal that a dividend of EUR 0.40 per share be paid based on the adopted balance sheet for the financial year ended on 31 December 2014. The date of record for dividend distribution was 27 March 2015 and the dividend was paid on 10 April 2015.

The Annual General Meeting adopted further the Board's proposal to decide at its discretion on the payment of additional dividend based on the adopted balance sheet for the financial year ended on 31 December 2014. The amount of the additional dividend may not exceed EUR 0.60 per share. The potential additional dividend will be paid to the shareholders registered in the company's shareholders' register maintained by Euroclear Finland Ltd on the record date decided by the Board of Directors. The Board of Directors shall decide the date of payment of the dividend, which can at the earliest be the 5th banking day from the record date. All other terms and conditions connected to the additional dividend will be decided by the Board of Directors. The authorisation is valid until the next Annual General Meeting.

The Annual General Meeting resolved that the number of members of the Board of Directors is confirmed to be seven (7) and re-elected the Board members Kevin Appleton, Kaj-Gustaf Bergh, Ulf Lundahl, Mats O Paulsson and Susanna Renlund, and elected as new Board members Anette Frumerie and Tobias Lönnevall for the term that will continue until the end of the next Annual General Meeting.

Ramirent Plc's Board of Directors held its formative meeting on 25 March 2015. In the meeting the Board elected from among its members Ulf Lundahl as its Chairman and Susanna Renlund as Deputy Chairman. In the meeting the Board also decided on the composition of the Working Committee, to which among other, the duties of an audit committee are assigned. Ulf Lundahl, Susanna Renlund and Tobias Lönnevall were elected members and Ulf Lundahl was elected Chairman of the Working Committee.

The Annual General Meeting adopted the proposal that the remunerations of the members of the Board of Directors would be as follows: for the Chairman EUR 3,800 per month and additionally EUR 1,600 for attendance at board and committee meetings and other similar board assignments; for the Vice-Chairman EUR 2,500 per month and additionally EUR 1,300 for attendance at board and committee meetings and other similar board assignments; and for the members of the Board of Directors EUR 2,250 per month and additionally EUR 1,000 for attendance at board and committee meetings and other similar board assignments. Travel expenses and other out-of-pocket expenses due to the board work shall be compensated in accordance with the Company's established practice and travel rules.

The Annual General Meeting adopted the proposal that the number of auditors shall be one (1) and re-elected PricewaterhouseCoopers Oy ("PwC") as the company's auditor with APA Ylva Eriksson as principally responsible auditor for the term that will continue until the end of the next Annual General Meeting. The auditor's compensation will be paid against an invoice as approved by the Company.

The Annual General Meeting authorised the Board of Directors to decide on the repurchase of a maximum of 10,869,732 Company's own shares as proposed by the Board of Directors. The authorisation also contains an entitlement for the Company to accept its own shares as pledge. The share repurchase authorisation is valid until the next Annual General Meeting.

## STRATEGY AND FINANCIAL TARGETS

Ramirent's vision is to be the leading and most progressive equipment rental solutions company. Ramirent's objective is to achieve sustainable profitable growth. Ramirent pursues growth by extending its customer value proposition to increase its market share by increasing share-of-wallet with current customers and growing with new customers. Accelerated growth is sought from outsourcing deals, selected acquisitions and joint venture opportunities.

**Ramirent's strategic focus themes**

1. **Excellent customer service and efficiency in General Rental**
   General Rental business area is the "centre of gravity" of Ramirent, where the objective is to fulfil customers' equipment rental and service needs conveniently and cost-efficiently. In General Rental, Ramirent aims for profitable growth through excellent customer service and efficiency by developing its sales channels, revenue management practices and securing cost leadership through synergies of the common Ramirent platform.
2. **Customers' business simplified with Solutions**
   In Solutions, the objective is to deliver value to customers throughout the project life-cycle by helping customers move from several suppliers to one organisation in order to reduce costs and lead times as well as improve safety and productivity. In Solutions, Ramirent is targeting further growth especially in large industrial construction projects and has the possibility to increase share-of-wallet with its customers. Solutions business area offers Ramirent improved differentiation and the opportunity to create long-standing partnerships with its customers.
3. **Building Temporary Space business**
   Temporary Space business area offers growth opportunities among both Ramirent's existing and new customers. In Temporary Space, Ramirent aims to double its net sales from approx. EUR 30 million in 2015. Ramirent is targeting to grow Temporary Space business organically by leveraging on Ramirent's customer centre network, through acquisitions and by entering new geographical markets. Ramirent aims to grow further in the industry sector with its high-end accommodation and office modules solutions. In the public sector, Ramirent aims to grow with its module systems adapted for different operations including preschools, schools as well as health care centres.
4. **Optimised fleet and supply chain**
   Ramirent sees further opportunities to support profitable growth by optimising the flow, efficiency and service level in its fleet management and supply chain. Ramirent aims to achieve this objective by optimising its equipment assortment, balancing demand and supply, maximising fleet availability and at the same time reduce operational costs.
5. **Realising the synergies of One Company platform**
   Ramirent's objective is to leverage the synergies of One Ramirent to outperform the competition in competence and cost-efficiency. Ramirent aims to achieve this objective by finalising building the uniform operating model, developing performance culture, continue organisational development and generate shared value for customers and Ramirent by developing sustainable operations.

**Ramirent's long-term financial targets**

- Annual net sales growth above GDP + 2%-points
- Return on Equity (ROE) of 12% per fiscal year
- Net debt to EBITDA below 2.5x at the end of each fiscal year
- Dividend payout ratio of at least 40% of net profit

Ramirent's financial targets support Ramirent's profitable growth strategy. Ramirent has multiple ways to grow to achieve its growth target by developing the business mix in its portfolio between growth in General Rental, Solutions, Temporary Space and accelerating growth with selected outsourcing transactions and acquisitions. The Return on Equity target was adjusted to be in line with the industry level to ensure Ramirent's competitiveness in pursuing profitable growth in all business areas, whilst keeping a balanced risk-level. Ramirent further aims for value creation through having flexibility for financial leverage to a level typical in its industry allowing the company to invest in growth while maintaining its dividend payout policy.

## RISK MANAGEMENT AND BUSINESS RISKS

Risks are events or circumstances, which, if materialised, can either positively or negatively affect the chances of Ramirent achieving its targets. The purpose of risk management in Ramirent is to ensure continuity of operations and that Ramirent Group reaches its objectives.

The Board of Directors approves the risk policy principles. The risk management process is continuous. The risk assessment and reporting to the Board is conducted quarterly. Management sets indicators to follow and measures to take in case the risks materialise which are described in action plans prepared during the assessment of risks. Action plans include the risk owner and timeline for the actions to be completed. The Group

Management Team, together with the segment and country management, is responsible for monitoring risk indicators regularly and implementing risk management measures whenever needed.

An essential part of Ramirent's risk management is to maintain and develop appropriate insurance coverage of our fleet. Group insures all personnel, financial, operative and hazard risks which after risk management measures are above Group's risk retention limit and cost-effective to insure.

The Ramirent risk management policy was developed in 2014 based on the COSO ERM Framework and the ISO 31000 'Risk management - Principles and guidelines' standard. Risk Management Policy has a direct linkage to the Internal Control Policy which was developed in parallel and is based on COSO 2013 framework.

The risk management process is directly linked to Ramirent's objectives. The Risk Management process identifies and assesses the relevant risks in relation to the objectives.

The strategic risks described below comprise the key risks that Ramirent and its shareholders are exposed to.

Changes in the demand of customer industries may affect Ramirent's operations as well as its financial position. Such changes may be related to, among other things, economic cycles, changed strategies in customer companies, product requirements or environmental aspects. Ramirent strives to reduce risk of being overly dependent on any sector by seeking new customer groups outside the construction sector and contracts with longer durations.

Ramirent operates in a highly competitive environment and existing competitors or new entrants to the market may take actions to establish sustainable competitive advantage over Ramirent. Ramirent focuses on active sales, fleet availability and competitive product and service offering.

Ramirent operates flexibly by offering general rental services from single product to managing the entire fleet capacity for a project site, technical support and local presence. Ramirent continues to invest in education and to develop tools for project management in order to run projects professionally and cost-efficiently.

A common fleet structure has been created in order to optimise utilisation and to defend price levels. Ramirent will continue to streamline its fleet in accordance with the fleet strategy prepared for each market and within the selected brands. Special attention has been paid to fleet management processes such as maintenance and repair in order to optimise fleet utilisation.

Ramirent's operations are dependent on external, internal and embedded information technology services and solutions. Ramirent aims to use reliable information technology solutions and information security management to avoid interruptions, exposure to data loss and compromised confidentiality or usability of information.

A common platform is being built to realise synergies in the Group and to ensure long-term profitability. As many other changes in the business model are planned to take place at the same time, the adequacy of resources, the schedule and scope remain challenging. More internal resources have been allocated for the project and higher focus has been put on communicating the change beforehand in order to prepare the organisation for the change. Organisation structures are also being further developed to support realisation of synergies.

Operating in diversified markets includes risks related to the local laws and regulations which need to be taken into account when drafting uniform operating principles.

Ramirent applies a decentralised organisational model, which implies a high degree of autonomy for its business units. Business control in such an organisation imposes requirements on reporting and supervision, which may be cumbersome for certain parts of the organisation and could make it difficult for Group management to implement measures quickly at the business unit level in changing circumstances. Ramirent has developed the communication and training of Group instructions, and continues to improve reporting quality.

The whistle blowing system has been published on the home pages and intranet of all countries and Group to encourage both employees and third party to report any misconduct. All reported matters are investigated and responsible persons will be made accountable.

Ramirent is subject to certain financial risks such as foreign currency, interest rate, liquidity and funding risks. The financial risk management in Ramirent strives to secure the sufficient funding for operational needs and to minimise the funding costs and the effects of changes in foreign exchange rates, interest rates and other financial risks cost-effectively. Fluctuations in currency exchange rates can significantly affect Ramirent's financial result. The effect of exchange rate fluctuations is visible when translating the net sales and financial results of our subsidiaries outside the eurozone into euros. Changes in the exchange rates may increase or decrease net sales or results. Hedging operations are managed centrally by Group Treasury.

Credit risk is defined as the possibility of a customer not fulfilling its commitments towards Ramirent. Ramirent's business units are responsible for credit risks related to sales activities and assess the credit quality of their customers by taking into account the customer's financial position, past experience and other relevant factors. When appropriate, advance payments, deposits, letters of credit and third party guarantees are used to mitigate credit risks. Customer credit risks in Ramirent are diversified as trade receivables are generated by a large number of customers.

## EVENTS AFTER THE END OF THE REVIEW PERIOD

**Long-term incentive programme (LTI) 2016**

On 10 February 2016, the Board of Directors of Ramirent Plc approved a new Long-term incentive programme for the executives of the company. The aim of the new programme is to combine the objectives of the shareholders and the executives in order to increase the value of the company, to commit the executives to the company and to offer the executives a competitive reward program based on holding the Company's shares. The new programme includes matching shares and performance shares, and the programme is targeted at approximately 60 executives for the earning period 2016-2018. The potential reward from the programme for the earning period 2016-2018 will be based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR). The maximum reward to be paid on the basis of the earning period 2016-2018 will correspond to the value of up to 484,168 Ramirent Plc shares (including also the proportion to be paid in cash).

**Settlement of the Long-term incentive programme 2013**

On 10 February 2016, the Board of Directors of Ramirent Plc decided on a directed share issue for the reward payment from Ramirent Long-term incentive programme 2013.

In the share issue 12,635 existing Ramirent Plc shares will be issued and conveyed without consideration to the key persons participating in the Long-term incentive programme 2013 according to the terms and conditions of the plan. Provided that there are no changes in the final earning, the company shall hold a total of 948,014 of its own shares after the conveyance of the shares.

## RAMIRENT OUTLOOK FOR FULL YEAR 2016

In 2016, Ramirent's net sales in local currencies and EBITA margin are expected to increase from the level in 2015.

## PROPOSAL OF THE BOARD ON THE USE OF DISTRIBUTABLE FUNDS

The parent company's distributable equity on 31 December 2015 amounted to EUR 314 356 952.12 of which the net profit from the financial year 2015 is EUR 14 457 506.97.

The Board of Directors proposes to the Annual General Meeting 2016 that a dividend of EUR 0.40 (0.40) per share be paid based on the adopted balance sheet for the financial year ended on 31 December 2015. The proposed dividend will be paid to shareholders registered in Ramirent's shareholder register maintained by Euroclear Finland Ltd on the record date for dividend payment 21 March 2016. The dividend is to be paid on 1 April 2016 for shareholders whose shares are registered in Euroclear Finland Ltd and on 4 April 2016 for shareholders whose shares are registered in Euroclear Sweden AB. The proposed dividend represents a 111% (132%) payout ratio for 2015 which is above Ramirent's long-term financial target to payout at least 40% of net profit in dividend.

The proposed dividend is not reflected in the year 2015 financial statements.

The dividends paid in 2015 were EUR 0.40 per share totalling EUR 43,094,617.60. The Board of Directors has decided not to utilise the authorisation received from the Annual General Meeting 2015 to pay an additional dividend based on the adopted financial statements for 2014.

## CORPORATE GOVERNANCE STATEMENT

Ramirent has issued a Corporate Governance Statement for financial year 2015. The Corporate Governance Statement has been composed in accordance with recommendation 51 of the new Corporate Governance Code. The Corporate Governance Statement is issued as a separate report which is available in Ramirent's Financial Statements 2015 and on Ramirent's web pages www.ramirent.com.

## ANNUAL GENERAL MEETING 2016

Ramirent Plc's Annual General Meeting will be held on Thursday 17 March 2016 at 10:00 a.m. at Scandic Marina Congress Center, Fennia I meeting room, at the address of Katajanokanlaituri 6, Helsinki, Finland. The reception of persons who have registered for the meeting and the distribution of voting tickets will commence at 9:00 a.m.

FORWARD–LOOKING STATEMENTS

Certain statements in this report, which are not historical facts, including, without limitation, those regarding expectations for general economic development and market situation; regarding customer industry profitability and investment willingness; regarding Company growth, development and profitability; regarding cost savings; regarding fluctuations in exchange rates and interest levels; regarding the success of pending and future acquisitions and restructurings; and statements preceded by "believes," "expects," "anticipates," "foresees" or similar expressions are forward–looking statements.

These statements are based on current expectations and currently known facts. Therefore, they involve risks and uncertainties that may cause actual results to differ materially from results currently expected by the Company.

In conjunction with the strategy process, Ramirent's Board of Directors assesses the need to revise the financial targets. Changes in financial targets are published as a stock exchange release. Based on its financial targets and the current market outlook, Ramirent gives a general outlook for the current financial year in conjunction with the full year report and interim reports. The outlook is given for the entire year and not for each quarter.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF INCOME

| (EUR 1000) | NOTE | JAN–DEC 2015 | JAN–DEC 2014 |
|---|---|---|---|
| **NET SALES** | | **635 608** | **613 536** |
| Other operating income | 5 | 7 300 | 2 290 |
| Materials and services | 6 | –238 499 | –209 162 |
| Employee benefit expenses | 7 | –151 383 | –150 305 |
| Other operating expenses | 8 | –85 519 | –88 003 |
| Share of result in associates and joint ventures | 15 | 543 | –486 |
| Depreciation, amortisation and impairment charges | 9 | –110 110 | –109 728 |
| | | | |
| **OPERATING PROFIT** | | **57 941** | **58 143** |
| | | | |
| Financial income | 10 | 13 045 | 11 292 |
| Financial expenses | 10 | –24 131 | –26 974 |
| Total financial income and expenses | 10 | –11 086 | –15 683 |
| | | | |
| **PROFIT BEFORE TAXES** | | **46 855** | **42 460** |
| | | | |
| Income tax expense | 11 | –8 057 | –10 370 |
| | | | |
| **PROFIT FOR THE PERIOD** | | **38 797** | **32 090** |
| | | | |
| Profit for the period attributable to: | | | |
| Shareholders of the parent company | | 38 975 | 32 632 |
| Non–controlling interests | | –178 | –542 |
| **Total** | | **38 797** | **32 090** |
| | | | |
| **Earnings per share (EPS) on parent company shareholder's share of profit** | | | |
| Basic, EUR | 12 | 0.36 | 0.30 |
| Diluted, EUR | 12 | 0.36 | 0.30 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (EUR 1000) | NOTE | JAN–DEC 2015 | JAN–DEC 2014 |
|---|---|---|---|
| **PROFIT FOR THE PERIOD** | | **38 797** | **32 090** |
| Other comprehensive income: | | | |
| **Items that will not be reclassified to profit or loss:** | | | |
| Remeasurement of defined benefit obligation, net of tax | 11,23 | 1 007 | –2 567 |
| | | | |
| **Items that may be reclassified to profit or loss in subsequent periods:** | | | |
| Translation differences | | –769 | –14 677 |
| Cash flow hedges, net of tax | 11 | 211 | 597 |
| Share of other comprehensive income in associates and joint ventures | 11,15 | –2 033 | –12 689 |
| Available for sale investments | | –6 | –70 |
| **Total** | | –2 597 | –26 840 |
| | | | |
| **OTHER COMPREHENSIVE INCOME FOR THE PERIOD** | | **–1 590** | **–29 407** |
| | | | |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | **37 207** | **2 683** |
| | | | |
| Total comprehensive income for the period attributable to: | | | |
| Shareholders of the parent company | | 37 386 | 3 225 |
| Non–controlling interests | | –178 | –542 |
| **Total** | | **37 207** | **2 683** |

The notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (EUR 1000) | NOTE | 31 DEC, 2015 | 31 DEC, 2014 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Goodwill | 13 | 139 656 | 139 780 |
| Other intangible assets | 13 | 46 361 | 46 720 |
| Property, plant and equipment | 14 | 425 645 | 406 001 |
| Investments in associates and joint ventures | 15 | 4 296 | 5 278 |
| Non-current loan receivables | 16 | 15 277 | 17 666 |
| Available-for-sale financial assets | 17 | 134 | 139 |
| Deferred tax assets | 18 | 852 | 605 |
| **Total non-current assets** | | **632 221** | **616 189** |
| | | | |
| **Current assets** | | | |
| Inventories | 19 | 15 912 | 12 431 |
| Trade and other receivables | 20 | 117 450 | 109 370 |
| Current tax assets | | 4 420 | 2 775 |
| Cash and cash equivalents | 21 | 571 | 3 129 |
| **Total current assets** | | **138 353** | **127 705** |
| | | | |
| **TOTAL ASSETS** | | **770 574** | **743 894** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 22 | 25 000 | 25 000 |
| Revaluation fund | | -770 | -976 |
| Invested unrestricted equity fund | | 113 862 | 113 767 |
| Retained earnings from previous years | | 141 819 | 153 876 |
| Profit for the period | | 38 975 | 32 632 |
| Equity attributable to the parent company shareholders | | 318 886 | 324 299 |
| | | | |
| Non-controlling interests | | 199 | 693 |
| | | | |
| **Total equity** | | **319 085** | **324 992** |
| | | | |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | 18 | 49 183 | 50 798 |
| Pension obligations | 23 | 18 009 | 17 491 |
| Non-current provisions | 24 | 2 234 | 2 371 |
| Non-current interest-bearing liabilities | 25 | 183 220 | 206 685 |
| Other non-current liabilities | 26 | 9 446 | 19 890 |
| **Total non-current liabilities** | | **262 091** | **297 236** |
| | | | |
| **Current liabilities** | | | |
| Trade payables and other liabilities | 27 | 87 532 | 92 798 |
| Current provisions | 24 | 920 | 1 455 |
| Current tax liabilities | | 2 740 | 3 899 |
| Current interest-bearing liabilities | 25 | 98 206 | 23 514 |
| **Total current liabilities** | | **189 398** | **121 666** |
| | | | |
| **Total liabilities** | | **451 489** | **418 902** |
| | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **770 574** | **743 894** |

The notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

| (EUR 1000) | NOTE | JAN–DEC 2015 | JAN–DEC 2014 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit before taxes | | 46 855 | 42 460 |
| Adjustments | | | |
| Depreciation, amortisation and impairment charges | 9 | 110 110 | 109 728 |
| Adjustment for proceeds from sale of used rental equipment | | 9 023 | 17 136 |
| Financial income and expenses | 10 | 11 086 | 15 683 |
| Other adjustments | | −8 184 | −6 140 |
| **Cash flow from operating activities before change in working capital** | | **168 890** | **178 867** |
| | | | |
| Change in working capital | | | |
| Change in trade and other receivables | | −9 903 | −2 150 |
| Change in inventories | | −3 776 | −1 472 |
| Change in non–interest–bearing liabilities | | 2 658 | −12 302 |
| **Cash flow from operating activities before interests and taxes** | | **157 868** | **162 942** |
| | | | |
| Interest paid | | −8 858 | −10 418 |
| Interest received | | 543 | 620 |
| Income tax paid | | −13 227 | −12 646 |
| **Net cash generated from operating activities** | | **136 327** | **140 499** |
| | | | |
| **Cash flow from investing activities** | | | |
| Acquisition of businesses and subsidiaries, net of cash | | −11 984 | −29 872 |
| Investment in associates and joint ventures | | −736 | – |
| Investment in tangible non–current assets (rental machinery) | | −123 766 | −88 902 |
| Investment in other tangible non–current assets | | −3 527 | −504 |
| Investment in intangible non–current assets | | −6 371 | −9 680 |
| Proceeds from sale of tangible and intangible non–current assets (excluding used rental equipment) | | 410 | 7 713 |
| Proceeds from sales of other investments | | 750 | – |
| Loan receivables, increase, decrease and other changes | | 2 389 | 2 594 |
| Received dividends | | 182 | – |
| **Net cash flow from investing activities** | | **−142 654** | **−118 651** |
| | | | |
| **Cash flow from financing activities** | | | |
| Dividends paid | | −43 095 | −39 858 |
| Changes in ownership interests in subsidiaries | | −5 475 | – |
| Borrowings and repayments of current debt (net) | | 71 605 | 22 686 |
| Borrowings of non–current debt | | – | 2 651 |
| Repayments of non–current debt | | −19 267 | −6 047 |
| **Net cash flow from financing activities** | | **3 768** | **−20 567** |
| | | | |
| **Net change in cash and cash equivalents during the financial year** | | **−2 559** | **1 281** |
| | | | |
| Cash at the beginning of the period | | 3 129 | 1 849 |
| Translation differences | | – | – |
| Change in cash | | −2 559 | 1 281 |
| Cash at the end of the period | | 571 | 3 129 |

The notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (EUR 1 000) | SHARE CAPITAL | REVALUATION FUND | INVESTED UNRESTRICTED EQUITY FUND | TRANSLATION DIFFERENCES | RETAINED EARNINGS | EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY | NON-CONTROLLING INTERESTS | TOTAL EQUITY |
|---|---|---|---|---|---|---|---|---|
| **EQUITY 1 JAN 2014** | **25 000** | **-1 502** | **113 568** | **-8 346** | **242 258** | **370 978** | **–** | **370 978** |
| Translation differences | – | – | – | -14 677 | – | -14 677 | – | -14 677 |
| Remeasurement of defined benefit obligation | – | – | – | – | -2 567 | -2 567 | – | -2 567 |
| Cash flow hedges | – | 597 | – | – | – | 597 | – | 597 |
| Share of other comprehensive income in associates and joint ventures | – | – | – | -12 689 | – | -12 689 | – | -12 689 |
| Available-for-sale investments | – | -70 | – | – | – | -70 | – | -70 |
| Profit for the period | – | – | – | – | 32 632 | 32 632 | -542 | 32 090 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **–** | **526** | **–** | **-27 366** | **30 065** | **3 225** | **-542** | **2 683** |
| Share based payments | – | – | – | – | 97 | 97 | – | 97 |
| Issue of treasury shares | – | – | 199 | – | – | 199 | – | 199 |
| Dividend distribution | – | – | – | – | -39 858 | -39 858 | – | -39 858 |
| Acquisition of subsidiary with non-controlling interests | – | – | – | – | – | – | 1 236 | 1 236 |
| Redemption liability on non-controlling interest option | – | – | – | – | -10 342 | -10 342 | – | -10 342 |
| **TOTAL TRANSACTIONS WITH SHAREHOLDERS** | **–** | **–** | **199** | **–** | **-50 103** | **-49 904** | **1 236** | **-48 668** |
| **EQUITY 31 DEC 2014** | **25 000** | **-976** | **113 767** | **-35 712** | **222 220** | **324 299** | **693** | **324 992** |
| Translation differences | – | – | – | -769 | – | -769 | – | -769 |
| Remeasurement of defined benefit obligation | – | – | – | – | 1 007 | 1 007 | – | 1 007 |
| Cash flow hedges | – | 211 | – | – | – | 211 | – | 211 |
| Share of other comprehensive income in associates and joint ventures | – | – | – | -2 033 | – | -2 033 | – | -2 033 |
| Available-for-sale investments | – | -6 | – | – | – | -6 | – | -6 |
| Profit for the period | – | – | – | – | 38 975 | 38 975 | -178 | 38 797 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **–** | **206** | **–** | **-2 802** | **39 982** | **37 386** | **-178** | **37 207** |
| Share based payments | – | – | – | – | -115 | -115 | – | -115 |
| Issue of treasury shares | – | – | 95 | – | – | 95 | – | 95 |
| Dividend distribution | – | – | – | – | -43 095 | -43 095 | – | -43 095 |
| Changes in ownership interests in subsidiaries | – | – | – | – | 316 | 316 | -316 | - |
| **TOTAL TRANSACTIONS WITH SHAREHOLDERS** | **–** | **–** | **95** | **–** | **-42 894** | **-42 799** | **-316** | **-43 115** |
| **EQUITY 31 DEC 2015** | **25 000** | **-770** | **113 862** | **-38 514** | **219 309** | **318 886** | **199** | **319 085** |

The notes are an integral part of these consolidated financial statements.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. BUSINESS ACTIVITIES AND ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

### BUSINESS ACTIVITIES

Ramirent Plc ("the company") is a Finnish public limited liability company organised under the laws of Finland and domiciled in Helsinki, Finland. Ramirent Plc's registered address is Äyritie 16, FI–01510 Vantaa, Finland. Ramirent Plc's shares are listed on the NASDAQ Helsinki (RMR1V).

Ramirent Plc is the parent company for Ramirent Group (together, "Ramirent" or the "Group"). The Group's business activities comprise rental of construction machinery and equipment for construction and process industries, the public sector and households. In addition to this, the Group provides services related to the rental of machinery and equipment and also conducts some trade of construction related machinery, equipment and accessories.

Ramirent is an international Group with operations in 10 countries at the end of 2015 – Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, the Czech Republic and Slovakia. The business operations were conducted from a total of 288 (302) rental outlets located in these countries. In Russia and Ukraine the operations were carried out through a joint venture.

At the end of 2015 Ramirent employed 2,654 (2,576) people. The consolidated net sales amounted to EUR 635.6 (613.5) million, of which 75% (75%) was generated outside Finland.

These consolidated financial statements were authorised for issue by the Board of Directors on 10 February 2016.

### ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

**General**

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. All IAS and IFRS standards effective on 31 December 2015 that are applicable to Ramirent's business operations, including all SIC and IFRIC interpretations thereon, have been complied with when preparing both year 2015 and comparative year 2014 figures. The notes to the consolidated financial statements conform also with the Finnish accounting and company legislation.

Ramirent has adopted the following amended standards and interpretations beginning 1 January 2015:

Annual improvements to IFRSs 2011-2013 cycle. The changes did not have any material impact on Ramirent's financial reporting.

Consolidated financial statements have been presented in thousand EUR unless otherwise stated. Due to rounding the sum of individual figures may differ from the totals.

**Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

### CONSOLIDATION PRINCIPLES

**Subsidiaries**

The consolidated financial statements include the parent company Ramirent Plc and all companies over which Ramirent has control. Ramirent controls an investee 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. Power means that Ramirent has existing rights that give it the current ability to direct the activities that significantly affect the investee's returns.

The subsidiaries are listed in note 37.

The consolidated financial statements are prepared using the acquisition method, according to which the separately identified assets, liabilities and contingent liabilities of the acquired company are measured at their fair value at the date of acquisition. The acquisition cost is based on the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The date of acquisition is the date when control is gained over the subsidiary. A subsidiary is consolidated from the date of acquisition until the date when the parent company loses control over the subsidiary. If control over the subsidiary is lost, the remaining investment is measured at fair value through profit or loss. In addition, amounts previously recognised in other comprehensive income in respect of the disposed subsidiary are reclassified to profit or loss. If the parent company retains control, impacts from changes in ownership in a subsidiary are recognised directly in the Group's equity.

Goodwill is measured as the excess of the sum of consideration transferred, the amount of any non-controlling interests in the acquired entity, and the acquisition date fair value of any previous

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 35 36 37 38

equity interest in the acquired equity over the fair value of the net identifiable assets acquired. It represents a consideration made by the acquirer in anticipation of future economic benefits from assets that cannot be individually identified and separately recognised as assets.Any contingent consideration will be measured at fair value and subsequently re–measured through profit or loss. All acquisition–related costs, such as professional fees, are expensed through profit or loss. Non–controlling interest in the acquiree is measured acquisition–by–acquisition either at fair value or at value, which is equal to the proportional share of the non–controlling interest in the identifiable net asset acquired.

The net assets acquired are denominated in the functional currency of the acquired subsidiaries and translated to the parent company's functional currency the euro at the exchange rates prevailing at the last day of the financial year. The result of this is that goodwill on all acquisitions measured in any other currency than the euro is subject to exchange rate differences, which causes fluctuation of goodwill and any fair value adjustment amount when translated to the parent company's functional currency the euro.

All internal transactions, balances and internal unrealised profits as well as internal distribution of profit are eliminated. Unrealised losses are eliminated in the same way as unrealised profits, but only to the extent that there is no evidence of impairment.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**Associated Companies**

Associated companies are entities over which Ramirent has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

**Joint Arrangements**

Joint arrangements are arrangements in which Ramirent has joint control with one or more parties. Ramirent applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Ramirent has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method of accounting.

**Equity Method**

Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. Dividends received or receivable from associated companies and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity accounted investment equals or exceeds its interests in the entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the entity), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the entity. Acquisition related costs are included in the investment value.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associated companies and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The share of the profit or loss from associated companies and joint ventures is presented separately in the consolidated income statement. Ramirent's investment in associated companies and joint ventures includes goodwill identified on acquisition.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires the Group's management to make and rely on estimates and to make judgements when applying the accounting principles. Although these estimates are based on management's best knowledge of events and transactions, actual results may, nevertheless, differ from the estimates.

The most common and significant situations when management uses judgement and makes estimates are when it decides on the following:

- fair value (collectable amount) of trade receivables (note 2, section credit risk),
- estimates of future financial performance of the Group, affecting the reward realisation of the long term incentive programmes (note 7),
- future business estimates and other elements of impairment testing (note 13),
- economic lives of non-current assets (note 14),
- probability of future taxable profits against which tax deductible temporary differences can be utilised thus giving rise to recognition of deferred income tax assets (note 18),
- actuarial assumptions applied in the calculation of defined benefit obligations (note 23),
- measurement of fair value of assets acquired in

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 35 36 37 38

connection with business combinations (note 28), and
- contingent consideration arrangements in acquisitions (note 28).

Detailed information about each of the above estimate and judgement and the basis of calculation for each affected line item in the financial statements is included in the respective notes to the consolidated financial statements.

## FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The result and financial position of each individual Group company is measured in the currency of the primary economic environment in which the company is operating (functional currency). The consolidated financial statements are presented in euro, which is the functional currency of the Group's parent company Ramirent Plc.

**Recording Foreign Currency Transactions**

The initial transactions in foreign currency are recorded in the functional currency at the exchange rates prevailing at the dates of the transactions. Receivables and liabilities denominated in foreign currencies are translated to functional currency by using the exchange rates prevailing at the reporting date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the transaction of monetary assets and liabilities denominated in foreign currencies are for operating items recognised in other operating expenses in income statement, whereas those stemming from financing items are recognised in financial income and expenses in income statement.

**Translating The Financial Statements Of Foreign Entities**

The income statements of the Group's subsidiaries, whose functional currency is not the euro, are translated into euros based on the average exchange rate of the financial period. Their statements of financial position, with the exception of net result, are translated to euros at the exchange rates prevailing at the reporting date. The difference arising due to the consolidation process between the net result for the financial period in the consolidated income statement and that in the consolidated balance sheet is recognised as translation differences in other comprehensive income and presented in translation differences in equity in the consolidated balance sheet. Exchange rate differences arising from the elimination of the acquired net assets of the foreign subsidiaries at the acquisition date are also recognised as translation differences in other comprehensive income and presented in translation differences in equity in the consolidated balance sheet. When a subsidiary is disposed, any translation difference relating to the disposed subsidiary and previously presented in equity is transferred in income statement as part of the gain or loss of the sale or liquidation.

## REPORTING BY SEGMENT

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO of the Ramirent Group.

Segment information is presented for Ramirent's operating segments, which are determined by geographical split. Operating segments are managed separately and they are separately reported in internal management reporting to the CEO.

Ramirent's operating segments are:
- Finland
- Sweden
- Norway
- Denmark
- Europe East
  (The Baltic States and Russia and Ukraine through the joint venture) and
- Europe Central (Poland, Czech Republic and Slovakia)

Revenue in all segments consists of rental income and services, sales income of goods and sales income of used rental equipment.

The pricing of Group internal transactions between the different operating segments is based on the arm's length principle.

The segments' invested capital comprises of assets and liabilities that the segments utilise in their business operations to the extent assets and liabilities are reported regularly to the chief operating decision maker in Ramirent Group.

## REVENUE RECOGNITION

All rental income and income from sale of goods are accounted for as revenues. The revenues are reported at the fair value of the consideration received or receivable, net of sales discounts, VAT and other taxes directly linked to the sales amount.

Rental revenue from operating leases is recognised on a straight line basis over the term of the relevant lease. Revenues from services are recognised in the period when the service is rendered to the customer.

Ramirent may in the course of its ordinary activities, routinely sell machinery or equipment that it has held for rental to others. Such assets shall be transferred to inventories at the carrying amount when they cease to be rented and become held for sale. Income from sales of rental machinery and equipment is recognised in net sales on a gross basis.

Income from sale of inventories and sale of rental machinery and equipment is recognised as revenue when the significant risks and benefits related to the ownership have been transferred to the buyer and the seller no longer retains control or managerial involvement in the goods.

## MATERIAL AND SERVICES

The costs related to the sales of used rental machinery and equipment as well as the carrying value of sold rental machinery and equipment are recognised as material and service expenses.

## EMPLOYEE BENEFITS

**Pension Obligations**

The Group companies have organised their pensions by means of various pension plans in accordance with local conditions and practices. Such plans are either defined contribution plans or defined benefit plans.

In defined contribution plans, the Group makes fixed payments to separate entities or plans, in which the Group has no legal or constructive obligation to make any additional payments if the party receiving them is unable to pay the pension benefits in question. All arrangements that do not qualify as defined contribution plans are defined benefit plans. Ramirent has defined contribution plans in all countries where it operates and a defined benefit plan in Sweden.

The pension contributions paid or payable for defined contribution pension plans are expensed in profit or loss during the financial period to which the costs relate.

The defined benefit pension obligations due to defined benefit pension plans have been recognised in the balance sheet on the basis of actuarial calculations. The actuarial calculations are based on projected unit credit method. Under this method, the cost of providing pensions is charged to profit or loss so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plans every year. The pension obligation is measured as the present value of estimated future cash outflows using interest rates of highly rated government securities or corporate bonds, as appropriate that materially corresponds to the currency and expected maturity of the defined benefit pension obligation.

The Group immediately recognises all actuarial gains and losses arising from defined benefit plans directly in equity in Other Comprehensive Income as they occur. The Group reports the service cost in employee benefit expenses and the net interest in financial items. The Group reports the net pension asset or liability in the Balance Sheet.

**Share–Based Payments**

Ramirent has share–based incentive programmes for its key managers. Any reward is subject to achievement of the targets set by the Board of Directors.

The incentive programmes are partly equity–settled and partly cash–settled. The costs are accrued over the vesting period for each programme. The part of the reward that is settled in shares is valued at the fair value of the equity instrument at the grant date and the costs are recognised as an expense with a corresponding credit to equity. The part of the reward that is settled in cash is recognised as an expense and as a liability. The liability is remeasured at each reporting date for subsequent changes in the fair value and changes are recognised in profit or loss for the year. The cash–settled portion relates to personal taxes and other employer's contributions.

## OPERATING PROFIT BEFORE AMORTISATION AND IMPAIRMENT OF INTANGIBLE ASSETS (EBITA)

The operating profit or loss before amortisation and impairment of intangible assets, i.e. EBITA, is the total of net sales and other operating income from which expenses for material and services, employee benefits and other operating expenses as well as depreciation on non–current assets are subtracted. The share of result in associates and joint ventures is included in the EBITA. Foreign currency differences stemming from working capital items are included in the EBITA, whereas foreign currency differences from financial assets and liabilities are included in financial income and expenses.

## OPERATING PROFIT (EBIT)

Operating result (EBIT) is calculated from EBITA by subtracting amortisation and impairment charges on non–current assets.

## BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form a part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Other interest and other costs related to interest–bearing liabilities are recognised as an expense in profit or loss when incurred.

Transaction expenses directly attributable to the raising of loans from financial institutions, and which are clearly connected to a specific loan, are offset against the initial loan amount in balance sheet and recognised as financial expenses in profit or loss using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to

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the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw–down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre–payment for liquidity services and amortised over the period of the facility to which it relates.

## INCOME TAXES

Income taxes consist of current income taxes and deferred income taxes.

Current income taxes include income taxes for the current fiscal year as well as adjustments to the current income taxes for previous fiscal years in terms of tax expenses or tax refunds that had not been recognised in prior year profit or loss. The income tax charge for the current fiscal year is the sum of the current income taxes recorded in each Group company, which are calculated on the company specific taxable income using the tax rates prevailing in the different countries where the Group companies are operating.

Deferred income taxes are calculated on all temporary differences between the carrying value and the tax bases of assets and liabilities. The main temporary differences arise from the depreciation difference on non–current assets, the measurement at fair value of derivative financial instruments, defined benefit pension plans, tax losses carried forward and the measurement at fair value in business combinations. Deferred income taxes are not recognised on subsidiary retained earnings to the extent that it is not probable that the timing difference will materialise in the foreseeable future.

Deferred income taxes are calculated using the country specific tax rates enacted or substantially enacted in local tax laws as at balance sheet date.

Deferred income 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.

Income taxes on items recognised in other comprehensive income are also recognised in other comprehensive income.

## GOODWILL AND OTHER INTANGIBLE ASSETS

### Goodwill

Goodwill is measured as the excess of the sum of consideration transferred, the amount of any non-controlling interests in the acquired entity, and the acquisition date fair value of any previous equity interest in the acquired equity over the fair value of the net identifiable assets acquired. It represents a consideration made by the acquirer in anticipation of future economic benefits from assets that cannot be individually identified and separately recognised as assets.Goodwill is not amortised, but instead it is subject to annual impairment testing procedure once a year, or more frequently if events or changes in circumstances indicate that it might be impaired. For this purpose goodwill has been allocated to the cash–generating units "CGU" which it relates to. Operating countries Finland, Sweden, Norway and Denmark each form one CGU. The Baltic States and Europe Central–segment (Poland, the Czech Republic and Slovakia) also each form one CGU. An impairment charge on goodwill is recognised in the consolidated income statement, if the impairment test shows that its carrying amount exceeds its estimated recoverable amount, in which case its carrying amount is written down to its recoverable amount. Thus, subsequent to its initial recognition, goodwill acquired in a business combination is carried at initial cost less any accumulated impairment charges recognised after the acquisition date. An impairment loss on goodwill is never reversed.

### Other Intangible Assets

An intangible asset is recognised only if it is probable that the future economic benefits that are attributable to the asset will flow to the entity, and the cost can be measured reliably.

Other intangible assets comprise software licenses, costs for IT–systems and development costs for new products for which are stated at initial cost less cumulative amortisation and accumulated impairment charges. The initial cost comprises expenses directly attributable to the acquisition of the asset and other expenses associated with the development of the system.

In addition to the aforementioned categories, other intangible assets also include non–competition, customer and cooperation agreements, customer relationships and development costs for new products acquired and identified in business combinations. They are carried at initial fair value at the date of acquisition less cumulative amortisation and accumulated impairment charges.

Other intangible assets with a finite economic useful life are amortised over their estimated useful life on a straight–line basis. The estimated useful lives per asset category are as follows:

- Software licenses and IT–systems — 3–5 years
- Costs for development of new products — 5 years
- Non–competition agreements — 2–5 years
- Customer agreements and relationships — 3–10 years
- Cooperation agreements — 3–5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Amortisation ceases when an asset is classified as held for sale in accordance with IFRS 5 "Non–

current Assets Held for Sale and Discontinued Operations". Assets classified as held for sale are carried at the lower of carrying value and fair value less costs to sell.

Gains on sold intangible assets are recognised as other operating income, whereas losses are recognised as other operating expenses in profit or loss.

## TANGIBLE ASSETS

A tangible asset is recognised in the balance sheet only if it is probable that future economic benefits associated with the asset will flow to the entity and its cost can be measured reliably.

Tangible assets (land, buildings and structures, machinery and equipment, other tangible assets) acquired by Group companies are stated at original acquisition cost less accumulated depreciation and accumulated impairment charges, except when acquired in connection with a business combination when they are measured at fair value at acquisition date less depreciation and impairment charges accumulated after the acquisition date.

The acquisition cost includes all expenditure attributable to bringing the asset to working condition. In addition to direct purchasing expenses it also includes other expenses related to the acquisition, such as duties, transport costs, installation costs, inspection fees, etc.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Major repairs may qualify for the capitalisation criteria for subsequent expenditures. This is the case when the costs spent on the repair enhance the capacity of the asset or extends its useful life compared to its capacity or useful life before the repair. If not, subsequent expenditures are not capitalised in the balance sheet, but instead recognised as expenses in profit or loss. Ordinary repair and maintenance expenditures are expensed in profit or loss when incurred.

Tangible assets are subject to straight–line item–by–item depreciation during their estimated useful life. Land is not subject to depreciation.

The estimated useful lives per asset category are as follows:

- Buildings, structures and land improvements — 10–30 years
- Machinery and equipment for own use — 3–10 years
- Other tangible non–current assets — 3–8 years

- Itemised rental machinery, fixtures and equipment
  - Lifting and loading equipment — 8–15 years
  - Light equipment — 3–8 years
  - Modules and site equipment — 10–15 years

- Non–itemised rental machinery, fixtures and equipment — 3–10 years
  - Scaffolding
  - Formwork and supporting fixtures
  - Other non–itemised tangible assets

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation ceases when assets are classified as held for sale in accordance with IFRS 5 "Non–current Assets Held for Sale and Discontinued Operations". Assets classified as held for sale are carried at the lower of carrying value and fair value less costs to sell.

Gains and losses on disposed tangible assets are recognised in profit or loss. Sales income from sold rental machinery and equipment is recognised in net sales and the costs related to the sales are recognised as material and service expenses. Sales gains from sold other tangible assets are recognised as other operating income and sales losses are recognised as other operating expenses.

## IMPAIRMENT AND IMPAIRMENT TESTING

Non–current assets are reviewed regularly to determine whether there are any indications of impairment, i.e. whether any events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill is subject to an annual impairment testing process. Goodwill is allocated to cash–generating units for the purpose of impairment testing. The allocation is made to those cash–generating units or groups of cash–generating units that are expected to benefit from the business combination in which the goodwill arose.

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount for non–current assets is the higher of their fair value less cost to sell and their value in use. The value in use is determined by reference to discounted cash flows expected to be generated by the asset. The financial valuation models used for impairment testing require application of estimates.

For machinery and equipment in rental use special attention is paid to utilisation rate and in cases where the utilisation rate is low the need for

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impairment is considered. An impairment loss is recognised when an asset's carrying amount is higher than its recoverable amount. Impairment losses are recognised in profit or loss.

A recognised impairment loss is reversed only if such changes of circumstances have occurred which have had an increasing effect on the recoverable amount compared to its amount when the impairment loss was recognised. Impairment losses may not, however, be reversed in excess of such a reversal amount which would cause the assets carrying value after the reversal to be higher than the carrying value it would have had if no impairment loss would have been recognised. An impairment loss on goodwill is never reversed.

## ASSETS HELD FOR SALE

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary or business, all of the assets and liabilities of the subsidiary or business are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non–controlling interest in its former subsidiary or business after the sale.

Assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

## LEASES

Leases of tangible non–current assets, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases.

**Ramirent As Lessor**

Rental income from operating leases is recognised on straight line basis over the term of the relevant lease.

**Ramirent As Lessee**

Finance leases are capitalised at the commencement of the lease term at the lower of the fair value of the leased asset and the present value of the underlying minimum lease payments. Each lease payment is allocated between the reduction of capital liability and finance charges to achieve a constant interest rate charge on the finance lease liability.

The finance lease liability, net of finance charges, is included in interest–bearing liabilities. The finance charge is recognised as financial expenses in profit or loss over the lease period. The leased assets are depreciated during their useful lives in accordance with the depreciation principles applied by the company for different categories of non–current assets.

Leases of assets where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Ramirent's operating leases comprise of lease agreements of rental machinery and equipment, renting agreements for property and other operating lease agreements.

Operating lease agreements are usually made for a certain period of time. The agreements may include clauses on termination period or termination fee payable in case of termination before expiration date. Their expenses are recognised as other operating expenses in profit or loss.

The Group's obligations in terms of future minimum non–cancellable leasing payments are reported as off–balance sheet notes information. The notes information contains the future minimum non–cancellable leasing payments. Split–rental and re–renting agreements are used for short–term leasing of rental machinery and equipment. Their expenses are included in material and service expenses in profit or loss. Split–rental and re–renting agreements do not contain any future obligations related to future minimum non–cancellable leasing payments.

## INVENTORIES

Inventories are valued at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Cost is determined using the weighted average cost formula. The cost is defined as all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Inventories comprise assets that are held for sale in the ordinary course of business, or in the form of materials or supplies to be consumed in the rendering of services. The main categories of inventories are goods for sale as well as spare parts, accessories and materials to be consumed in the rendering of services.

## FINANCIAL ASSETS AND LIABILITIES

**Classification Of Financial Assets And Liabilities**
Financial instruments are classified as financial assets at fair value through profit or loss, loans and other receivables, available–for–sale financial assets and liabilities at amortised cost. The Group determines the classification of financial assets and liabilities at the date of the initial acquisition on the basis of the purpose for which the financial assets or liabilities were acquired. Purchases and sales of financial assets are recognised on the trade date.

**Financial Assets At Fair Value Through Profit Or Loss (FVTPL)**
Financial assets are classified at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short–term profit–taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than that held for trading may be designated at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets and financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the income statement. The net gain or loss recognised incorporates any dividend or interest earned on the financial asset and is included in other operating income or other operating expenses, as appropriate.

**Loans And Other Receivables**
Loans and other receivables are non–derivative financial assets, the settlements of which are fixed or can be determined and which are not quoted on active markets and which the company does not hold for trade. These include the financial assets that the company has received by transferring money, goods or services. Ramirent's loans and other receivables comprise trade and other receivables.

Loans and other receivables are measured at amortised cost using the effective interest method. They are presented as non–current assets to the extent that they fall due more than 12 months after the reporting date.

Trade receivables are carried at their fair value (collectable amount), which is the originally invoiced amount less an estimated allowance for bad debt. Trade receivables are included in bad debt allowance when there is objective evidence that their value is impaired and that they may not be collectable. Trade receivables are analysed client by client and receivable by receivable to determine whether they are not collectable.

**Liabilities At Amortised Cost**
All financial liabilities are initially recognised at fair value. In subsequent periods they are measured at amortised cost using the effective interest method.

Transaction expenses directly attributable to the raising of loans from financial institutions, and which are clearly connected to a specific loan, are offset against the initial loan amount in the balance sheet and recognised as financial expenses in profit or loss using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw–down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre–payment for liquidity services and amortised over the period of the facility to which it relates.

Financial liabilities are included in both non–current and current liabilities and they can be interest or non–interest–bearing. Other liabilities comprise of contingent considerations and other liabilities for the purchase prices of acquired subsidiaries and business operations.

**Available–For–Sale Financial Assets**
Available–for–sale financial assets comprise mainly of equity securities. They are measured at fair value. The fair value of publicly quoted equity shares is determined based on their market value. The fair value of unlisted equity shares is based on valuations of external consultants or they are, provided that a fair value is not available, carried at original cost. Fair value changes of available–for–sale financial assets are recognised net of income taxes in other comprehensive income and presented in the revaluation fund. Transaction expenses are included in the initial acquisition cost. When disposed of, the accumulated fair value changes that had been recognised in other

comprehensive income and presented in the revaluation fund are recognised to financial income and expenses in profit or loss. Changes in fair value are removed from other comprehensive income and recognised as financial expenses in profit or loss to the extent they cause impairment losses. Ramirent assesses at each reporting date whether there is evidence that a financial asset is impaired. All available–for–sale financial assets are presented as non–current assets if their sale is not regarded as probable within the following 12 months after the reporting date. Otherwise they are presented as current assets.

**Effective Interest Method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash inflows or outflows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income or expense is recognised on an effective interest basis for debt instruments other than those classified as at FVTPL.

## DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

The main derivative instruments used by the company for the financial years 2015 and 2014 were interest rate and foreign currency derivatives. They have been used as hedging instruments in accordance with the company's finance policy.

Hedge accounting is applied for interest rate swaps. The hedged item comprises the future cash flow on interest expenses payable on interest–bearing debt.

In addition to interest rate swaps some short–term foreign exchange forwards have also been used. The hedge accounting is not applied for the the foreign exchange forwards, and thus they have been classified as financial instruments at fair value through profit or loss. Their fair value changes are recognised fully as financial income or expenses in profit or loss.

The hedging instruments are initially recognised at fair value on the date of entering the derivative contract. After the initial recognition they are re–measured at fair values, which are based on quoted market prices and rates by the banks. The change of the fair value is recognised in other comprehensive income and presented in the revaluation fund to the extent that the hedging is effective. The ineffective part of the hedging is recognised as financial income or expenses in profit or loss immediately.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. If the hedging instrument expires, or is sold, or if its resignation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction affects profit or loss. If the forecast transaction in no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss.

The hedging relationship is documented according to the requirement of IAS 39 and the hedging instruments are subject to prospective and retrospective testing of effectiveness.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and at banks, deposits held at call with banks and other short–term highly liquid financial investments with a maturity shorter than 3 months. When bank overdrafts show a liability balance, they are presented as interest–bearing liabilities.

## PROVISIONS

A provision is recognised when

- there is a present obligation (legal or constructive) as a result of a past event,
- it is probable that a future outflow of resources embodying economic benefits will be required to settle the obligation and
- a reliable estimate can be made of the amount of the obligation.

The most common provisions that the Group has are restructuring provisions. They are recognised only when general recognition criteria for provisions are fulfilled and the Group has a detailed formal plan about the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and appropriate timeline. Restructuring provisions consist of provisions for termination benefits and terminated lease agreement for premises and rental machinery.

## DIVIDENDS

The dividend proposed by Ramirent's Board of Directors is included in retained earnings in the consolidated balance sheet. Retained earnings are reduced by the dividend payable only after it has been approved by the General Meeting of Shareholders.

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## EARNINGS PER SHARE

The basic earnings per share (EPS) is calculated by dividing the net result attributable to the parent company's shareholders with the weighted average number of shares outstanding during the financial period. Treasury shares, if any, are subtracted from the number of outstanding shares.

The diluted EPS is calculated by dividing the net result attributable to the parent company's shareholders with the weighted average number of shares outstanding during the financial period to which the additional calculated number of shares presumed to have been subscribed with options is added. Option rights and share–based payment arrangements have a diluting effect if the share market price is higher than the subscription price of the shares which includes the fair value of any services to be supplied to the Group in the future under the share–based payment arrangements and if all the conditions have realised at the reporting date.

## APPLICATION OF NEW AND REVISED IFRS STANDARDS AND IFRIC INTERPRETATIONS

Ramirent has not yet adopted the following standards or interpretations that the IASB has issued but are not yet effective. Ramirent will adopt them as from their effective dates, if the effective date is the same as the beginning of the financial year, or if the effective date is different, they will be adopted as from the beginning of the following financial year.

IFRS 9 ”Financial Instruments” (effective from 1 January 2018). This standard is a part of a wider project to replace IAS 39. The standard introduces new requirements for the classification and measurement of financial instruments, impairment of financial instruments and hedge accounting. In Ramirent's estimation, this standard will not have any material impact on valuation of Ramirent's financial instruments compared with present IAS 39 but will have some effect on presentation of Ramirent's financial instruments. The standard has not yet been endorsed by the EU.

IFRS 15 ”Revenue from Contracts with Customers” (effective from 1 January 2018). The new standard includes a five phase model to be applied in revenue recognition. Revenue recognition may happen in a point of time or over time. Essential criteria for revenue recognition is transfer of control. At this stage Ramirent is not able to estimate the impact of the new rules on the Group's financial statements. Ramirent will make more detailed assessments of the impact over the next twelve months.The standard has not yet been endorsed by the EU.

Amendments to IFRS 11 “Joint Arrangements - Accounting for Acquisitions or Interests in Joint Operations” (effective from 1 January 2016). The amendments add new guidance to IFRS 11 on how to account for the acquisition of an interest in a joint operation that constitutes a business, i.e. business combination accounting is required to be applied. The amendments may have impact on Ramirent's forthcoming consolidated financial statements.

Other changes or amendments to other published IFRS standards and IFRIC's will not have any material impact on Ramirent's financial reporting.

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## 2. FINANCIAL RISK MANAGEMENT

### FINANCIAL RISK MANAGEMENT PRINCIPLES

Ramirent is subject to certain financial risks in its business activities. Main financial risks are foreign exchange rate risk, interest rate risk, funding and liquidity risks, counterparty risk and credit risk. In order to control those financial risks and to reduce their adverse effects on the business activities, assets and liabilities and results, Ramirent has adopted a risk management policy which is described in the Finance Policy approved by the Board of Directors.

The Finance Policy defines risk management principles for the risks which have been concluded to have the most potential impact on the Group. It also provides an overall framework for the financial activities of the Ramirent Group, with the aim of setting objectives, and defines the strategy of managing the financial risks, as well as clarifies the organisational assignment of risk management responsibilities (management of the risk delegated within the Group and the roles and responsibilities in order to handle the risk defined in terms of a risk mandate).

According to Ramirent's Finance Policy financial risk management strives to secure sufficient funding for operational needs and to minimise the funding costs and the effects of foreign exchange rate, interest rate and other financial risks cost–effectively. The policy outlines the financing and financial risk management responsibilities covering also the use of financial instruments to hedge the selected risk exposures and acceptable risk levels.

Ramirent's Board of Directors has the overall responsibility for establishing norms and guidelines for Ramirent's financial risk exposure. The operative management, namely CEO and CFO, controls that the risk management has been conducted in an appropriate way in the Group.

The overall operative financial risk management has been centralised to the Group Treasury of Ramirent. Group Treasury acts as the in–house bank and is, in general, the counterparty for all financial transactions within the Group and also mainly externally. Group Treasury is responsible for implementation of the Finance Policy and monitoring the financial risks of the Group. Ramirent's Group Treasury is responsible for managing Group–level foreign exchange, interest rate, liquidity and funding risks in close co–operation with the business entities.

The management of Ramirent business entities are responsible for monitoring the financial risk exposures and managing the financial risks of the business entities according to the Finance Policy and other instructions given by Group Treasury.

### FOREIGN EXCHANGE RATE RISK

Ramirent is an international Group operating in Northern, Eastern and Central European countries. The sales and rental income of the business entities accrue predominantly in their local currency. The purchases of the Group companies are mainly in local currency and partly in euros, while the major part of investment arises in euros. The Group is also exposed to foreign exchange risks through intra–group funding and net investments of foreign–currency entities.

**Transaction risk**

Ramirent's policy is to reduce the effects of foreign exchange rate fluctuations on the Group. This is done by spreading the purchases, sales and financial contracts over time and fixing the rates of major exposures for certain periods of time. When determining the exposures to be hedged the contracted and 12–month forecasted cash flows and dividend receivables are taken into account. The hedging of transaction exposure is done by using currency forward contracts. Business entities' counterparty in hedging transaction is the parent company of the Group. Group Treasury consolidates and hedges centrally, if necessary, the business entity exposures externally by external borrowing in corresponding currencies and by external currency forward contracts.

The largest transaction exposures derive from foreign purchases and intra–group funding. Due to Ramirent's size of business operations in Sweden, Norway as well in Poland, it is exposed to foreign exchange rate risks mainly caused by the fluctuations of the Swedish Krona (SEK), the Norwegian Krona (NOK) and the Polish Zloty (PLN), especially in intra–group funding. Group Treasury hedges the exposures externally with foreign currency nominated borrowings and foreign exchange forward contracts.

On 31 December 2015, Ramirent had outstanding foreign exchange forwards of EUR 43.1 (32.7) million (nominal value) with a market value of EUR 0.3 million (EUR –0.01 million).

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The Group's exposure to foreign currency risk as of 31 December was as follows based on notional amounts:

## EUR EXPOSURE IN COMPANIES REPORTING IN FOREIGN CURRENCY

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Trade receivables | 232 | 178 |
| Trade payables | –1 269 | –1 377 |
| **Total** | **–1 037** | **–1 199** |

## INTEREST–BEARING DEBT BY CURRENCY

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| EUR | 265 891 | 200 385 |
| SEK | 847 | 16 580 |
| NOK | 12 683 | 13 233 |
| DKK | 61 | – |
| PLN | 1 943 | – |
| **Total** | **281 425** | **230 198** |

**Sensitivity analysis:**
The following table demonstrates the sensitivity of the Group's profit for the year and equity to changes of +/–10% in exchange rates resulting from financial instruments such as financial assets and liabilities and foreign exchange derivative instruments included in the balance sheet at the end of the financial year. This analysis assumes that all other variables remain constant.

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| +/–10% change in EUR/SEK | +/- 116 | –/+ 866 |
| +/–10% change in EUR/NOK | -/+ 2 429 | –/+ 2 239 |
| +/–10% change in EUR/PLN | +/- 1 | +/– 585 |
| +/–10% change in EUR/DKK | +/- 34 | –/+ 88 |
| +/–10% change in EUR against other currencies | -/+ 455 | –/+ 482 |
| **+/–10% change in EUR Total** | **-/+ 2 734** | **–/+ 3 090** |

**Translation risk**
The financial needs of Group companies are funded partly through equity (translation risk), in addition to the Group internal funding in local currencies provided by the parent company. Ramirent has decided not to hedge currently the foreign exchange rate risk associated with net investment exposures.

## INTEREST RATE RISK

Ramirent is exposed to interest rate risk mainly through its interest–bearing debt. The interest rate risk exposure represents the uncertainty of profit of a company due to changes in interest rates. To reduce the interest rate risk affecting Ramirent's profitability, interest rates are fixed for certain periods of time and fixing dates are spread over time.

The interest rate risk is minimised when the Group's interest rate position of financial instruments is neutralising the interest rate sensitivity. The duration (average interest fixing period) for the Group's consolidated net borrowing is used to measure the interest rate risk exposure.

Group Treasury is responsible for interest rate risk management in Ramirent Group. Guideline of the interest rate risk exposure management in Ramirent's Finance Policy is that the periods of interest rates shall be diversified. Interest rate swaps and swaptions may only be used to fix the floating rate of underlying loans. Ramirent applies hedge accounting for all interest rate derivatives. The actual average interest rate fixing period of interest–bearing debt on 31 December 2015 was 20.2 months and the hedging level for variable rate loans was 55.7%. Group Treasury is responsible for monitoring and updating the estimated interest rate benchmark position of Ramirent.

On 31 December 2015, Ramirent had outstanding interest rate swaps of EUR 57.0 (52.7) million (nominal value) with a market value of EUR –1.2 (–1.7) million.

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| WEIGHTED AVERAGE MATURITY AND AVERAGE INTEREST RATE ON 31 DECEMBER 2015 | WEIGHTED AVERAGE MATURITY (YEARS) | WEIGHTED AVERAGE INTEREST RATE (%) |
|---|---|---|
| Loans from financial institutions | 1.2 | 1.60% |
| Bond | 3.2 | 4.38% |
| Commercial papers | 0.1 | 0.40% |

| WEIGHTED AVERAGE MATURITY AND AVERAGE INTEREST RATE ON 31 DECEMBER 2014 | WEIGHTED AVERAGE MATURITY (YEARS) | WEIGHTED AVERAGE INTEREST RATE (%) |
|---|---|---|
| Loans from financial institutions | 2.2 | 1.56% |
| Bond | 4.2 | 4.38% |
| Commercial papers | 0.2 | 0.47% |
| Other liabilities | 1.6 | 4.25% |

The repricing and maturity schedule of outstanding interest–bearing debt and interest rate hedges is shown below.

INTEREST RATE HEDGE COVERAGE OVER TIME (BALANCES AT PERIOD ENDS) ON 31 DECEMBER 2015

| (EUR 1 000) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | LATER |
|---|---|---|---|---|---|---|---|
| Debt, fixed rate | 99 458 | 99 621 | 99 789 | 99 961 | – | – | – |
| Debt, variable rate | 181 967 | 83 831 | – | – | – | – | – |
| Interest rate hedges | 56 975 | 31 975 | 20 000 | 20 000 | 20 000 | – | – |

INTEREST RATE HEDGE COVERAGE OVER TIME (BALANCES AT PERIOD ENDS) ON 31 DECEMBER 2014

| (EUR 1 000) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | LATER |
|---|---|---|---|---|---|---|---|
| Debt, fixed rate | 100 440 | 99 982 | 100 171 | 100 367 | 99 961 | – | – |
| Debt, variable rate | 129 758 | 78 885 | 78 954 | – | – | – | – |
| Interest rate hedges | 52 718 | 37 718 | 12 718 | – | – | – | – |

**Sensitivity analysis**

The following table demonstrates the sensitivity of Ramirent's profit or loss for 2015 and equity as at 31 December 2015 to possible changes in interest rates. A change of 1 percentage point in interest rates at the reporting date would have increased/decreased profit or loss and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2014.

| 31.12.2015 | PROFIT OR LOSS | | EQUITY (OTHER COMPREHENSIVE INCOME) | |
|---|---|---|---|---|
| (EUR 1 000) | 1 PERCENTAGE POINT INCREASE | 1 PERCENTAGE POINT DECREASE | 1 PERCENTAGE POINT INCREASE | 1 PERCENTAGE POINT DECREASE |
| Variable rate instruments | −1 821 | 154 | – | – |
| Interest rate swaps | 570 | −570 | 1 094 | −1 146 |
| **Cash flow sensitivity (net)** | **−1 251** | **−416** | **1 094** | **−1 146** |

| 31.12.2014 | PROFIT OR LOSS | | EQUITY (OTHER COMPREHENSIVE INCOME) | |
|---|---|---|---|---|
| (EUR 1 000) | 1 PERCENTAGE POINT INCREASE | 1 PERCENTAGE POINT DECREASE | 1 PERCENTAGE POINT INCREASE | 1 PERCENTAGE POINT DECREASE |
| Variable rate instruments | −1 299 | 365 | – | – |
| Interest rate swaps | 527 | −527 | 707 | −728 |
| **Cash flow sensitivity (net)** | **−772** | **−162** | **707** | **−728** |

The testing for the equity change was carried out by re–pricing the future interest flows of the outstanding interest rate swap agreements with one percentage point higher/lower rate than interest rates prevailing at the reporting date by net present value method. Since all the outstanding interest rate swaps are effective, they have all been assumed to affect equity.

## FUNDING RISK

Funding risk is the risk that refinancing of the existing debt portfolio and/or raising new funding will not be available, or is available at high price. The aim is to minimise Ramirent's refinancing risk by spreading debt/debt facility maturities over time and by securing refinancing early enough.

Ramirent's goal is to secure the availability of sufficient funding for conducting its various operations at all times. A further goal is to minimise funding costs over time. According to the Finance Policy, Ramirent shall use multiple sources of funding to secure its long–term financing at favourable terms. The goal is that no single financial institution shall provide more than 50% of the total funding of the Group.

According to the Finance policy, in the long term perspective Ramirent shall not to be obliged to amortise during any one year more than 30% of the total interest–bearing debt, and if such situations occurs, the Group Treasury is obliged to start negotiations to alter this structure no later than eighteen months before the planned amortisation.

As of the end of 2015, Ramirent had funding from a committed term–loan facility in total of EUR 75.0 million, committed revolving credit facilities in total of EUR 220.0 million under two different agreements and a committed overdraft facility of EUR 20.0 million with financial institutions. Ramirent issued an inaugural unsecured senior bond of EUR 100.0 million in 2013. In addition, an uncommitted EUR 150.0 million domestic commercial paper program was used in 2015.

The average maturity of the committed debt facilities as of 31 December 2015 was 2.7 years. Ramirent's borrowing facilities with financial institutions will mature in 2016, 2017 and 2020. The bond will mature in 2019.

As at 31 December 2015 Ramirent was in compliance with all covenants and other terms of its debt instruments.

## LIQUIDITY RISK

Liquidity risk is the risk that existing funds and borrowing facilities become insufficient to meet the Group's business needs or high extra costs are incurred for arranging them. The objective of the liquidity risk management in Ramirent Group is to minimise the risk by having a well–balanced liquidity reserve to hedge against foreseen and unforeseen liquidity requirements. The parent company raises most of Ramirent's interest–bearing debt centrally. Ramirent seeks to reduce liquidity risk by keeping sufficient amount of credit facilities available. Ramirent's liquidity risk is reduced also by efficient cash management procedures and cash management structures such as cash pools and overdraft facilities. In the long–run the principal source of liquidity is expected to be cash flow generated by the operations.

Ramirent's Finance Policy states that liquidity reserves shall equal at minimum of 8% of the forecasted rolling 12–month net sales or EUR 50 million, whichever of the two is higher, plus the total outstanding amount of the commercial papers, to cover the operative and risk liquidity requirement. In addition, there shall be a strategic liquidity reserve that management of the Ramirent Group estimates for the foreseeable future. Top management shall constantly review the optimal level of the strategic liquidity requirement to allow the company to react effectively.

The liquidity reserve should be available within three banking days, without paying any extra fee, penalty or similar cost at any time. At year–end 2015, Ramirent had EUR 134.4 (188.7) million or 21.1 (30.8)% of net sales of committed liquidity reserves readily available.

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The table below summarises the contractual maturities of financial liabilities and including interest payments as of 31 December 2015:

## 31 DECEMBER 2015

(EUR 1 000)

| **Non-derivative financial liabilities** | CONTRACTUAL CASH FLOWS | CARRYING AMOUNT | 2016 | 2017 | 2018 | 2019 | 2020 | LATER |
|---|---|---|---|---|---|---|---|---|
| Committed loans from financial institutions | −89 593 | −86 886 | −13 280 | −76 313 | – | – | – | – |
| Bond | −117 500 | −99 458 | −4 375 | −4 375 | −4 375 | −104 375 | – | – |
| Commercial papers | −85 362 | −85 300 | −85 362 | – | – | – | – | – |
| Bank overdrafts | −10 083 | −9 781 | −1 077 | −9 006 | – | – | – | – |
| Contingent considerations and deferred payments on acquisitions | −12 500 | −10 098 | −714 | −2 975 | −514 | −5 468 | −696 | −2 132 |
| Trade payables | −34 562 | −34 562 | −34 562 | – | – | – | – | – |
| Total | −349 599 | −326 086 | −139 370 | −92 669 | −4 889 | −109 843 | −696 | −2 132 |
| **Derivative financial liabilities** | | | | | | | | |
| Interest rate swaps (fair value) | −1 224 | −1 224 | −861 | −196 | −65 | −65 | −35 | – |
| Foreign exchange forwards (fair value) | 284 | 284 | 284 | – | – | – | – | – |
| Total | −940 | −940 | −578 | −196 | −65 | −65 | −35 | – |
| **Total** | **−350 539** | **−327 026** | **−139 948** | **−92 865** | **−4 954** | **−109 909** | **−731** | **−2 132** |

## 31 DECEMBER 2014

(EUR 1 000)

| **Non-derivative financial liabilities** | CONTRACTUAL CASH FLOWS | CARRYING AMOUNT | 2015 | 2016 | 2017 | 2018 | 2019 | LATER |
|---|---|---|---|---|---|---|---|---|
| Committed loans from financial institutions | −108 490 | −102 784 | −1 801 | −30 001 | −76 688 | – | – | – |
| Bond | −121 875 | −99 300 | −4 375 | −4 375 | −4 375 | −4 375 | −104 375 | – |
| Commercial papers | −23 115 | −23 000 | −23 115 | – | – | – | – | – |
| Bank overdrafts | −4 164 | −3 974 | −574 | −61 | −3 529 | – | – | – |
| Other liabilities | −1 263 | −1 140 | −49 | −665 | −25 | −524 | – | – |
| Contingent considerations and deferred payments on acquisitions | −32 855 | −25 524 | −7 371 | −1 079 | −8 755 | −7 338 | −5 473 | −2 839 |
| Trade payables | −27 962 | −27 962 | −27 962 | – | – | – | – | – |
| Total | −319 724 | −283 685 | −65 247 | −36 181 | −93 372 | −12 237 | −109 848 | −2 839 |
| **Derivative financial instruments** | | | | | | | | |
| Interest rate swaps (fair value) | −1 736 | −1 736 | −952 | −662 | −121 | – | – | – |
| Foreign exchange forwards (fair value) | −8 | −8 | −8 | – | – | – | – | – |
| Total | −1 744 | −1 744 | −960 | −662 | −121 | – | – | – |
| **Total** | **−321 468** | **−285 427** | **−66 207** | **−36 843** | **−93 493** | **−12 237** | **−109 848** | **−2 839** |

## CREDIT RISK

**Operational Credit Risk**

Credit risk is defined as the possibility of a customer not fulfilling its commitments towards Ramirent. The Group has a Credit Risk Management Principle that sets the guidelines for credit management and controls it in all Group companies. According to the Group Credit Risk Management Principle, the operative management of each operating Ramirent entity is responsible for setting specific local procedures to evaluate and manage credit risk. The Group Credit Risk Management Principle identifies occasions when a customer can be classified as a high risk–profile customer for which Ramirent applies stricter terms such as lower credit limit amounts. To decrease credit risk, customers may be required to place securities or guarantees.

Customer credit risks are diversified as Ramirent's sales are generated by a large number of customers. Thus there was no major customer credit risk concentration at end of financial year 2015 except one customer group that comprises about 10 percent of the Groups total sales. The quality of receivables is evaluated by the aging of the receivables and based on specific customer analysis.

The carrying amount of financial assets represents the maximum credit exposure.

### ANALYSIS OF TRADE RECEIVABLES BY AGE

| (EUR 1 000) | GROSS 2015 | ACCUMULATED ALLOWANCE FOR BAD DEBT 2015 | GROSS 2014 | ACCUMULATED ALLOWANCE FOR BAD DEBT 2014 |
|---|---|---|---|---|
| Undue trade receivables | 70 599 | – | 70 476 | – |
| Trade receivables 1–30 days overdue | 17 984 | – | 17 018 | – |
| Trade receivables 31–90 days overdue | 5 932 | – | 4 890 | – |
| Trade receivables 91–180 days overdue | 2 129 | -863 | 3 184 | -1 645 |
| Trade receivables 181–360 days overdue | 2 053 | -1 831 | 2 081 | -2 081 |
| Trade receivables more than 360 days overdue | 6 858 | -6 654 | 9 151 | -9 151 |
| **Total** | **105 554** | **-9 348** | **106 801** | **-12 877** |

The movement in the allowance for bad debt in respect of trade receivables during the year was as follows:

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Allowance for bad debt on 1 January | -12 877 | -9 582 |
| Exchange differences | -3 | 268 |
| Increase during the financial year | -3 254 | -6 086 |
| Decrease due to actual credit losses during the financial year | 5 668 | 1 036 |
| Decrease due to customer payments during the financial year | 1 118 | 1 487 |
| **Net movement of allowance for bad debt during the financial year** | **3 529** | **-3 295** |
| **Allowance for bad debt on 31 December** | **-9 348** | **-12 877** |

**Financial Counterparty Risk**

Financial counterparty risk is defined as the risk of banks/financial institutions not being able to fulfil their undertakings to the Ramirent Group. The financial counterparty risk is minimised by selecting instruments with a high degree of liquidity and counterparties with a high credit rating. Ramirent co–operates only with counterparties judged to be capable of meeting their undertakings to Ramirent.

Group Treasury manages the main part of the credit risk related to financial transactions and financial counterparties by having 3 to 5 main financial institutions and by efficient cash and financial asset management so that Ramirent does not have any major risk concentration in any financial counterparty.

## CASH FLOW HEDGES

Ramirent Group uses interest rate derivatives to reduce the volatility of interest expenses in the income statement and to adjust the duration of the debt portfolio. Interest rate derivative agreements have been designated as hedges of forecasted transactions, e.g. cash flow hedges.

All the interest rate derivatives are directly linked to underlying funding transactions and they meet the qualifications for hedge accounting, and thus they are designated as cash flow hedges. Under cash flow hedging, Ramirent has predetermined the interest expense cash flow between 2015 and 2020.

The effective portion of the changes in the fair value of the derivative financial instruments that are designated as and qualify for cash flow hedges are recognised in other comprehensive income.

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Any gain or loss relating to the ineffective portion is recognised immediately in the income statement. Prospective effectiveness testing is conducted on a constant basis. Retrospective testing is conducted on a quarterly basis to review the effectiveness of hedging transactions. Cash flow hedges have been effective both during 2015 and 2014.

Gains and losses accumulated in other comprehensive income are recycled in the income statement within financial income or expenses during the periods when the hedged item affects profit or loss. Movements in hedging reserve are presented in other comprehensive income. On 31 December 2015, interest rate hedge effect to other comprehensive income was EUR 0.2 (0.6) million (after taxes).

## 3. CAPITAL MANAGEMENT

The targets of capital management in Ramirent have been adopted by the Board of Directors in the Finance Policy and in the strategic plan. Ramirent's target is to have a strong financial position that provides financial stability, relatively independently of the economic cycles and external financing possibilities. This enables Ramirent to make long–term business decisions and to act effectively over a business cycle. In addition the company is to earn a sustainable return that is higher than the market cost of its capital.

Ramirent Plc's Board of Directors updated the Group's long term financial targets on its meeting on November 30 2015. The new long-term financial targets are aligned with the strategic priorities and have been set to further emphasise value creation.

The financial targets are as follows:

- Annual net sales growth above GDP + 2%-points,
- ROE of 12% per fiscal year
- Net Debt to EBITDA below 2.5x at the end of each fiscal year
- Dividend pay–out ratio of at least 40% of net profit.

Ramirent's business is capital intensive and the investments in new fleet and efficient use of existing fleet reflect the growth possibilities and the profitability. The amount of Ramirent's future capital expenditure depends on a number of factors, including general economic conditions and growth prospects. The business is cyclical, but if investments are halted, the effects on cash flow are relatively immediate. The timing and amount of investments are key factors in the achievement the targeted capital structure.

Ramirent aims to pay an ordinary dividend each year that corresponds to at least 40% of the annual earnings per share. The Board has proposed that the Annual General Meeting in 2016 resolves in favour of paying a dividend of EUR 0.40 per share, which corresponds to 111% per cent of the annual net profit. Total dividend distribution during the past 5 years corresponds with 82.5% of the accumulated net profit for the past five years.

In 2015 the Annual General Meeting adopted the Board's proposal that a dividend of EUR 0.40 per share be paid based on the adopted balance sheet for the financial year ended on 31 December 2014. The date of record for dividend payment was 27 March 2015 and the dividend was paid on 10 April 2015.

Capital structure of the Group is reviewed by the Board on a regular basis. The gearing–ratio and other financial target measures are reviewed regularly.

### THE GEARING AS OF 31 DECEMBER 2015 AND 31 DECEMBER 2014 WAS AS FOLLOWS

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Interest–bearing liabilities | 281 425 | 230 199 |
| Cash and cash equivalents | –571 | –3 129 |
| Net debt | 280 855 | 227 070 |
| | | |
| Total equity | 319 085 | 324 992 |
| | | |
| Gearing | 88.0 % | 69.9% |

| RECONCILIATION OF NET DEBT | 2015 | 2014 |
|---|---|---|
| Net debt at 1 January | 227 070 | 206 932 |
| Decrease/(increase) in cash during the year | 2 559 | –1 281 |
| Repayments of non–current debt | –19 267 | –7 833 |
| Borrowings and repayments of current debt (net) | 71 605 | 26 936 |
| Acquired companies | – | 2 166 |
| Exchange rate differences | –1 270 | – |
| Non–cash movements: | | |
| – deferred costs of raising debt | 158 | 149 |
| Increase/(decrease) in net debt during the year | 53 785 | 20 137 |
| Net debt at 31 December | 280 855 | 227 070 |

## 4. SEGMENT INFORMATION

The Group comprises six operating segments: Finland, Sweden, Norway, Denmark, Europe East (The Baltics and Russia and Ukraine through the joint venture) and Europe Central (Poland, Czech Republic and Slovakia). Segment performance is evaluated and decisions on resource allocation are made based on operating result (EBIT). In the Ramirent Group the Group's CEO (chief operating decision maker) reviews regularly a report of operating result and invested capital of the operating segments.

Ramirent Plc charges a management fee for the services rendered from its subsidiaries. The cost is included in segments operating result.

Segment assets and liabilities are items that are used by a segment in its operating activities and can be allocated to a segment on a reasonable basis. Non–current assets in the following tables include all non–current assets other than financial instruments post–employment benefit assets and deferred tax assets. Segment liabilities in the following tables include non–current and current liabilities other than interest–bearing liabilities.

Parent company expenses consist of e.g. personnel cost including social costs, headquarter costs, expenses related to development of business and IT systems and certain marketing expenses that relate to development of Ramirent brand. These costs are recharged to the operating segments to the extent that they benefit the segments. The shareholder costs, costs that relate to parent company's status as a listed company and related reporting requirements are not recharged to the operating segments. Unallocated items at EBITA level consist of such parent company expenses that have not been recharged internally to operating segments.

### YEAR 2015 SEGMENT INFORMATION

| (EUR 1 000) | FINLAND | SWEDEN | NORWAY | DENMARK | EUROPE EAST | EUROPE CENTRAL | UNALLOCATED ITEMS AND ELIMINATIONS | GROUP TOTAL |
|---|---|---|---|---|---|---|---|---|
| External net sales | 159 609 | 223 975 | 120 455 | 42 161 | 34 035 | 55 373 | – | 635 608 |
| Inter–segment net sales | 622 | 1 428 | 196 | 94 | 57 | 63 | −2 461 | – |
| Total net sales | 160 232 | 225 403 | 120 650 | 42 255 | 34 092 | 55 436 | −2 461 | 635 608 |
| Depreciation, amortisation and impairment charges | −25 457 | −35 501 | −23 737 | −6 072 | −7 369 | −11 799 | −174 | −110 110 |
| EBITA | 21 075 | 32 954 | 6 545 | 307 | 7 236 | 3 275 | −4 619 | 66 772 |
| Operating profit (EBIT) | 19 844 | 28 454 | 4 654 | −117 | 7 144 | 3 144 | −5 182 | 57 941 |
| Reportable non–current assets | 122 566 | 229 008 | 126 699 | 20 389 | 50 855 | 52 594 | 30 109 | 632 221 |
| Reportable assets | 152 241 | 287 289 | 154 301 | 32 013 | 58 234 | 64 836 | 21 661 | 770 574 |
| Reportable liabilities | 31 658 | 88 292 | 33 406 | 6 051 | 6 695 | 10 088 | −6 127 | 170 064 |
| Gross capital expenditure | 31 344 | 47 335 | 19 143 | 4 690 | 19 021 | 16 249 | 1 383 | 139 165 |
| **Number of employees** | | | | | | | | |
| At reporting date | 455 | 779 | 401 | 139 | 251 | 493 | 136 | 2 654 |
| Average during the year | 468 | 773 | 405 | 146 | 250 | 486 | 110 | 2 639 |

## YEAR 2014 SEGMENT INFORMATION

| (EUR 1 000) | FINLAND | SWEDEN | NORWAY | DENMARK | EUROPE EAST | EUROPE CENTRAL | UNALLOCATED ITEMS AND ELIMINATIONS | GROUP TOTAL |
|---|---|---|---|---|---|---|---|---|
| External net sales | 151 949 | 200 374 | 135 103 | 39 359 | 33 835 | 52 905 | 12 | 613 536 |
| Inter–segment net sales | 854 | 653 | 608 | – | 65 | 279 | –2 460 | – |
| Total net sales | 152 803 | 201 027 | 135 711 | 39 359 | 33 901 | 53 184 | –2 448 | 613 536 |
| Depreciation, amortisation and impairment charges | –25 964 | –32 820 | –25 025 | –6 013 | –6 968 | –12 165 | –772 | –109 728 |
| EBITA | 20 776 | 29 351 | 14 001 | –3 921 | 6 652 | 1 713 | –2 751 | 65 821 |
| Operating profit (EBIT) | 19 296 | 26 327 | 12 166 | –3 921 | 6 540 | 1 601 | –3 865 | 58 143 |
| Reportable non–current assets | 118 621 | 207 831 | 136 466 | 19 997 | 41 908 | 48 359 | 43 007 | 616 189 |
| Reportable assets | 149 497 | 256 903 | 162 864 | 32 380 | 50 988 | 65 812 | 25 449 | 743 894 |
| Reportable liabilities | 25 083 | 101 884 | 37 330 | 6 975 | 4 361 | 7 277 | 5 792 | 188 703 |
| Gross capital expenditure | 35 832 | 67 282 | 14 242 | 3 648 | 10 592 | 7 830 | 5 136 | 144 561 |
| **Number of employees** | | | | | | | | |
| At reporting date | 497 | 759 | 388 | 147 | 240 | 477 | 68 | 2 576 |
| Average during the year | 522 | 706 | 422 | 154 | 238 | 469 | 55 | 2 566 |

## INFORMATION ABOUT PRODUCTS AND SERVICES

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Rental income | 397 810 | 395 341 |
| Service income | 183 188 | 161 255 |
| Sale of used rental machinery and equipment | 23 463 | 24 714 |
| Sale of goods | 31 147 | 32 226 |
| **Net sales** | **635 608** | **613 536** |

## RECONCILIATIONS

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Total net sales for reportable segments | 638 069 | 615 984 |
| Elimination of sales between segments | −2 461 | −2 448 |
| **Consolidated net sales** | **635 608** | **613 536** |
| | | |
| Total profit (operating profit) for reportable segments | 63 123 | 62 008 |
| Unallocated income | 1 217 | 2 546 |
| Unallocated expenses | −6 400 | −6 412 |
| Consolidated operating result | 57 941 | 58 143 |
| Financial income | 13 045 | 11 292 |
| Financial expenses | −24 131 | −26 974 |
| **Consolidated profit before taxes** | **46 855** | **42 460** |
| | | |
| Total assets for reportable segments | 748 913 | 718 445 |
| Elimination of inter-segment assets | −165 555 | −155 466 |
| Unallocated assets | 187 216 | 180 916 |
| **Consolidated total assets** | **770 574** | **743 894** |
| | | |
| Total non-interest-bearing liabilities for reportable segments | 176 191 | 182 911 |
| Elimination of inter-segment liabilities | −19 023 | −6 144 |
| Unallocated liabilities | 12 896 | 11 936 |
| **Consolidated total non-interest-bearing liabilities** | **170 064** | **188 703** |

## INFORMATION ABOUT MAJOR CUSTOMERS

The Ramirent Group has one group of customers under common control that represent revenues of EUR 61.1 million (9.6% of total revenues) (EUR 62.4 million, 10.2% of total revenues in 2014). Revenues from this group of customers under common control are included in all operating segments.

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## 5. OTHER OPERATING INCOME

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Gain on disposals of real estates and non-rental machinery and equipment | 253 | 411 |
| Rental income of real estates | 417 | 513 |
| Reversal of earn-out liabilities | 5 091 | 500 |
| Other income | 1 538 | 866 |
| **Total** | **7 300** | **2 290** |

## 6. MATERIAL AND SERVICE EXPENSES

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Cost of re-renting | -26 765 | -26 058 |
| Cost of sold rental equipment | -9 854 | -11 761 |
| Cost of goods sold | -27 444 | -19 449 |
| Repair and maintenance expenses | -26 869 | -29 970 |
| Cost of external services | -92 469 | -73 641 |
| Transportation expenses | -54 595 | -47 392 |
| Expensed equipment | -504 | -890 |
| **Total** | **-238 499** | **-209 162** |

## 7. EMPLOYEE BENEFIT EXPENSES

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Wages and salaries | -102 780 | -105 387 |
| Termination benefits | 207 | -1 271 |
| Social security | -22 779 | -21 726 |
| Post-employment benefits | | |
| Pension expenses - defined benefit plans | -1 073 | -773 |
| Pension expenses - defined contribution plans | -10 127 | -8 560 |
| Equity-settled share-based payment transactions | 115 | -97 |
| Cash-settled share-based payment transactions | 4 | 521 |
| Other personnel expenses | -14 950 | -13 012 |
| **Total** | **-151 383** | **-150 305** |

### PERFORMANCE-BASED LONG-TERM INCENTIVE PROGRAMMES

Ramirent has three on-going share-based incentive programmes for its key managers, one approved by the Board in 2013 for the period 2013–2015, second one approved by the Board in 2014 for the period 2014–2016 and a third one approved by the Board in 2015 for the period 2015–2017. The long-term incentive programme 2011 was settled in April 2014 and the long-term incentive programme 2012 was settled in March 2015.

**Long-term incentive programme 2011**

The Performance Share Programme for the years 2011–2013 was targeted at approximately 60 managers. The members of the Group Management Team were included in the target group of the incentive programme. The Performance Share Programme included one earning period, calendar years 2011–2013. The reward from the programme was based on the Group's Total Shareholder Return (TSR), on the Group's average Return on Invested Capital (ROI) and on the Group's cumulative Earnings per Share (EPS). The reward was paid in April 2014 partly in Company shares and partly in cash. The cash payment was intended to cover the personal taxes and tax-related costs arising from the reward. The total cost accumulated during 2011–2014 was EUR 0.5 million.

**Long-term incentive programme 2012**

The share-based incentive programme for the years 2012–2014 was targeted at approximately 50 managers of the company. The members of the Group Management Team were included in the target group of the incentive programme The programme included matching shares and performance shares. The programme included one earning period, the calendar years 2012—2014. The reward from the programme was based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR). In

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order to receive shares under the programme, the prerequisite for the top management was that an executive acquires and holds certain amount of the Company's shares in accordance with the decision by the Board of Directors.

The reward from the earning period 2012–2014 was paid in March 2015 partly in shares and partly in cash. The cash payment was intended to cover the personal taxes and tax–related costs arising from the reward. Based on the share issue authorisation granted by the AGM, the Board decided to convey 13,308 of the company's own shares, held by the company, without cash payment to the key persons of the Group as a settlement of the Performance Share Programme 2012. The total cost accumulated during 2012–2014 was EUR 0.3 million.

**Long–term incentive programme 2013**

The share–based incentive programme for the years 2013–2015 is targeted at approximately 50 managers of the company for the earning period 2013–2015. The members of the Group Management Team are included in the target group of the incentive programme. The programme includes matching shares and performance shares. The programme includes one earning period, the calendar years 2013—2015. The potential reward from the programme will be based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR). In order to receive shares under the programme, the prerequisite for the top management is that an executive acquires and holds certain amount of the Company's shares in accordance with the decision by the Board of Directors.

The potential reward from the earning period 2013–2015 will be paid partly in the Company's shares and partly in cash in 2016. The cash payment is intended to cover the personal taxes and tax–related costs arising from the reward. No reward will be paid to an executive, if his or her employment or service with the Group Company ends before the reward payment. The maximum reward to be paid on the basis of the earning period 2013—2015 will correspond to the value of up to 390,244 Ramirent Plc shares (including also the proportion to be paid in cash).

The estimated reward realisation for LTI2013 was revised in the end of 2015 based on the financial performance of the Group and the cost recognised earlier was reversed by EUR 0.3 million. The cost accrued in 2014 was EUR 0.1 million. The total cost accumulated during 2013–2015 was EUR 0.2 million at the end of 2015.

**Long–term incentive programme 2014**

The share–based incentive programme for the years 2014–2016 is targeted at approximately 60 executives of the company. The members of the Executive Management Team and the Group Management Team are included in the target group of the incentive programme. The programme includes matching shares and performance shares. The programme includes one earning period, the calendar years 2014—2016. The potential reward from the programme will be based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR). In order to receive shares under the programme, the prerequisite for the top management is that an executive acquires and holds certain amount of the Company's shares in accordance with the decision by the Board of Directors.

The potential reward from the earning period 2014—2016 will be paid partly in the Company's shares and partly in cash in 2017. The cash payment is intended to cover the personal taxes and tax–related costs arising from the reward. No reward will be paid to an executive, if his or her employment or service with the Group Company ends before the reward payment. The maximum reward to be paid on the basis of the earning period 2014—2016 will correspond to the value of up to 360,000 Ramirent Plc shares (including also the proportion to be paid in cash).

The estimated reward realisation for LTI2014 was revised in 2015 based on the financial performance of the Group. The cost accrued in 2015 was EUR 0.1 million (in 2014 EUR 0.2 million). The total liability arising form LTI2014 was EUR 0.2 million at the end of 2015.

**Long–term incentive programme 2015**

The share–based incentive programme 2015 is targeted at approximately 60 executives for the earning period 2015—2017. The members of the Group Management Team are included in the target group of the incentive programme The programme includes matching shares and performance shares. The programme includes one earning period, the calendar years 2015—2017. The potential reward from the programme will be based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR). In order to receive shares under the programme, the prerequisite for the top management is that an executive acquires and holds certain amount of the Company's shares in accordance with the decision by the Board of Directors.

The potential reward will be paid partly in the Company's shares and partly in cash in 2018. The cash payment is intended to cover the personal taxes and tax–related costs arising from the reward. No reward will be paid to an executive, if his or her employment or service with the Group Company ends before the reward payment. The maximum reward to be paid will correspond to the value of up to 450,000 Ramirent Plc shares (including also the proportion to be paid in cash).

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The estimated reward realisation for LTI2015 was revised in the end of 2015 based on the financial performance of the Group and the cost accrued earlier during 2015 was reversed by EUR 0.1 million. The total cost accrued in 2015 was EUR 0.1 million.

### RECOGNITION PRINCIPLES OF THE LONG–TERM INCENTIVE PROGRAMMES

The incentive programmes are partly equity–settled and partly cash–settled. The costs are accrued over the vesting period for each programme. The part of the reward that is settled in shares is valued at fair value at the grant date and the costs are recognised in equity. The part of the reward that is settled in cash is recognised as a liability. The liability is revaluated at each reporting date for subsequent changes in the fair value of the liability. The cash–settled portion relates to personal taxes and other employer's contributions.

The aim of the incentive programmes is to combine the objectives of the shareholders and the management in order to increase the value of the Company as well as to commit the managers to the Company, and to offer them competitive rewards based on the financial performance of the Company and the Company shares

The total liability for the on–going long–term incentive programmes as at 31 December 2015 totals EUR 0.5 million (EUR 1.0 million).

## 8. OTHER OPERATING EXPENSES

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Property operating lease expenses | −24 219 | −25 262 |
| Other property expenses | −10 171 | −9 813 |
| IT and office expenses | −17 846 | −20 219 |
| Other operating lease expenses | −5 653 | −7 328 |
| External services expenses | −13 019 | −10 270 |
| Credit losses | −7 343 | −2 884 |
| Change of allowance for bad debt | 3 849 | −525 |
| Restructuring and other non–recurring expenses | −321 | −1 951 |
| Marketing and representation expenses | −8 099 | −7 042 |
| Other expenses | −2 697 | −2 709 |
| **Total** | **−85 519** | **−88 003** |
| | | |
| Audit and other fees to auditors | | |
| Audit fees | −288 | −312 |
| Audit related fees | −243 | – |
| Tax consulting fees | −132 | −32 |
| Other fees | −50 | −240 |
| **Total** | **−713** | **−584** |

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## 9. DEPRECIATION, AMORTISATION AND IMPAIRMENT CHARGES

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Depreciation/amortisation by class of assets: | | |
| | | |
| Depreciation of tangible non–current assets | | |
| Buildings and structures | –725 | –784 |
| Machinery and equipment | –98 891 | –99 160 |
| Leased machinery and equipment | –11 | –36 |
| Other tangible assets | –1 652 | –2 069 |
| Amortisation of intangible non–current assets | | |
| Other intangible assets | –5 390 | –6 429 |
| Other capitalised long–term expenditure | –3 442 | –1 249 |
| **Total depreciation and amortisation** | **–110 110** | **–109 728** |

## 10. FINANCIAL INCOME AND EXPENSES

### RECOGNISED IN INCOME STATEMENT

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Financial income | | |
| Dividend income on available–for–sale investments | – | 115 |
| Interest income on loans and receivables | 753 | 894 |
| Exchange rate gains on financial liabilities measured at amortised cost | 12 292 | 10 282 |
| **Total** | **13 045** | **11 292** |
| | | |
| Financial expenses | | |
| Interest expenses | | |
| Bank loans | –6 553 | –6 906 |
| Finance lease liabilities | –1 | –40 |
| Other financial expenses | –3 775 | –4 616 |
| Interest expenses on derivative instruments | –950 | –1 413 |
| Net change in fair value of cash flow hedges transferred from equity | – | – |
| Exchange rate losses on financial liabilities measured at amortised cost | –12 852 | –14 000 |
| **Total** | **–24 131** | **–26 974** |
| | | |
| **Net financial income and expenses** | **–11 086** | **–15 683** |

## 11. INCOME TAXES

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Current income tax for the year | –9 786 | –12 131 |
| Income tax for prior years | –830 | 49 |
| Deferred income taxes | 2 558 | 1 711 |
| **Total income taxes** | **–8 057** | **–10 370** |

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### RECONCILIATION OF INCOME TAX TO THE FINNISH CORPORATE INCOME TAX RATE

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Profit before taxes | 46 855 | 42 460 |
| | | |
| Income tax at Finnish tax rate on profit before tax | -9 371 | -8 492 |
| Impact of different tax rate outside Finland | 168 | -15 |
| Impact of tax non-deductible expenses | -691 | -2 387 |
| Impact of tax exempt income | 1 146 | 230 |
| Income tax for prior years | 195 | 49 |
| Impact of change in tax rates on deferred taxes | 1 123 | 195 |
| Impact on non-recognition of deferred income tax assets on current year losses | -104 | -587 |
| Net results of joint venture and associated companies | 119 | -95 |
| Other items | -642 | 730 |
| | | |
| **Total income taxes** | **-8 057** | **-10 370** |
| | | |
| Effective tax rate | -17.2% | -24.4% |

The impact of tax exempt income in 2015 is affected by derecognition of previously recognised contingent ccnsideration liability due to the actual consideration being lower than the carrying amount of the liability and remeasurement at fair value for some other contingent considerations.

Deferred tax assets and liabilities have been measured using the tax rates applicable on 2016 and onwards. Changes in future tax rates have taken place in Norway and Denmark.

### TAX EFFECTS OF COMPONENTS IN OTHER COMPREHENSIVE INCOME

| | 2015 | | | 2014 | | |
|---|---|---|---|---|---|---|
| (EUR 1 000) | BEFORE TAXES | TAX | AFTER TAXES | BEFORE TAXES | TAX | AFTER TAXES |
| Translation differences | -769 | – | -769 | -14 677 | – | -14 677 |
| Actuarial gains/losses on defined benefit plans | 1 291 | -284 | 1 007 | -3 291 | 724 | -2 567 |
| Cash flow hedges | 415 | -203 | 211 | 746 | -149 | 597 |
| Share of other comprehensive income in associates and joint ventures | -2 033 | – | -2 033 | -12 689 | – | -12 689 |
| Available for sale investments | -6 | – | -6 | -70 | – | -70 |
| **Total** | **-1 102** | **-487** | **-1 590** | **-29 981** | **575** | **-29 407** |

## 12. EARNINGS PER SHARE

| | 2015 | 2014 |
|---|---|---|
| Profit attributable to the parent company shareholders (EUR thousand) | 38 975 | 32 632 |
| | | |
| Weighted average number of outstanding shares, basic (thousand) | 107 735 | 107 718 |
| | | |
| Earnings per share, basic (EUR) | 0.36 | 0.30 |
| | | |
| Profit attributable to the parent company shareholders (EUR thousand) | 38 975 | 32 632 |
| | | |
| Weighted average number of shares, diluted (thousand) | 107 735 | 107 718 |
| | | |
| Earnings per share, diluted (EUR) | 0.36 | 0.30 |

## 13. GOODWILL AND OTHER INTANGIBLE ASSETS

### MOVEMENT IN GOODWILL AND OTHER INTANGIBLE ASSETS 2015

| (EUR 1 000) | GOODWILL | OTHER INTANGIBLE ASSETS | OTHER CAPITALISED LONG-TERM EXPENDITURE | TOTAL |
|---|---|---|---|---|
| Historical cost on 1 January | 145 251 | 50 349 | 31 467 | 227 066 |
| Exchange differences | −258 | −480 | 13 | −724 |
| Additions | – | 1 328 | 5 055 | 6 383 |
| Business combinations | 71 | 2 412 | – | 2 482 |
| Disposals | – | −543 | −43 | −586 |
| Reclassifications | −42 | −967 | 1 179 | 170 |
| Historical cost on 31 December | 145 022 | 52 100 | 37 670 | 234 791 |
| | | | | |
| Accumulated amortisation and impairment charges on 1 January | −5 471 | −29 323 | −5 772 | −40 567 |
| Exchange differences | 69 | 173 | −13 | 228 |
| Disposals | – | 527 | 43 | 570 |
| Reclassifications | 38 | −157 | −54 | −174 |
| Amortisation | – | −5 390 | −3 442 | −8 832 |
| Accumulated amortisation and impairment charges on 31 December | −5 366 | −34 170 | −9 239 | −48 774 |
| | | | | |
| Carrying value on 1 January | 139 780 | 21 026 | 25 695 | 186 500 |
| Carrying value on 31 December | 139 656 | 17 930 | 28 432 | 186 017 |

### MOVEMENT IN GOODWILL AND OTHER INTANGIBLE ASSETS 2014

| (EUR 1 000) | GOODWILL | OTHER INTANGIBLE ASSETS | OTHER CAPITALISED LONG-TERM EXPENDITURE | TOTAL |
|---|---|---|---|---|
| Historical cost on 1 January | 129 467 | 44 421 | 22 642 | 196 529 |
| Exchange differences | −5 558 | −2 221 | −51 | −7 830 |
| Additions | – | 420 | 8 876 | 9 296 |
| Business combinations | 20 431 | 7 722 | – | 28 153 |
| Disposals | – | −3 | – | −3 |
| Reclassifications | 911 | 10 | – | 921 |
| Historical cost on 31 December | 145 251 | 50 349 | 31 467 | 227 066 |
| | | | | |
| Accumulated amortisation and impairment charges on 1 January | −4 642 | −24 063 | −4 572 | −33 277 |
| Exchange differences | 77 | 1 218 | 49 | 1 344 |
| Business combinations | – | −51 | – | −51 |
| Disposals | – | 3 | – | 3 |
| Reclassifications | −907 | – | – | −907 |
| Amortisation | – | −6 429 | −1 249 | −7 679 |
| Accumulated amortisation and impairment charges on 31 December | −5 471 | −29 323 | −5 772 | −40 567 |
| | | | | |
| Carrying value on 1 January | 124 825 | 20 358 | 18 069 | 163 252 |
| Carrying value on 31 December | 139 780 | 21 026 | 25 695 | 186 500 |

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## IMPAIRMENT TESTING OF GOODWILL

Goodwill is allocated to groups of cash–generating units (CGUs). Operating countries Finland, Sweden, Norway and Denmark are each defined as CGUs. The Baltic States and Europe Central (Poland, Czech Republic and Slovakia) each form one CGU.

The goodwill allocated to CGUs is set out in the table below. CGUs are operating segments in accordance with IFRS 8 before assessment of aggregation criteria.

### ALLOCATION OF GOODWILL TO CASH–GENERATING UNITS

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Finland | 22 380 | 22 309 |
| Sweden | 68 898 | 67 410 |
| Norway | 27 183 | 28 870 |
| Denmark | 401 | 402 |
| The Baltic States | 10 298 | 10 298 |
| Europe Central | 10 496 | 10 491 |
| **Total** | **139 656** | **139 780** |

The goodwill is recorded in local currencies and currency exchange rate fluctuations affect the amounts of goodwill in euros.

Goodwill is subject to an annual impairment testing procedure by which its carrying amount is tested against its recoverable amount for each predetermined cash–generating unit (CGU). Impairment tests are made also when any triggering event of impairment is noted. An impairment loss is recognised if the carrying amount of the net assets (incl. goodwill) allocated to a CGU is higher than the CGU's recoverable amount. The recoverable amount of each CGU is determined by using the discounted cash flow (DCF) method.

In the impairment testing the estimates for the 2016 cash flows are based on the budget for the year 2016. The cash flow estimates projected for years 2017–2020 are based on management's views on the growth and profitability of business, as well as capital requirements.

In the medium term an EBIT margin of 18% is used in the testing for other segments except Denmark, for which an EBIT margin of 15% is used. The revenue/capital ratio of approximately 100% is used for testing on a Group level. The medium term growth varies between 2.0%–2.5% p.a. depending on each country's medium term growth and inflation expectations. The long term growth is estimated to be 2.0 % p.a. for all segments. It reflects both the expected growth and inflation in the operating country. The capital structure of CGU's used in the calculations reflects the target capital structure of Ramirent Group.

The most important assumptions, in addition to the future cash flow estimates, are those made on the weighted average cost of capital (WACC), which is used in discounting the future cash flows. The cost of capital also includes the risk–free interest rates and risk premiums in the different countries where the CGUs are operating. Debt/equity ratio of 30% / 70% has been used in the DCF–calculations. The elements affecting the WACC are Ramirent's capital structure, equity beta, the CGU specific cost of equity and the cost of interest–bearing debt.

Discount rate (pre–tax WACC) used in year 2015 impairment testing were slightly decreased compared to the previous testing.

The principal assumptions used in the year 2015 and 2014 impairment tests are set forth in the below two tables.

**YEAR 2015 IMPAIRMENT TEST**

| | FINLAND | SWEDEN | NORWAY | DENMARK | THE BALTIC STATES | POLAND, CZECH REPUBLIC AND SLOVAKIA |
|---|---|---|---|---|---|---|
| Growth in net sales *) | 2.0% | 6.2% | 3.4% | 6.8% | 7.1% | 5.5% |
| Long-term growth | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Average EBIT margin 2016–2020 | 15.8% | 16.7% | 13.3% | 9.0% | 20.4% | 15.0% |
| WACC (after tax) | 7.7% | 7.6% | 7.5% | 7.6% | 9.7% | 7.8% |
| WACC (pre-tax) | 9.1% | 9.2% | 9.4% | 9.2% | 11.1% | 9.2% |

*) Average growth in net sales (2016–2020) p.a.

**YEAR 2014 IMPAIRMENT TEST**

| | FINLAND | SWEDEN | NORWAY | DENMARK | THE BALTIC STATES | POLAND, CZECH REPUBLIC AND SLOVAKIA |
|---|---|---|---|---|---|---|
| Growth in net sales *) | 2.8% | 6.8% | 2.8% | 5.3% | 5.3% | 8.2% |
| Long-term growth | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Average EBIT margin 2015–2019 | 17.2% | 18.7% | 16.9% | 7.4% | 19.5% | 15.4% |
| WACC (after tax) | 8.3% | 8.3% | 8.3% | 8.1% | 10.5% | 8.9% |
| WACC (pre-tax) | 9.9% | 10.1% | 10.6% | 9.9% | 12.1% | 10.5% |

*) Average growth in net sales (2015–2019) p.a.

The impairment test has been done on the assets as per 31 October 2015. The previous impairment test was done as per 31 October 2014.

Based on the impairment test 2015 and 2014, the recoverable amounts of the CGUs are higher than their carrying amounts for all units.

**Sensitivity analysis**

The main element of uncertainty connected with impairment testing is the management's assumption on future EBIT level for each CGU. The outcome of future year EBIT is in turn dependent on the outcome of the estimated future net sales and the EBIT %.

The table below shows the amounts by which the units' DCF less interest-bearing liabilities exceeds its carrying amount:

| (MEUR) | 2015 | 2014 |
|---|---|---|
| Finland | 237.2 | 227.5 |
| Sweden | 337.9 | 322.5 |
| Norway | 132.6 | 144.2 |
| Denmark | 34.6 | 39.7 |
| The Baltic States | 28.1 | 15.9 |
| Europe Central | 77.3 | 66.3 |

The below tables show the required decline of estimated future free cash flow and the increase in discount rate per segment which would cause the recoverable amount of a CGU to equal the carrying amount of that CGU.

**DECLINE OF FREE CASH FLOW**

| | 2015 | 2014 |
|---|---|---|
| Finland | -60.7% | -60.6% |
| Sweden | -53.8% | -54.9% |
| Norway | -43.4% | -41.1% |
| Denmark | -51.9% | -52.8% |
| The Baltic States | -30.9% | -22.6% |
| Europe Central | -54.1% | -49.7% |



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Free cash flow comprises of EBIT added by depreciations and amortisations deducted by net capital expenditure and change in working capital.

### INCREASE IN DISCOUNT RATE (PRE-TAX), PERCENTAGE-POINT

| | 2015 | 2014 |
|---|---|---|
| Finland | 10.4% | 13.0% |
| Sweden | 7.4% | 10.9% |
| Norway | 5.9% | 7.3% |
| Denmark | 3.9% | 7.1% |
| The Baltic States | 4.3% | 2.9% |
| Europe Central | 7.0% | 7.2% |

## 14. PROPERTY, PLANT AND EQUIPMENT

### MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT 2015

| (EUR 1 000) | LAND | BUILDINGS & STRUCTURES | MACHINERY & EQUIPMENT | LEASED MACHINERY & EQUIPMENT | OTHER TANGIBLE ASSETS | TOTAL |
|---|---|---|---|---|---|---|
| Historical cost on 1 January | 973 | 12 201 | 996 287 | 950 | 13 255 | 1 023 666 |
| Exchange differences | – | -214 | -4 589 | 21 | -210 | -4 993 |
| Additions | 1 261 | 1 279 | 123 028 | – | 949 | 126 517 |
| Business combinations | – | – | 3 098 | – | – | 3 098 |
| Disposals | -98 | -876 | -15 512 | – | -1 450 | -17 936 |
| Reclassifications | – | 970 | -55 149 | – | 1 861 | -52 318 |
| Historical cost on 31 December | 2 136 | 13 360 | 1 047 163 | 971 | 14 405 | 1 078 035 |
| | | | | | | |
| Accumulated depreciation on 1 January | – | -7 556 | -600 539 | -938 | -8 633 | -617 666 |
| Exchange differences | – | 175 | 3 077 | -21 | 247 | 3 478 |
| Disposals | – | 515 | 15 185 | – | 1 378 | 17 079 |
| Reclassifications | – | -699 | 47 784 | – | -1 087 | 45 997 |
| Depreciation | – | -725 | -98 891 | -11 | -1 652 | -101 278 |
| Accumulated depreciation on 31 December | – | -8 289 | -633 384 | -971 | -9 746 | -652 390 |
| | | | | | | |
| Carrying value on 1 January | 973 | 4 645 | 395 749 | 11 | 4 622 | 406 001 |
| Carrying value on 31 December | 2 136 | 5 071 | 413 780 | – | 4 659 | 425 645 |

### MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT 2014

| (EUR 1 000) | LAND | BUILDINGS & STRUCTURES | MACHINERY & EQUIPMENT | LEASED MACHINERY & EQUIPMENT | OTHER TANGIBLE ASSETS | TOTAL |
|---|---|---|---|---|---|---|
| Historical cost on 1 January | 1 075 | 19 175 | 1 008 825 | 1 007 | 12 252 | 1 042 333 |
| Exchange differences | 1 | -803 | -37 691 | -57 | -497 | -39 048 |
| Additions | – | 339 | 86 825 | – | 126 | 87 290 |
| Business combinations | – | 368 | 21 751 | – | 421 | 22 540 |
| Disposals | – | -6 873 | -8 038 | – | -547 | -15 458 |
| Reclassifications | -102 | -5 | -75 384 | – | 1 500 | -73 991 |
| Historical cost on 31 December | 973 | 12 201 | 996 287 | 950 | 13 255 | 1 023 666 |
| | | | | | | |
| Accumulated depreciation on 1 January | – | -7 661 | -595 174 | -901 | -6 366 | -610 102 |
| Exchange differences | – | 311 | 23 852 | 52 | 314 | 24 529 |
| Business combinations | – | -118 | -2 201 | – | -62 | -2 381 |
| Disposals | – | 552 | 5 808 | – | 408 | 6 768 |
| Reclassifications | – | 148 | 66 336 | -54 | -859 | 65 572 |
| Depreciation | – | -788 | -99 160 | -36 | -2 069 | -102 053 |
| Accumulated depreciation on 31 December | – | -7 556 | -600 539 | -938 | -8 633 | -617 666 |
| | | | | | | |
| Carrying value on 1 January | 1 075 | 11 514 | 413 651 | 106 | 5 885 | 432 232 |
| Carrying value on 31 December | 973 | 4 645 | 395 749 | 11 | 4 622 | 406 001 |

## 15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The amounts recognised in the balance sheet are as follows:

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Investments in associates | 806 | 877 |
| Investments in joint ventures | 3 490 | 4 401 |
| **Carrying value on 31 December** | **4 296** | **5 278** |

### INVESTMENTS IN JOINT VENTURES

Ramirent has two joint arrangements: Fortrent Oy with subsidiaries operating in Russia and Ukraine and Fehmarnbelt Solution Services A/S in Denmark.

Fehmarnbelt Solution Services A/S was established in Denmark in 2015 to serve the cross-border Fehmarnbelt tunnel construction project. As the project has been postponed the operations of Fehmarnbelt Solution Services A/S have not yet started.

### INFORMATION ON FORTRENT JOINT VENTURE

| NAME OF COMPANY | INDUSTRY | DOMICILE | INTEREST HELD 2015 | INTEREST HELD 2014 |
|---|---|---|---|---|
| Fortrent Oy | Equipment rental | Helsinki | 50% | 50% |

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Opening net assets | 6 086 | 32 512 |
| Result for the period | 780 | −1 048 |
| Other comprehensive income | −4 065 | −25 378 |
| **Closing net assets** | **2 801** | **6 086** |
| | | |
| Interest in joint venture (50%) | 1 401 | 3 043 |
| Transaction costs | 1 358 | 1 358 |
| **Carrying value 31 December** | **2 758** | **4 401** |
| | | |
| **Loans granted to Fortrent** | **15 267** | **17 656** |

Fortrent is the leading company in the construction machinery and equipment rental markets in Russia and Ukraine. Fortrent Oy was established in the end of 2012 and operations of the Fortrent Group started in 2013. Fortrent is owned and controlled jointly by Cramo (50 percent) and Ramirent (50 percent). Ramirent has classified its interest in Fortrent as a joint venture. Ramirent presents its share of the profit of the joint venture above EBIT using the equity method of accounting.

In the end of 2014 Fortrent recognised an impairment of EUR 0.5 million on goodwill related to its Ukrainian operations. The impairment loss was recognised based on the results of an impairment test where the Ukrainian goodwill was monitored against its recoverable amout. The uncertainty in Fortrent's markets in Russia and Ukraine and weakening of the Russian rouble that continued until the end of 2014 were taken into account in the testing. After the impairment testing, there is no more goodwill related to the Ukrainian operations left.

Summarised financial information on Fortrent is presented in the following table. Fortrent prepares its consolidated financial statements in accordance with IFRS and there are no major differences to Ramirent's accounting policies.

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## SUMMARISED STATEMENT OF FINANCIAL POSITION

| (EUR 1 000) | 31 DEC, 2015 | 31 DEC, 2014 |
|---|---|---|
| **Non-current assets** | | |
| Goodwill | 4 321 | 4 819 |
| Intangible assets | 4 440 | 5 579 |
| Other non-current asset | 21 462 | 28 169 |
| Deferred tax asset | 2 144 | 2 283 |
| **Total non-current assets** | **32 367** | **40 850** |
| | | |
| **Current assets** | | |
| Cash and cash equivalents | 894 | 811 |
| Other current assets (excluding cash) | 5 393 | 5 910 |
| **Total current assets** | **6 287** | **6 721** |
| | | |
| **TOTAL ASSETS** | **38 654** | **47 572** |
| | | |
| **Non-current liabilities** | | |
| Interest-bearing liabilities | 30 533 | 35 311 |
| Other non-current liabilities (Deferred tax liability) | 2 439 | 2 868 |
| **Total non-current liabilities** | **32 972** | **38 179** |
| | | |
| **Current liabilities** | | |
| Other current liabilities | 2 881 | 3 305 |
| **Total current liabilities** | **2 881** | **3 305** |
| | | |
| **TOTAL LIABILITIES** | **35 853** | **41 484** |
| | | |
| **NET ASSETS** | **2 801** | **6 086** |

## SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

| (EUR 1 000) | JAN-DEC 2015 | JAN-DEC 2014 |
|---|---|---|
| **Revenue** | **30 503** | **37 970** |
| Materials and Services | -9 466 | -10 674 |
| Other expenses | -10 898 | -14 279 |
| Depreciation | -7 864 | -10 983 |
| **EBITA** | **2 275** | **2 034** |
| Amortisation | -758 | -1 528 |
| Interest expense | -887 | -1 120 |
| Other financial expenses | -87 | -798 |
| **EBT** | **543** | **-1 412** |
| Income taxes | 237 | 364 |
| **Profit for the year** | **780** | **-1 048** |
| Other comprehensive income | -4 065 | -25 378 |
| **Total comprehensive income** | **-3 285** | **-26 426** |

Fortrent had commitments amounting to EUR 133 (240) thousand.
Average number of personnel (FTE) was 348 (371).

## INVESTMENTS IN ASSOCIATES

Information about the Group's immaterial associated company is presented below:

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Ramirent's share of profit for the period | 158 | 38 |
| **Carrying value on 31 December** | **806** | **877** |

## 16. NON–CURRENT LOAN RECEIVABLES

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Non–current loan receivables from the joint venture | 15 267 | 17 656 |
| Non–current loan receivables from others | 11 | 11 |
| **Carrying value on 31 December** | **15 277** | **17 666** |

Non–current loan receivables include mostly loan receivables from the joint venture Fortrent.

## 17. AVAILABLE–FOR–SALE FINANCIAL ASSETS

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Other shares | 134 | 139 |
| **Carrying value on 31 December** | **134** | **139** |

Available–for–sale financial assets include shares in non–listed companies in Finland and Norway.

## 18. DEFERRED TAX ASSETS AND LIABILITIES

### MOVEMENT IN DEFERRED TAX ASSETS IN YEAR 2015

| (EUR 1 000) | BALANCE ON 1 JAN. | RECOGNISED IN INCOME STATEMENT | RECOGNISED IN OTHER COMPREHENSIVE INCOME | EXCHANGE DIFFERENCES | ACQUISITIONS/ DISPOSALS | RECLASS- IFICATION | BALANCE ON 31 DEC. |
|---|---|---|---|---|---|---|---|
| Tax losses carried forward | 1 498 | -145 | – | 1 | – | – | 1 352 |
| Fair value adjustments | 1 300 | 508 | -1 380 | – | – | 236 | 664 |
| Pension obligations | 1 864 | – | -284 | 38 | – | – | 1 618 |
| Other temporary differences | 1 922 | -872 | – | 38 | – | -236 | 853 |
| **Total** | **6 584** | **-508** | **-1 664** | **75** | **–** | **–** | **4 487** |
| | | | | | | | |
| Effect of netting | -5 979 | | | | | | -3 635 |
| Deferred tax assets reported in financial statements | 605 | | | | | | 852 |

### MOVEMENT IN DEFERRED TAX LIABILITIES IN YEAR 2015

| (EUR 1 000) | BALANCE ON 1 JAN. | RECOGNISED IN INCOME STATEMENT | RECOGNISED IN OTHER COMPREHENSIVE INCOME | EXCHANGE DIFFERENCES | ACQUISITIONS/ DISPOSALS | RECLASS- IFICATION | BALANCE ON 31 DEC. |
|---|---|---|---|---|---|---|---|
| Adjustments to fair value of non–current assets due to business combinations | 16 958 | -2 061 | – | -351 | 482 | – | 15 028 |
| Accumulated depreciation in excess of plan | 33 487 | 1 083 | – | 340 | – | – | 34 910 |
| Other taxable temporary differences | 6 332 | -2 089 | -1 162 | -201 | – | – | 2 880 |
| **Total** | **56 777** | **-3 067** | **-1 162** | **-212** | **482** | **–** | **52 818** |
| | | | | | | | |
| Effect of netting | -5 979 | | | | | | -3 635 |
| Deferred tax liabilities reported in financial statements | 50 798 | | | | | | 49 183 |

Consolidated financial statements include deferred tax assets on tax losses carried forward in subsidiaries that have been loss–making in current or earlier financial periods. Group management has assessed the subsidiaries' potential to utilise these losses during the utilisation period in each subsidiary. This assessment is based on the best available information of the future outlook in the subsidiaries. A deferred tax asset is not recognised in case there is not sufficient certainty about the subsidiaries' potential to utilise the losses. Total amount of unused tax losses for which no deferred tax asset is recognised is 5.8 EUR million (EUR 4.5 million in 2014).

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 35 36 37 38

### MOVEMENT IN DEFERRED TAX ASSETS IN YEAR 2014

| (EUR 1 000) | BALANCE ON 1 JAN. | RECOGNISED IN INCOME STATEMENT | RECOGNISED IN OTHER COMPREHENSIVE INCOME | EXCHANGE DIFFERENCES | ACQUISITIONS/ DISPOSALS | RECLASSIFICATION | BALANCE ON 31 DEC. |
|---|---|---|---|---|---|---|---|
| Tax losses carried forward | 1 792 | −295 | – | 1 | – | – | 1 498 |
| Fair value adjustments | 1 666 | −222 | −144 | – | – | – | 1 300 |
| Pension obligations | 1 198 | 11 | 724 | −69 | – | – | 1 864 |
| Other temporary differences | 1 862 | 152 | – | −91 | – | – | 1 922 |
| **Total** | **6 518** | **−354** | **580** | **−160** | **–** | **–** | **6 584** |
| | | | | | | | |
| Effect of netting | −5 871 | | | | | | −5 979 |
| Deferred tax assets reported in financial statements | 647 | | | | | | 605 |

### MOVEMENT IN DEFERRED TAX LIABILITIES IN YEAR 2014

| (EUR 1 000) | BALANCE ON 1 JAN. | RECOGNISED IN INCOME STATEMENT | RECOGNISED IN OTHER COMPREHENSIVE INCOME | EXCHANGE DIFFERENCES | ACQUISITIONS/ DISPOSALS | RECLASSIFICATION | BALANCE ON 31 DEC. |
|---|---|---|---|---|---|---|---|
| Adjustments to fair value of non-current assets due to business combinations | 16 917 | −1 000 | 5 | −528 | 1 564 | – | 16 958 |
| Accumulated depreciation in excess of plan | 35 017 | 114 | – | −1 750 | 106 | – | 33 487 |
| Other taxable temporary differences | 8 223 | −1 178 | −22 | −691 | – | – | 6 332 |
| **Total** | **60 157** | **−2 064** | **−17** | **−2 969** | **1 670** | **–** | **56 777** |
| | | | | | | | |
| Effect of netting | −5 871 | | | | | | −5 979 |
| Deferred tax liabilities reported in financial statements | 54 286 | | | | | | 50 798 |

## 19. INVENTORIES

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Goods for sale | 14 163 | 9 844 |
| Spare parts and accessories to be consumed in rendering of services | 1 749 | 2 587 |
| **Carrying value on 31 December** | **15 912** | **12 431** |

In 2015, consumables and changes in inventories included in “Materials and Services” amounted to EUR 27.4 million (in 2014 EUR 19.4 million).

## 20. TRADE AND OTHER RECEIVABLES

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Trade receivables | 105 554 | 106 801 |
| Allowance for bad debt | −9 348 | −12 877 |
| Other receivables | 2 297 | 3 052 |
| Prepayments and accrued income | 18 948 | 12 394 |
| **Carrying value on 31 December** | **117 450** | **109 370** |

### PREPAYMENTS AND ACCRUED INCOME CONSIST OF

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Accrued rental income | 10 631 | 3 970 |
| Accrued interest income | – | 65 |
| VAT receivables | 274 | 156 |
| Prepaid insurance expenses | 274 | 332 |
| Prepaid property operating leases | 1 331 | 1 498 |
| Prepaid other operating leases | 2 077 | 1 603 |
| Other prepayments | 4 360 | 4 769 |
| **Total** | **18 948** | **12 394** |

## 21. CASH AND CASH EQUIVALENTS

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Cash at banks and in hand | 571 | 3 129 |
| **Carrying value on 31 December** | 571 | 3 129 |

Fair value of cash and cash equivalents equals their carrying value.

## 22. EQUITY

| (EUR 1 000) | NUMBER OF SHARES (THOUSAND) | NUMBER OF TREASURY SHARES (THOUSAND) | SHARE CAPITAL |
|---|---|---|---|
| Carrying value on 31 December 2013 | 108 697 | 999 | 25 000 |
| Carrying value on 31 December 2014 | 108 697 | 974 | 25 000 |
| Carrying value on 31 December 2015 | 108 697 | 961 | 25 000 |

### NUMBER OF SHARES AND SHARE CAPITAL

The company's share capital on 31 December 2015 consists of 108,697,328 shares the counter–book value of which is EUR 0.2300 per share. The company has one class of shares, each share giving equal voting right of one vote per share. At the end of 2015, Ramirent Plc held 960,649 own shares.

### AUTHORISATION OF THE BOARD OF DIRECTORS TO REPURCHASE THE COMPANY'S OWN SHARES

Ramirent's Board of Directors is authorised until the Annual General Meeting in 2016 to decide on the repurchase of a maximum of 10,869,732 Company's shares. The authorisation contains also an entitlement for the Company to accept own shares as pledge.

The authorisation to repurchase the Company's own shares was not used in 2015.

### AUTHORISATION OF THE BOARD OF DIRECTORS TO DECIDE ON THE SHARE ISSUE AND THE ISSUANCE OF OPTION RIGHTS, CONVERTIBLE BONDS AND/OR SPECIAL RIGHTS

Ramirent's Board of Directors is authorised to decide on the issuance of a maximum of 21,739,465 new shares and on the conveyance of a maximum of 10,869,732 own shares held by the Company. The authorisation is valid for three (3) years from the resolution of the year 2013 Annual General Meeting.

New shares may be issued and own shares conveyed against payment to the shareholders in proportion to their current shareholdings; or through a directed share issue or conveyance if the Company has a significant financial reason to do so, such as using the shares as consideration in mergers and acquisitions and other business arrangements, to finance investments or as a part of the Company's incentive programme for personnel.

The Board of Directors has the right to decide that the amount payable for issued new shares or conveyed own shares shall be either entirely or partially entered into the invested unrestricted equity fund.

The Board of Directors is entitled to decide on other terms of the share issue.

### AUTHORISATION OF THE BOARD OF DIRECTORS TO DECIDE ON THE PAYMENT OF ADDITIONAL DIVIDEND

Ramirent's Board of Directors is authorised until the Annual General Meeting in 2016 to decide on at its discretion on the payment of additional dividend based on the adopted balance sheet for the financial year ended on 31 December 2014. The amount of the additional dividend may not exceed EUR 0.60 per share. The authorisation was not used in 2015

### DIRECTED SHARE ISSUE WITH OWN SHARES

On 11 February, 2015 the Board decided, based on the share issue authorisation granted by the AGM, to convey 13,308 of the company's own shares, held by the company, without cash payment to the key persons of the Group as a settlement of the Performance Share Programme 2012. As the programme was set to combine the objectives of the shareholders and the key persons of the Group in order to increase the value of the company, there was an especially weighty financial reason for the directed share conveyance. The value of the issued shares, EUR 95,038, was recognised in the invested unrestricted equity fund.

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## SHAREHOLDERS

| ON 31 DECEMBER 2015 | NUMBER OF SHARES | % OF SHARES AND VOTING RIGHTS |
|---|---|---|
| Nordstjernan AB | 30 393 716 | 27.96% |
| Oy Julius Tallberg Ab | 12 207 229 | 11.23% |
| Nordea Funds | 5 496 369 | 5.06% |
| Varma Mutual Pension Insurance Company | 3 640 865 | 3.35% |
| Ilmarinen Mutual Pension Insurance Company | 3 445 154 | 3.17% |
| Aktia Funds | 2 168 835 | 2.00% |
| Ramirent Oyj treasury shares | 960 649 | 0.88% |
| Pensionsförsäkringsaktiebolaget Veritas | 721 180 | 0.66% |
| Föreningen Konstsamfundet R.F. | 593 500 | 0.55% |
| The State Pension Fund | 532 000 | 0.49% |
| Other shareholders | 48 537 831 | 44.65% |
| **Total** | **108 697 328** | **100.00%** |

| ON 31 DECEMBER 2014 | NUMBER OF SHARES | % OF SHARES AND VOTING RIGHTS |
|---|---|---|
| Nordstjernan AB | 31 303 716 | 28.80% |
| Oy Julius Tallberg Ab | 12 207 229 | 11.23% |
| Nordea Funds | 5 206 687 | 4.79% |
| Ilmarinen Mutual Pension Insurance Company | 3 945 154 | 3.63% |
| Varma Mutual Pension Insurance Company | 3 640 865 | 3.35% |
| Aktia Funds | 2 215 562 | 2.04% |
| ODIN Funds | 1 151 142 | 1.06% |
| Fondita Funds | 997 000 | 0.92% |
| Ramirent Oyj treasury shares | 973 957 | 0.90% |
| Pensionsförsäkringsaktiebolaget Veritas | 807 136 | 0.74% |
| Other shareholders | 46 248 880 | 42.55% |
| **Total** | **108 697 328** | **100.00%** |

## 23. PENSION OBLIGATIONS

Ramirent has recognised its post–employment benefit arrangements by means of defined contribution pension plans and defined benefit pension plans. Ramirent has a defined benefit pension plan which are administrated by insurance companies, in Sweden.

The future pension benefit at the time of retirement for the employees covered by the defined benefit pension plans is determined on the basis of certain factors e.g. the salary level and the total number of years of service.

The total pension expenses recognised in the income statement and the split of them into defined benefit and defined contribution pension plan expenses are set forth in the below table.

### PENSION COSTS RECOGNISED IN INCOME STATEMENT

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Defined benefit pension plan expenses | −1 583 | −1 341 |
| Defined contribution pension plan expenses | −10 127 | −8 560 |
| | **−11 709** | **−9 900** |

### ELEMENTS OF DEFINED BENEFIT PENSION PLAN EXPENSES

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Current service cost | −1 073 | −773 |
| Interest cost | −509 | −568 |
| | **−1 583** | **−1 341** |

## ELEMENTS OF DEFINED BENEFIT PLAN NET OBLIGATION

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Present value of unfunded obligations | 18 009 | 17 491 |
| Net obligation on 31 December | 18 009 | 17 491 |
| | | |
| Amounts recognised in the balance sheet | | |
| Liabilities | 18 009 | 17 491 |
| Net liability | 18 009 | 17 491 |

## CHANGE OF THE PRESENT VALUE OF THE DEFINED BENEFIT PENSION OBLIGATIONS

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Present value of obligation on 1 January | 17 491 | 13 923 |
| Exchange differences | 402 | –887 |
| Current service cost | 1 073 | 773 |
| Interest cost | 509 | 568 |
| Experience adjustments to plan liabilities | 547 | 145 |
| Actuarial gains (–) and losses (+) arising from changes in financial assumptions | –1 838 | 3 146 |
| Benefits paid | –176 | –177 |
| **Present value of obligation on 31 December** | **18 009** | **17 491** |

## PRINCIPAL ACTUARIAL ASSUMPTIONS

| | 2015 | 2014 |
|---|---|---|
| Discount rate | | |
| Sweden | 3.20% | 2.75% |
| Norway | – | 3.00% |
| | | |
| Future salary increase expectation | | |
| Sweden | 3.00% | 3.00% |
| Norway | – | 3.25% |
| | | |
| Future benefit increase expectation | | |
| Sweden | 1.50% | 1.50% |
| Norway | – | 1.40% |

## PRESENT VALUE OF THE DEFINED BENEFIT PENSION OBLIGATION AND FAIR VALUE OF PLAN ASSETS AT YEAR END

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Present value of the defined benefit obligation | 18 009 | 17 491 |
| Surplus (–) / deficit (+) | 18 009 | 17 491 |
| | | |
| Experience adjustments to plan liabilities | 547 | 145 |

The estimated year 2016 employer contributions amount to EUR 0.2 million (year 2015 estimate was EUR 0.2 million at year end 2014).

Ramirent has in Sweden a pension plan ITP 2, which is an additional pension plan for private sector officials. The pension plan has been arranged by an external insurance company.

## SENSITIVITY ANALYSIS

### SENSITIVITY ANALYSIS OF DISCOUNT RATE +/– 0.5%

| | 2.70% | 3.20% | 3.70% |
|---|---|---|---|
| Present value of obligation 31 December 2015 | 20 079 | 18 009 | 16 235 |

### SENSITIVITY ANALYSIS OF DISCOUNT RATE +/– 0.5%

| | 2.25% | 2.75% | 3.25% |
|---|---|---|---|
| Present value of obligation 31 December 2014 | 19 598 | 17 485 | 15 660 |

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This additional pension plan in Sweden does not include any plan assets thus the Group is not exposed to risks related to changes in assets fair values. Risks relate only to increase in defined benefit obligation. Increase in obligation may be due to changes in actuarial assumptions and most significant assumptions are referred earlier in section "Principal actuarial assumptions". Changes in actuarial assumptions effect to the amount of obligation according to amended IAS 19 through other comprehensive income. Therefore the Groups profit or loss does not significantly expose to volatility caused by changes in actuarial assumptions.

## 24. PROVISIONS

Recognised provisions relate mainly to restructuring. Restructuring provisions are disaggregated into provisions for termination benefits, terminated lease agreement for premises and terminated lease agreements for rental machinery and other restructuring costs. Other provisions include also environmental provisions related to sold properties in Sweden.

### CARRYING VALUE ON 31 DECEMBER

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Non–current provisions | 2 234 | 2 371 |
| Current provisions | 920 | 1 455 |
| **Total** | **3 154** | **3 827** |

### MOVEMENTS IN PROVISIONS PER CATEGORY 2015

| (EUR 1 000) | TERMINATION BENEFITS | LEASES OF PREMISES | OTHER PROVISIONS | TOTAL |
|---|---|---|---|---|
| Provisions on 1 January | 954 | 2 278 | 595 | 3 827 |
| Provisions made during the period | 598 | 740 | 138 | 1 477 |
| Provisions used during the period | –583 | –691 | –17 | –1 291 |
| Provisions reversed during the period | –407 | –305 | –84 | –796 |
| Exchange differences | –37 | –36 | 11 | –61 |
| **Provisions on 31 December** | **525** | **1 985** | **644** | **3 154** |
| | | | | |
| **Expected timing of outflows:** | | | | |
| During 2016 | 525 | 684 | 335 | 1 544 |
| During 2017 | – | 588 | 309 | 897 |
| During 2018 | – | 421 | – | 421 |
| During 2019 | – | 87 | – | 87 |
| Later | – | 205 | – | 205 |
| **Total** | **525** | **1 985** | **644** | **3 154** |

### MOVEMENTS IN PROVISIONS PER CATEGORY 2014

| (EUR 1 000) | TERMINATION BENEFITS | LEASES OF PREMISES | OTHER PROVISIONS | TOTAL |
|---|---|---|---|---|
| Provisions on 1 January | 207 | 796 | 859 | 1 862 |
| Provisions made during the period | 1 173 | 2 078 | 30 | 3 280 |
| Provisions used during the period | –219 | –415 | –176 | –810 |
| Provisions reversed during the period | –206 | –290 | –133 | –629 |
| Exchange differences | – | 110 | 15 | 125 |
| **Provisions on 31 December** | **954** | **2 278** | **595** | **3 827** |
| | | | | |
| **Expected timing of outflows:** | | | | |
| During 2015 | 954 | 433 | 68 | 1 455 |
| During 2016 | – | 569 | 35 | 604 |
| During 2017 | – | 610 | 34 | 644 |
| During 2018 | – | 232 | 34 | 266 |
| Later | – | 434 | 424 | 858 |
| **Total** | **954** | **2 278** | **595** | **3 827** |

## 25. INTEREST–BEARING LIABILITIES

### INTEREST–BEARING LIABILITIES ON 31 DECEMBER 2015

| (EUR 1 000) | CURRENT | NON–CURRENT | TOTAL |
|---|---|---|---|
| Loans from financial institutions | 12 906 | 83 762 | 96 667 |
| Bond | – | 99 458 | 99 458 |
| Commercial papers | 85 300 | – | 85 300 |
| **Total** | **98 206** | **183 220** | **281 425** |

### INTEREST–BEARING LIABILITIES ON 31 DECEMBER 2014

| (EUR 1 000) | CURRENT | NON–CURRENT | TOTAL |
|---|---|---|---|
| Loans from financial institutions | 514 | 106 244 | 106 759 |
| Bond | – | 99 300 | 99 300 |
| Commercial papers | 23 000 | – | 23 000 |
| Other liabilities | – | 1 140 | 1 140 |
| **Total** | **23 514** | **206 685** | **230 198** |

## 26. OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities comprise noncurrent portion of contingent considerations and other liabilities for the purchase prices of acquired subsidiaries and business operations. Total amount of contingent consideration liabilities including the short term portion is EUR 10.1 (25.5) million. As the valuation of contingent considerations is not based on observable market data, they are classified as level III liabilities in the fair value hierarchy.

## 27. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

### CARRYING VALUE ON 31 DECEMBER

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Trade payables | 34 562 | 27 962 |
| Other current liabilities | 13 385 | 19 024 |
| Accrued expenses and deferred income | 39 308 | 45 563 |
| Advances received | 276 | 248 |
| **Total** | **87 532** | **92 798** |

### ACCRUED EXPENSES AND DEFERRED INCOME CONSIST OF

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Accrued interest expenses | 5 218 | 6 460 |
| Accrued employee–related expenses | 15 115 | 15 993 |
| Deferred income | 963 | 1 486 |
| Other items | 18 013 | 21 625 |
| **Total** | **39 308** | **45 563** |

The short–term part of liabilities for the purchase price of acquired subsidiaries and business operations, EUR 0.7 (5.6) million are included in other liabilities in the above table.

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## 28. ACQUISITIONS AND DISPOSALS

### ACQUISITIONS OF SUBSIDIARIES AND BUSINESS OPERATIONS EXECUTED IN 2015

Ramirent acquired on 25 November 2015 equipment, machinery operations and personnel from Hartela-yhtiöt Oy in Finland. In addition Ramirent and Hartel signed a five-year cooperation agreement on equipment rental and related services. The operations related to Hartela's equipment management activities in Finland have an annual turnover of approximately EUR 4 million and have employed 13 persons that will now move to Ramirent as part of the agreement. According to the cooperation agreement Hartela will rent the machines needed in its Finnish operations from Ramirent.

#### CONSIDERATIONS AT 31 DECEMBER 2015

| (EUR 1 000) | 2015 |
|---|---|
| **Considerations** | |
| Cash | 5 200 |
| Contingent considerations | – |
| **Total consideration** | **5 200** |

#### RECOGNISED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

| (EUR 1 000) | 2015 |
|---|---|
| Intangible non-current assets | 2 412 |
| Property, plant and equipment | 3 098 |
| Inventories | 102 |
| Deferred tax liabilities | –482 |
| **Total identifiable net assets** | **5 129** |
| | |
| **Goodwill** | **71** |
| | |
| **Acquistion related costs** | **–** |

The goodwill arising from the business combinations is attributable mainly to synergies and competent workforce. Goodwill includes synergies that represent those intangibles that do not qualify for a recognition as a separate intangible asset such as benefits through increased attainable volumes in the market areas, where acquired businesses operate and personnel in acquired businesses as well as all kind of benefits that are connected with scale.

No acquisition–related costs were incurred during 2015. Consolidated income statement includes revenue of acquirees after acquisition date EUR 0.2 million and net profit for the financial year includes profit of acquirees after acquisition date EUR 0.0 million.

### ACQUISITIONS OF SUBSIDIARIES AND BUSINESS OPERATIONS EXECUTED IN 2014

Ramirent acquired on 10 March 2014 the telehandler business of Kurko–Koponen Companies, a leading telehandler equipment rental provider in Finland. In addition, Ramirent signed a co–operation agreement with Kurko–Koponen for telehandler operator services. The annual rental volume of the acquired telehandler business is approximately EUR 6 million and 7 employees working with telehandlers moved to Ramirent. The acquisition was effective from 1 April 2014.

Ramirent acquired on 24 April 2014 a majority stake in Safety Solutions Jonsereds AB, a Sweden–based company specialised in developing and planning fall protection and safety systems for the construction industry. The company's 18 employees are reported at Ramirent.

Ramirent acquired on 6 June 2014 the weather shelter and scaffolding division DCC (Dry Construction Concept) of NSS Group AB. The annual sales volume of the DCC division is approximately EUR 16 million and 120 persons moved to Ramirent.

Ramirent acquired on 9 June 2014 significant parts of equipment fleet from Empower Oy and signed a five–year co–operation agreement with Empower for rental services in Finland. The expected annual sales level of the agreement is approximately EUR 1.0 million.

Ramirent signed on 17 July 2014 a contract with German–based Zeppelin Rental to form a joint venture in preparation for serving the cross–border Fehmarnbelt tunnel construction project between Germany and Denmark. The formation of the joint venture Fehmarnbelt Solution Services A/S was closed on 12 January 2015. The transaction is not reflected in the financial statements for 2014.

Ramirent acquired on 9 October 2014 the fleet of tower cranes from Hartela Oy and signed a five–year cooperation agreement with Hartela.

In addition to tower cranes the agreement covers the whole assortment of machines and services from Ramirent. As part of the agreement three employees will move to Ramirent.

Ramirent acquired 12 November 2014 the business operations of Finland-based Savonlinnan Rakennuskonevuokraamo Oy, the leading machine rental company in the Savonlinna and Joensuu areas, with annual net sales about EUR 2 million. Ten employees will move to Ramirent. The acquisition strengthens Ramirent's local positioning among small and medium-sized customers.

A summary of the above year 2014 acquisitions is set out below. The acquisitions have been converted to euros by using the exchange rates prevailing at the acquisition dates.

## CONSIDERATIONS AT 31 DECEMBER 2014

| (EUR 1 000) | 2014 |
|---|---|
| **Considerations** | |
| Cash | 31 000 |
| Contingent considerations | 15 366 |
| **Total consideration** | **46 366** |

## RECOGNISED AMOUNTS OF IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

| (EUR 1 000) | 2014 |
|---|---|
| Intangible non-current assets | 7 861 |
| Property, plant and equipment | 20 271 |
| Inventories | 15 |
| Trade and other receivables | 4 454 |
| Cash and cash equivalents | 1 128 |
| Deferred tax liabilities | -1 640 |
| Other non-current liabilities | -2 166 |
| Trade payables and other current liabilities | -3 240 |
| **Total identifiable net assets** | **26 682** |
| | |
| **Non-controlling interest** | **1 260** |
| | |
| **Goodwill** | **20 944** |
| | |
| **Acquisition related costs** | **304** |

In some of the acquisitions Ramirent agreed to pay contingent consideration to the sellers. The contingent condideration is based on achieving set financial targets. A portion of the contingent consideration in some of the acquisitions is based on terms that certain key employees provide agreed services to Ramirent Group in connection with taking over phase of the acquired businesses. Such portion is accounted for as employee benefits over service period.

The goodwill arising from the business combinations is attributable mainly to synergies and competent workforce. Goodwill includes synergies that represent those intangibles that do not qualify for a recognition as a separate intangible asset such as benefits through increased attainable volumes in the market areas, where acquired businesses operate and personnel in acquired businesses as well as all kind of benefits that are connected with scale.

EUR 3.3 million of the goodwill recognised is expected to be deductible for income tax purposes.

The Group incurred acquisition-related costs of EUR 0.3 million relating to external fees and due diligence costs. The fees and due diligence costs have been included in operating expenses.

Consolidated income statement includes revenue of acquirees after acquisition date EUR 17.4 million and net profit for the financial year includes profit of acquirees after acquisition date EUR 0.0 million.

## CHANGE IN FAIR VALUES OF CONTINGENT CONSIDERATIONS

During 2015 and 2014 the Group has derecognised a portion of contingent consideration liability due to the actual consideration being lower than the carrying amount of the liability and remeasured at fair value some other contingent considerations. In 2015 the amount that was derecognised was EUR 5.1 million and in 2014 EUR 0.8 million. The amounts are recognised in other operating income.

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 35 36 37 38

## 29. CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT GROUPS

| (EUR 1 000) | NOTE | 2015 | 2014 |
|---|---|---|---|
| **Receivables** | | | |
| Non-current loan receivables | 16 | 15 277 | 17 666 |
| Trade receivable | 20 | 105 554 | 106 801 |
| Allowance for credit loss | 2 | -9 348 | -12 877 |
| **Total** | | **111 483** | **111 590** |
| | | | |
| **Available-for-sale financial assets** | | | |
| Other shares | 17 | 134 | 139 |
| | | | |
| **Cash and cash equivalents** | **21** | **571** | **3 129** |
| | | | |
| **Financial liabilities measured at amortised cost** | | | |
| Committed loans from financial institutions | 25,31 | 86 886 | 102 785 |
| Bond | 25,31 | 99 458 | 99 300 |
| Bank overdrafts | 25,31 | 9 781 | 3 974 |
| Commercial papers | 25,31 | 85 300 | 23 000 |
| Other liabilities | 25,31 | - | 1 140 |
| Contingent considerations and deferred payments on acquisitions | 26,31 | 10 098 | 25 524 |
| Trade payables | 27,31 | 34 562 | 27 962 |
| **Total** | | **326 086** | **283 685** |
| | | | |
| **Derivative instruments** | | | |
| Interest rate swaps (market value) | 31 | -1 224 | -1 736 |
| Foreign exchange forwards (market value) | 31 | 284 | -8 |

## 30. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

### 31 DECEMBER 2015

| (EUR 1 000) | LEVEL 1 | LEVEL 2 | LEVEL 3 |
|---|---|---|---|
| Interest rate derivatives | - | -1 224 | - |
| Foreign exchange derivatives | - | 284 | - |
| Contingent consideration, non-current | - | - | -9 446 |
| Contingent consideration, current | - | - | -653 |

### 31 DECEMBER 2014

| (EUR 1 000) | LEVEL 1 | LEVEL 2 | LEVEL 3 |
|---|---|---|---|
| Interest rate derivatives | - | -1 736 | - |
| Foreign exchange derivatives | - | -8 | - |
| Contingent consideration, non-current | - | - | -19 890 |
| Contingent consideration, current | - | - | -5 634 |

The table above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 35 36 37 38

### RECONCILIATION OF LEVEL 3 FAIR VALUES

| (EUR 1 000) | |
|---|---|
| **Carrying value 1 January 2014** | **10 165** |
| Exchange differences | −23 |
| Additions | 25 333 |
| Payments | −10 914 |
| Reversal of discount effect | 1 713 |
| Recognised in other operating income | −750 |
| **Carrying value 31 December 2014** | **25 524** |
| Exchange differences | 417 |
| Additions | – |
| Payments | −12 263 |
| Reversal of discount effect | 1 512 |
| Recognised in other operating income | −5 091 |
| **Carrying value 31 December 2015** | **10 098** |

Cost of a business combination includes in certain acquisitions also a contingent consideration, which is recognised at fair value. Subsequent changes in fair value are recognised to profit or loss. The management's assessment of the fair value of contingent consideration liability is based on acquisition specific agreed terms and time value of money. Typically contingent consideration is based on financial performance of the acquired business during the pre–agreed measurement period.

## 31. FAIR VALUES VERSUS CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments shown in the table below.

### AVAILABLE–FOR–SALE FINANCIAL ASSETS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The fair value of available–for–sale financial assets and financial assets at fair value through profit or loss are determined by reference to their quoted bid price at the reporting date.

### TRADE RECEIVABLES AND CASH AND CASH EQUIVALENTS

The fair value of trade receivables and Cash and cash equivalents is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

### NON–DERIVATIVE FINANCIAL LIABILITIES

The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate at the reporting date. For finance leases the market interest rate is determined by reference to similar lease agreements.

### BOND

The fair value of the bond is based on quoted market price at the reporting date (Level 1)

### DERIVATIVES

The fair value of interest rate swaps is based on bank quotes. The quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date. The fair value of foreign exchange forwards is based on market quotes.

The fair values of the financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

| (EUR 1 000) | NOTE | CARRYING AMOUNT 2015 | FAIR VALUE 2015 | CARRYING AMOUNT 2014 | FAIR VALUE 2014 |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Non-current loan receivables | 16 | 15 277 | 15 277 | 17 666 | 17 666 |
| Available-for-sale financial assets | 17 | 134 | 134 | 139 | 139 |
| Trade receivables | 20 | 96 206 | 96 206 | 93 924 | 93 924 |
| Cash and cash equivalents | 21 | 571 | 571 | 3 129 | 3 129 |
| **Total** | | **112 187** | **112 187** | **114 859** | **114 859** |
| | | | | | |
| **Financial liabilities** | | | | | |
| Loans from financial institutions | 25 | 96 667 | 96 667 | 106 759 | 106 759 |
| Bond | 25 | 99 458 | 105 633 | 99 300 | 105 969 |
| Commercial papers | 25 | 85 300 | 85 300 | 23 000 | 23 000 |
| Other liabilities | 25 | – | – | 1 140 | 1 140 |
| Contingent considerations and deferred payments on acquisitions | 26 | 10 098 | 10 098 | 25 524 | 25 524 |
| Trade payables | 27 | 34 562 | 34 562 | 27 962 | 27 962 |
| **Total** | | **326 086** | **332 260** | **283 684** | **290 354** |
| | | | | | |
| Interest rate swaps (nominal value and fair value) | | 56 975 | -1 224 | 52 718 | -1 736 |
| Foreign exchange forwards (nominal value and fair value) | | 43 136 | 284 | 32 683 | -8 |

## FINANCIAL IMPACT OF NETTING FOR INSTRUMENTS SUBJECT TO AN ENFORCABLE MASTER NETTING AGREEMENT

The Group has entered into master netting agreements with all of its derivative instrument counterparties.

### 31 DECEMBER 2015

| (EUR 1 000) | OFFSETTING DERIVATIVE INSTRUMENTS | | | |
|---|---|---|---|---|
| | GROSS AMOUNT OF RECOGNISED FINANCIAL INSTRUMENTS | RELATED LIABILITIES (-) OR ASSETS (+) SUBJECT TO MASTER NETTING AGREEMENTS | COLLATERAL RECEIVED (-) OR GIVEN (+) | NET EXPOSURE |
| Derivative assets | 284 | -284 | – | – |
| Derivative liablitilies | -1 224 | 284 | – | -940 |

### 31 DECEMBER 2014

| (EUR 1 000) | OFFSETTING DERIVATIVE INSTRUMENTS | | | |
|---|---|---|---|---|
| | GROSS AMOUNT OF RECOGNISED FINANCIAL INSTRUMENTS | RELATED LIABILITIES (-) OR ASSETS (+) SUBJECT TO MASTER NETTING AGREEMENTS | COLLATERAL RECEIVED (-) OR GIVEN (+) | NET EXPOSURE |
| Derivative assets | 27 | -27 | – | – |
| Derivative liablitilies | -1 771 | 27 | – | -1 744 |

## 32. EXCHANGE RATES APPLIED

| | AVERAGE RATES 2015 | AVERAGE RATES 2014 | CLOSING RATES 2015 | CLOSING RATES 2014 |
|---|---|---|---|---|
| **Currency** | | | | |
| CZK | 27.2850 | 27.5353 | 27.0230 | 27.7350 |
| DKK | 7.4587 | 7.4549 | 7.4626 | 7.4453 |
| LTL | – | 3.4528 | – | 3.4528 |
| NOK | 8.9419 | 8.3548 | 9.6030 | 9.0420 |
| PLN | 4.1826 | 4.1845 | 4.2639 | 4.2732 |
| SEK | 9.3496 | 9.0964 | 9.1895 | 9.3930 |

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 35 36 37 38

## 33. DIVIDEND PER SHARE

The parent company's distributable equity on 31 December 2015 amounted to EUR 314 356 952.12 of which the net profit from the financial year 2015 is EUR 14 457 506.97.

The Board of Directors proposes to the Annual General Meeting 2016 that an ordinary dividend of EUR 0.40 (0.40) per share be paid based on the adopted balance sheet for the financial year ended 31 December 2015. The proposed dividend will be paid to shareholders registered in Ramirent's shareholder register maintained by Euroclear Finland Ltd on the record date for dividend payment 21 March 2016. The dividend is to be paid on 1 April 2016 for shareholders whose shares are registered in Euroclear Finland Ltd and on 4 April 2016 for shareholders whose shares are registered in Euroclear Sweden AB.

The proposed dividend is not reflected in the year 2015 financial statements.

The dividends paid in 2015 were EUR 0.40 per share totalling EUR 43 094 617.60. The Board of Directors has decided not to utilise the authorisation received from the Annual General Meeting 2015 to pay an additional dividend based on the adopted financial statements for 2014.

## 34. RELATED PARTY TRANSACTIONS

Ramirent's related parties are the key management, joint ventures Fortrent Oy and Fehmarnbelt Solutions Services A/S, the associated company Rogaland Montasje Bygg As and one major shareholder, Nordstjernan Group. Key management consists of the members of the Board of Directors, the CEO and the members of the Executive Management Team and the Group Management Team. The list of subsidiaries is presented in note 37.

### EMPLOYEE BENEFITS FOR KEY MANAGEMENT (ACCRUAL BASIS)

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Short–term employee benefits | −2 451 | −2 797 |
| Termination benefits | – | –228 |
| Post–employment benefits | −159 | –157 |
| Share–based payments | 243 | 234 |
| **Total** | **–2 367** | **–2 947** |

### BENEFITS PAID TO THE BOARD MEMBERS AND THE CEO

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Appleton, Kevin | –32 | –33 |
| Bergh, Kaj–Gustaf | –33 | –35 |
| Ek, Johan | – | –11 |
| Frumerie, Anette | –24 | – |
| Hofvenstam, Peter | –14 | –51 |
| Lundahl, Ulf | –56 | –27 |
| Lönnevall, Tobias | –27 | – |
| Norvio, Erkki | –8 | –34 |
| Paulsson, Mats O | –33 | –43 |
| Renlund, Susanna | –43 | –42 |
| Sølsnes, Gry Hege | –8 | –34 |
| Rosén, Magnus | –669 | –671 |
| **Total** | **–947** | **–980** |

The benefit paid to the CEO in 2015, EUR 669 (671) thousand, comprises of annual base salary and fringe benefits of EUR 452 (439) thousand and a separate pension insurance of EUR 159 (157) thousand. It includes also a compensation for Long–Term incentive programme 2012, EUR 57 (75) thousand.

Part of the benefits to CEO have been paid by Ramirent Plc's Swedish subsidiary Ramirent Internal Services AB. According to his contract, the CEO's retirement age is 62 years.

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### POST–EMPLOYMENT BENEFITS FOR THE CEO (ACCRUAL BASIS)

The post–employment benefits are included in the paid amount presented above.

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Voluntary pension plan in Sweden | –159 | –157 |
| **Total pension plans** | **–159** | **–157** |

Ramirent did not have any other transactions than the above employee benefits with Key Management during years 2015 and 2014. There were no outstanding loan receivables from Key Management either on 31 December 2015 or 31 December 2014.

### TRANSACTIONS WITH AND RECEIVABLES FROM OTHER RELATED PARTIES

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Nordstjernan Group | | |
| Sales of rental services | 61 119 | 62 396 |
| Current receivables | 7 999 | 9 416 |
| | | |
| Fortrent Oy | | |
| Interest income | 439 | 560 |
| Non–current loan receivables | 15 267 | 17 656 |

## 35. COMMITMENTS AND CONTINGENT LIABILITIES

### COMMITMENTS (OFF–BALANCE SHEET) ON 31 DECEMBER 2015

| (EUR 1 000) | TO SECURE OWN BORROWINGS | TO SECURE OTHER OWN OBLIGATIONS | TO SECURE THIRD PARTY OBLIGATIONS | TOTAL |
|---|---|---|---|---|
| Suretyships | – | 2 551 | – | 2 551 |

### COMMITMENTS (OFF–BALANCE SHEET) ON 31 DECEMBER 2014

| (EUR 1 000) | TO SECURE OWN BORROWINGS | TO SECURE OTHER OWN OBLIGATIONS | TO SECURE THIRD PARTY OBLIGATIONS | TOTAL |
|---|---|---|---|---|
| Suretyships | – | 938 | 200 | 1 138 |

### NON–CANCELLABLE MINIMUM FUTURE OPERATING LEASE PAYMENTS

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Payable < 1 year from balance sheet date | 25 713 | 24 659 |
| Payable 1–5 years frombalance sheet date | 52 481 | 43 910 |
| Payable > 5 years from balance sheet date | 11 184 | 8 079 |
| **Future gross operating lease payments** | **89 378** | **76 648** |

### OPERATING LEASE EXPENSES IN THE INCOME STATEMENT

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Lease payments expensed in the income statement | 30 642 | 33 220 |
| Received sublease payments credited to lease expenses in the income statement | -9 | –12 |
| **Net lease expenses in the income statement** | **30 633** | **33 208** |
| | | |
| Group Share of commitments in joint ventures | 67 | 120 |

Committed investments in rental equipment at the end of 2015 totalled EUR 26.3 million (EUR 7.4 million in 2014).

## 36. DISPUTES AND LITIGATION

Ramirent's management is not aware of any disputes and/or litigation processes that would significantly affect the company's operating performance and/or financial position in an adverse manner in case of negative outcomes from the company's point of view.

## 37. SUBSIDIARIES 31 DECEMBER 2015

| | COUNTRY | NATURE OF ACTIVITY | PLC'S DIRECT HOLDING | GROUP HOLDING |
|---|---|---|---|---|
| Ramirent Internal Services AB | Sweden | Operating | 100% | 100% |
| Ramirent Shared Services AS | Estonia | Operating | 100% | 100% |
| Safety Solutions Jonsereds AB | Sweden | Operating | 72.6% | 72.6% |
| Ramirent Finland Oy | Finland | Operating | 100% | 100% |
| Teollisuuden Eristysveljet Oy | Finland | Operating | 0% | 100% |
| Ramirent AB | Sweden | Operating | 100% | 100% |
| Ramirent Safe Access AB | Sweden | Operating | 0% | 100% |
| Luleå Bergnäset AB | Sweden | Real estate company | 0% | 100% |
| Ramirent AS | Norway | Operating | 100% | 100% |
| Ramirent Module Systems AS | Norway | Operating | 0% | 100% |
| Bautas AS | Norway | Dormant | 0% | 100% |
| Ramirent A/S | Denmark | Operating | 100% | 100% |
| Ramirent Baltic AS | Estonia | Operating | 100% | 100% |
| Ramirent AS Rigas filiale | Latvia | Operating | 0% | 100% |
| Ramirent AS Vilniaus filialas | Lithuania | Operating | 0% | 100% |
| Ramirent S.A. | Poland | Operating | 100% | 100% |
| Ramirent s.r.o. | Czech Republic | Operating | 100% | 100% |
| Ramirent spol. s.r.o. | Slovakia | Operating | 100% | 100% |
| **Disposed or merged in 2015** | | | | |
| Ramirent S.A Šoštanj filiale | Slovenia | Operating | 0% | 100% |

## 38. EVENTS AFTER THE REPORTING DATE

### NEW LONG-TERM INCENTIVE PROGRAMME 2016

On 10 February 2016, the Board of Directors of Ramirent Plc approved a new Long-term incentive programme for the executives of the company. The aim of the new programme is to combine the objectives of the shareholders and the executives in order to increase the value of the company, to commit the executives to the company and to offer the executives a competitive reward program based on holding the Company's shares. The new programme includes matching shares and performance shares, and the programme is targeted at approximately 60 executives for the earning period 2016-2018. The potential reward from the programme for the earning period 2016-2018 will be based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR). The maximum reward to be paid on the basis of the earning period 2016-2018 will correspond to the value of up to 484,168 Ramirent Plc shares (including also the proportion to be paid in cash).

### SETTLEMENT OF THE LONG-TERM INCENTIVE PROGRAMME 2013

On 10 February 2016, the Board of Directors of Ramirent Plc decided on a directed share issue for the reward payment from Ramirent Long-term incentive programme 2013.
In the share issue 12,635 existing Ramirent Plc shares will be issued and conveyed without consideration to the key persons participating in the Long-term incentive programme 2013 according to the terms and conditions of the plan. Provided that there are no changes in the final earning, the company shall hold a total of 948,014 of its own shares after the conveyance of the shares.

# FINANCIAL AND SHARE-RELATED KEY FIGURES

## KEY FIGURES

| | | 2015 | 2014 | 2013 | RESTATED* 2012 | 2011 |
|---|---|---|---|---|---|---|
| Net sales | MEUR | 635.6 | 613.5 | 647.3 | 714.1 | 649.9 |
| Change in net sales | % | 3.6 | −5.2 | −9.4 | 9.9 | 22.3 |
| Operating profit before depreciation and amortisation (EBITDA) | MEUR | 168.1 | 167.9 | 195.1 | 210.5 | 181.8 |
| | % of net sales | 26.4 | 27.4 | 30.1 | 29.5 | 28.0 |
| Operating profit before amortisation of intangible assets (EBITA) | MEUR | 66.8 | 65.8 | 92.1 | 100.6 | 79.4 |
| | % of net sales | 10.5 | 10.7 | 14.2 | 14.1 | 12.2 |
| Operating profit (EBIT) | MEUR | 57.9 | 58.1 | 82.3 | 92.5 | 74.1 |
| | % of net sales | 9.1 | 9.5 | 12.7 | 13.0 | 11.4 |
| Profit before taxes (EBT) | MEUR | 46.9 | 42.5 | 63.9 | 83.0 | 60.8 |
| | % of net sales | 7.4 | 6.9 | 9.9 | 11.6 | 9.3 |
| Profit for the period | MEUR | 39.0 | 32.6 | 54.0 | 63.7 | 44.7 |
| | % of net sales | 6.1 | 5.3 | 8.3 | 8.9 | 6.9 |
| Invested capital, end of period | MEUR | 600.5 | 555.2 | 579.8 | 608.4 | 591.2 |
| Return on invested capital (ROI) | % | 12.3 | 12.2 | 16.5 | 18.5 | 15.7 |
| Return on equity (ROE) | % | 12.1 | 9.4 | 14.7 | 18.5 | 13.9 |
| Interest-bearing debt | MEUR | 281.4 | 230.2 | 208.8 | 240.7 | 265.2 |
| Net debt | MEUR | 280.9 | 227.1 | 206.9 | 239.4 | 262.8 |
| Net debt to EBITDA ratio | | 1.7x | 1.4x | 1.1x | 1.1x | 1.4x |
| Gearing | % | 88.0 | 69.9 | 55.8 | 65.8 | 80.6 |
| Equity ratio | % | 41.4 | 43.7 | 48.9 | 44.2 | 40.7 |
| Personnel, FTE | | | | | | |
| average during financial year | | 2 639 | 2 566 | 2 725 | 3 077 | 3 150 |
| at end of financial year | | 2 654 | 2 576 | 2 589 | 3 005 | 3 184 |
| Gross capital expenditure | MEUR | 139.2 | 144.6 | 125.8 | 124.0 | 242.2 |
| | % of net sales | 21.9 | 23.6 | 19.4 | 17.4 | 37.3 |

*) Retrospective application of amendment to IAS19 affecting Sweden and Norway segments.

## KEY FIGURES

| | 2015 | 2014 | 2013 | RESTATED* 2012 | 2011 |
|---|---|---|---|---|---|
| Earnings per share (EPS), weighted average | | | | | |
| Diluted, EUR | 0.36 | 0.30 | 0.50 | 0.59 | 0.41 |
| Non-diluted, EUR | 0.36 | 0.30 | 0.50 | 0.59 | 0.41 |
| Equity per share, at end of financial year | | | | | |
| Diluted, EUR | 2.96 | 3.01 | 3.44 | 3.38 | 3.02 |
| Basic, EUR | 2.96 | 3.01 | 3.44 | 3.38 | 3.02 |
| Dividend per share, EUR ** | 0.40 | 0.40 | 0.37 | 0.34 | 0.28 |
| Pay-out ratio, % | 110.6% | 132.0% | 73.7% | 57.6% | 67.6% |
| Effective dividend yield, % ** | 6.2% | 6.2% | 4.0% | 5.4% | 5.1% |
| Price/earnings ratio (P/E) | 17.8 | 21.3 | 18.2 | 10.56 | 13.29 |
| Highest share price, EUR | 8.29 | 10.25 | 9.86 | 8.39 | 12.37 |
| Lowest share price, EUR | 6.03 | 5.61 | 6.31 | 5.40 | 4.12 |
| Average share price, EUR | 6.90 | 7.71 | 7.96 | 6.61 | 7.57 |
| Share price at end of financial year, EUR | 6.45 | 6.45 | 9.15 | 6.25 | 5.50 |
| Market capitalisation at end of financial year, MEUR | 694.9 | 694.8 | 985.4 | 672.9 | 594.1 |
| Number of shares traded, thousand | 38 995.9 | 40 519.4 | 28 117.2 | 29 743.5 | 47 165.6 |
| Shares traded, % of total number of shares | 35.9 | 37.6% | 26.1% | 27.6% | 43.9% |
| Number of shares, weighted average, diluted | 107 734 564 | 107 717 557 | 107 691 347 | 107 731 692 | 108 064 377 |
| Number of shares, weighted average, non-diluted | 107 734 564 | 107 717 557 | 107 691 347 | 107 731 692 | 108 064 377 |
| Number of shares, at end of financial year, diluted | 107 736 679 | 107 723 371 | 107 698 697 | 107 667 136 | 108 017 136 |
| Number of shares, at end of financial year, non-diluted | 107 736 679 | 107 723 371 | 107 698 697 | 107 667 136 | 108 017 136 |

Share related key figures have been calculated with the amount of shares excluding the treasury shares held by Ramirent.

* Retrospective application of amendment to IAS19 affecting Sweden and Norway segments.
** The Annual General Meeting will make the decision on the year 2015 dividend on 17 March 2016.

## DEFINITIONS OF KEY FINANCIAL FIGURES

| Key figure | Definition |
|---|---|
| **RETURN ON EQUITY (ROE), %:** | Profit for the period x 100 / Total equity (average over the financial period) |
| **RETURN ON INVESTED CAPITAL (ROI), %:** | (Result before taxes + interest and other financial expenses) x 100 / Total assets – non–interest–bearing debt (average over the financial year) |
| **RETURN ON CAPITAL EMPLOYED (ROCE), %:** | EBIT x 100 / Segment capital employed (average over the financial year) |
| **EQUITY RATIO, %:** | Total equity x 100 / Total assets – advances received |
| **EARNINGS PER SHARE (EPS), EUR:** | Profit for the period +/– non–controlling interest share of profit for the period / Average number of shares, adjusted for share issues, during the financial year |
| **SHAREHOLDERS' EQUITY PER SHARE, EUR:** | Equity attributable to the parent company's shareholders / Number of shares, adjusted for share issues, on reporting date |
| **PAY–OUT RATIO, %:** | Dividend per share x 100 / Earnings per share |
| **NET DEBT:** | Interest–bearing debt – cash and cash equivalents |
| **NET DEBT TO EBITDA RATIO:** | Net debt / Earnings before interest, taxes, depreciation and amortisation |
| **GEARING:** | Net debt x 100 / Total equity |
| **DIVIDEND PER SHARE, EUR:** | Dividend paid / Number of shares on the registration date for dividend distribution |
| **EFFECTIVE DIVIDEND YIELD, %:** | Share–issue–adjusted dividend per share x 100 / Share–issue–adjusted final trading price at end of financial year |
| **PRICE/EARNINGS RATIO:** | Share–issue–adjusted final trading price at end of financial year / Earnings per share |

## PROFITABILITY DEVELOPMENT BY QUARTER

(Quarterly information presented in this table is unaudited)

| | | FULL YEAR 2015 | Q4 2015 | Q3 2015 | Q2 2015 | Q1 2015 | FULL YEAR 2014 | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net sales | MEUR | 635.6 | 170.5 | 165.1 | 159.4 | 140.6 | 613.5 | 160.7 | 163.6 | 151.8 | 137.5 |
| Operating profit before depreciation (EBITDA) | MEUR | 168.1 | 43.7 | 49.7 | 46.0 | 28.6 | 167.9 | 40.0 | 53.9 | 42.2 | 31.7 |
| | % of net sales | 26.4% | 25.7% | 30.1% | 28.9% | 20.3% | 27.4% | 24.9% | 33.0% | 27.8% | 23.0% |
| Operating profit before amortisation (EBITA) | MEUR | 66.8 | 16.8 | 24.8 | 21.0 | 4.1 | 65.8 | 14.5 | 28.0 | 16.2 | 7.1 |
| | % of net sales | 10.5% | 9.9% | 15.0% | 13.2% | 2.9% | 10.7% | 9.0% | 17.1% | 10.7% | 5.2% |
| Operating profit (EBIT) | MEUR | 57.9 | 14.6 | 22.6 | 18.8 | 2.0 | 58.1 | 12.5 | 26.0 | 14.2 | 5.4 |
| | % of net sales | 9.1% | 8.5% | 13.7% | 11.8% | 1.4% | 9.5% | 7.8% | 15.9% | 9.4% | 3.9% |
| Profit before taxes (EBT) | MEUR | 46.9 | 12.7 | 17.7 | 16.7 | −0.2 | 42.5 | 6.4 | 23.7 | 9.1 | 3.2 |
| | % of net sales | 7.4% | 7.5% | 10.7% | 10.4% | −0.2% | 6.9% | 4.0% | 14.5% | 6.0% | 2.3% |

## KEY FINANCIAL FIGURES BY SEGMENT

(Quarterly information presented in this table is unaudited)

| NET SALES, MEUR | FULL YEAR 2015 | Q4 2015 | Q3 2015 | Q2 2015 | Q1 2015 | FULL YEAR 2014 | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Finland | 160.2 | 43.1 | 45.7 | 39.4 | 32.0 | 152.8 | 38.7 | 43.5 | 39.0 | 31.6 |
| Sweden | 225.4 | 63.9 | 53.8 | 56.8 | 51.0 | 201.0 | 55.0 | 52.0 | 48.7 | 45.4 |
| Norway | 120.7 | 29.2 | 29.4 | 31.0 | 31.0 | 135.7 | 33.9 | 34.0 | 33.8 | 34.0 |
| Denmark | 42.3 | 11.1 | 11.2 | 10.6 | 9.4 | 39.4 | 10.6 | 10.1 | 9.1 | 9.6 |
| Europe East | 34.1 | 8.8 | 10.2 | 8.5 | 6.6 | 33.9 | 9.2 | 10.3 | 8.2 | 6.2 |
| Europe Central | 55.4 | 15.3 | 15.4 | 13.7 | 11.0 | 53.2 | 13.8 | 14.2 | 13.3 | 11.8 |
| Elimination of sales between segments | −2.5 | −0.9 | −0.5 | −0.6 | −0.4 | −2.4 | −0.5 | −0.5 | −0.4 | −1.1 |
| **Total** | **635.6** | **170.5** | **165.1** | **159.4** | **140.6** | **613.5** | **160.7** | **163.6** | **151.8** | **137.5** |

| EBITA, MEUR AND % OF NET SALES | FULL YEAR 2015 | Q4 2015 | Q3 2015 | Q2 2015 | Q1 2015 | FULL YEAR 2014 | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Finland | 21.1 | 6.5 | 9.3 | 4.5 | 0.8 | 20.8 | 3.6 | 8.3 | 6.0 | 2.9 |
| | 13.2% | 15.0% | 20.4% | 11.3% | 2.5% | 13.6% | 9.2% | 19.0% | 15.4% | 9.3% |
| Sweden | 33.0 | 8.0 | 7.7 | 12.1 | 5.1 | 29.4 | 9.5 | 8.9 | 6.7 | 4.2 |
| | 14.6% | 12.5% | 14.3% | 21.4% | 10.0% | 14.6% | 17.3% | 17.2% | 13.8% | 9.3% |
| Norway | 6.5 | 0.2 | 2.4 | 2.9 | 1.0 | 14.0 | 3.2 | 4.0 | 4.2 | 2.6 |
| | 5.4% | 0.8% | 8.2% | 9.4% | 3.3% | 10.3% | 9.4% | 11.8% | 12.5% | 7.6% |
| Denmark | 0.3 | 0.5 | 0.9 | 0.3 | -1.4 | -3.9 | -0.9 | -0.1 | -1.7 | -1.1 |
| | 0.7% | 4.4% | 8.1% | 2.8% | -14.8% | -10.0% | -8.9% | -1.2% | -19.1% | -11.7% |
| Europe East | 7.2 | 2.1 | 3.3 | 1.7 | 0.1 | 6.7 | 2.1 | 3.7 | 1.0 | -0.1 |
| | 21.2% | 23.5% | 32.4% | 20.4% | 1.9% | 19.6% | 22.7% | 35.8% | 12.1% | -1.8% |
| Europe Central | 3.3 | 0.8 | 2.2 | 0.9 | -0.6 | 1.7 | 0.5 | 1.6 | 0.8 | -1.2 |
| | 5.9% | 5.3% | 14.0% | 6.2% | -5.1% | 3.2% | 3.9% | 11.3% | 5.8% | -10.2% |
| Unallocated items | -4.6 | -1.3 | -1.0 | -1.4 | -1.0 | -2.8 | -3.4 | 1.6 | -0.8 | -0.2 |
| Group EBITA | 66.8 | 16.8 | 24.8 | 21.0 | 4.1 | 65.8 | 14.5 | 28.0 | 16.2 | 7.1 |
| | 10.5% | 9.9% | 15.0% | 13.2% | 2.9% | 10.7% | 9.0% | 17.1% | 10.7% | 5.2% |

| OPERATING PROFIT (EBIT), MEUR AND % OF NET SALES | FULL YEAR 2015 | Q4 2015 | Q3 2015 | Q2 2015 | Q1 2015 | FULL YEAR 2014 | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Finland | 19.8 | 6.2 | 9.1 | 4.1 | 0.4 | 19.3 | 3.2 | 7.9 | 5.6 | 2.6 |
| | 12.4% | 14.4% | 19.9% | 10.5% | 1.4% | 12.6% | 8.2% | 18.1% | 14.4% | 8.3% |
| Sweden | 28.5 | 6.8 | 6.6 | 11.0 | 4.1 | 26.3 | 8.7 | 8.0 | 6.0 | 3.6 |
| | 12.6% | 10.6% | 12.2% | 19.4% | 8.0% | 13.1% | 15.8% | 15.5% | 12.4% | 7.9% |
| Norway | 4.7 | 0.3 | 1.8 | 2.3 | 0.3 | 12.2 | 2.8 | 3.6 | 3.7 | 2.0 |
| | 3.9% | 0.9% | 6.0% | 7.5% | 1.0% | 9.0% | 8.3% | 10.6% | 10.9% | 6.0% |
| Denmark | -0.1 | 0.4 | 0.8 | 0.2 | -1.5 | -3.9 | -0.9 | -0.1 | -1.7 | -1.1 |
| | -0.3% | 3.4% | 7.0% | 2.0% | -16.0% | -10.0% | -8.9% | -1.2% | -19.1% | -11.7% |
| Europe East | 7.1 | 2.0 | 3.3 | 1.7 | 0.1 | 6.5 | 2.1 | 3.7 | 1.0 | -0.1 |
| | 21.0% | 23.3% | 32.2% | 20.2% | 1.3% | 19.3% | 22.5% | 35.5% | 11.7% | -2.3% |
| Europe Central | 3.1 | 0.8 | 2.1 | 0.8 | -0.6 | 1.6 | 0.5 | 1.6 | 0.7 | -1.2 |
| | 5.7% | 5.1% | 13.9% | 6.1% | -5.5% | 3.0% | 3.7% | 11.1% | 5.6% | -10.5% |
| Unallocated items | -5.2 | -1.9 | -1.0 | -1.3 | -0.9 | -3.9 | -3.8 | 1.4 | -1.1 | -0.4 |
| Group operating profit (EBIT) | 57.9 | 14.6 | 22.6 | 18.8 | 2.0 | 58.1 | 12.5 | 26.0 | 14.2 | 5.4 |
| | 9.1% | 8.5% | 13.7% | 11.8% | 1.4% | 9.5% | 7.8% | 15.9% | 9.4% | 3.9% |

# PARENT COMPANY FINANCIAL STATEMENTS – FAS
## (FINNISH ACCOUNTING STANDARDS)

### PARENT COMPANY INCOME STATEMENT

| (EUR) | NOTE | JAN–DEC 2015 | JAN–DEC 2014 |
|---|---|---|---|
| **Net sales** | 2 | **15 632 408.00** | **12 771 516.83** |
| Other operating income | 3 | 276 141.87 | 18 868.50 |
| | | | |
| Personnel expenses | 4 | −2 387 217.08 | −2 459 280.38 |
| Depreciation, amortisation and impairment | 5 | −3 342 375.11 | −1 140 653.33 |
| Other operating expenses | 6 | −15 869 496.45 | −13 289 168.72 |
| | | | |
| **Operating result** | | **−5 690 538.77** | **−4 098 717.10** |
| | | | |
| Financial income | 7 | 25 908 907.74 | 40 274 824.37 |
| Financial expenses | 7 | −20 585 005.23 | −40 982 213.73 |
| **Total financial income and expenses** | 7 | **5 323 902.51** | **−707 389.36** |
| | | | |
| **Result before extraordinary items** | | **−366 636.26** | **−4 806 106.46** |
| Extraordinary items | 8 | 16 000 000.00 | 15 000 000.00 |
| | | | |
| **Result before appropriations and taxes** | | **15 633 363.74** | **10 193 893.54** |
| Income taxes | 9 | −1 175 856.77 | −637 146.61 |
| | | | |
| **Profit for the year** | | **14 457 506.97** | **9 556 746.93** |

## PARENT COMPANY BALANCE SHEET

| (EUR) | NOTE | 31 DEC 2015 | 31 DEC 2014 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets | 10 | 27 991 024.38 | 25 537 728.48 |
| Tangible assets | 11 | 16 542.59 | 35 573.85 |
| Investments | | | |
| Investments in group companies | 12 | 455 331 387.92 | 449 831 387.92 |
| Investments in joint ventures | | 4 232 676.12 | 4 232 676.12 |
| Non–current receivables | 13 | 124 964 484.14 | 126 239 421.28 |
| **Total non–current assets** | | **612 536 115.15** | **605 876 787.65** |
| | | | |
| **Current assets** | | | |
| Trade and other receivables | 14 | 26 914 185.15 | 22 295 754.67 |
| Cash and cash equivalents | 15 | 234.87 | 185 206.15 |
| **Total current assets** | | **26 914 420.02** | **22 480 960.82** |
| | | | |
| **TOTAL ASSETS** | | **639 450 535.17** | **628 357 748.47** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| | | | |
| **Equity** | | | |
| Share capital | 16 | 25 000 000.00 | 25 000 000.00 |
| Invested unrestricted equity fund | 16 | 113 862 184.93 | 113 767 147.18 |
| Retained earnings | 16 | 186 037 260.22 | 219 575 184.90 |
| Profit for the financial year | 16 | 14 457 506.97 | 9 556 746.93 |
| **Total equity** | | **339 356 952.12** | **367 899 079.01** |
| | | | |
| **Liabilities** | | | |
| Non–current liabilities | | | |
| Non–current interest–bearing liabilities | 17 | 186 557 514.04 | 174 299 839.97 |
| Current liabilities | | | |
| Trade payables and other liabilities | 18 | 9 237 144.36 | 10 276 850.38 |
| Current tax liabilities | 18 | – | – |
| Current interest–bearing liabilities | 18 | 104 298 924.65 | 75 881 979.11 |
| **Total liabilities** | | **300 093 583.05** | **260 458 669.46** |
| | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **639 450 535.17** | **628 357 748.47** |

## PARENT COMPANY CASH FLOW STATEMENT

| (EUR) | JAN–DEC 2015 | JAN–DEC 2014 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit before taxes | 15 633 363.74 | 10 193 893.54 |
| Adjustments: | | |
| Depreciation, amortisation and impairment | 3 342 375.11 | 1 140 653.33 |
| Group contribution | –16 000 000.00 | –15 000 000.00 |
| Financial income and expenses | –5 323 902.51 | 707 389.36 |
| Other adjustments | –97 000.00 | – |
| **Cash flow from operating activities before change in working capital** | **–2 445 163.66** | **–2 958 063.77** |
| | | |
| Change in working capital | | |
| Change in trade and other receivables | –4 629 738.48 | –234 585.53 |
| Change in non–interest–bearing current liabilities | –1 025 474.27 | –170 648.17 |
| **Cash flow from operating activities before interests and taxes** | **–8 100 376.41** | **–3 363 297.47** |
| | | |
| Interest paid | –8 051 637.59 | –9 909 021.11 |
| Interest received | 3 545 309.91 | 5 926 761.40 |
| Income tax paid | –608 138.77 | –2 246 395.71 |
| **Net cash from operating activities** | **–13 214 842.86** | **–9 591 952.89** |
| | | |
| **Cash flow from investing activities** | | |
| Acquisition of subsidiaries | –5 500 000.00 | –2 000 000.00 |
| Repayments of contributed capital from the subsidiaries | 750 000.00 | 7 000 000.00 |
| Investment in tangible and intangible non–current assets | –5 776 639.75 | –8 852 726.18 |
| Change in loans receivable | 1 274 937.14 | 2 285 330.75 |
| Dividends received | 9 843 222.20 | 24 149 976.20 |
| **Net cash flow from investing activities** | **591 519.59** | **22 582 580.77** |
| | | |
| **Cash flow from financing activities** | | |
| Borrowings and repayments of current liabilities (net) | 59 794 666.75 | 16 918 079.05 |
| Borrowings/repayments of non–current liabilities (net) | –19 261 643.15 | –10 409 709.69 |
| Dividends paid | –43 094 671.61 | –39 857 647.27 |
| Group contributions paid and received (net) | 15 000 000.00 | 20 000 000.00 |
| **Net cash flow from financing activities** | **12 438 351.99** | **–13 349 274.91** |
| | | |
| **Net change in cash and cash equivalents during the financial year** | **–184 971.28** | **–358 647.03** |
| | | |
| Cash at the beginning of the period | 185 206.15 | 543 853.18 |
| Change in cash | –184 971.28 | –358 647.03 |
| **Cash at the end of the period** | **234.87** | **185 206.15** |

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# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

## 1. PARENT COMPANY BUSINESS ACTIVITIES AND ACCOUNTING PRINCIPLES

### GENERAL

Ramirent Plc is a Finnish public limited liability company organised under the laws of Finland and domiciled in Helsinki, Finland. The company's registered address is Äyritie 16, FI–01510 Vantaa, Finland. The company is the parent company of the Ramirent Group and its shares are listed on the NASDAQ Helsinki (RMR1V).

Ramirent Plc's business activities comprise acting as a holding company for Ramirent Group and providing Group internal administrative and other operative services to the subsidiaries.

The parent company's financial statements are prepared in accordance with Finnish Accounting Standards (FAS). They are presented in EUR.

### REVENUE RECOGNITION

Services rendered to subsidiaries are accounted for as revenues. The services include for example general management, HR, fleet management, IT–services and treasury. The revenues are reported at the actual/fair value of what has been received in cash or will be received in cash reduced by sales discounts, VAT and other taxes directly linked to the sales amount.

Management services are recognised in the period when the services are rendered to group companies.

### PENSION EXPENSES

Pensions are arranged through an external pension insurance company. Pension expenses are recognised in the income statement as personnel expenses when incurred. The Finnish statutory pension system is a defined contribution pension plan.

### FINANCIAL INCOME AND EXPENSES

Interest income, interest expenses and other costs related to interest–bearing liabilities are expensed in the income statement on accrual basis.

### EXTRAORDINARY ITEMS

Extraordinary items consist of Group contributions given to or received from the company's Finnish subsidiaries. Group contributions are recognised in accordance with Finnish tax regulations.

Gains or losses related to liquidation or merger of subsidiaries are also recognised in extraordinary items.

### INCOME TAXES

Income taxes consist of current income tax payable on the taxable profit in the financial year. They also include adjustments to the current income taxes for previous fiscal years in terms of tax expenses or tax refunds that had not been recognised in prior year income statements.

Deferred tax assets and liabilities and changes of them are not recognised in the balance sheet and the income statement. They are instead presented in the notes to the financial statements.

### INTANGIBLE ASSETS

Intangible assets (other intangible rights and other capitalised long–term expenditure) with a finite useful life are amortised over the estimated useful life on a straight–line basis. The estimated useful life, the amortisation method and the total depreciation period are per asset category as follows:

- Software licenses and IT–systems 3–5 years

### TANGIBLE ASSETS

Tangible assets (buildings and structures, machinery and equipment, land and other tangible assets) are stated at historical acquisition cost less accumulated amortisation and accumulated impairment charges. Tangible assets that are leased by means of finance or operating leases are not recognised in the balance sheet.

Tangible assets are subject to straight–line item–by–item depreciation during their estimated useful life. Land is not subject to depreciation.

The estimated useful lives per asset category are as follows:

- Machinery and equipment for own use 3–10 years

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### SHARES IN SUBSIDIARIES

Shares in subsidiaries are originally measured at cost. This cost includes potential acquisition related costs e.g. expert fees and transfer taxes. An impairment loss is recognised if value of subsidiary shares is decreased substantially and permanently.

### TRADE RECEIVABLES VALUATION PRINCIPLES

Trade receivables are carried at initial value less estimated allowance for credit losses.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and at banks, deposits held at call with banks and other short–term highly liquid financial investments with a maturity shorter than 3 months. When bank overdrafts show a liability balance, they are presented as current interest–bearing liabilities.

### FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into EUR using the exchange rates prevailing at the dates of the transactions. Receivables and liabilities denominated in foreign currencies are translated to EUR using the exchange rates prevailing at the reporting date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are for operating items recognised affecting operating result in the income statement and those stemming from financing items are recognised in financial income and expenses in the income statement.

The foreign currency rates used in preparation of the financial statements are set forth in the below table:

| CURRENCY | AVERAGE RATES 2015 | AVERAGE RATES 2014 | CLOSING RATES 2015 | CLOSING RATES 2014 |
|---|---|---|---|---|
| CZK | 27.2850 | 27.5353 | 27.0230 | 27.7350 |
| DKK | 7.4587 | 7.4549 | 7.4626 | 7.4453 |
| LTL | – | 3.4528 | – | 3.4528 |
| NOK | 8.9419 | 8.3548 | 9.6030 | 9.0420 |
| PLN | 4.1826 | 4.1845 | 4.2639 | 4.2732 |
| SEK | 9.3496 | 9.0964 | 9.1895 | 9.3930 |

### DERIVATIVE INSTRUMENTS

The main derivative instruments used by the company for the financial years 2015 and 2014 were interest rate swaps.

Derivative instruments have been used as hedging instruments in accordance with Ramirent's Finance policy. Hedge accounting is applied for interest rate swaps in the consolidated financial statements. The hedged object comprises the future cash flow on interest expenses payable on interest–bearing debt.

In addition to interest rate swaps some short–term currency forwards have also been used to a minor scale.

## 2. NET SALES BY GEOGRAPHICAL AREA

| (EUR) | 2015 | 2014 |
|---|---|---|
| Finland | 3 021 677.00 | 2 348 077.46 |
| Sweden | 6 131 045.00 | 3 871 249.19 |
| Norway | 2 959 104.00 | 3 320 949.42 |
| Denmark | 1 269 996.00 | 1 189 107.86 |
| Europe East | 819 913.00 | 775 260.99 |
| Europe Central | 1 430 673.00 | 1 266 871.91 |
| **Total** | **15 632 408.00** | **12 771 516.83** |

## 3. OTHER OPERATING INCOME

| (EUR) | 2015 | 2014 |
|---|---|---|
| VAT refunds from abroad | 14 115.38 | 18 868.50 |
| Other operating income | 262 026.49 | – |
| **Total** | **276 141.87** | **18 868.50** |

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

## 4. PERSONNEL EXPENSES AND NUMBER OF PERSONNEL

| (EUR) | 2015 | 2014 |
|---|---|---|
| Wages and salaries | –1 924 849.19 | –1 876 514.22 |
| Pension costs | –343 767.45 | –387 605.81 |
| Other personnel expenses | –118 600.44 | –195 160.35 |
| **Total** | **–2 387 217.08** | **–2 459 280.38** |

### PAID BENEFITS TO KEY MANAGEMENT

| (EUR) | 2015 | 2014 |
|---|---|---|
| CEO | –237 803.18 | –241 303.33 |
| Board members | –276 906.26 | –309 490.30 |
| **Total** | **–494 774.62** | **–550 793.63** |

The above employee benefits paid to CEO do not include any social costs.

### NUMBER OF PERSONNEL

| | 2015 | 2014 |
|---|---|---|
| Average number of personnel during the financial year. | 18 | 19 |

## 5. DEPRECIATION, AMORTISATION AND IMPAIRMENT CHARGES

| (EUR) | 2015 | 2014 |
|---|---|---|
| Amortisation of intangible assets | | |
| Other intangible rights | –50 158.25 | –26 563.89 |
| Other capitalised long–term expenditure | –3 265 576.90 | –1 087 601.71 |
| Depreciation of tangible assets | | |
| Machinery and equipment | –26 639.96 | –26 487.73 |
| **Total** | **–3 342 375.11** | **–1 140 653.33** |

## 6. OTHER OPERATING EXPENSES

| (EUR) | 2015 | 2014 |
|---|---|---|
| Property operating leases | –213 194.16 | –187 100.69 |
| Other property expenses | –13 420.21 | –14 139.90 |
| IT and office expenses | –3 826 388.48 | –5 546 669.63 |
| Other operating leases | –45 580.65 | –52 641.77 |
| External services | –9 169 214.17 | –7 033 246.67 |
| Other | –2 601 698.78 | –455 370.06 |
| **Total** | **–15 869 496.45** | **–13 289 168.72** |

| (EUR) | 2015 | 2014 |
|---|---|---|
| Audit | –80 000.00 | –61 080.00 |
| Tax consulting fees | –96 961.00 | – |
| Other fees | –276 853.00 | –85 551.00 |
| **Total** | **–453 814.00** | **–146 631.00** |

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## 7. FINANCIAL INCOME AND EXPENSES

| (EUR) | 2015 | 2014 |
|---|---|---|
| **Financial income** | | |
| Dividend income from subsidiaries | 9 843 222.20 | 24 149 976.20 |
| Interest income from subsidiaries | 3 226 081.53 | 5 306 419.59 |
| Other interest income | 528 638.38 | 620 341.81 |
| Exchange rate gains | 12 310 965.63 | 10 198 086.77 |
| **Total** | **25 908 907.74** | **40 274 824.37** |
| | | |
| **Financial expenses** | | |
| Interest and other financial expenses to subsidiaries | –57 964.68 | –316 939.70 |
| Interest and other financial expenses to external parties | –8 074 478.91 | –9 592 081.41 |
| Write–down of joint venture shares | – | –17 202 136.00 |
| Exchange rate losses | –12 452 561.64 | –13 871 056.62 |
| **Total** | **–20 585 005.23** | **–40 982 213.73** |

Due to the continuing uncertainty in Fortrent's markets in Russia and Ukraine, weakening of the Russian rouble and considerable slow down of the construction market in Russia and Ukraine Ramirent revised the value of the Fortrent investment in the parent company balance sheet and recognised an impairment of EUR 17.2 million to the value of Fortrent's shares in 2014.

## 8. EXTRAORDINARY ITEMS

| (EUR) | 2015 | 2014 |
|---|---|---|
| Extraordinary income | | |
| Group contribution received/given (+/–) | 16 000 000.00 | 15 000 000.00 |
| **Total** | **16 000 000.00** | **15 000 000.00** |

## 9. INCOME TAXES

| (EUR) | 2015 | 2014 |
|---|---|---|
| Income tax on profit from operations | 2 024 143.23 | 2 362 853.39 |
| Income tax on extraordinary items | –3 200 000.00 | –3 000 000.00 |
| **Total** | **–1 175 856.77** | **–637 146.61** |

## 10. INTANGIBLE ASSETS

### MOVEMENT IN INTANGIBLE ASSETS 2015

| (EUR) | OTHER INTANGIBLE RIGHTS | OTHER CAPITALISED LONG-TERM EXPENDITURE | TOTAL |
|---|---|---|---|
| Historical cost on 1 January | 376 024.86 | 27 360 306.48 | 27 736 331.34 |
| Additions | 770 080.39 | 4 998 950.66 | 5 769 031.05 |
| Write-down | –70 868.98 | – | –70 868.98 |
| Historical cost on 31 December | 1 075 236.27 | 32 359 257.14 | 33 434 493.41 |
| | | | |
| Accumulated amortisation on 1 January | –326 913.50 | –1 871 689.36 | –2 198 602.86 |
| Amortisation | –34 484.60 | –3 265 576.90 | –3 300 061.50 |
| Write-down | 55 195.33 | – | 55 195.33 |
| Accumulated amortisation on 31 December | –306 202.77 | –5 137 266.26 | –5 443 469.03 |
| | | | |
| Carrying value on 1 January | 49 111.36 | 25 488 617.12 | 25 537 728.48 |
| Carrying value on 31 December | 769 033.50 | 27 221 990.88 | 27 991 024.38 |

### MOVEMENT IN INTANGIBLE ASSETS 2014

| (EUR) | OTHER INTANGIBLE RIGHTS | OTHER CAPITALISED LONG-TERM EXPENDITURE | TOTAL |
|---|---|---|---|
| Historical cost on 1 January | 376 024.86 | 18 507 580.30 | 18 883 605.16 |
| Additions | – | 8 852 726.18 | 8 852 726.18 |
| Historical cost on 31 December | 376 024.86 | 27 360 306.48 | 27 736 331.34 |
| | | | |
| Accumulated amortisation on 1 January | –300 349.61 | –784 087.65 | –1 084 437.26 |
| Amortisation | –26 563.89 | –1 087 601.71 | –1 114 165.60 |
| Accumulated amortisation on 31 December | –326 913.50 | –1 871 689.36 | –2 198 602.86 |
| | | | |
| Carrying value on 1 January | 75 675.25 | 17 723 492.65 | 17 799 167.90 |
| Carrying value on 31 December | 49 111.36 | 25 488 617.12 | 25 537 728.48 |

## 11. TANGIBLE ASSETS

### MOVEMENT IN TANGIBLE ASSETS 2015

| (EUR) | MACHINERY AND EQUIPMENT | TOTAL |
|---|---|---|
| Historical cost on 1 January | 242 789.34 | 242 789.34 |
| Additions | 7 608.70 | 7 608.70 |
| Historical cost on 31 December | 250 398.04 | 250 398.04 |
| | | |
| Accumulated depreciation on 1 January | –207 215.49 | –207 215.49 |
| Depreciation | –26 639.96 | –26 639.96 |
| Accumulated depreciation on 31 December | –233 855.45 | –233 855.45 |
| | | |
| Carrying value on 1 January | 35 573.85 | 35 573.85 |
| Carrying value on 31 December | 16 542.59 | 16 542.59 |

### MOVEMENT IN TANGIBLE ASSETS 2014

| (EUR) | MACHINERY AND EQUIPMENT | TOTAL |
|---|---|---|
| Historical cost on 1 January | 242 789.34 | 242 789.34 |
| Additions | – | – |
| Historical cost on 31 December | 242 789.34 | 242 789.34 |
| | | |
| Accumulated depreciation on 1 January | –180 727.76 | –180 727.76 |
| Depreciation | –26 487.73 | –26 487.73 |
| Accumulated depreciation on 31 December | –207 215.49 | –207 215.49 |
| | | |
| Carrying value on 1 January | 62 061.58 | 62 061.58 |
| Carrying value on 31 December | 35 573.85 | 35 573.85 |

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## 12. INVESTMENTS

### MOVEMENT IN INVESTMENTS 2015

| (EUR) | INVESTMENTS IN GROUP COMPANIES | INVESTMENTS IN JOINT VENTURES | TOTAL |
|---|---|---|---|
| Historical cost on 1 January | 449 831 387.92 | 4 232 676.12 | 454 064 064.04 |
| Additions | 5 500 000.00 | – | 5 500 000.00 |
| Historical cost on 31 December | 455 331 387.92 | 4 232 676.12 | 459 564 064.04 |
| | | | |
| Carrying value on 1 January | 449 831 387.92 | 4 232 676.12 | 454 064 064.04 |
| Carrying value on 31 December | 455 331 387.92 | 4 232 676.12 | 459 564 064.04 |

### MOVEMENT IN INVESTMENTS 2014

| (EUR) | INVESTMENTS IN GROUP COMPANIES | INVESTMENTS IN JOINT VENTURES | TOTAL |
|---|---|---|---|
| Historical cost on 1 January | 454 831 387.92 | 21 434 812.12 | 476 266 200.04 |
| Additions | 2 000 000.00 | – | 2 000 000.00 |
| Write–down | – | –17 202 136.00 | –17 202 136.00 |
| Repayment of capital | –7 000 000.00 | – | –7 000 000.00 |
| Historical cost on 31 December | 449 831 387.92 | 4 232 676.12 | 454 064 064.04 |
| | | | |
| Carrying value on 1 January | 454 831 387.92 | 21 434 812.12 | 476 266 200.04 |
| Carrying value on 31 December | 449 831 387.92 | 4 232 676.12 | 454 064 064.04 |

Due to the continuing uncertainty in Fortrent's markets in Russia and Ukraine, weakening of the Russian rouble and considerable slow down of the construction market in Russia and Ukraine Ramirent revised the value of the Fortrent investment in the parent company balance sheet and recognised an impairment of EUR 17.2 million to the value of Fortrent's shares in 2014.

Ramirent Plc's subsidiaries and its ownership share are specified in note no. 37 of the consolidated financial statements.

## 13. NON–CURRENT RECEIVABLES

| (EUR) | 2015 | 2014 |
|---|---|---|
| Loan receivables from Ramirent Plc's subsidiaries | 109 687 470.28 | 108 573 186.16 |
| Loan receivables from joint ventures | 15 266 513.86 | 17 655 735.12 |
| Loan receivables from others | 10 500.00 | 10 500.00 |
| **Total** | **124 964 484.14** | **126 239 421.28** |

## 14. CURRENT RECEIVABLES

| (EUR) | 2015 | 2014 |
|---|---|---|
| Current receivables from Ramirent Plc's subsidiaries | | |
| Trade receivables | 5 085 014.34 | 2 948 458.35 |
| Prepayments and accrued income | 18 313 224.49 | 16 032 387.57 |
| Other receivables | – | 149 726.57 |
| Current receivables on external parties | | |
| Trade receivables | 168 346.84 | 45 986.13 |
| Prepayments and accrued income | 2 582 585.95 | 913 999.38 |
| Other receivables | 174 242.63 | 1 044 993.02 |
| Current tax assets | 590 770.90 | 1 160 203.65 |
| **Total** | **26 914 185.15** | **22 295 754.67** |

Prepayments and accrued income on Ramirent Plc's subsidiaries comprise of Group contribution receivables, dividend receivables, Group cash pool receivables and interest receivables. Prepayments and accrued income from external parties include mainly prepaid operational costs and accrued interest income.

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## 15. CASH AND CASH EQUIVALENTS

| (EUR) | 2015 | 2014 |
|---|---|---|
| Cash at banks and in hand | 234.87 | 185 206.15 |

## 16. EQUITY

### CHANGES IN EQUITY 2015

| (EUR) | SHARE CAPITAL | INVESTED UNRESTRICTED EQUITY FUND | RETAINED EARNINGS | TOTAL EQUITY |
|---|---|---|---|---|
| On 1 January 2015 | 25 000 000.00 | 113 767 147.18 | 229 131 931.83 | 367 899 079.01 |
| Dividend distribution | – | – | –43 094 671.61 | –43 094 671.61 |
| Disposal of own shares | – | 95 037.75 | – | 95 037.75 |
| Profit for the year | – | – | 14 457 506.97 | 14 457 506.97 |
| On 31 December 2015 | 25 000 000.00 | 113 862 184.93 | 200 494 767.19 | 339 356 952.12 |

### CHANGES IN EQUITY 2014

| (EUR) | SHARE CAPITAL | INVESTED UNRESTRICTED EQUITY FUND | RETAINED EARNINGS | TOTAL EQUITY |
|---|---|---|---|---|
| On 1 January 2014 | 25 000 000.00 | 113 567 746.72 | 259 432 832.17 | 398 000 578.89 |
| Dividend distribution | – | – | –39 857 647.27 | –39 857 647.27 |
| Disposal of own shares | – | 199 400.46 | – | 199 400.46 |
| Profit for the year | – | – | 9 556 746.93 | 9 556 746.93 |
| On 31 December 2014 | 25 000 000.00 | 113 767 147.18 | 229 131 931.83 | 367 899 079.01 |

The company's share capital on 31 December 2015 consists of 108 697 328 shares the counter-book value of which is EUR 0.2300 per share. The company has one class of shares, each share giving equal voting right of one vote per share.

### DISTRIBUTABLE FUNDS

| (EUR) | 2015 | 2014 |
|---|---|---|
| Retained earnings | 186 037 260.22 | 219 575 184.90 |
| Profit for the year | 14 457 506.97 | 9 556 746.93 |
| Invested unrestricted equity fund | 113 862 184.93 | 113 767 147.18 |
| **Total distributable funds** | **314 356 952.12** | **342 899 079.01** |

### DIRECTED SHARE CONVEYANCE FOR KEY PERSONS

On 11 February, 2015 the Board decided, based on the share issue authorisation granted by the AGM, to convey 13 308 of the company's own shares, held by the company, without cash payment to the key persons of the Group as a settlement of the Performance Share Programme 2012. As the programme was set to combine the objectives of the shareholders and the key persons of the Group in order to increase the value of the company, there was an especially weighty financial reason for the directed share conveyance. The value of the issued shares, EUR 95 038 was recognised in the invested unrestricted equity fund.

For the Board of Directors' valid authorisations on disposal of the company's own shares, its valid authorisation on deciding on the share issue and the issuance of option rights, reference is made to note no. 22 of the consolidated financial statements.

## 17. NON-CURRENT LIABILITIES

| (EUR) | 2015 | 2014 |
|---|---|---|
| Non-current liabilities to external parties | | |
| Loans from financial institutions | 186 557 514.04 | 174 299 839.97 |
| **Total** | **186 557 514.04** | **174 299 839.97** |

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## 18. CURRENT LIABILITIES

| (EUR) | 2015 | 2014 |
|---|---|---|
| Current liabilities to Ramirent Plc's subsidiaries | | |
| Current interest–bearing liabilities | 11 160 056.65 | 21 124 125.53 |
| Trade payables | 1 070 423.17 | 24 542.22 |
| Accrued expenses | 199 343.08 | 564 972.68 |
| Current liabilities to external parties | | |
| Loans from financial institutions | 93 138 868.00 | 54 757 853.57 |
| Trade payables | 1 934 580.21 | 1 564 779.16 |
| Accrued expenses | 6 032 797.90 | 8 122 556.33 |
| **Total** | **113 536 069.01** | **86 158 829.49** |

Accrued expenses and deferred income consist mainly of expenses incurred such as income tax liability payable, accrued interest expenses and accrued holiday pay allowance for employees.

## 19. COMMITMENTS AND CONTINGENT LIABILITIES

### COMMITMENTS (OFF–BALANCE SHEET) ON 31 DECEMBER 2015

| (EUR) | TO SECURE OTHER OWN OBLIGATIONS | TOTAL |
|---|---|---|
| Suretyships | 51 836.00 | 51 836.00 |

### COMMITMENTS (OFF–BALANCE SHEET) ON 31 DECEMBER 2014

| (EUR) | TO SECURE OTHER OWN OBLIGATIONS | TOTAL |
|---|---|---|
| Suretyships | 168 187.93 | 168 187.93 |

Ramirent has covenants in in its major borrowing facility agreements. As at 31 December 2015 Ramirent was in compliance with all covenants and other terms of its debt instruments.

### FUTURE LEASE PAYMENTS

| (EUR) | 2015 | 2014 |
|---|---|---|
| Due within one year from balance sheet date | 162 648.00 | 185 042.00 |
| Due later than one year from balance sheet date | 23 840.00 | 195 504.00 |
| | 186 488.00 | 380 546.00 |

### DERIVATIVE INSTRUMENTS

| (EUR) | 2015 | 2014 |
|---|---|---|
| Fair value of interest rate SWAP's | –1 223 619.53 | –1 735 703.91 |
| Par value of underlying object | 56 975 424.35 | 52 718 425.13 |

### FOREIGN CURRENCY DERIVATIVES

| (EUR) | 2015 | 2014 |
|---|---|---|
| Par value of underlying object | 43 136 435.08 | 32 682 571.29 |
| Fair value of the derivative instruments | 283 640.48 | –7 970.00 |

# DATE AND SIGNING OF THE REPORT OF THE BOARD OF DIRECTORS AND THE FINANCIAL STATEMENTS

Helsinki, 10 February 2016

Ulf Lundahl
Chairman

Kevin Appleton
Board Member

Kaj–Gustaf Bergh
Board Member

Anette Frumerie
Board Member

Tobias Lönnevall
Board Member

Mats O Paulsson
Board Member

Susanna Renlund
Board Member

Magnus Rosén
CEO

**Auditors' note**
Our auditors' report has been issued today.

Helsinki, 10 February 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

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Ylva Eriksson
Authorised Public Accountant

# CORPORATE GOVERNANCE STATEMENT 2015

(p. 88–98 are not part of the official financial statements)

Ramirent Plc ("Ramirent" or "the Company") complies with the Finnish Corporate Governance Code set by the Securities Market Association, as well as with the Finnish Companies Act, other applicable legislation and Ramirent's Articles of Association. The code is publicly available on www.cgfinland.fi.

This is Ramirent's corporate governance statement, and it has been prepared in accordance with recommendation 54 of the Finnish Corporate Governance Code 2010. The corporate governance statement is issued separately from the Board of Directors' report and it is also available on the Company's web pages www.ramirent.com. Ramirent's Working Committee and Board of Directors have reviewed this corporate governance statement. The Company's auditor, PricewaterhouseCoopers Oy, has checked that this statement has been issued and that the description of the main features of the internal control and risk management systems pertaining to the financial reporting process is consistent with the financial statements.

## 1. GENERAL MEETINGS

According to the Articles of Association, a notice to a general meeting of shareholders shall be delivered to shareholders no earlier than two months and no later than three weeks prior to the meeting, provided it is at least nine days prior to the record date of the general meeting, by publishing the notice on the Company's internet pages and, if the Company's Board of Directors so decides, in one or several national newspapers. Notice to a general meeting, the documents to be submitted to the general meeting (including the financial statements, the report by the Board of Directors and the auditor's report to the Annual General Meeting) and proposals made to the general meeting, will be available for shareholders at least three weeks prior to the meeting at Ramirent's web site www.ramirent.com.

To have the right to attend a general meeting, shareholders registered in the shareholders register maintained by Euroclear Finland Oy shall register with the Company no later than on the date stated in the notice of the meeting, which date may not be earlier than ten days prior to the meeting. Participation in a general meeting on the grounds of nominee registered shares (including shares registered in the shareholders' register maintained by Euroclear Sweden AB) requires that a temporary entry of the owner of the nominee registered shares has been made in the shareholders' register maintained by Euroclear Finland Oy by the date specified in the notice of the meeting. Shareholders seeking to attend a general meeting are responsible for obtaining individual registration in sufficient time to ensure that this requirement is met.

An Annual General Meeting of Shareholders ("AGM") must be held at the latest in June in Helsinki, Espoo or Vantaa on the date determined by the Board of Directors. The financial statements, comprising the consolidated financial statements and the Board of Director's report and the auditor's report will be presented at the AGM. At the AGM the following matters shall be decided: the approval of the financial statements; the use of profit disclosed in the balance sheet; the discharge from liability of the members of the Board and the Managing Director; the remuneration of the Board members and the grounds for compensation of travel expenses, the number of Board members and auditors as well as eventual Board proposals. At the AGM the members of the Board and the auditors shall be elected.

## 2. BOARD OF DIRECTORS AND TERM

According to the Articles of Association, the Board of Directors shall consist of three to eight ordinary members, whose terms expire at the end of the AGM that next follows the meeting at which they were elected. The Board shall elect a Chairman from its midst and a Deputy Chairman, if necessary. The following seven ordinary members were elected to the current Board of Directors at the AGM 2015:

- Ulf Lundahl, Chairman of the Board, (born 1952), Master of Law and Bachelor in Business, Swedish citizen, independent of the Company and of significant shareholders.

- Susanna Renlund, Deputy Chairman, (born 1958), M.Sc. (Agr.), Finnish citizen, independent of the Company and dependent of a significant shareholder.

- Kevin Appleton, member of the Board, (born 1960), B.A., British citizen, independent of the Company and of significant shareholders.

- Kaj-Gustaf Bergh, member of the Board, (born 1955), B.Sc. (Econ.) and LL.M (Master of Laws), Finnish citizen, independent of the Company and dependent of a significant shareholder.

- Mats O Paulsson, member of the Board, (born 1958), M.Sc. (Eng.), Swedish citizen, independent of the Company and of significant shareholders.

- Anette Frumerie, member of the Board, (born 1968), M.Sc. (Eng.), Swedish citizen, independent of the Company and of significant shareholders.

- Tobias Lönnevall, member of the Board, (born 1980), M.Sc. (Econ.), Swedish citizen, independent of the Company and dependent of a significant shareholder.

The term of the current Board members will expire at the end of AGM 2016.

## 3. RULES OF PROCEDURE FOR RAMIRENT BOARD OF DIRECTORS

In addition to the Companies Act, other applicable legislation and the Articles of Association of Ramirent, the work and operations of the Board are governed by the Rules of Procedure for Ramirent's Board of Directors. The purpose of the rules is to regulate the internal work of the Board. The Board of Directors and each of its members shall in its work consider and duly comply with the aforementioned laws and rules.

**Duties of the board of directors**
The Board of Directors is responsible for the Company's organisation and the management of the Company's affairs pursuant to the provisions of the Companies Act. The members of the Board of Directors shall, subject to any restrictions set forth in the Companies Act, the Articles of Association of Ramirent, or the Rules of Procedure, carry out the work of the Board of Directors jointly or in a working group appointed for a particular matter. The Board of Directors shall primarily be responsible for the Company's strategic issues and for issues which, with regard to the scope and nature of the Company's operations, are of a material financial, legal, or general character or otherwise of great significance.

**Assessment of the work of board of directors**
The Board of Directors will annually, normally at the end of the financial year, conduct an assessment of its work and work practices.

**Board meetings**
The Board of Directors shall normally hold at least seven meetings per year. In addition to the Board members, the Managing Director and the secretary of the Board of Directors will attend Board meetings. The auditor of the Company shall be invited at least once a year to attend a Board meeting.

In 2015, the Board had 10 meetings. The percentage for participation was 94%.

**Working committee**
The Board of Directors has nominated one committee, the Working Committee, to assist the Board in its work.

The Board elects amongst its members the Chairman and at least two other members to the Working Committee and confirms its work order. The Working Committee does not have any independent decision making power, except by a specific authorisation given by the Board in a specified matter case by case.

Pursuant to the work order adopted by the Board of Directors, the duties of the Working Committee include, among other, the duties of an audit committee. The task of the Working Committee is to prepare and make proposals to the Board within the focus areas of corporate governance, special finance matters, risk management, compensation and employment matters as well as guidelines for strategic plans and financials goals. It is also the Working Committee's duty to oversee the accounting and financial reporting processes; to prepare the election of auditor; to review the auditor's reports and to follow up the issues reported by the external auditor.

In 2015 Ulf Lundahl, Susanna Renlund and Tobias Lönnevall were elected as members and Ulf Lundahl as the Chairman of the Working Committee. The duties of audit committee have been discharged to the Working Committee in accordance with Finnish Corporate Governance Code 2010 Recommendation 27. According to Recommendation 26, members of audit committee shall be independent of the company and at least one member should be independent of significant shareholders. All of the Working Committee members are independent of the Company and Ulf Lundahl is also independent of significant shareholders. The Board considered this composition to be proper and suitable taken into account the overall duties of the Working Committee and the versatile expertise and experience of the elected members.

In 2015, the Working Committee had 5 meetings. The percentage for participation was 100%.

## 4. MANAGING DIRECTOR

The Board shall elect a Managing Director and, if necessary, a substitute for the Managing Director. The Managing Director is responsible for the day-to-day management of the Company's affairs. The Board of Directors has adopted Rules of Procedure for the Managing Director containing guidelines and instructions regarding the

Company's day-to-day management. In fulfilling his duties the Managing Director shall be assisted by the members of the Group Management Team of Ramirent and any other corporate bodies established by the Board of Directors.

The Managing Director has a written contract, approved by the Board of Directors. He is not a Board member, but attends Board meetings.

The Board of Directors appointed Magnus Rosén as Managing Director effective from 15 January 2009. Magnus Rosén is born in 1962 and is a Swedish citizen, M.Sc. (Econ), MBA. His prior working experience includes the following: MD, Business Area, Sweden at BE Group 2008; SVP, Cramo Oyj 2006-2008; MD, Cramo Scandinavia, 1998-2006; MD, BT Hyrsystem AB and Service Market Manager, BT Svenska AB, 1989-1998.

According to his contract, Magnus Rosén's retirement age is 62 years. Magnus Rosén does not belong to the Finnish statutory pension system. His pension accruing during the time he holds the position of the Managing Director is arranged through a separate pension insurance, the premiums of which are SEK 1 488 144 per annum.

The termination period for Magnus Rosén is 12 months. If the Company terminates the agreement, the Managing Director shall receive additional discharge compensation equal to one year's annual base salary.

## 5. GROUP MANAGEMENT 2015

In 2015, the Group Management structure consists of the Executive Management Team (EMT) and Senior Vice Presidents who report to a member of the EMT.

**Executive Management Team (EMT)**
The CEO and other members designated by the Board form Ramirent EMT. The EMT assists the CEO in preparation of matters such as business plans, strategies, Ramirent policies and other matters of joint importance within Ramirent as requested by the CEO. EMT will convene when called by the CEO. On 31 December 2015 the EMT consisted of the following members reporting to the Group President and CEO:

- Magnus Rosén, Group President and CEO
- Dino Leistenschneider, Executive Vice President, Sourcing and Fleet Management
- Jonas Söderkvist, Group CFO and EVP, Corporate Functions (as of 1 January 2016 Executive Vice President, Sweden and Denmark)
- Anna Hyvönen, Executive Vice President, North Europe Central (until 31 March 2016)
- Pierre Brorsson is the Chief Financial Officer as of 1 January 2016.
- Øyvind Emblem will be EVP, Norway, as of 1 January 2016.
- Mikael Kämpe will be EVP, Finland, as of 1 April 2016
- Heikki Onton will be EVP, Baltics and Europe Central, as of 1 April 2016.

**The Group Management Team**
The Group Management Team (GMT) consists, in addition to the EMT members, of five Senior Vice Presidents responsible for the following areas: Temporary Space, Sales, Marketing & Communications, HR and IT.

## 6. FINANCIAL REPORTING

The Board of Directors monitors and assesses the Company's financial situation and approves all economic and financial reports published by the Company. The Chairman of the Board will ensure that each of the Board members will have access to the information relating to the Company and that the members of the Board will be regularly furnished by the Managing Director with the information required to monitor the Company's business and profit development, cash flow and financial position.

## 7. INTERNAL CONTROL, RISK MANAGEMENT AND INTERNAL AUDIT

Internal control is a process, put into effect by Ramirent's Board of Directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to strategy, operations, reporting and compliance.

Risk management is an integral part of internal control in Ramirent. The Board of Directors approves both the internal control and the risk policy principles. The goal of risk management in Ramirent is to support the strategy and the achievement of the objectives by anticipating and managing potential threats to and opportunities for the business. The risk management process consists of identification of risks, risk assessment, risk response and risk monitoring. Risks are primarily identified and assessed by segments, countries and Group functions and indicators to follow are set by Group instructions and models that are approved by the Board. The risk management process is continuous. The risk assessment and reporting to the Board is conducted quarterly. Risks are evaluated in relation to achievement of strategic, including financial, targets of Ramirent. In the risk assessment the impact and probability of each risk is evaluated and risks are classified as strategic, operational, reporting or compliance related risks. Measures to be taken to respond and mitigate the risks from materialising are described in risk mitigation action plan drafted as a result of the risk assessment. Risk assessment related to financial reporting is described in more detail in section below.

The objectives of the internal control and risk management systems for financial reporting are to ensure that the financial reports disclosed by Ramirent gives essentially correct information about the company finances, are reliable and that Ramirent complies with the applicable laws, regulations, International Financial Reporting Standards (IFRS) as adopted by EU and other requirements for listed companies.

The overall system of internal control in Ramirent is based upon the framework by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013) and comprises five principal components of internal control: the control environment, risk assessment, control activities, information and communication, and monitoring.

**Control environment**

Ramirent's Board of Directors bears the overall responsibility for the internal control for financial reporting and sets the tone at the top. The Board has established a written formal working order that clarifies the Board's responsibilities and regulates the Board's and Working Committee's internal distribution of work. The Working Committee's primary task is to ensure that established principles for financial reporting, risk management and internal control are followed and that appropriate relations are maintained with Ramirent's auditors. The responsibility for maintaining an effective control environment and the ongoing work on internal control as regards the financial reporting is delegated to the CEO.

Ramirent focuses on developing and enhancing internal control over the financial reporting by concentrating on the internal control environment and by monitoring the effectiveness of the internal control. All relevant issues are reported to the Working Committee and the CEO.

To enhance and improve the internal control system related to financial reporting Ramirent has centralized finance and accounting services from Sweden, Denmark, Norway, Finland and established a Shared Service Center located in Estonia, city of Tallinn.

Otherwise Ramirent's operating model is decentralized with local decision making and local accountability. The business model and customers are local and most of the business decisions are made in the operating countries. Common Group instructions are given by the head office in the areas e.g. fleet management, finance, credit risk and financial reporting. Accounting functions in the countries other than referred above (Sweden, Denmark, Norway, Finland) are still independent with direct reporting lines to the Group head office. Internal control at the country level is the responsibility of the Country Manager in accordance with the Group framework.

Ramirent's financial reporting process is integrated and serves both external and internal reporting purposes. Ramirent prepares consolidated financial statements and interim reports in accordance with the IFRS. Financial statements include also other information that is required by the Securities Markets Act, as well as the appropriate Financial Supervision Authority's standards and Nasdaq Helsinki Ltd's rules. The Board of Director's report of Ramirent and parent company financial statements are prepared in accordance with Finnish Accounting Act and the opinions and guidelines of the Finnish Accounting Board.

External financial reporting in Ramirent is based on Group Accounting and Reporting Procedures which sets forth the basis for external financial reporting according to IFRS. Detailed reporting instructions and time schedules have been established and communicated to all persons involved with the financial reporting process in due time.

**Risk assessment**

Ramirent's risk assessment regarding financial reporting aims to identify and evaluate the most significant risks affecting the financial reporting at the Group, reporting segment and country levels. The assessment of risk includes for example risks related to fraud, risk of loss or misuse of assets. Based on the risk assessment results, control indicators are set to ensure that the fundamental requirements placed on financial reporting are fulfilled. Information on development of essential risk areas, indicators, planned and executed activities to mitigate risks are communicated regularly to the Board.

**Control activities**

Ramirent has identified key processes for the financial reporting purposes and internal controls have been designed based on the risk assessment. Key processes are financial reporting process, rental asset management, sourcing, acquisitions, income and credit control, cash management and IT processes.

Common control points for Ramirent business units are defined for the key process and sets forth minimum requirements for each process. Examples of such internal control activities are authorizations and approvals, account reconciliations, physical counts of assets, analysis and segregation of key financial duties. Country Manager is responsible for arranging an adequate internal control within the country.

Control activities include also business and financial results analysis on a monthly basis. These analyses are performed in country, segment and Group level by the management and the Board of Directors. Ramirent Board of Directors reviews interim and annual reports and approves reports before publication.

Ramirent has worked with an outsourced internal audit function and has partly insourced the function during 2015. The objective of the internal audit is to provide assurance and to support management in development of operational efficiency. The scope and program of the internal audit function is reviewed related to the changes in the strategic objectives of Ramirent Group, changes in assessed risks and findings from previous audits. Internal audit service is described in more detail in section below.

**Information and communication**

To secure effective and efficient internal control environment, Ramirent's internal and external communication is open, transparent, accurate and timely. Information regarding internal policies and procedures for financial reporting i.e. Accounting Procedure, Reporting Procedure and Disclosure Policy, reporting timetables etc are available on Ramirent's intranet. Ramirent arranges training for personnel regarding internal control tools. Internal audit reports the results of the work on internal audit as a standing item on the agenda of the Working Committee's meetings. The Working Committee reports to the Board as needed.

Ramirent has established a procedure for anonymous reporting of violations related to fraud, misconduct or internal controls and auditing.

**Monitoring**

Ramirent is constantly monitoring effectiveness of its internal controls. The audit function supports the management by evaluating the operation of internal control and by giving recommendations on development of internal controls. Internal audit compiles an annual audit plan, the status and findings of which it regularly reports to Ramirent management, external auditors and the Working Committee. Ramirent is also reviewing its rental fleet on a regular basis by separate Fleet audits and Fleet audits combined with internal audit visits.

Financial performance is monitored at all levels of the organization as a combination of variance analysis, benchmarking and management reviews. Ramirent is constantly developing harmonized reporting tools and processes to allow higher transparency and better comparability between business units.

**Compliance with laws and code of conduct**

Ramirent is committed to comply with applicable laws and regulations as well as generally accepted practices of the business. Additionally, Ramirent's operations are guided by Ramirent's Code of Conduct and company values. Ramirent's Code of Conduct is based on UN Declaration of Human Rights and ILO's Declaration on Fundamental Principles and Rights at Work. Ramirent's Code of Conduct and company values describe Ramirent's corporate culture. Each and every Ramirent employee has to be familiar with the principles of the Ramirent's Code of Conduct, company values, the legislation and operating guidelines of their own areas of responsibility. Management is responsible for the internal control of the operations. The operations are monitored by the Working Committee, which reports any misconduct to the Board.

**Internal audit**

Internal audit assesses the efficiency and appropriateness of operations and examines the functioning of internal controls in Ramirent Group. Internal audit seeks to ensure the reliability of financial and operational reporting, compliance with applicable laws and regulations, and proper management of the company's assets.

Internal audit is independent from the operational management and is performed by an external service provider. Internal audit reports directly to the Working Committee and audit program and annual audit plans are approved by the Working Committee. Audit programs are based on risk assessment and findings from previous internal and external audits.

## 8. AUDITORS

According to Ramirent's Articles of Association, the Company shall have at least one (1) and at the most two (2) auditors. The auditors must be certified public accountant firms. The auditor's term shall terminate at the end of the AGM that next follows their election.

PricewaterhouseCoopers Oy, Certified Public Accountant Firm, has acted since 2011 as the auditor of the Company the main responsible auditor individual being Ylva Eriksson, APA. PricewaterhouseCoopers Oy was elected in the Annual General Meeting held on 25 March 2015 as the auditor of the Company with Ylva Eriksson, APA, acting as the principally responsible auditor. The Working Committee makes an annual evaluation of the auditor's independence. The scope of the audit, the audit focus areas and the audit costs are detailed in the Group audit plan.

## 9. INSIDERS

Ramirent has adopted internal insider instructions, amended last time effective as of 25 March 2015. The instructions comply with the Nasdaq Helsinki Guidelines for Insiders. The permanent public insiders in the Company are the Board members, the Managing Director, the main responsible auditor individual, and Group Management Team members. The permanent public insiders and the required information on them, their related persons and the corporations that are controlled by the related persons or in which they exercise influence, have been entered in Ramirent's register of public insiders. Ramirent public insiders' share holdings are available for public display in the NetSire register, which can be accessed at www.ramirent.com.

Other permanent insiders include such persons who in their duties receive insider information on a regular basis. These persons have been entered in Ramirent's internal, non-public insider register. Ramirent maintains also internal insider registers of insider projects.

Ramirent maintains its insider registers in cooperation with Euroclear Finland Ltd.

# REMUNERATION STATEMENT 2015

Ramirent prepares its remuneration statement in accordance with the Finnish Corporate Governance Code. This remuneration statement has been prepared in accordance with Corporate Governance Code 2010. Ramirent's policy is to update the statement at the Company's web site www.ramirent.com always when essential new information becomes available related to remunerations.

## REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration for the Board members is decided by the Annual General Meeting ("AGM"). The AGM held in 2015 decided that the remuneration of the Board members is as follows:

- Chairman of the Board: EUR 3 800/month and additionally EUR 1 600/meeting.
- Deputy chairman of the Board: EUR 2 500/month and additionally EUR 1 300/meeting.
- Other Board members: EUR 2 250/month and additionally EUR 1 000/meeting.

The abovementioned meeting fees are also paid for Committee meetings and other similar Board assignments. Travel expenses and other out-of-pocket expenses due to the board work shall be compensated in accordance with the Company's established practice and travel rules.

**BOARD REMUNERATION**

| (EUR 1 000) | 2015 | 2014 |
|---|---|---|
| Appleton, Kevin | 31.7 | 33.0 |
| Bergh, Kaj-Gustaf | 33.0 | 35.0 |
| Ek, Johan | | 11.0 |
| Frumerie, Anette | 24.3 | |
| Hofvenstam, Peter | 13.5 | 51.0 |
| Norvio, Erkki | 7.8 | 34.0 |
| Lundahl, Ulf | 55.8 | 27.3 |
| Lönnevall, Tobias | 27.3 | |
| Renlund, Susanna | 43.0 | 41.7 |
| Paulsson, Mats O | 33.0 | 42.5 |
| Sølsnes, Gry Hege | 7.8 | 34.0 |
| **TOTAL** | **276.9** | **309.5** |

The entire remuneration is paid to Board members in cash

The Board members are not covered by Ramirent's bonus plans, incentive programs or pension plans.

## DECISION MAKING PROCESS AND MAIN PRINCIPLES OF REMUNERATION OF THE PRESIDENT AND CEO AND OTHER GROUP MANAGEMENT TEAM MEMBERS

The Board of Directors decides on the remuneration, benefits and other terms of employment of the President and Chief Executive Officer ("CEO"). Remuneration and benefits for the other Group Management Team members are based on CEO's proposal and subject to Board approval.

The remuneration of the President and CEO and the other members of the Group Management Team consist of a fixed monthly base salary, customary fringe benefits and annual bonuses and long-term incentives.

Annual bonuses are based on Group Bonus Guidelines and performance criteria decided by the Board. As to long-term incentives, Group Management Team members are participating in long-term incentive programs, which are decided upon by the Board.

There are no options outstanding or available from any of Ramirent's earlier option programs. There is no general supplementary pension plan for Group Management Team members.

## ANNUAL BONUSES

The Board sets annually the terms and the targets and the maximum amounts for annual bonuses. The amount of eventual bonuses is based on financial performance criteria, such as Economic Profit (EBIT) of the Group and the respective segment or country. The achievement of the targets of the CEO and Group Management Team members is evaluated by the Working Committee and the payment of the eventually achieved bonuses is confirmed by the Board.

In 2015, the maximum annual bonus for the CEO could be up to 60% of his annual base salary. For the other members of the Group Management Team the maximum annual bonus could be up to 40-55% of their annual base salary.

## PERFORMANCE–BASED LONG–TERM INCENTIVE PROGRAMMES

Ramirent has three on–going share–based incentive programmes for its key managers, one approved by the Board in 2013 for the period 2013–2015, second one approved by the Board in 2014 for the period 2014–2016 and a third one approved by the Board in 2015 for the period 2015–2017. The long–term incentive programme 2011 was settled in April 2014 and the long–term incentive programme 2012 was settled in March 2015.

## LONG–TERM INCENTIVE PROGRAMME 2011

The performance share programme for the years 2011–2013 was targeted at approximately 60 managers. The members of the Group Management Team were included in the target group of the incentive programme. The performance share programme included one earning period, calendar years 2011–2013. The reward from the programme was based on the Group's Total Shareholder Return (TSR), on the Group's average Return on Invested Capital (ROI) and on the Group's cumulative Earnings per Share (EPS). The reward was paid in April 2014 partly in Company shares and partly in cash. The cash payment was intended to cover the personal taxes and tax–related costs arising from the reward. The total cost accumulated during 2011–2014 was EUR 0.5 million.

## LONG–TERM INCENTIVE PROGRAMME 2012

The share–based incentive programme for the years 2012–2014 was targeted at approximately 50 managers of the company. The members of the Group Management Team were included in the target group of the incentive programme The programme included matching shares and performance shares. The programme included one earning period, the calendar years 2012—2014. The reward from the programme was based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR). In order to receive shares under the programme, the prerequisite for the top management was that an executive acquires and holds certain amount of the Company's shares in accordance with the decision by the Board of Directors.

The reward from the earning period 2012–2014 was paid in March 2015 partly in shares and partly in cash. The cash payment was intended to cover the personal taxes and tax–related costs arising from the reward. Based on the share issue authorisation granted by the AGM, the Board decided to convey 13,308 of the company's own shares, held by the company, without cash payment to the key persons of the Group as a settlement of the Performance Share Programme 2012. The total cost accumulated during 2012–2014 was EUR 0.3 million

## LONG–TERM INCENTIVE PROGRAMME 2013

The share–based incentive programme for the years 2013–2015 is targeted at approximately 50 managers of the company for the earning period 2013–2015. The members of the Group Management Team are included in the target group of the incentive programme. The programme includes matching shares and performance shares. The programme includes one earning period, the calendar years 2013—2015. The potential reward from the programme will be based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR). In order to receive shares under the programme, the prerequisite for the top management is that an executive acquires and holds certain amount of the Company's shares in accordance with the decision by the Board of Directors.

The potential reward from the earning period 2013–2015 will be paid partly in the Company's shares and partly in cash in 2016. The cash payment is intended to cover the personal taxes and tax–related costs arising from the reward. No reward will be paid to an executive, if his or her employment or service with the Group Company ends before the reward payment. The maximum reward to be paid on the basis of the earning period 2013—2015 will correspond to the value of up to 390 244 Ramirent Plc shares (including also the proportion to be paid in cash).

The estimated reward realisation for LTI2013 was revised in the end of 2015 based on the financial performance of the Group and the cost recognised earlier was reversed by EUR 0.3 million. The cost accrued in 2014 was EUR 0.1 million. The total cost accumulated during 2013–2015 was EUR 0.2 million at the end of 2015.

## LONG–TERM INCENTIVE PROGRAMME 2014

The share–based incentive programme for the years 2014–2016 is targeted at approximately 60 executives of the company. The members of the Executive Management Team and the Group Management Team are included in the target group of the incentive programme. The programme includes matching shares and performance shares. The programme includes one earning period, the calendar years 2014—2016. The potential reward from the programme will be based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR). In order to receive shares under the programme, the prerequisite for the top management is that an executive acquires and holds certain amount of the Company's shares in accordance with the decision by the Board of Directors.

The potential reward from the earning period 2014—2016 will be paid partly in the Company's shares and partly in cash in 2017. The cash payment is intended to cover the personal taxes and tax–related costs arising from the reward. No reward will be paid to an executive, if his or her employment or service with the Group Company ends before the reward payment. The maximum reward to be paid on the basis of the earning period 2014—2016 will correspond to the value of up to 360 000 Ramirent Plc shares (including also the proportion to be paid in cash).

The estimated reward realisation for LTI2014 was revised in 2015 based on the financial performance of the Group. The cost accrued in 2015 was EUR 0.1 million (in 2014 EUR 0.2 million). The total liability arising from LTI2014 was EUR 0.2 million at the end of 2015.

## LONG–TERM INCENTIVE PROGRAMME 2015

The share–based incentive programme 2015 is targeted at approximately 60 executives for the earning period 2015—2017. The members of the Group Management Team are included in the target group of the incentive programme The programme includes matching shares and performance shares. The programme includes one earning period, the calendar years 2015—2017. The potential reward from the programme will be based on the Group's cumulative Economic Profit and on the Group's Total Shareholder Return (TSR). In order to receive shares under the programme, the prerequisite for the top management is that an executive acquires and holds certain amount of the Company's shares in accordance with the decision by the Board of Directors.

The potential reward will be paid partly in the Company's shares and partly in cash in 2018. The cash payment is intended to cover the personal taxes and tax–related costs arising from the reward. No reward will be paid to an executive, if his or her employment or service with the Group Company ends before the reward payment. The maximum reward to be paid will correspond to the value of up to 450,000 Ramirent Plc shares (including also the proportion to be paid in cash).

The estimated reward realisation for LTI2015 was revised in the end of 2015 based on the financial performance of the Group and the cost accrued earlier during 2015 was reversed by EUR 0.1 million. The total cost accrued in 2015 was EUR 0.1 million.

## RECOGNITION PRINCIPLES OF THE LONG–TERM INCENTIVE PROGRAMMES

The incentive programmes are partly equity–settled and partly cash–settled. The costs are accrued over the vesting period for each programme. The part of the reward that is settled in shares is valued at fair value at the grant date and the costs are recognised in equity. The part of the reward that is settled in cash is recognised as a liability. The liability is revaluated at each reporting date for subsequent changes in the fair value of the liability. The cash–settled portion relates to personal taxes and other employer's contributions.

The aim of the incentive programmes is to combine the objectives of the shareholders and the management in order to increase the value of the Company as well as to commit the managers to the Company, and to offer them competitive rewards based on the financial performance of the Company and the Company shares

The total liability for the on–going long–term incentive programmes as at 31 December 2015 totals EUR 0.5 million (EUR 1.0 million).

## REMUNERATION OF THE PRESIDENT AND CEO

CEO Magnus Rosén's annual base salary consists of EUR 209,106 and SEK 2,195,532 respectively. He has additionally a free car benefit as a fringe benefit. In 2015, the total remuneration paid to Magnus Rosén consisting of fixed annual base salary and fringe benefits was EUR 452.600. In addition in 2015, Magnus Rosén received also a compensation based on settlement of the Long-term Incentive Program 2012 of EUR 57,108.

Magnus Rosén does not belong to the Finnish statutory pension system. His pension accruing during the time he holds the position of the President and CEO is arranged through a separate pension insurance, the premiums of which are SEK 1,488,144 per annum.

# BOARD OF DIRECTORS

### ULF LUNDAHL
### CHAIRMAN OF THE BOARD

B. 1952. Master of Law and Bachelor in Business from University of Lund. Swedish citizen. Ramirent Board member since 2014. Chairman of the Board since 2015. Member of Ramirent's Working Committee. Deemed to be independent of the Company and of significant shareholders.
**Ramirent share** Dec. 31, 2015: 5,000
**Prior working experience:** Executive Vice President and Deputy CEO of L E Lundbergföretagen AB; CEO of Danske Securities; CEO Östgota Enskilda Bank; CEO of Nokia Data Sweden; Executive Vice President and Head of consumer banking of Götabanken; Strategy consultant of SIAR.
Chairman of the Board of Fidelio Capital AB and Board member of Holmen AB, Indutrade AB, Attendo AB and Eltel AB.

### SUSANNA RENLUND
### DEPUTY CHAIRMAN OF THE BOARD

B. 1958. M.Sc. (Agr.). Finnish citizen. Ramirent Board member since 2006. Member of Ramirent's Working Committee. Deemed independent of the Company and, in her role as Vice Chairman of Julius Tallberg Corp., dependent of significant shareholders.
**Ramirent shares** Dec. 31, 2015: 10,000 (holding of interest parties 12,207,229)
**Prior working experience:** Administration Manager of the Institute for Bioimmunotherapy, Helsinki Ltd. General management positions in a number of real estate properties and the financial management of the Institute for Bioimmunotherapy Helsinki Ltd.
Chairman of Julius Tallberg Real Estate Corporation and Vice Chairman of Oy Julius Tallberg Ab.

### KEVIN APPLETON

B. 1960. B.A. British citizen. Board member since 2012. Deemed to be independent of the Company and of significant shareholders.
**Ramirent shares** Dec. 31, 2015: 2,075
Kevin Appleton works as Managing Director of Yusen Logistics (UK) Ltd.
**Prior working experience:** Executive Chairman of Travis Perkins PLC's General Merchanting Division; CEO in Lavendon Group PLC; Managing Director in Constructor Dexion; Managing Director & VP Europe at FedEx Logistics/ Caliber Logistics; and Marketing Manager and then Sales and Marketing Director in NFC Plc. Director and Member of the Board of UK Freight Transport Association (FTA), Chairman of Horizon Platforms Ltd and Director of KCA Business Services Ltd.

### KAJ-GUSTAF BERGH

B. 1955. B.Sc. (Econ.) and LL.M (Master of Law). Finnish citizen. Ramirent Board member since 2004. Deemed independent of the Company and, in his role as Chairman of the board of Julius Tallberg Corp., dependent of significant shareholders.
**Ramirent shares** Dec. 31, 2015: 36,000 (holding of interest parties 12,211,229)
Kaj-Gustaf Bergh is Managing Director of Föreningen Konstsamfundet R.F.
**Prior working experience:** Various positions in Pankkiiriliike Ane Gyllenberg Oy and Skandinaviska Enskilda Banken. Chairman of the Board of Stockmann Oyj Abp, Sponda Oyj and Oy Julius Tallberg Ab, Board member of Wärtsilä Oyj Abp and JM AB.

### ANETTE FRUMERIE

Born 1968, M.Sc. (Eng.), Swedish citizen. Board member since 2015. Deemed to be independent of the Company and of significant shareholders.
**Ramirent shares** Dec. 31, 2015: -
Anette Frumerie is the CEO of Besqab.
**Prior working experience:** Business Unit President, Residential Development Nordic, at Skanska; Business Region Manager, Foreign Markets, at JM; Business Region Manager Residential Greater Stockholm and JM Business Development; various other management positions at JM.
Board member of Stockholm Association of Building Contractors.

### TOBIAS LÖNNEVALL

Born 1980, M.Sc. (Econ.), Swedish citizen. Member of the Board since 2015. Member of Ramirent's Working Committee. Deemed to be independent of the Company and dependent of a significant shareholder.
**Ramirent shares** Dec. 31, 2015: - (holding of interest parties 30,393,716)
Tobias Lönnevall is Investment Manager at Nordstjernan AB.
**Prior working experience:** acting CEO of NH Logistics (2010); Finance Manager at Landic Property (2008–2009); Management Consultant at Accenture (2006–2008).
Chairman of the Board of KMT Precision Grinding.

### MATS O PAULSSON

B. 1958 M.Sc. (Eng.) Swedish citizen. Board member since 2013. Deemed to be independent of the Company and of significant shareholders.
**Ramirent shares** Dec. 31, 2015: 10,000
**Prior working experience:** CEO of Bravida, CEO of Scandinavian Division, Strabag Group, holder of leading positions at Peab Group as Deputy CEO and CEO of Peab Industry AB, owner of Peab's rental company Lambertsson.
Board member of Acando AB and DSVM Holding AB, Hjortkvarn Timber AB, Win group Ag, Torpheimergruppen AB, BTH Bygg AB, GDL Transport AB and Kanonader Entreprenad AB.

# EXECUTIVE MANAGEMENT TEAM

### MAGNUS ROSÉN
### PRESIDENT AND CEO

B. 1962. Swedish citizen, M.Sc. (Econ), MBA. Employed since 2009.
**Ramirent shares** Dec. 31, 2015: 42,683
**Prior working experience:** MD, Business Area, Sweden at BE Group 2008; SVP, Cramo Oyj 2006–2008; MD, Cramo Scandinavia, 1998–2005; MD, BT Hyrsystem AB and Service Market Manager, BT Svenska AB, 1989–1998.
**Positions of trust:** Board member of the European Rental Association, ERA and Llentab AB.

### PIERRE BRORSSON
### CHIEF FINANCIAL OFFICER
### (FROM 1 JANUARY 2016)

B. 1972. Swedish citizen, M.Sc. (Ba.). Employed since 2016.
**Ramirent share** Dec. 31, 2015: -
**Prior working experience:**
VP Business Development, Industrial Technique, Atlas Copco 2014-2015; VP Finance & Administration Atlas Copco MVI Division 2013-2011; VP Finance and Administration, Atlas Copco Tools & Assembly systems divisions 2006–2011; Business Controller, Atlas Copco Tools and Assembly systems 2002–2006; Financial Manager, Power Tools Distribution NV 1999–2002; Controller, Atlas Copco Rock Drills 1996–1999.

### ØYVIND EMBLEM
### EVP, NORWAY

B. 1970. Norwegian citizen, M.Sc. (Tech.), MBA. Employed since 2015.
**Ramirent shares** Dec. 31, 2015: -
**Prior working experience:** SVP, Ramirent Norway from April-December 2015. Global Sales Director Spirits at Arcus Gruppen AS; Managing Director of Michelin Benelux 2009–2012; Country Manager, Michelin Korea 2007–2009 and Sales Manager of Michelin Nordic AB 2004–2006; Management trainee and Manufacturing Manager of ODIM Hitec 1998–2002 and as Management Consultant at McKinsey & Company, Norway 1996–1998.
Board member of Stockholm Association of Building Contractors.

### ANNA HYVÖNEN
### EVP, NORTH CENTRAL EUROPE
### (UNTIL 31 MARCH 2016)

B. 1968, Finnish citizen, Licenciate of Technology (Ph.D.). Employed since 2012.
**Ramirent shares** Dec. 31, 2015: 14,746
**Prior working experience:** SVP, Finland, Ramirent Plc, 2012–2013; Head of Maintenance business, KONE Oyj, 2008–2012; Head of Portfolio management and business excellence, Service business, Nokia Networks/Nokia Siemens Networks, 2006–2008; Head of Product management, Delivery Services, Nokia Networks, 2003–2006; Head of Maintenance services, Latin America, Nokia Networks, 2001–2003
**Positions of trust:** Board member of Caverion Corporation and Fortrent Group.

### MIKAEL KÄMPE
### EVP, FINLAND
### (FROM 1 APRIL 2016)

B. 1968. Finnish citizen. B.Sc. (Eng.). Employed since 2004.
**Ramirent shares** Dec. 31, 2015: 12,984
**Prior working experience:** SVP, Ramirent Europe Central 2013–2015; Director, Group Fleet, Ramirent Plc 2009–2013; Purchasing Manager, Ramirent Plc 2008–2009 and Ramirent Europe Oy 2005–2008; Purchasing Manager, Ramirent AB 2004–2005; Product and Purchasing Manager, Altima AB 2002–2004; Purchaser, NCC AB 1999–2001 and NCC Finland Oy 1996–1999.

### DINO LEISTENSCHNEIDER
### EVP, FLEET AND SOURCING

B. 1971. German citizen, M.Sc. (Eng.), M.Sc. (Ind. Ec.). Employed since 2010.
**Ramirent shares** Dec. 31, 2015: 10,966
**Prior working experience:** Director, Group Sourcing, Ramirent Plc, 2010–2013; Project Leader Business Development, Skanska Industrial Production Nordics, 2010; European Category Manager, Skanska AB 2007–09; Category Management Coordinator, Skanska AB, 2005–07; Purchasing Manager Maxit Group AB, 2003–05; Restructuring Manager Logistic (a.o.), Unilever Bestfoods, 2000–2003.

### HEIKI ONTON
### EVP, BALTICS AND EUROPE CENTRAL
### (FROM 1 APRIL 2016)

B. 1978. Estonian citizen. Ph.D. (Eng.). Employed since 2001.
**Ramirent shares** Dec. 31, 2015: 5,778
**Prior working experience:** SVP, Ramirent Baltics 2013–2015; Managing Director, Ramirent Baltic AS 2012–2013; VP, Ramirent Baltic AS 2010–2012; Sales Director, Ramirent AS 2008–2010; VP, Ramirent AS 2005–2008; Designer and Product line manager Ramirent AS 2001–2005. Before joining Ramirent: Civil Engineer at ETS Nord AS.

### JONAS SÖDERKVIST
### EVP, SWEDEN AND DENMARK
### (FROM 1 JANUARY 2016)

B. 1978. Swedish citizen, M.Sc. (Eng.), M.Sc. (Econ.). Employed since 2009.
**Ramirent shares** Dec. 31, 2015: 20,320
**Prior working experience:** CFO and EVP, Corporate Functions, Ramirent Plc 2009–2015; Interim CFO 9/2009–11/2009, Business development 2005–2006, Ramirent Plc; Investment Manager, Nordstjernan Investment AB, 2004–2009; Software engineering and development, Saab Rosemount AB, 2003.

**The Group Management Team**
The Group Management Team (GMT) consists, in addition to the Executive Vice Presidents (EVP) members, of five Senior Vice Presidents responsible for the following areas: Temporary Space, Sales, Marketing & Communications, HR and IT.

# AUDITOR'S REPORT

## TO THE ANNUAL GENERAL MEETING OF RAMIRENT PLC

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Ramirent Plc for the year ended 31 December 2015. The financial statements comprise the consolidated statement of financial position, income statement, 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 MANAGING DIRECTOR

The Board of Directors and the Managing Director 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 Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to 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 Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they 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 and the consolidated 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 and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki February 10, 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Ylva Eriksson
Authorised Public Accountant

# INVESTOR RELATIONS

(p. 101–102 are not part of the official financial statements)

## INVESTOR RELATIONS PRINCIPLES

Ramirent's Investor Relations primary task is to support the correct valuation of Ramirent's share by providing information related to Ramirent operations, operating environment, strategic objectives and financial situation so that capital market participants can form a balanced view of Ramirent as an investment. This task is being performed in Ramirent's written communications, such as the financial statements and interim reports, the corporate sustainability report, stock exchange and press releases, the internet pages as well as in all other communication with investors and analysts. Ramirent pursues an open, adequate and up-to-date disclosure practice. Our aim is to provide correct and consistent information regularly and impartially to all market participants. Ramirent's Investor Relations function is responsible for investor communications in cooperation with Corporate Communications. In all of its communications, Ramirent complies with the requirements for listed companies as defined by the Securities Markets Act, the rules of the NASDAQ Helsinki Ltd. and any other applicable regulation concerning prompt and simultaneous disclosure of information.

## INVESTOR RELATIONS ACTIVITIES

All of Ramirent's Investor Relations activities are coordinated by the Investor Relations function. This ensures fair and equal access to company information and to its spokespersons. In addition to financial reports and the investor website, Ramirent's Investor Relations include investor meetings and seminars in which Ramirent's top executives and IR function actively participate.

## SILENT PERIOD

Ramirent observes a silent period of 21 days prior to publication of annual or interim financial results. During the silent period, the company's representatives do not provide comments nor do they meet capital market representatives.

## ANALYSTS

A list of brokers and financial analysts that actively follow Ramirent's development is available in the Investors section on the company's website at www.ramirent.com

## PEER GROUP

Ramirent has an international peer group, against which the Group's financial information and business operations can be compared. The peer group consists of companies, which partly have different product offering and operating markets, and therefore do not alone give an adequate picture of Ramirent's competitors. The following listed companies are included in the peer group: Loxam (FR), Kiloutou (FR) Cramo (FI), Speedy Hire (UK), Lavendon (UK), HSS Hire (UK), United Rentals (US), H&E Equipment Services (US), Ashtead group (US/UK), and Aggreko (US/UK).

## CONTACT INFORMATION

Franciska Janzon, SVP, Marketing, Communications and IR
Tel. +358 20 750 2859, Fax +358 20 750 2850
Email: franciska.janzon@ramirent.com

# INFORMATION FOR SHAREHOLDERS

## ANNUAL GENERAL MEETING

Ramirent Plc's Annual General Meeting will be held on Thursday 17 March 2016 at 10:00 a.m. at Scandic Marina Congress Center, Fennia I meeting room, at the address of Katajanokanlaituri 6, Helsinki, Finland.

A shareholder, who wants to participate in the Annual General Meeting, shall register for the meeting no later than 11 March 2016 by 10:00 a.m. by giving a prior notice of participation to the Company. Such notice can be given either:

a. on the Company's website www.ramirent.com/agm; or

b. by telephone +358 (0)20 770 6880 from Mondays to Fridays between 9:00 a.m. and 4:00 p.m.; or

c. by telefax +358 (0)20 750 2850; or

d. by regular mail to the address Ramirent Plc, P.O. Box 116, FI-01511 Vantaa, Finland. When giving the notice by regular mail the notice should be delivered to the Company before the deadline for registration.

## PAYMENT OF DIVIDENDS

The Board of Directors proposes to the Annual General Meeting that for the financial year 2015 a dividend of EUR 0.40 be paid per share. All shares existing on the dividend record date, 21 March 2016 are entitled to the dividend. The dividend will be paid on 1 April 2016.

## INTERIM REPORTS

**Interim Report**
**January–March 2016**
4 May 2016 at EET 9:00 a.m.

**Interim Report**
**January–June 2016**
4 August 2016 at EET 9:00 a.m.

**Interim Report**
**January–September 2016**
4 November 2016 at EET 9:00 a.m

Before the AGM 2016, Ramirent will publish a separate Sustainability Report on the year 2015.

## QUARTERLY RESULTS BRIEFING AND LIVE WEBCAST

A briefing for financial analysts and media will be held on each day of the result publication at 11.00 a.m. EET in the Helsinki or Stockholm area. The briefing can be followed via live webcast at www.ramirent.com. Recordings of all the webcasts are available at the same address.

## PUBLICATION OF FINANCIAL INFORMATION

Ramirent's financial statements, interim reports, sustainability reports, result presentations and stock exchange releases are published in English and Finnish on the company's website at www.ramirent.com. You can also subscribe to receive our news releases by e-mail on our website. Stay informed also with Ramirent's free apps for smartphones and tablets.

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## CHANGE OF ADDRESS

Ramirent shareholders are kindly requested to make a written notification of changes in address to the bank where they have their book-entry account. Those shareholders who are registered in the shareholders' register at Euroclear Finland Ltd. should send a written notice to:

Euroclear Finland Ltd.
Customer Account Service,
P.O. Box 1110,
FI-00101 Helsinki
Tel. + 358 800 180 500

In the notice, shareholders should mention their name, new address, old address and book-entry account number.

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